

# The eBearing News

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## SKF and GE in Jet Engine Bearing Joint Venture

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SKF AB (Sweden; Stockholm: SKFA) and GE Aviation (USA, a division of General Electric) announced a joint venture to manufacture and service jet engine bearings.

Named Venture Aerobearings LLC and located in North Charleston, South Carolina, the business is 51% owned by SKF and 49% by GE. It will be dedicated to manufacturing and servicing jet engine bearings strictly for GE Aviation.

The companies chose North Charleston's Palmetto Commerce Park for the 127,000 square foot, USD \$10 million leased facility. Surrounding real estate is sufficient to allow almost doubling the floorspace if needed.

SKF has two nearby facilities: SKF Aero Bearing Service in Pepperdam Industrial Park -- built in mid-2000, and MRC's Specialty Bearings Manufacturing Operations -- moved next door to Aero Bearing from Jamestown, New York in 2006.

SKF will invest approximately USD \$28 million in North Charleston. When it is fully online in 2009, the manufacturing and service center will employ approximately 100 highly skilled workers. Eric Hinton has been appointed President of Venture Aerobearings.

The facility is expected to be complete and partially operational by mid-2008.

Bearings manufactured and serviced in North Charleston are destined for GE's North American jet engine facilities in Durham, Albuquerque, and Boston.


GE spokeswoman, Deb Case, noted the company is seeing strong demand for energy-efficient jet engines and engine service. Sales of GE's energy-efficient jet engines have been growing rapidly since their introduction in 2005.

With capacity and materials availability constraints worsening, aircraft bearings have become among the most difficult to source -- backlogs running two years and more are common.

Partnering with SKF for a dedicated bearing supply line, GE's move to lock in a key supplier has been widely viewed as an example likely to be followed by others. More deals between bearing manufacturers and jet engine service centers worldwide are expected.

Ms. Case noted the deal is key for GE because, "that way, we make sure we can keep the parts flow going and ensure that we have the quality of the parts we need."

Eric Hinton, President of Venture Aerobearings, said: "The joint venture combines the considerable experience in engineering and manufacturing of both companies."

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