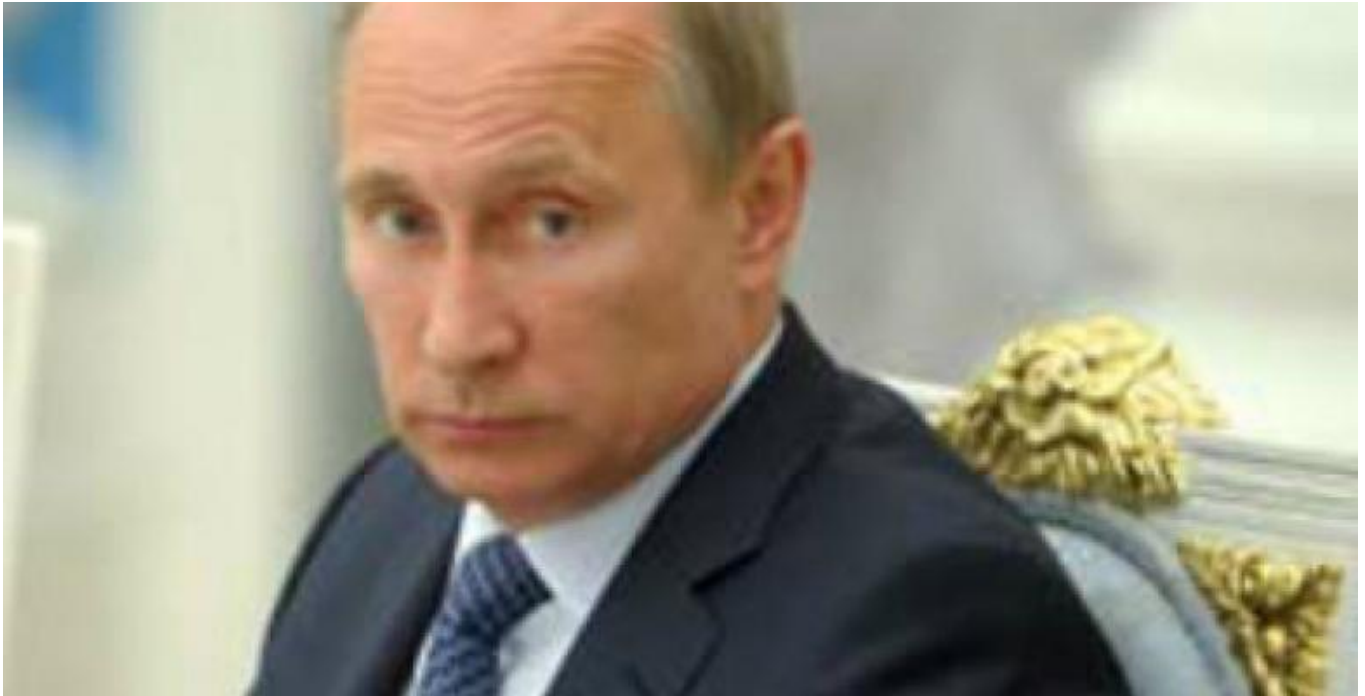

Putin Defiant in Face of New EU Arms Sanctions

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Putin said that Russia's arms industry is "definitely" capable of producing everything the country needs at a meeting on how to combat the sanctions at his residence outside Moscow.

Russia will focus "on speeding up import-substitution efforts in the national defence industry and on the broadest possible switch to domestically-produced materials and parts for special hardware and weapons," Putin was quoted as saying by Interfax news agency.

The EU could agree wider sanctions against Russia as soon as Tuesday over its role in the Ukraine crisis, including a ban on new sales of weapons and sensitive technology.

"Our task is to protect ourselves against the risks of contracts being reneged upon by our foreign partners, including risks of a political nature," the president added.

Russia is a major weapons exporter, but also imports military equipment and technology.

One of its biggest recent purchases is two Mistral warships from France in a contract worth about 1.2 billion euros (\$1.6 billion). The helicopter carriers are expected to be delivered in the coming months despite the new sanctions.

The EU and United States have been stepping up their sanctions against Russia, accusing Moscow of continuing to supply pro-Russian rebels fighting in eastern Ukraine with weapons.