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Putin Keeps Election Promise to Nizhny Tagil

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Uralvagonzavod employees marching in Victory Day celebrations in downtown Nizhny Tagil on Wednesday.

Following through on his election promise, President Vladimir Putin visited Uralvagonzavod on Thursday, having announced a bundle of state orders worth up to 25 billion rubles ($833 million) for the Siberian manufacturer of battle tanks and railway cars.

During the first trip after his inauguration, Putin showed appreciation to the plant workers, who had promised to disperse opposition rallies late last year.

Uralvagonzavod — located in Nizhny Tagil, about 1,800 kilometers northeast of Moscow — signed two contracts with the Defense Ministry, in what is expected to keep the plant working at full capacity for the next three years, Putin said ahead of a meeting on the development of the defense industry.

The president said the state-owned plant will get a total of 19 billion rubles for modernizing 360 armored vehicles for the ministry, with the whole sum to be provided up front, according to a transcript on the Kremlin website.

In another defense contract signed two days ago, Uralvagonzavod will get roughly 6 billion rubles over the next three years, with 1 billion rubles of that sum coming this year, Putin said, without specifying the terms.

He added that the plant would also get 1 billion rubles as part of an order to produce civilian railway cars.

Putin chose Uralvagonzavod as the destination for his first official trip after being sworn in as president for the third time earlier this week.

He hosted plant worker Igor Kholmanskikh on the presidential plane for the flight from Moscow to the regional capital of Yekaterinburg. It was Kholmanskikh who said at Putin's televised call-in show in December that he "and other guys" are ready to come to Moscow to help the police crack down on opposition protests.

Kholmanskikh and other plant workers founded a committee last year to support Putin ahead of the presidential election. In his televised speech on the night after the election Putin promised to visit the plant.

Since Putin appreciated the affirmation of loyalty, he might try to secure additional export orders for the plant, as well as push for providing additional budget spending on its modernization, said Ruslan Pukhov, director of the Center for Analysis of Strategies and Technologies.

A total of 67 billion rubles of budget funds will be set aside to modernize Uralvagonzavod — Russia's only manufacturer of battle tanks — by 2020, Putin said.

The company will match about 40 percent of this amount out of its revenues to bring the overall value of investment to 100 billion rubles, he said.

During the meeting about the defense industry, Putin called for extensive modernization of the country's defense complex, which, he said, needs "a technological breakthrough" to launch serial manufacturing of state-of the-art weaponry.

He added that the government would allocate substantial funds to upgrade defense facilities and carry out research and development works.

The government plans to spend more than 20 trillion rubles by 2020 to upgrade the defense industry and provide modern weapons to the armed forces.

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