Analyses OSW

CENTRE FOR EASTERN STUDIES 13.10.2010 www.osw.waw.pl

Russia cancels contract to deliver S-300s to Iran

On 7 October, the head of Rostiekhnologii, Sergei Chemyezov, stated that the contract to deliver S-300 missile systems to Iran had been cancelled. This decision closes one of the most contentious issues in Russia's relations with both the USA and Israel, which has been ongoing since the end of 2007, and demonstrates Moscow's will to maintain the process of improving its relations with USA.

The contract to deliver 5 S-300 PMU-1 anti-missile systems, valued at US$800m, was signed by Russia with Iran, most probably in 2007. Because Tehran would thus gain new defence options against possible air attacks from the USA and Israel, both the latter countries demanded that Moscow pull out of this contract. Last month President Dmitri Medvedev, signing a decree imposing the sanctions passed in June by the UN Security Council, forbade the contract from being realised. The decision to annul the contract and return the deposit of around US$160m to Tehran ends Moscow's use of the S-300 question as a tool in its political manoeuvring with the USA.

It seems that Russia's cancelling of the contract was brought about by several factors: continuing pressure on Moscow from the USA; the process of ratification by the American Senate of a new START treaty; Russian plans to expand its technical and military co-operation with Israel; the desire to ease both countries' opposition towards the planned deliveries of anti-ship missiles to Syria; and the worsening of relations between Moscow and Tehran in recent months. At the same time, giving up the S-300 card improves Russia's image as a constructive partner for the USA, while simultaneously weakening the arguments of opponents to Barack Obama's policies in the context of upcoming elections to the US Congress. <MaK>