The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Rogozin Says Defense Ministry Won't Be Stripped of Pricing Function

By Alexander Bratersky

May 21, 2013



Defense Minister Sergei Shoigu **Igor Tabakov**

Deputy Prime Minister Dmitry Rogozin said Wednesday that the Defense Ministry would bear responsibility for the pricing of military equipment, despite Defense Minister Sergei Shoigu's earlier plans to get rid of the function.

The question of prices remains among the key ones for the military, since many defense companies in Russia are state-run monopolies that face no competition.

"According to the law, the government bears full responsibility for price determination," Rogozin told reporters at a meeting with State Duma deputies.

Defense Minister Sergei Shoigu said earlier that he wanted the Defense Ministry to be stripped of financial functions and to focus on military ones.

Shoigu, who also spoke to deputies Wednesday in a separate closed session, indicated that his

ministry would impose tough control over products purchased from defense companies.

Deputy Defense Minister Yuri Borisov said earlier that many defense products the army got were of poor quality.

"The army's business is to get high-quality equipment, the rest should be done by the industry," United Russia Deputy Nikolai Kovalyov said in remarks published by on the party's website.

Shoigu, who discussed military spending until 2015 with State Duma deputies, is ranked the most popular minister of Dmitry Medvedev's Cabinet, according to polls conducted by leading Russian media outlets.

Although specific figures for military spending remain classified, the country's defense budget amounts to 2.3 trillion rubles ($74 billion) for 2013, a 25 percent increase from last year.

Yaroslav Nilov, a State Duma deputy representing the nationalist LDPR, said the deputies were impressed by Shoigu's understanding of military issues.

"We saw a tough and clear approach. I have a feeling that he has a profound understanding of all the issues," Nilov said about Shoigu, who became defense minister last November after a long stint as the head of the Emergency Ministry.

Another Duma deputy, Sergei Ivanov, was more reserved in his remarks.

"It is such a short time to have real results produced," he said, referring to Shoigu's speech.

Shoigu replaced the unpopular Defense Minister Anatoly Serdyukov, who stepped down from his post after the Investigative Committee opened an embezzlement case against his subordinates.

With the armed forces expected to get 20 trillion rubles for the period until 2020, defense spending remains a priority for President Vladimir Putin. Kommersant reported last week that Putin met with Shoigu on a daily basis to discuss various issues.

Meanwhile, Finance Minister Anton Siluanov told reporters Wednesday that his ministry was in talks with the Defense Ministry on postponing some of the spending under the 20 trillion ruble program for two to four years.

Military experts say that Putin is putting pressure on both Shoigu and Rogozin to impose stricter control not only on the defense sector, but also on related industries.

Rogozin said Wednesday that Putin had ordered him to supervise not only military shipbuilding but also the construction of civilian ships, ITAR-TASS reported.

On Tuesday, Putin appointed Vladimir Shmakov, former first deputy CEO of tank producer Uralvagonzavod, as head of United Shipbuilding Corporation.

Contact the author at a.bratersky@imedia.ru

Original url:
https://www.themoscowtimes.com/2013/05/21/rogozin-says-defense-ministry-wont-be-stripped-of-pricing-function-a24270