



RUSSIA SEEKS ACCORD ON NEW WIDE-BODY PLANE WITH CHINA THIS YEAR

News / Manufacturer



Russia plans to work with China to design and produce a new wide-body aircraft to compete with Boeing Co. and Airbus Group SE, aiming to sign a deal by the end of this year, according to a Russian official.

Russia is ready to fund the initial stage of the project, which will focus on the design of a new twin-aisle plane, Deputy Industry Minister Andrey Boginsky said in an interview last week near Moscow. China and Russia may sign an intergovernmental agreement by the end of the year, and the project may later be expanded to include the development of an engine, he said.

Russia is seeking to build ties with China as a counterweight to U.S. and European influence after relations with the western powers soured over the conflict in Ukraine. President Vladimir Putin has few successes to brag about so far as the Chinese slowdown and the plunge in prices for Russia's oil and commodities exports caused trade to slump 29 percent in the first half of 2015 to US\$30.6 billion, threatening his US\$100 billion target for the year.

Russia's United Aircraft Corp. and Commercial Aircraft Corp. of China, known as Comac, are

discussing a work plan and obligations and also seek to sign a final accord this year, according to Boginsky. That will follow a memorandum of understanding signed in May 2014.

The undertaking to design a viable competitor may need as much as US\$20 billion of investment, according to Oleg Panteleyev, head of research at Aviaport.ru.

Global airlines will need as many as 8,830 wide-body planes in the next two decades with demand in China alone reaching 1,500, according to Boeing estimates. The U.S. manufacturer and Airbus have a duopoly on production of twin-aisle jets, unlike the more crowded narrow-body market where competitors have planes at various stages of development.

United Aircraft plans to target market share beyond just Russia and China, according to an e-mailed comment from Sergey Loktionov, a spokesman for the state-controlled company. A media relations officer from Comac declined to comment on the matter.

The countries also plan to sell Russia's Sukhoi Superjet 100 in China and other Asian markets under a framework agreement was to create a leasing company signed in May of this year.

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