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New Sanctions Would Deal Death-Blow to Russia's Ammunition Industry

By The Moscow Times

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Russian servicemen march during the Victory Day parade on Moscow's Red Square.

Any additional sanctions targeting Russia's arms industry could have a cascade effect that destabilizes Russia's ammunition production industry, which is critically dependent on foreign markets, Kommersant reported Wednesday.

"Let us not talk about how we are okay, how everything is going well. This is not so," the paper quoted Trade and Industry Minister Alexander Potapov as saying at a meeting on the state of the ammunition industry.

The Russian military and security services have large stockpiles of ammunition, and since 1990 the volume of state ammunition orders have fallen 20-fold. Russian ammunition producers export 70 percent of their production volume abroad, leaving the industry vulnerable to Western sanctions on Russia over Moscow's involvement in Ukraine.

So far, the U.S. has not blacklisted Russian ammunition manufacturers, but it did move last month against Kalashnikov Concern, which similarly exports most of its products — including its famous AK47 rifle — to overseas markets. In a coordinated move, the European Union also slapped an arms embargo on Russia, preventing it from exporting weapons and related goods to Europe.

Seventy percent of Kalashnikov's weapons and 80 percent of Russia's overall ammunition exports go to U.S. gun owners, Kommersant said, citing a report from the Industry and Trade Ministry.

"The [arms] industry has become almost completely dependent on the situation on the world market for these products, and the arms market is subject to politicized regulation and the interests of national production of analogous products," Kommersant quoted the report as saying.

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