

US and China continue to fight for Ukrainian defense plant

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Today I would like to touch upon the problems of one of the largest enterprises of the defense industry – the Motor Sich company.

After 2014, Ukraine stopped all forms of military-technical cooperation with Russia. The company stopped deliveries to Russia of aircraft and gas turbine engines for cruise missiles, stopped servicing equipment and lost its main customer.

This led to significant financial difficulties. Therefore, the Motor Sich management was forced to look for new sources of financing.

In 2018, more than half of Motor Sich's shares were sold to a private Chinese company. But the country's leadership accused the President of Motor Sich of trying to move the plant's capacities abroad. The court seized the deal.

However, the capacities of the Ukrainian plant are hardly of interest to China. But technology – yes. As well as a unique scientific base, accumulated over decades of activity in the development of aircraft engines.

The start of joint cooperation with Motor Sich would allow China to obtain technologies for the construction of engines of the fourth or fifth generations. Beijing is currently unsuccessfully trying to create an engine for the J-20 aircraft. Therefore, Russian units are temporarily used.

The economic and technical capabilities of China make it

possible to quickly establish mass production of engines. Which will lead to the inevitable growth of the aviation and helicopter industry.

Currently, this market is completely controlled by the United States. And they obviously do not want to admit their main competitor to it. Therefore, it is likely that the ban on the sale of Motor Sich shares to the Chinese was dictated from Washington. Although, from the economic point of view, Motor Sich is of no interest to the United States.

But Beijing's plans to create a competitor to the American Boeing company are seriously feared in Washington. This would give China not only independence from American aircraft technology, but also an additional stimulus for economic growth.

Currently, the advantage in aircraft construction is used by the United States as one of the political levers.

China is trying to diversify production and avoid dependence in this area.

Americans don't want that. A month ago, a Ukrainian court seized Motor Sich shares for the second time. A criminal case was initiated under the article "high treason". The deal has been postponed again.

It turns out that the Ukrainian company is becoming a victim of political showdowns between China and the United States. Which became hostage to a dispute between two third-party states. Washington issues instructions to Ukrainian courts. If necessary, the deal will be blocked for the third, fourth time ... China files an appeal. And time goes by. The company's assets are in limbo. And all this negatively affects the country's economy.

Even if the deal with the sale of shares can be settled, the Ukrainian company will not receive any benefits. The proceeds will probably go straight away to pay off loans accumulated

over the period of downtime.

Autorship: Timoschuk

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