

Russia asked to give \$250 mn advance for Gorshkov refit

India has asked Russia to make an advance payment of \$250 million to the Sevmash shipyard in Arctic Russia for refurbishing the aircraft carrier Admiral Gorshkov, which will be adjusted later when final settlement is done between the two countries.

'We have asked Russia to make an advance payment to the cash-crunched Sevmash shipyard, where Admiral Gorshkov is docked for refitting. The amount will be adjusted in the final amount (to be paid to Russia),' Defence Secretary Vijay Singh told IANS.

A defence ministry team will head to Moscow May 26 on a five-day visit for final talks on the cost escalation with the state-run arms exporter Rosoboronexport, with which the contract was signed in 2004.

'Vice-Admiral Dileep Deshpande, controller Warship Production and Acquisition, will be leading a team of the ministry of defence to Russia this month to discuss the matter,' Singh added.

India has agreed to shell out more for the refit of the 45,000 ton Kiev class aircraft carrier Admiral Gorshkov - one of Russia's largest individual military deals with India at \$1.5 billion. Russia has been demanding an additional \$1.2 billion for overhaul of the war ship.

Russia has advanced the money for the additional work on Admiral Gorshkov, re-christened INS Vikramaditya, to Sevmash though the final negotiations on the increased amount demanded has not yet reached a conclusion. The assessment of the work to be done, including an exhaustive weapons inventory, on Admiral Gorshkov has been going on for a long time.

The contract covers the modernization of the ship and equipping it with modern weaponry, including the MiG-29K Fulcrum aircraft and Ka-27 Helix-A and Ka-31 Helix-B anti-submarine helicopters.

Russia has discussed with India the manpower crunch at the Sevmash shipyard and even asked technicians from Indian shipyards to come and work there.

Vice Admiral Deshpande will hold talks on this issue as well.

The two sides have been carrying on negotiations on the price issue for over a year with India not keen to pay what it considers unreasonable escalation that nearly doubles the cost of the aircraft carrier.

The dramatic cost escalation of the aircraft carrier has threatened to cast a shadow on long-standing defence ties between India and Russia.

The issue was also discussed when Prime Minister Manmohan Singh held talks with then Russian President Vladimir Putin in November last year. India depends on Russia for over 70 percent of its arms exports.

The Admiral Gorshkov project hit the headlines in 2007 when it was announced that the the Russian dockyard would be unable to meet the 2008 delivery deadline. The date of completion was pushed back to 2010.

The aircraft carrier is now to be handed over to the Indian Navy in 2012 after 18 months of intensive sea trials.

The delay has forced India to undertake another refit of its aircraft carrier Viraat to keep it in service till INS Vikramaditya is inducted.

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