



ROSTEC

Rostec suggests using automobile leasing scheme to renew Russian helicopter fleet

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Rostec has suggested implementing the Government's idea to replace helicopters older than 25 years in Russia based on the leasing scheme. The measures can be supported by the state program facilitating purchase of new aircraft for air carriers. The suggestion was announced by Director of the Aviation Cluster of the state corporation Anatoly Serdyukov.

The Russian fleet of civilian helicopters numbers about 1,800 helicopters, over 60–70% of which have been operated for 25 years and longer. Most of those helicopters were put into operation as early as at the beginning of the post-soviet period, and a considerable part of the aircraft was purchased by air carriers in early 1990s. According to the aircraft register, the Russian fleet mostly consists of Mi-8 helicopters. Due to the long-standing need to replace a part of the Russian helicopter fleet, Rostec suggests measures that would facilitate purchase of new aircraft for air carriers.

“We are expecting that renewal of the helicopter fleet will be supported by the state program to facilitate purchase of new aircraft for air carriers, similar to the one implemented in the auto industry,” said **Director of the Aviation Cluster of Rostec Anatoly Serdyukov**. “A take-back program can be developed, and a leasing scheme may be used. For instance, an old helicopter will be taken in as the first payment, and an air carrier will receive a new helicopter in return.”

The Rostec Corporation's initiative on replacement of obsolete helicopters is primarily intended to improve flight safety. A life cycle of any aircraft ends over time. Therefore, manufacturers have to suggest new solutions in the market in order to make it easier for companies to purchase new helicopters.

“Our task is also to study the leasing scheme and the mechanism of lease payment compensation for buyers of new helicopters. The initiative should become a really attractive solution that would actually help air carriers to renew the helicopter fleet,” added **Anatoly Serdyukov**.

Rostec Corporation is a Russian corporation that was established in 2007 to facilitate the development, production and export of high-tech industrial products designed for civilian and military applications. The Corporation comprises over 700 organizations that are currently part of eleven holding companies operating in the military-industrial complex and three holding companies working in civilian industry, as well as over 80 directly managed organizations. Rostec's portfolio includes well-known brands such as AVTOVAZ, KAMAZ, Concern Kalashnikov, Russian Helicopters, UralVagonZavod, etc. Rostec companies are located in 60 constituent entities of the Russian Federation and supply products to the markets of more than 100 countries. In 2017 the consolidated revenue of Rostec reached 1 trillion 589 billion rubles, while the consolidated net income and EBITDA amounted to 121



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and 305 billion rubles respectively. In 2017 the average salary in the Corporation was 46,800 rubles. According to Rostec's strategy, the main objective of the Corporation is to ensure that Russia has a technological advantage in highly competitive global markets. Rostec's key objectives include the introduction of a new techno-economic paradigm and digitalization of Russian economy.