

Ministries Delay \$2.6Bln of Defense Spending

By [The Moscow Times](#)

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The Finance Ministry and the Defense Ministry have agreed to delay until 2017-2018 a total of 87.1 billion rubles (\$2.61 billion) of spending planned for weapons procurement over the next three years, Vedomosti reported Wednesday.

At the same time, an additional 100 billion rubles annually will be provided in 2014-15 to reimburse defense enterprises that were forced to borrow to fulfill orders, Deputy Finance Minister Tatyana Nesterenko said.

Over the next two years, the resulting federal budget spending on arms production will be higher than previously planned, but the government outlay will remain within the 20 trillion rubles allocated for the period to 2020, Nesterenko said.

Last week, Finance Minister Anton Siluanov said that in the light of an estimated 1 trillion ruble budget shortfall this year, the government should review its spending plans.

Siluanov previously said his ministry had discussed with the Defense Ministry the possibility of pushing back part of the state armaments program's expenditures to a period after 2016, but did not specify the amount.

The two ministries are discussing a 5 percent spending cut on weapons procurement for 2014-16, which would amount to 70 billion rubles per year, Nesterenko said.

In line with the government's ambitious rearmament plans, defense spending will increase by 22 percent to 2.5 trillion rubles in 2014, then by 22.5 percent to 3.1 trillion rubles in 2015, growing to 3.4 trillion rubles in 2016.

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