

Bombardier Joint Venture With Rostec At Risk

By [The Moscow Times](#)

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A Bombardier Q400 regional airplane.

Canadian aircraft builder Bombardier Aerospace may pull out of its joint venture with state corporation Rostec that was slated to manufacture Q400 regional airplanes in the Ulyanovsk region, news reports said Monday.

Rostec and Bombardier signed an agreement to set up a joint venture for production of 78-seat Q400 airplanes, intended for the rapidly growing domestic market at the MAKS 2013 air show in August.

Bombardier CEO Pierre Beaudoin said last week that because of the situation in Ukraine, the joint venture with Rostec may fall apart, Kommersant reported Monday.

"Today we are talking about postponing [the joint venture]," Beaudoin said. He also said that the company would join the sanctions imposed on Russia, "no matter what they will be."

Rostec was to invest about \$100 million to build a factory in a special economic zone in the Ulyanovsk region. Bombardier was going to contribute technology, design know-how and intellectual property rights.

The plane components were to be assembled locally starting from 2016.

Rostec also signed a pre-order for 50 Q400 planes at a list price of about \$1.6 billion.

Two weeks ago, Deputy Prime Minister Dmitry Rogozin, who is in charge of the defense industry, said he had doubts that Russia could benefit from a joint venture with Bombardier, and that the country needs to produce its own planes.

He also said that work on the Ilyushin 112 airplane, a 44-seat combined transport and passenger airplane, which was frozen in 2011, should be restarted. Independent aviation expert Andrei Kramarenko, however, said he was skeptical that the outdated Il-112 would be better than the new Q400.

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