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Support for Ukraine: Rheinmetall AG and Ukrainian Defense Industry JSC establish joint venture in Kyiv

The tech enterprise Rheinmetall and Ukraine's state-owned Ukrainian Defense Industry JSC (UDI, the former Ukroboronprom) have set up a joint venture company in Kyiv. Denys Shmyhal, Ukraine's Prime Minister, made the announcement on the occasion of the German-Ukrainian Business Forum in Berlin, which was also attended by the German Chancellor Olaf Scholz. Rheinmetall Ukrainian Defense Industry LLC has already been operating since 18 October 2023. It is jointly owned by Rheinmetall Landsysteme GmbH, with a 51% stake, and UDI, which holds the remaining 49%.

Strategic cooperation in the defence realm between the two organizations began back in May 2023. On 28 September 2023 Germany's Federal Cartel Office gave the new joint venture the green light, followed by approval from the relevant agencies in Poland and Ukraine in early October. A few days later Rheinmetall Ukrainian Defense Industry was officially registered and commenced operations.

The joint venture will be active in the fields of service and maintenance as well as assembly, production and development of military vehicles, and will initially operate solely on Ukrainian sovereign territory. "In Germany there are no competition overlaps and no indications of competition-related concerns", stated the Federal Cartel Office in a press release dated 28 September 2023.

First announced in May 2023, cooperation between Rheinmetall and the Ukrainian defence sector is intended to strengthen Ukraine's domestic defence industry and, ultimately, its national security. The plan calls for creating joint defence industry capabilities in Ukraine.

Ukraine stands to benefit from this cooperation in multiple ways, including the creation and expansion of defence technology capacities in-country, additional local added value as well as the swift delivery of military equipment from Germany.

Service and maintenance of military vehicles supplied to Ukraine either directly or via the German government's "Ringtausch" multilateral equipment exchange projects form the first step in cooperation between Rheinmetall and UDI. The cooperation will soon extend to the joint production in Ukraine of selected Rheinmetall products.

About Rheinmetall: Headquartered in Düsseldorf, Rheinmetall AG is a technology enterprise with some 28,000 employees at 132 locations worldwide. In 2022 the Group had sales of €6.4 billion. One of the world's foremost defence contractors, Rheinmetall is also a driver of forward-looking technological and industrial

► Key facts

- ▷ Rheinmetall and Ukrainian Defense Industry (UDI) establish joint venture in Kyiv
- ▷ Rheinmetall owns a 51% stake in the company, with the remaining 49% held by UDI
- ▷ Maintenance of military vehicles forms the first step in cooperation between the two groups
- ▷ Cooperation will soon extend to the joint production in Ukraine of selected Rheinmetall products

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innovation in the civil sector. A strong orientation to sustainability is an integral component of Rheinmetall corporate strategy.

About Ukrainian Defense Industry JSC (the former Ukroboronprom): A state-owned enterprise, Ukrainian Defense Industry JSC has 67,000 employees engaged, among other things, in the production and maintenance of armoured vehicles, missiles, artillery, radar and aircraft. Since the first days of the Russian invasion, the company has been tirelessly supporting the nation's war effort.