



Aerospace sells planes to Russia in \$88m deal

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Waikato company Pacific Aerospace has signed an agreement with a Russian company to build 37 aircraft in an \$88 million groundbreaking deal for New Zealand.



The deal with Moscow-based AeroProject 751, whose directors have likened the qualities of Pacific Aerospace's P750 XSTOL aircraft to the legendary Russian assault rifle, the Kalashnikov, will result in New Zealand-made planes being the first certified light aircraft to operate commercially in Russia's underdeveloped general aviation sector.

Under the agreement, Aeroproject, whose principals are in Hamilton with 12 members of the Russian Government's Interstate Aviation Committee putting the P750 through its certification paces, will take delivery of the 37 planes over the next five years.

Aeroproject spokesman Egor Mityaev said the P750s would find a keen market in the Russian medical, agricultural, mining and skydiving sectors.

The planes would fill a void in Russia's potentially huge general aviation sector as the last of 17,000 Russian-made pre-World War II An2 b-planes disappear from the skies, with just three or four United States-made Cessna Caravans operating non-commercially.

Mityaev said Russia was a vast country with isolated cities and towns, had few good roads, extremes of weather, generally poor infrastructure, and its government was keen to develop a new medical aviation structure.

The P750s, which can carry three stretchers and three medical personnel and are designed to operate on very short and difficult terrain runways in extreme temperatures, would also be sold in Russia for agricultural spraying and insect eradication, firefighting, geophysical surveys for mining and oil and gas exploration, and skydiving.

Aeroproject's chief pilot, Vladimir Zhelezniak, said the P750 was unique.

"It has very good construction, very good technology, is very simple, not a big price and needs minimum service and maintenance - like a Kalashnikov."

Pacific Aerospace has sold 74 P750s since the aircraft's launch in the US market eight years ago.

Pacific Aerospace chief executive Damian Camp said the cost of a P750, depending on what use it was fitted out for, was between US\$1.7m (NZ\$2m) and US\$2m.

He said the potential scale of sales to Russia was "in the hundreds" and the company was now working through the logistics, including staff needed, to meet the new market's demands. Russia would be an even more important market for Pacific Aerospace in the medium term than China. A Chinese company in September bought P750s worth \$37m.

Pacific Aerospace employs 115 people in Hamilton. It laid off 27 staff earlier this year as the global economic downturn hit the light-aircraft market.

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