

Russian Arms Sales Up Despite Sanctions

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Russia sold \$13.2 billion worth of weapons in 2014, about \$22 million more than the year before, despite Western sanctions against Moscow for its meddling in eastern Ukraine, according to figures cited by head of the arms export service.

Major deals included the sale of S-400 surface-to-air missiles to China, the head of Rosoboronexport arms exporter, Anatoly Isaikin, said in an interview with Kommersant daily published Monday.

Isaikin declined to provide details, but confirmed "China has really become the first customer of the Russian system of anti-aircraft defense system," according to the report.

Other important customers for Russian weapons include India, Iraq and Vietnam, Isaikin was quoted as saying.

"Sanctions are a hurdle that have slowed down the pace of our work somewhat, but they are not at all a reason to moan and lament," he said, according to Kommersant.

Maintaining the current volume of exports over the next few years would allow Russia to remain the world's second-largest arms seller, after the U.S., Isaikin said, adding that sanctions against Moscow meant that the past year was "not easy," Kommersant reported.

Imports going through Rosoboronexport totaled about \$150 million last year, up from around \$100 million in the preceding years, but was likely to drop to \$105 million in 2015, Isaikin was quoted as saying.

"The explanation for this is easy to find — sanctions, a shift to domestic parts," Kommersant quoted Isaikin as saying.

"But abandoning import altogether is something that we are not just unwilling to do, but are unable to do, because it is linked to fulfilling export contracts," he said.

Russia still hopes to work out a compromise with France on receiving two Mistral-class helicopter carriers under a 1.2 billion euro (\$1.27 billion) contract — deliveries that Paris has held back in response to Moscow's annexation of Crimea and meddling in eastern Ukraine — Isaikin was quoted as saying.

He did not specify what the compromise might entail.

Moscow expects a final decision by May, Isaikin had told RIA Novosti last month.

The loss of defense cooperation with Ukraine — whose government accuses Moscow of arming, training and supporting pro-Russian separatists in the east — has also dealt a blow to both countries' defense industries, Isaikin told Kommersant.

But he insisted that Moscow had "more opportunities" than Kiev to find replacements for parts that had previously been imported from the neighboring nation and to "restore the broken chain," though the process would take between several months and several years, he was quoted as saying.

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