Boeing, Rostec Agree to Open New Ural Boeing Manufacturing Plant in Russia

DUBAI, United Arab Emirates, Nov. 18, 2013- Boeing [NYSE: BA] and Rostec signed a memorandum of understanding today to expand their joint venture by establishing a second Ural Boeing Manufacturing (UBM) production facility. The UBM facility will make titanium parts in the Urals in the Titanium Valley of Russia.

"Today we mark another important step in further expanding our partnership and our mutually beneficial cooperation", said Boeing Commercial Airplanes President and CEO Ray Conner. “Rostec has been a reliable and valuable partner for Boeing for many years.”

In July 2009, Boeing and VSMPO-AVISMA, Russia’s largest titanium producer, opened a 50/50 equity joint venture, UBM, based in Verkhnyaya Salda, Russia. UBM is a state-of-the-art facility that machines titanium forgings for the world’s most technologically-advanced airplanes, the 787-8 and -9 Dreamliners.

Boeing forecasts that over the next decades it will spend approximately $27 billion on Russian titanium, aerospace design-engineering services and a variety of other services and materials.

VSMPO-AVISMA has been a Boeing partner and supplier of raw material and titanium parts through a series of long-term purchasing agreements dating back to 1997, when Boeing awarded its first contract to the Russian titanium producer.

"This agreement continues to build upon our strategic partnership with Boeing,” said Sergey Chemezov, Rostec CEO. “We are committed to maintaining a strong alliance and working together to increase productivity and create high-quality products for Boeing airplanes.”

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Contact:
Elena Alexandrova
Boeing Russia Communications
Tel. +7 435 797 3400
elena.alexandrova@boeing.com