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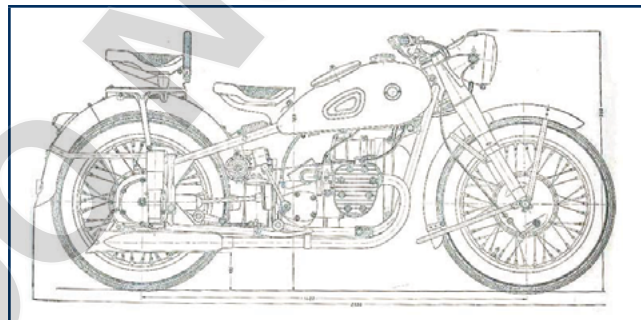
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## Irbit Motorcycle Factory

### Scenario

In 1939, with war against Germany impending, production of a three-wheeled motorcycle for the Soviet military began in a small factory in Moscow. (See **Figure 1**) Its design was copied almost directly from the five German BMW motorcycles that had been smuggled into the U.S.S.R. through Sweden. (Although an alternative history suggests a technology transfer agreement between Hitler and Stalin.) The M-72, as it was known, was powered by a 746 cc boxer twin, the original and now famous layout developed by Max Friz in 1912, and adapted for use in both Volkswagen and Porsche vehicles, and, ironically, in Harley-Davidson war-time vehicles. In 1941, the Soviet government moved the factory to a small trading town East of the Ural mountains called Irbit, out of bombing range and into reach of the vast resources of the area. By the end of the war, more than 5,000 Urals, as they became known to the military, had been produced.

**Figure 1**  
**Early Design of Irbit Factory Motorcycle**



Following the war, the popularity of the three-wheeled Ural motorcycle grew, and in the early 1960s, Irbit Motorcycle Factory was converted to civilian production. (Another factory was built in Kiev to take over military needs, the product of which became known as the Dniepr.) Since then, significant improvements have been made to various components of the Ural, including the engine, drivetrain, and frame. Its basic

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design, however, and especially its spirit, have changed little since the late 1930s. (See **Figure 2**) At last count, more than 3.2 million Urals had been sold.

**Figure 2**  
**Irbit Ural Motorcycle of Today**



In November 1992, following the dissolution of the U.S.S.R, the Irbit Motorcycle Factory was transformed into an open-end joint stock company. The company's legal name became Uralmoto Joint Stock Company, a privatised entity which was owned 40% by management and employees through grants, 38% by holders of privatisation vouchers (mostly management and employees), and 22% by the Russian government. The value of the company's shares escalated quickly at the privatisation auctions. About 40% of the equipment at the Irbit Motorcycle Factory, however, was out-dated, and many of the operations continue to be performed manually. (See **Figure 3**) In fact, much of the equipment was 'leased' to Russia by the United States during the war for military production, and remained at the factory after the allied victory.

**Figure 3**  
**Irbit Motorcycle Factory**



Following the dissolution of the U.S.S.R., domestic demand for Ural motorcycles increased dramatically, as consumers began to express their new found freedom. Shortly thereafter, however, demand dropped significantly. Ural motorcycles were too expensive for most Russians. Those who could afford a motorcycle were more attracted to the foreign vehicles which started to appear in the marketplace - especially those from Japan, Italy, and France.

**Notes**

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