

Sanctions Won't Hinder Russian Arms Exports, Says Rostec Chief

By [The Moscow Times](#)

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State-owned Rostec said Friday new European Union sanctions would have little impact on the Russian conglomerate's arms exports or on its chief executive, an ally of President Vladimir Putin.

Rostec owns companies including Kalashnikov, the maker of the Ak-47 assault rifle used in conflicts around the world.

It issued a statement accusing the EU of escalating the crisis in eastern Ukraine after a ceasefire went into effect but suggested European companies would suffer most from the loss of trade with the weapons, cars and metals conglomerate.

Echoing Putin's view that the sanctions could help boost domestic producers, it added: "The sanctions will encourage the expansion of the program of import substitution and speed up the development and introduction of new domestic technologies."

The sanctions freeze any assets Chief Executive Officer Sergei Chemezov holds in the EU and imposes a visa ban on him in EU states, but Rostec said he had no money or property in the 28-nation bloc.

"In this regard, the EU sanctions will not have a considerable influence on him," the statement said.

Chemezov had already had similar sanctions imposed on him by the United States.

Rostec, which has stakes in some of Russia's largest industries and partnerships with foreign companies, was created in 2007 by Putin from assets of arms exporter Rosoboronexport to boost the non-resources sectors of Russia's economy.

Sergei Goreslavsky, the deputy head of Rosoboronexport, had earlier been quoted by TASS news agency as saying the sanctions would have little impact on arms exports.

The Association of European Businesses in Russia said it opposed the additional sanctions.

It urged the EU, the United States, Ukraine and Russia to end the conflict in Ukraine, "leaving business aside from politics and finding a common, mutually acceptable solution in the spirit of peace and conciliation."

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