
Algeria could become Russia's main military partner-paper.

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MOSCOW, March 29 (RIA Novosti) - Algeria could become Russia's main military partner if it signs a new package of contracts worth \$7 billion with Russian defense producers, a leading Russian business daily said Thursday.

In early March, Algeria sent an official invitation to Russia to participate in tenders to build a helicopter-borne frigate and jointly construct new ships for its Navy, Kommersant said with reference to the Federal Service for Military and Technical Cooperation.

In addition, Russia is in talks with Algeria to sell Su-32 fighter-bombers, Mi-28N Night Hunter helicopters, additionally supply Su-30 Flanker fighters, MiG-29 Fulcrum fighters, Pantsir S1 short-range missile-gun systems and T-90S tanks. The contracts are expected to be signed in 2007-2008, Kommersant said.

Until now, India and China have been Russia's main military partners, with their order portfolios until 2010 estimated at \$10 billion and \$8 billion, respectively, Kommersant said.

In March 2006, during a visit by Russian President Vladimir Putin to Algeria, both countries signed a large package of contracts worth about \$8 billion, including the delivery of 28 Su-30 MKI Flanker multi-purpose fighters, 34 MiG-29 Fulcrum fighters, 16 Yak-130 trainers, four S300PMU air defense systems, 38 Pantsir S1 short-range missile-gun systems, 185 T-90S tanks and 218 Kornet-3 anti-tank missile systems.

However, a host of problems could still hinder the plans, Kommersant said.

Oleg Demchenko, president of the aerospace company Irkut, said the company has fulfilled its contract on the delivery of 28 Su-30 MKI Flanker multi-purpose fighters to Algeria, but that there are currently no talks on a new contract, while the Nizhny Tagil-based Uralvagonzavod in the Urals has shifted the timeframe for the supply of the first batch of T-90S tanks from 2006 to 2007.

Talks on the construction of frigates for Algeria have come to a deadlock because three factories are bidding for the project, Kommersant said.

But the contract for the delivery of Pantsir S1 short-range anti-aircraft guns could become the most problematic deal. The Tula-based instrument-making design bureau currently has obligations to deliver the systems to Algeria, Syria, the UAE and to a fourth unidentified country, Kommersant said.

"Considering that deliveries to the UAE have been significantly delayed, problems with the other countries are also quite probable," Ruslan Pukhov, director of the Center for Analysis of Strategies and Technologies, was quoted by Kommersant as saying.
