
BULGARIA MAY GET SAAB JETS IN ITS BIGGEST DEFENSE DEAL IN DECADES

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Bulgaria said it favors Saab AB fighter jets to replace its outdated Soviet-era aircraft in the nations biggest defense deal since the end of the Cold war.

The Black Sea countrys interim government approved the results of a tender to purchase at least eight Gripen jets for as much as 1.5 billion lev (\$835 million), ranking Swedens offer first, Defense Minister Stefan Yanev told reporters Wednesday in Sofia. Bids from Portugal for used F-16s and from Italy for Eurofighter Typhoon planes were ranked second and third. Further negotiations will be held by the new government that takes office next month, Yanev said.

A working group involving representatives of several institutions has been set up, which will hold negotiations with the first-ranked bidder, interim Prime Minister Ognyan Gerdzhikov said, declining to elaborate.

The former eastern bloc nation of 7 million people is revamping its military amid calls from U.S. President Donald Trump for NATO members to meet the alliances spending guidelines. The European Unions poorest country is worried about increasing threats from Islamic State and has raised concerns about potential calls for autonomy among ethnic Turks. Russias takeover of Crimea and the Ukraine conflict have rattled the whole region.

Bulgaria plans to increase its defense expenditure to 2 percent of economic output by 2024, from 1.5 percent this year and 1.4 percent in 2016. The Saab jets, planned for delivery in 18 months, would replace Russian MiG-29 fighters currently being used by the air force. The deal needs parliamentary approval and may face additional scrutiny from the new government thats set to take office next month.

Lawmakers last year approved an 800 million-lev plan that also includes the purchase of two warships. The government held talks with eight shipbuilding companies, including Frances DCNS SA and Netherlands-based Damen Shipyards Group NV. It also plans to spend 1.5 billion lev on armed vehicles.

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