

Russia Pitchpoles France With Mistral Warship Renunciation

By [The Moscow Times](#)

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Two Mistral-class helicopter carriers Sevastopol (R) and Vladivostok are seen at the STX Les Chantiers de l'Atlantique shipyard site in Saint-Nazaire, western France.

PARIS — For sale: two French-built helicopter carriers, tested by Russians. Buy now for only 1.2 billion euros. Shipping extra.

Tensions between the West and Russia over Ukraine have blocked a deal in which Moscow was to buy the ships, leaving Paris trying to negotiate a face-saving compromise and work out what to do with two unwanted warships.

"There are three possibilities: deliver the boats to Russia, sell them to someone else or destroy them," said a source close to the matter.

It is an embarrassment that is not of French President Francois Hollande's making. The deal stems from his predecessor Nicolas Sarkozy's decision in 2011 to make the West's first major

foreign arms sale to Russia since the fall of the Soviet Union.

But it will be difficult for Hollande politically and underlines the difficulty for France to reconcile its ambitions as a global arms supplier — a sector on which thousands of French jobs depend — with commitments to NATO allies.

It may also be very costly.

At present the delivery of the ships remains indefinitely suspended rather than formally canceled. But even Russian officials say now that they are not interested in taking the Mistral-class carriers.

Moreover France's NATO allies, notably the United States and Poland — with whom Paris is negotiating 6 billion euros (\$6.7 billion) of defense deals — would be outraged if France tried to get the deal back on track with the crisis in Ukraine far from resolved.

That leaves the Russians demanding not only a full refund but also the penalties that go for pulling the deal.

"That Russia won't take them [the ships] — that's a fait accompli," Oleg Bochkaryov, deputy head of Russia's Military Industrial Commission, told daily Kommersant last week. "There is only one discussion going on now: the amount of money that should be returned to Russia.

Sink or Sell?

The first carrier, the Vladivostok, had been due for delivery in 2014; the second, named Sevastopol after Crimea's crucial seaport, was supposed to be delivered by 2016.

Russia and French sources say Moscow wants 1.163 billion euros (\$1.3 billion) which includes what it has already disbursed — about 800 million euros — plus compensation for costs incurred for the purchase of equipment and training of sailors.

France's special envoy Louis Gautier, who has been shuttling between the two capitals since end-March, has offered just 785 million euros, according to Russian media citing officials who also described the offer as "unacceptable."

Gautier has asked Russia to either contribute to the cost of dismantling them or allow France to sell the Mistrals to another country. Canada and Singapore have been mooted, as has Egypt which has just bought French fighter jets and naval frigates.

Yet senior defense ministry official Yury Yakubov, quoted by the Interfax news agency, argued they could not be sold on because the carriers were built to specific Russian navy requirements and therefore it was a "matter of state security."

That may turn out to be just a bargaining position. But even if Russia relents, there would be a cost to France.

For one thing, it is already costing 5 million euros a month to maintain them at their current port on the Atlantic.

The Mistral is known as the Swiss army knife of the French navy for its versatility. But DCNS, the 65 percent state-owned manufacturer, nonetheless estimates any adaptation for another country would cost hundreds of millions of euros — and it would seek compensation.

An intriguing outside bet might involve China.

Amid a warming of Paris-Beijing ties under Hollande, the Dixmude — another Mistral-class vessel — attracted speculation when it docked in Shanghai earlier this month for a week.

But for now, analysts suggest the geopolitical context is just too dicey to contemplate a sale to China.

With growing tensions in the South China Sea, France is not seen willing to risk alienating Japan, with which it has just signed a defense cooperation deal, let alone suffer the displeasure that such a move would incur in Washington.

Said General Christian Quesnot, chief military adviser to Hollande's mentor, the late president Francois Mitterrand: "The cheapest thing would be to sink them."

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