

\$600BIn Army Reform Could Be Delayed, Report Says

By The Moscow Times

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The re-equipment project envisages spending 19 trillion rubles on developing, purchasing and modernizing the army's equipment.

Authorities could delay plans to re-equip the armed forces at a cost of more than 20 trillion rubles (\$617 billion) due to budgetary constraints, media reports said Monday.

Two unidentified government sources told the Vedomosti business daily that officials were considering pushing back the start date for the comprehensive re-equipment program from 2013 to 2016. This would mean that the program would end in 2023, not 2020 as originally planned.

A source in the Economic Development Ministry later confirmed that delaying rearmament programs was being discussed but said officials had not yet taken a decision.

"It's a matter of doing the calculations. We have to take into account whether we can cope

with such expenditures or not," the source told Vedomosti.

Former Finance Minister Alexei Kudrin earlier raised doubts that the defense industry would be able to cope with the colossal number of orders the plans entail.

But potential delays are unlikely to affect Russia's strategic nuclear forces, a Defense Ministry official said, adding that officials will likely delay re-equipment programs that are not attainable within the next three years.

Former President Dmitry Medvedev signed off on the plans to update army equipment in December 2010. The project envisages spending 19 trillion rubles on developing, purchasing and modernizing the army's equipment, with a further 3 trillion rubles to be spent on refitting the defense industry.

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