

India, Russia to discuss Gorshkov price hike this week

Indian and Russian officials will meet here later this week to discuss an additional \$1.2 billion Moscow has demanded for the aircraft carrier Admiral Gorshkov, which the Indian Navy has purchased for \$1.5 billion.

'The ship was purchased on a fixed price contract. Since the Russians have now demanded an additional \$1.2 billion, the (defence) ministry is studying the proposal,' an official said, speaking on condition of anonymity.

'This will be discussed with Russian officials at a high-level meeting later this week,' the official added.

This is the second time the issue will be discussed after Defence Minister A.K. Antony visited Moscow last month and raised with his Russian counterpart Anatoly Serdyukov the delay in the delivery of the carrier, now renamed INS Vikramaditya.

Two committees, one comprising officials of the two defence ministries and the other of officers of the two navies, were also set up to resolve pending issues. The Russians are believed to have raised the price hike issue at the first meeting of the officials' committee.

The ship was originally to have been delivered in late 2007 or early 2008. This was then pushed back to 2010-11. With the latest development, the delivery is likely to be delayed even more.

'An Indian team had visited Moscow (earlier this month) for preliminary negotiations. These discussions will now be continued on an urgent basis when a Russian team arrives here,' the official said.

After protracted negotiations, India signed a deal with Russia on Jan 20, 2004 to buy the Gorshkov, along with 12 single-seat MiG-29 fighters and four twin-seat MiG-29 trainers.

Of the contracted amount, approximately \$974 million was to be spent on upgrading and refitting the ship and \$526 million on the MiG-29 jets and six Kamov Ka-31 attack and reconnaissance anti-submarine helicopters.

The delay in refurbishing the carrier has been attributed to two developments at the Russian shipyard where this is being undertaken.

The first was the realisation that the work involved in refurbishment had been grossly underestimated and much more would require to be done before the ship was made seaworthy.

The second was that the shipyard had transferred the bulk of the workforce engaged on the carrier to a new nuclear-powered submarine it has begun constructing.

Asked whether the refurbishment work was proceeding or whether this would resume only after the price issue was resolved, the official chose not to reply.

The Gorshkov, in fact, has been mired in controversy almost from the time it was commissioned into

the then Soviet Navy in 1987.

Gorshkov, earlier called the Baku, was the last of four Soviet carriers built at the height of the Cold War and become operational in 1986. However, the ship's career was cut short when a devastating fire crippled the vessel in 1994.

Although repaired, Gorshkov never saw operational service in the Russian Navy and was finally mothballed in 1996.

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