

# Russian Shipbuilders Told No More State Money for Foreign Equipment

By [The Moscow Times](#)

March 25, 2015



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Deputy Prime Minister Dmitry Rogozin on Wednesday warned Russian shipbuilders that they will not be receiving any more state funds to buy foreign equipment, Russian news agencies reported.

"The bottom line is that there will be no more money [used] for foreign contracts," Rogozin warned shipbuilding industry leaders at a meeting of the government's maritime coordinating body on Wednesday, news agency RIA Novosti reported.

"We do not forbid shipbuilders from working with foreign partners, in fact we encourage it. Learn what you do not know, but produce it in Russia. Do not import [completed products], learn how to produce them," news agency TASS quoted him as saying.

Russia under the directive of President Vladimir Putin is pursuing a slow, strenuous policy of import substitution. Rogozin said that the target for import substitution is 5 percent of an assortment of components including advanced electronics, engine turbines and production equipment.

Down the line, Rogozin said the industry should be prepared to move on to 10, 15 and 20 percent substitution.

"There will be no more of this fornication with bringing billions of dollars to people who will later sanction us," RIA quoted Rogozin as saying.

Russia's heightened efforts to localize production were largely motivated by Ukraine's decision last summer to end defense industry trade and cooperation in response to Russia's annexation of Crimea and subsequent support for pro-Russian rebels in eastern Ukraine.

Among the most important naval components produced by Ukraine for Russia in the past were the gas turbines that drive propellers on Russian ships. With the imposition of a Western arms embargo a few months later, Russia also lost access to advanced electronics for its ships.

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