

Defense Budget Cut by \$203M

By [The Moscow Times](#)

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The 2013 military budget will be reduced by 6.5 billion rubles (\$203 million), according to amendments passed by the Federation Council, and the funds will be used in a future year to upgrade existing military ships, the head of the parliamentary defense committee said Tuesday, Interfax reported.

Federation Council Senator Viktor Ozerov said the budget passed by senators last week made the cuts from the over 2 trillion rubles allocated for defense.

The decrease is only for this year and eliminates items connected with providing security to the country's maritime activity and anti-piracy measures, Ozerov said.

The cutbacks were part of a compromise between the Defense and Finance ministries over military funding, as Finance Minister Anton Siluanov had early asked defense officials to postpone part of their expenditures for four years.

The Finance Ministry said earlier that defense spending so far this year was up 25 percent over

last year.

Defense analyst Igor Korotchenko said this was a continuation of “Kudrin's policy,” referring to former Finance Minister Alexei Kudrin, who publicly clashed with defense officials over spending.

He said the decrease of defense spending might continue further if the economic situation demanded.

Some experts said an ambitious defense spending program, expected to reach 20 trillion rubles by 2020, might create a problems for the country's economy.

“The defense sector can become a funnel which can gradually absorb all of the Russian industry,” Alexander Karavayev, deputy director of Moscow State University’s information and analytical center said in a Nezavisimaya Gazeta article in January.

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