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Import Substitution to Cost Russia $50 Billion

By The Moscow Times

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Manturov added that the government would prioritize projects in pharmaceutical manufacturing for cancer, HIV, and tuberculosis treatment drugs.

Russia's import substitution program will cost at least 2.5 trillion rubles ($50 billion), news agency RIA Novosti reported Wednesday, citing Industry and Trade Minister Denis Manturov.

The government does not plan on funding the program entirely, however, and hopes to work with companies to help both fund and develop import substitution projects.

"The state should also attract companies, stimulating demand for import substitution domestic products through regulatory measures and government procurement," RIA Novosti quoted Manturov as saying.

Russia's government first discussed import substitution plans last year amid worsening ties with the West over the Ukraine crisis and a steep rise in the price of foreign goods as the ruble

sank against international currencies.

According to Manturov, approved import substitution programs will be funded through government agencies responsible for the relevant industries and the Industry Development Fund, established last year by the Industry and Trade Ministry.

So far the fund has allotted 2.2 billion rubles ($44 million) for projects in six regions. In total the fund has received over 800 applications, requesting more than 280 billion rubles ($5.6 billion), Manturov said.

Manturov added that the government would prioritize projects in pharmaceutical manufacturing for cancer, HIV, and tuberculosis treatment drugs, domestic diesel engine production, and tank production for chemical and petrochemical liquids.

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