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Russian Government Pledges $13 Billion to Back Defense Industry Loans

By The Moscow Times

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Prime Minister Dmitry Medvedev has signed an order giving government backing to loans taken by defense contractors to fulfill government orders from the massive $700 billion rearmament program through 2020.

The decree backstops 4 billion rubles ($100 million) in loans taken out by the Center for the Operation of Ground-Based Space Infrastructure, the MiG Aircraft Corporation, and the Kaluga Scientific Radio Research Institute, according to a document published on the government's website Wednesday.

The order says the support is meant to encourage the implementation of Russia's massive $700 billion rearmament program through 2020, which has focused on modernizing the country's aging defense industry and giving the military new hardware.

The overall budget allocated to backing loans taken out by defense contractors in 2014

amounts to 497 billion rubles ($13 billion), according to the document.

Last week President Vladimir Putin announced that the government is drawing up a new state defense program for 2016 to 2025, but so far few details concerning the substance and funding allocated to the program have been released.

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