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Moscow Asks Tehran to Drop S-300 Lawsuit

By The Moscow Times

May 31, 2013

Moscow is trying to persuade Tehran to withdraw its lawsuit against Russia's state-run arms export company Rosoboronexport over a canceled deal to supply S-300 air defense systems to Iran, Rostech CEO Sergei Chemezov said.

Iran's Defense Ministry and The Aerospace Industries Organization have launched a $4 billion lawsuit against Rosoboronexport in an international arbitration court in Geneva in April 2011.

"The lawsuit is being considered by an arbitration court in Geneva and, unfortunately, our chances of winning the case are very slim," Chemezov told RIA-Novosti at the opening ceremony of a Russian grenade-launcher assembly facility in Jordan on Thursday.

"We are trying to agree an amicable settlement with Iran, but no progress has been made so far," he said.

According to Iranian officials, Tehran will withdraw its lawsuit only if Russia fulfills the original contract.

The $800 million contract to supply Iran with the missile system was signed at the end of 2007. Moscow was to supply five S-300PMU-1 battalions to Tehran.

However, on September 22, 2010, Russian President Dmitry Medvedev signed a decree canceling the contract in line with UN Security Council Resolution 1929, which bans supply to Iran of conventional weapons including missiles and missile systems, tanks, attack helicopters, warplanes and ships.

Tehran has insisted that the S-300 surface-to-air missile systems do not fall under the UN sanctions as they are considered defensive weapons.

Chemezov criticized on Thursday the U.S. for the lack of support in the case.

He said Washington applied heavy pressure on Moscow to stop the deal but later changed its rhetoric saying the UN resolution did not mention specifically the S-300, known in the West as SA-10 Grumble, and Russia acted on its own.

"The Americans now agree that it is a defensive system and Russia alone should be responsible for the breach of the contract," Chemezov said.

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