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Mistral Construction In Russia, But Not by Pugachyov

By Derek Andersen

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A new shipyard will be constructed on Kotlin Island, 32 kilometers off St. Petersburg in the Baltic Sea, in order to build two Mistral helicopter carriers after 2014, a military source told RIA-Novosti.

The ships were originally expected to be built by the Baltiisky Zavod shipyard, owned by one-time politician and beleaguered financier Sergei Pugachyov's United Industrial Corporation, RIA-Novosti reported last month. The new site will be part of Admiralty Shipyards, however.

The deal, in which two of the ships will be built in France and two in Russia under license, marks the first major purchase of foreign military technology by Russia in its modern history. The French ship was declared the winner of a tender in December after discussions that began at the end of 2009.

A consortium will be formed between the state company United Shipbuilding Corporation and

French DCNS. The first two Mistral-class ships will be built at the STX shipyard in Saint-Nazaire, France, before the new Russian shipyard begins work on the next two.

The first of the ships to be built in France is estimated to cost $936 million. The second one will cost about $845 million. The cost difference, RIA-Novosti reports, is due to a larger amount of Russian-made parts expected to be used. The first ship will use 20 percent Russian parts, while 40 percent of the second ship will be made in Russia.

The Mistral has the capacity to carry 16 helicopters, four landing vessels, 70 armored vehicles — including 13 tanks — and 450 troops. The new ships will provide a much needed boost to the country's decaying Navy fleet.

Pugachyov has experienced a precipitous decline in fortune in recent weeks. His International Industrial Bank was closed by the Central Bank at the beginning of October because of a liquidity crisis. He was fired as senator from Tuva earlier this month.

The construction of a new shipyard would have been necessary under any circumstances.

"Russia's shipyards are so outdated that it would be senseless even to renovate them," said Konstantin Makiyenko, deputy director of the Center for Analysis of Strategies and Technologies.

Makiyenko said 450 hectares are required for a modern shipyard. The current Admiralty facilities are located on 60 hectares in the center of St. Petersburg.

After the construction of two of the ships, the new shipyard will be used to build both military and commercial craft.

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