

Putin Promises Railcar Maker \$2.2Bln

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Putin sitting at the controls of a tank designed by Uralvagonzavod at a weapons exhibition Friday in Nizhny Tagil. **Alexsey Druginyn**

A fan of military hardware, Prime Minister Vladimir Putin climbed inside a battle tank at a weapons exhibition in Nizhny Tagil on Friday, before promising 64 billion rubles (\$2.2 billion) to state-owned Uralvagonzavod — the country's largest producer of railcars and armored vehicles.

The promised investment is up from the 55 billion rubles that Putin mentioned in June.

The government is earmarking the funds as it plans to sell a stake in the company over the next few years.

Uralvagonzavod wants to upgrade its technology and boost capacity in order to compete with other domestic producers of railway hardware, many of which have foreign partners.

Its chief Oleg Siyenko said recently that the money would pay for construction of a new

production unit, and that the company would invest \$600 million of its own money alongside the government's. Construction will start next year, he said.

It was not immediately clear Friday whether the investment was exclusively for railcar production or would also affect battle tanks.

At the exhibition, Putin stopped by the latest Russian tank, a T-90C, and listened for a while as an Uralvagonzavod executive lauded the weapon. Putin then took off his suit jacket and — wearing a white shirt and a necktie — slipped inside the vehicle through an open hatch.

The Cabinet press service said he took the commander's seat and "tried the controls."

Putin also watched through binoculars as a tank support vehicle, code-named Terminator, fired away at multiple targets on the range. Uralvagonzavod designed the vehicle based on combat lessons that the armed forces learned during the war in Chechnya.

Putin also opened a new line at Uralvagonzavod to produce train trucks — the set of wheels and their suspension frame underneath a rail car. The company purchased equipment for the new line from Czech engineering company Alta, its longtime partner in modernization. The Czech Export Bank has been a major source of funding for Uralvagonzavod.

The Economic Development Ministry proposes that the government sell a stake in Uralvagonzavod, equal to 25 percent minus one share, in 2013 or 2014, a ministry official said Friday. The sale would be part of the broader privatization program ordered by President Dmitry Medvedev.

Uralvagonzavod earned a profit of 6.2 billion rubles last year, according to Russian accounting standards. It said it has enough contracts to work at full capacity for three years.

Putin said another partner company in building the truck line was from Germany, but he did not identify it by name. The line's capacity is 45,000 trucks per year, and Putin ordered the government to develop new technical requirements for this type of product in order to eliminate cheaper, low-quality competition.

Uralvagonzavod has also been expanding abroad. It has built up a 75 percent stake in French railway equipment maker Sambre et Meuse since last year.

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