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## VSMPO-AVISMA and Airbus expand strategic partnership

LONDON (Metal-Pages) 27-Aug-13. Russian titanium manufacturer VSMPO-AVISMA and European aerospace industry leader Airbus today expanded their 20-year long strategic partnership in development, fabrication and supply of titanium aircraft components.

At the MAKS-2013 International Aviation and Space Salon, held at Zhukovo airfield near Moscow this week, Airbus and VSMPO-AVISMA signed two key agreements, which pave a way for the Russian company to manufacture and supply more complex and machined parts for Airbus aircraft, potentially with a new joint venture to be set up in Russia.

The two companies inked an extension to their existing agreement to 2020 for supply of new stampings for A320 neo and A350-1000 aircraft. The original \$4bn agreement, signed in 2009 and the largest ever between Airbus and VSMPO-AVISMA, covered the supply of flat and round titanium alloy products to Airbus and other divisions of its parent company EADS.

In extending their original agreement, Airbus and VSMPO said they demonstrates their intention to work towards more value added manufacturing of titanium parts in Russia, including machining of components closer to their finished form.

Airbus's senior VP Materials and Parts Procurement Olivier Cauquil and VSMPO-AVISMA president and chief executive Mikhail Voevodin also today signed a memorandum of understanding to expand the two companies strategic partnership in manufacturing, machining and recycling of titanium products.

Under the MoU, VSMPO-AVISMA and Airbus intend to jointly develop new titanium alloys for existing and future Airbus programmes, having already formed a joint working group, staffed by experts from both companies. They also agreed to engage the US-based machining specialist Airgroup Dynamics Inc. to develop machining capabilities at VSMPO-AVISMA to enable it to manufacture higher value added components for Airbus.

The two partners said they will analyse different potential forms of co-operation, including setting up a joint venture in Russia. In addition, they have engaged the qualification of VSMPO-AVISMA for the manufacturing of titanium tubes for aircraft applications to further extend Airbus' product portfolio.

The MoU also covers the study of reclamation and recycling at VSMPO-AVISMA of titanium scrap generated by Airbus plants and subcontractors in the machining and finishing of titanium components. This would create a fully integrated industrial process, from primary metal production to finished components and recycling of scrap.

"The history of Airbus and VSMPO collaboration extends back over 20 years and is characterized by continuous expansion of business relations gradually moving from simple titanium semi-finished products to more complex items," commented Mikhail Voevodin, President and CEO of VSMPO-AVISMA. "This agreement is a new milestone in our cooperation – it is not only support of Airbus production needs, but also joint development of advanced materials, alloys and processes for the current and potential projects of Airbus".

"Airbus is very proud to engage with VSMPO into this new phase, confirming our commitment to support the development of VSMPO not only on the supply of raw material, but also as a high value added products supplier and key R&D partner," said Klaus Richter, executive VP Airbus Procurement and EADS Corporate Sourcing. "This step is significant for Airbus and is also the best recognition of VSMPO's performance and reliability in their 80th year of successful operations."

This year VSMPO, Russia's largest manufacturer of titanium products, marked its eighth decade of operation, while its subsidiary AVISMA, a manufacturer of the raw material, titanium sponge, celebrated its 70th anniversary last month. VSMPO-AVISMA Corporation, jointly owned by its management and the state corporation Rostec, currently supplies titanium forgings for all Airbus programmes, including A320neo, A350 XWB and A380.

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