

Brazilian Partnership in the Midst for Russia's Rostec

By The Moscow Times

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The BRICS leaders at the 6th BRICS summit in July, 2014.

SAO PAULO — Russian state company Rostec could use equipment from Brazilian defense contractor Mectron in the YAK-130 jet trainer, a senior executive said, as Russia turns to Latin America to offset sanctions imposed by the West over the crisis in Ukraine.

The statement by Sergei Goreslavsky, deputy head of Rostec unit Rosoboronexport, is the first confirmation of negotiations on a possible deal that could see Moscow buy equipment from Mectron if Brazil buys Russia's Pantsir-S1 air defense system.

Responding to written questions, Goreslavsky added he hoped the Pantsir deal, worth an estimated \$1 billion, would be signed this year.

The surface-to-air missile batteries would bolster Brazil's defenses ahead of the 2016 Olympic Games in Rio de Janeiro and cement a strategic defense partnership with Russia, in defiance of Western sanctions.

"The sanctions against Russia have led us down new paths and opened new opportunities," Goreslavsky said. "We consider Brazil one of the countries with the best perspectives."

He added the sanctions had not hurt Russian arms exports, which totaled \$14 billion in 2014, second only to the United States.

Rostec has stepped up its presence in Latin America in recent years, selling Lada cars in Venezuela, working on a deal to make Kamaz trucks in Argentina and delivering Mi-171 helicopters to Peru and Brazil.

The Russians are also in talks with Odebrecht Defense and Technology — the industrial group that controls Mectron — on a joint venture to maintain or even produce helicopters from the Mi family in Brazil, according to Goreslavsky.

He suggested there could be progress on the deal at the LAAD defense fair in Rio next week.

"For now it's a memorandum of cooperation on technology," he said. "Perhaps it could lead to an assembly line with machines produced in Brazil and, afterwards, you could expand production and transfer certain technologies."

He added there was "some hope for a more concrete response during LAAD from officials from Brasilia regarding our offer of joint production."

A press representative for Odebrecht had no comment on supplying equipment for the YAK-130. News reports in the past have suggested that Mectron could supply its Scipio-01 radar for the Russian jet.

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