

US take away Ukrainian aircraft factory from China

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Washington has been putting pressure on Kyiv during the last months. President Trump threatens to freeze military aid. Result – Ukraine is ready to ban the sale of „Motor Sich” aircraft engine company to China.

With this step, Ukraine will significantly complicate relations with its largest trading partner, China.

Now the essence of the situation. In March, the anti monopoly committee of Ukraine announced that „Motor Sich” could not be sold to a Chinese company „Beijing Skyrizon Aviation”. This news was immediately reported by the American edition of BuzzFeed News. The publication indicated that this decision was made by President Zelensky taking into account possible violations of the law by the Chinese side and related problems.

„Motor Sich” company is one of the largest manufacturers of aircraft engines. Most of the products were delivered to Russian aircraft factories. After 2014, deliveries to Russia ceased. In this regard, the company experienced tremendous financial difficulties. The Chinese took advantage of this and entered into a contract with the company on favorable terms.

Initially, cooperation was carried out only in the supply of engines for non-combat aircraft, such as the training L-15.

But Beijing is interested in much more. The fact is that Chinese engineers cannot develop an engine with a long interservice interval. And the Ukrainian side has access to Soviet technologies. China is interested in AI-222 engines for the Yak-130 combat trainer and for the Mi-26 helicopter.

In May 2017, „Motor Sich”, together with the Chinese company „Beijing Skyrizon Aviation” Industry Investment Co, planned a joint construction of a plant in Chongqing, China. The parties also agreed to sell a controlling stake in „Motor Sich”. At the same time, the Chinese company promised Ukrainian financing in the amount of \$ 250 million.

However, the transaction could not be completed. In 2018, the Security Service of Ukraine opened a criminal case on the export of part of the Ukrainian equipment to China. The shares of the enterprise and the register of shareholders were seized and the transaction was not completed.

In the summer of 2019, the United States intervened in the process. Pentagon officials are seriously afraid of competition from China.

For this reason, Washington stopped the \$ 391 million military assistance program for Ukraine and suspended the issuance of weapons and ammunition licenses, for which Ukraine paid \$ 30 million.

In August, the SSU launched an investigation in connection with a suspicion of illegal deliveries of products to Russia. The case was opened immediately after a John Bolton’s visit to Kyiv (at that time he was an adviser to the US president on national security). This entailed a final break in the deal with the Chinese.

State Department officials found the „proper” buyer – a little-known company „Oriole Capital Group”.

Chinese Ambassador to Kyiv Dai Wei at a press conference accused Americans of unfriendly behavior. Such speech of the diplomat should be interpreted unambiguously: for Kyiv it is better not to quarrel with Beijing, otherwise Ukraine will lose generous investments.

The current situation has two solutions: diplomatic and

forceful. In the first option, Kyiv must pay compensation. We are talking about the amount from 500 million to two billion dollars.

Ukraine is not able to pay such money from its budget. In this situation, all hope is for „Oriole Capital Group”.

But the White House decided otherwise. The Trump administration prefers to act by force. If the Chinese company does not refuse the deal, the Americans will impose sanctions on „Motor Sich” and block the company’s foreign accounts.

Given the lack of orders from the Ukrainian Armed Forces, sanctions will block financial flows for the company.

This situation is nothing more than international raiding. At the same time, everyone knows that anger is taken out on the weakest. And now it is Ukraine.

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