Gaidar Forum / 2013

«Russia and the World: Challenges of Integration»

Monitoring Service in respect of media

publications regarding the Gaidar Forum-2013

“Russia and the World: Challenges of Integration”

Российская академия народного хозяйства
и государственной службы
при Президенте Российской Федерации

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ITAR-TASS World Service
Putin to chair expanded gvt meeting Jan 31

President Vladimir Putin will chair an expended meeting of the Russian government at the Kremlin on January 31.

Prime Minister Dmitry Medvedev will present a report on the main guidelines for the government's work up to 2018. They were worked out in accordance with the Federal Law "On the Government of the Russian Federation" and set goals and priorities for the government's socioeconomic development policy in the medium term.

The document follows up on the presidential decree of May 7, 2012 and the tasks set in the president's Address to the Federal Assembly in 2012.

The main guidelines will be carried out through state programmes.

Medvedev's spokesperson Natalia Timakova said, "The Prime Minister will speak about the main guidelines for the work of the government, which will subsequently be combined into one governmental document."

"This can be regarded as implementation of the president's instruction to determine the main guidelines for the work of the Cabinet of Ministers until 2018. This is a strategic document that largely determines the government's activities based on the terms and forecasts of socioeconomic development," she said.

Medvedev announced an expanded meeting of the government at the Gaidar Forum where he said that the document laying out the main priorities would be guiding the Cabinet's work in the next five years.

Regional governors who are members of the Presidium of the State Council will attend the meeting.

www.itar-tass.com/en/c32/635887.html

The Moscow News

Experts see labor shifts in Russia

The directors of the Center for Labor Research at the Higher School of Economics, Vladimir Gimpelson and Rostislav Kapelyushnikov, spoke about changes in the employment market. Here is an excerpt of their conversation.

At the Gaidar Forum earlier this month, the World Bank presented research on the world labor market. Was there anything unusual in comparison with previous years?

Gimpelson: This is the bank's annual report on economic development [the World Development Report 2013]. In fact, for the first time the report is dedicated to the problem of jobs, which is deemed key to development. Economic value is created on the basis of jobs.

What has brought about this perspective? The economic crisis, tectonic shifts in existing models of development?

Gimpelson: There is a range of reasons. First, many people have lost work as a result of the crisis. Second, where employment is high, frequently its quality is unbelievably low: people make or sell something, but receive, let's say, two cups of rice for a working day. In this case, there is employment, but it breeds poverty. Therefore we need to look not just at how many jobs exist, but what quality they are, who has access to them, and what interferes with the economic system creating more of them.

And what does this information give, which specifies only the quantity, but not the quality, of created or eliminated posts?

Kapelyushnikov: It's like glasses, which allow you to see the world in new dimensions. Then you start to analyze. For example, you can break down eliminated or created positions into high-end or low-end, where the worker creates high added value and where low added value. In any economy, the processes of creation and elimination work constantly and in parallel.... In this sense, the growth of employment is neither more nor less than the difference between the number of created and the number of eliminated positions.

Gimpelson: These “glasses” allow you to see dynamism in businesses. The creation and elimination of jobs is like birth and death for people. Therefore, when they say, “create 25 million places,” a question arises: how many will be eliminated?

Yes, politicians often repeat the plans about 25 million. Where has this figure come from? That is, after all, a third of all the population of Russia that's able to work.

Kapelyushnikov: The figure itself is absolutely irrational. It's some kind of phantom, pulled out of the air – by whom, no one knows; why, no one knows, but it has passed all bureaucratic filters, been lodged in the mouths of the president and the prime minister, and become an obligatory mantra for officials at lower levels. Now they have to create these 25 million positions on paper somehow.

On paper?

Gimpelson: When we discuss the 25 million figure, there is not even certainty that all participants in the discussion are talking about the same thing.... I have the sense that, in the discussion about jobs, everyone is thinking about his own understanding. Maybe this is just a figure of speech, without any content? Here is the complexity: no one is explaining anything.

Why does Russia have more than a million healthy men working as parking lot attendants, security guards, etc.? High-ranking officials may now work until 70, but the prospects for employment, let's say, for a man of 50 are much lower than for a young woman of 30 with little experience and seniority. In the 1990s this could be explained by new requirements, which Soviet experience did not fit, but not now.

Kapelyushnikov: Relating to, as you say, no one needing older men, statistics do not corroborate this. There are no data on growth of unemployment in pre-pension and pension ages. To give an analysis of the quality of completed work is more complicated, but generalized statistics once again say nothing about whether 50-year-olds earn less than 30-year-olds....

The general logic in the world is that people of 50 earn essentially more than people of 30. In the majority of countries, the salary graph reaches its peak when a person is 55. In Russia, after 30-35, salary goes in a flat line. That is, after 35 years of age, earning experience in Russia does not command great economic

value. After you've gained about 10 years of experience, additional gains do not lead to an increase in your salary.

Why?

Kapelyushnikov: Here we can only offer conjectures. You touched upon security guards. I don't know what percent of people undertake security services in other countries, and therefore can't say whether there are many in Russia or few.

But at the same time you can see it. The only country outside of Russia where such numbers of security guards stand at the doors of stores, pharmacies and restaurants is Israel, but there there are completely different reasons.

Kapelyushnikov: I can suggest that this is connected to the general lack of protection of property rights. In Russia, people do not possess personal or property security.... Private agents are forced to secure it themselves. From here comes the higher demand for people who provide security services....

But we see that the line from which salaries get to a plateau is gradually moving: 10 years ago, it was closer to 30 years old, now it is already closer to 40. If things continue like this, then in two, 2 ½ decades, the graph could correct itself and become similar to what we see in other countries.

http://themoscownews.com/business/20130128/191183390/Experts%20see%20labor%20shifts%20in%20Russia.html

The Moscow News

G20's relevance under question, as Russia takes the helm

Russia's assumption of the chairmanship of the G20 has received a lot of attention since the handover from Mexico at the beginning of December. One of the subjects of discussion at the Gaidar Forum earlier this month was the country's potential to lead the major economies to solutions to the ongoing economic crisis.

This potential has come into question, however, not so much due to Russia itself, but to structural issues built into the G20 and the nature that the recovery from the crisis has come to take.

“We've seen the focus shifting back much more to national or regional initiatives and politics,” said Chris Weafer, chief strategist at Sberbank Investment Research. “We don't seem to have that coordination within the G20 anymore, it's more or less become a talking shop.”

Sticking to the basics

The country's priorities and goals during its chairmanship were outlined in the days following the handover, both in a letter from President Vladimir Putin and in a press conference by Ksenia Yudayeva, the head of the presidential experts' department and Russia's personal representative to the G20, or sherpa.

The list determines to tackle larger issues through economic building blocks to develop a foundation for recovery: investment to promote growth and employment, transparency – and hence trust – in financial markets, and effective regulation, especially in the energy sector.

Russia has come in for praise for its focus on these smaller issues.

“One thing that Russia clearly brings to the G20 and agendasetting is, I think, a function of its experience, and we see this with a lot of emerging markets,” said Jeff Chelsky, senior economist in the international partnerships and policy group at the World Bank, at a Gaidar Forum round table this month. “Understanding that there are micro-economic foundations to a lot of these relationships... I think helps work your way through the forest, so attention to issues like jobs, for example, and human capital development, I think that's where you'll find common interests.”

Born in crisis

The G20 was originally created in 1999, in the aftermath of the economic crisis that had erupted in Asia in 1997 and spread to Russia the following year. According to a history of the group, produced in 2007, it represented an acknowledgement of the growth of economies outside the traditional G8, and the need to expand the seats at the world's financial high table.

Through most of its first decade, it remained a meeting of central bankers and finance ministers. After the collapse of Lehman Brothers in 2008, Sberbank's Weafer said, the organization underwent a "reinvention," leading to the establishment of annual leaders' summits that have become the highlight of the group's calendar.

The early promise of the reinvented G20, however, soon evaporated as countries shifted away from the coordinated response to the crisis that it launched in April 2009.

"It was a direct response to the escalating or deteriorating situation in the world, obviously from the time of the Lehman's crisis and the meltdown in the U.S. in later '08," Weafer said. "So the first one, the leaders' summit, was in London, and that was the effective one, because that's where we saw a coordination agreement on actions to halt deterioration, and they worked, and we had a two-year bull market in equities starting almost from that meeting for the next couple of years, but that was almost like a one-off shot. Since then, they've become much less effective, and we have reverted back to more national and regional actions or coordination rather than the G20 level."

Not under the influence

One of the problems is a lack of authority vested in the G20.

"It's more a political meeting, just to show the world that something is going on, that we are discussing the problems," said Darya Pichugina, analyst at Investcafe. "But really, it doesn't mean a lot, because all the countries are trying to survive themselves, so it's really not a place to decide anything."

Pichugina also played down the significance of Russia leading the group this year, in the sense of what it has to offer in terms of guidance to the other countries.

"If we compare the economic conditions in which the world is now, we see that Russia is in quite a good position compared to other countries," she said. "There was some talk that we would concentrate on the debt problems during the G20 summit, but we really cannot talk about it much, because yes, our debt is low, but it is just because we are in a good position due to high oil prices, so it is quite difficult to say whether we really can influence what is going on in the world."

Weafer said that the chairmanship does have value as an opportunity for Russia, to show what progress it is making in its own right by the time of September's summit.

“Hosting the G20 provides the opportunity to create a more positive image of Russia, more positive PR about what the government is doing, provided they actually do something before that,” he said.

For the G20 more broadly, Weafer added, the main benefit was its marginalization of the G8 as a forum for international economic discussions.

http://themoscownews.com/business/20130128/191183871/G20%E2%80%99s%20relevance%20under%20question,%20as%20Russia%20takes%20the%20helm.html

WPS: Defense & Security

A QUARREL OF KUDRIN AND ROGOZIN WAS CAUSED BY "MILITARISM"

Our state officials think about the country so much that they cannot forget about its problems even after resignation. Thus, former Deputy Prime Minister and Finance Minister Alexei Kudrin had an interview in Germany where he cracked down on the military budget and on fulfillment of the state defense order. The answer of active "military industrial" Deputy Prime Minister Dmitry Rogozin was very harsh. He spoke against Kudrin in Twitter, which meant transfer of the discussion from the expert environment to the public one.

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The anger of Dmitry Rogozin was caused by the interview of Alexei Kudrin to German Spiegel where he called the Russian budget "militarist" and expressed doubts about possibility of fulfillment of the state defense order. Speaking about the incumbent government, Kudrin said, "These people forget that the Soviet Union has collapsed because of the arms race not to the least extent. We produced many tanks and

combat airplanes at that time. People were standing in queues with food ration cards. We should not repeat this mistake." Speaking at the Gaidar Forum in Russia, Kudrin spoke about the state defense order, "I can say that this program cannot be fulfilled by the industry in general in its current condition."

Negative attitude of Kudrin to militarization of the budget is well known. Actually speaking, it was critique of the budget and Dmitry Medvedev who was the president then that caused his dismissal in September of 2011.

Along with this, it is necessary to revive the army. The budget is overloaded with military expenses but we should not forget that the army and the military industrial complex have been chronically underfinanced for many years. Now we pay for this.

But the answer of Rogozin was too harsh. In his micro blog in Twitter he wrote, "Why do you, Alexei Leonidovich, need to play up to the West and to repeat a fundamentally wrong statement about "militarization of Russia?" We have not done renovation of the Armed Forces for a quarter of a century!"

Rogozin added, "Kudrin says that Russia will fail to fulfill the state defense order. One thing soothes me down: forecasts and plans of Gaidar, Kudrin etc have never come true." He also said, "It seems to me that there should be critique of actions of the "defense section" of the government but I ask you not to be hysterical!"

Experts could explain who is right in the dispute. However, all polled experts refused to discuss the quarrel unanimously. It is possible to understand the experts. Rogozin is known for difficult character. People say that he gets offended easily and does not forgive the offenses. An expert who supports Kudrin risks quarreling with a person whose bureaucratic weight has been growing lately. Along with this, according to Putin, Kudrin remains in the team too.

http://www.wps.ru/ru/digests/en/wps-ru-digests-en-defense.pdf

The Moscow Times

Gaidar Forum 2013: Outcome of the International Conference "Russia and the World: Challenges of Integration"

Gaidar Forum 2013 — a major platform for the discussion of the global economic development vectors by the representatives of government, business elite and fundamental science — took place at the Russian Presidential Academy of National Economy and Public Administration on January 16-19. This year the key topic of the international conference was integration of Russia's economy in the global trade, improvement of business climate in Russia and prospects for the development of Russian companies in the global market.

As in earlier years, the Forum was held in the Russian Presidential Academy of National Economy and Public Administration. This fact reaffirms the exceptional status of the Academy as an advisor to the Government on economic policy issues. The members of the Government of the Russian Federation, heads of constituent entities, leading Russian and foreign economists and cultural figurers acted as plenary discussions moderators and key speakers.

Opening the first plenary discussion, Vladimir Mau, Rector of the Russian Presidential Academy of National Economy and Public Administration, focused on the specific character of the Forum and its agenda: "Gaidar Forum is an expert forum aimed at development of practical recommendations".

Outlining the discussion points, Aleksei Kudrin, Chairman of the Board of Trustees of the Gaidar Institute for Economic Policy, expressed his confidence that new solutions and new ideas for macroeconomic policy coordination would be reached at the Forum. Among the positive improvements, he mentioned Russia's accession to the international conventions and global trends of barriers elimination. In particular, he noted that removed restrictions on capital movement and simplified visa requirements lead to liberalization of finance and labor market.

At the Gaidar Forum, which is a platform where, for the first time, Russia's domestic and foreign policy for the next year was announced and finalized, Prime Minister of the Russian Federation Dmitry Medvedev set the goal "to ensure sustainable economic growth at a rate of at least 5 per cent of the GDP." He also noted the need for serious institutional reforms and modernization in various sectors. According

to the Prime Minister, to achieve this ambitious goal, the focus should be made on the following tasks: reducing inflation, ensuring macroeconomic stability

through a "foreseeable long-term budget policy"; improving labor market and creating conditions for geographic and professional mobility of population; enhancing investment attractiveness and building up private lending resources; creating conditions for active education and health care development; balancing regional development, facilitating regional competition for investors; and finally, strengthening the international position of the Russian economy.

Anton Siluanov, Minister of Finance of the Russian Federation, pointed to the need of strengthening global financial regulation and control over the country's financial institutions. He mentioned the lack of economic growth sources, but added that the main task consisted in increasing investment attractiveness of the Russian economy.

Speaking about different options for the economic development, Aleksei Ulyukaev, First Deputy Chairman of the Central Bank of the Russian Federation, pointed out that Russia's "investment reputation is far worse than its fundamental economic indicators". Mr. Ulyukaev also warned against increasing public expenditures, emphasizing that "Russia's economy is in need of structural and institutional reforms".

Ksenia Yudaeva, Head of the Expert Department of the President of the Russian Federation and G20 Sherpa of the Russian Federation, backed the Central Bank representative and noted that "the increased labour capacity is a prerequisite condition for the growth of the Russian economy".

Speaking about the new configuration of the global financial system, Hans Timmer, Director of the Development Prospects Group of the World Bank, underlined that "fiscal budget incentives are losing their effectiveness", therefore, in order to maintain economic security, countries need to facilitate information exchange and coordinate international monetary policy. Robert Mundell, a Nobel Prize Winner in Economics, agreed with the World Bank representative and said that the biggest threat to the world economy was posed by the lack of coordination. Otaviano Canuto, Vice President of the World Bank, voiced the most optimistic news for the monetary system – that there won't be any overprotectionism.

On the second day of the Gaidar Forum, the question whether Russia is ready to obey the WTO rules or not caused heated discussion.

German Gref, President and Chairman of the Board of Sberbank of Russia, described the situation as follows: "Russia is not competitive on a global scale, we have to obey global rules of the game but don't know them yet." He also noted that our competitiveness today is limited to the national level: "Russia has to switch to the international level and the first step should be the public administration quality."

"To become more competitive on both national and international levels, first of all, we need to start technical re-equipment", Denis Manturov, Minister of Industry and Trade of the Russian Federation, added.

The experts also expressed their opinion concerning the task set to the Russian Government – to achieve the 20th position on the Doing Business Rating (the indicator of the country's investment image) by 2018. In 2012, Russia ranked 112th on this list.

According to Augusto Lopez-Claros, Director for Global Indicators and Analysis at the World Bank, "reforms in Russia are developing in the right direction". Russia's improved position on the Doing Business Rating indicates a "warmer" investment climate. However, he added that Russia's further promotion on this list would require "consistent policy from the country's leaders."

"There's a serious risk of protracted recession in Europe. Russia has showed greater sustainability than European countries. This benefit should be used to develop industry and overcome dependency on raw materials. A favorable business environment will lead to the capital influx, thus, facilitating development of the important economic sectors", Mikhail Rurkovsky, the World Bank Director for Russia, pointed out.

According to Anatoly Chubais, CEO of RUSNANO OJSC, the task of strengthening Russia's competitiveness is achievable only in case of switching to the innovation economy and establishing new development mechanisms based on something different than raw materials. "We cannot stand still, we have to increase the speed of economic development significantly", Mr. Chubais noted.

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"Russia has rich natural resources, human and financial capital. The combination of these three elements gives rise to many possible solutions and a new economic development model", said Pascal Lamy, Director-General of the World Trade Organization.

According to Angel Gurria, OECD Secretary-General, "2013 will be a turning point for overcoming the crisis". Enumerating the advantages of the Russian economy, such as a modest public debt, law levels of unemployment and high levels of education, he added that the OECD foresees "convergence of Russia's economy with the developed economies".

Viktor Khristenko, Chairman of the Eurasian Economic Commission Board, voiced one of the decisions concerning the integration of Russia's economy. He told about the plans of establishing the Eurasian Economic Union based on the Customs Union. According to him, "accelerated integration of different economic systems can add to overcoming numerous crisis developments".

Competition for human capital, economics of education and culture and efficient health care were discussed on the third day of the Forum. Government representatives, prominent Russian and foreign economists and cultural figures took part in the panel discussions and round tables.

Olga Golodets, Deputy Prime Minister of the Russian Federation, started her speech by stating that "the success of the country's economic development depends to a large extend on the quality of human capital", therefore, in the context of competition for human capital, new professional standards are required which would "explode the system of professional training".

Vladimir Mau noted that "today's crisis is a social state crisis". An institutional transformation, instead of a financial one, is what is really needed in this context, especially in public health and pension system. RANEPA Rector emphasized that "Russia has the advantage of macroeconomic stability, however, we, as many other countries, lack experience of building up a new state model."

Such acute topic as "The Crisis of Culture and the Culture of Crisis" was also discussed at the Forum with the participation of Mikhail Shvydkoi, Gennady Khazanov and Aleksandr Lyubimov.

"When we are speaking about cultural crisis, we need to speak about the crisis of the audience as well. Only 1.5 per cent of Russians go to the Philharmonic Hall, 3 per cent – to the museums and 7 per cent –

to the theatres. These problems are rooted in primary school education", Mikhail Shvydkoi, President of the Russian Television Academy Foundation and Special Representative of the President of the Russian Federation for International Cultural Cooperation, quoted unsatisfying statistics. "Culture has become a commodity, its system of values has undergone changes, and now, culture has become consumable", Mr. Shvydkoi continued.

The last day of the international conference opened with the Award Ceremony for the Winners of the Contest of the students' and postgraduates' research and project works "Russia's Sustainable Future" organized by RANEPA and ACIG.

On the fourth day of the Forum, the Youth Forum "Russia and the World" took place, in which Mikhail Abyzov, Minister of the Russian Federation, and Nikolai Nikiforov, Minister of Communications and Mass Media of the Russian Federation, took part.

Nikolai Nikiforov emphasized the important role of the student community for the government: "Youth participation in Russia's social, economic and political life is an integral part of its development. Young people should seize these opportunities and take an active stand."

The projects in which their young authors focused on the important issue of youth involvement in entrepreneurial activities were presented to the panel experts and the audience.

Mikhail Abyzov, Minister of the Russian Federation, suggested that the authors of the projects should rely on themselves instead of waiting for somebody to help. "The main thing is to enable project realization, because all ideas should be implemented".

The experts assessed ideas and proposals from the legislative point of view and noted that some of these projects could cause amendments to the existing laws, in particular to the draft law "On Youth Policy".

At the Gaidar Forum, the key trends and models of global integration processes that influence political and economical development were discussed. A Russian version of the global Better Life Index was also presented. This index is an online tool enabling comparison of well-being in different countries on the basis of 11 aspects influencing the quality of life.

Gaidar Forum, which is one of the major international events in economic policy, gathered a record number of participants – more than 3500 guests and 250 experts from 38 countries.

The Forum is aimed at strengthening Russia's image as a center of economic discussion, attracting international scientists and politicians to the discussion of the most urgent economic issues, establishing a dialogue on key political and economic challenges between the government and the expert community as well as developming strategic proposals for the Russian economy.

Forum Organizers: Russian Presidential Academy of National Economy and Public Administration, Gaidar Institute for Economic Policy and Gaidar Foundation.

Forum Partners: The World Bank, OECD, VTB, BP, Coca-Cola, Unilever, Otkritie Financial Corporation Otkritie Financial Corporation Otkritie Financial Corporation, ACIG Group of Companies, Cotton Way, Ernst&Young, Janssen, Novartis etc.

Information Partners: Russia 24, Expert TV, RBK TV, Russia Today, Kommersant FM, Russian News Service, Voice of Russia, Finam FM, ITAR-TASS, PRIME Business News Agency, Gazeta.Ru, Economic Policy, RBK Daily, Russia Beyond The Headlines, Forbes, Profil, Energopolis, Strategy, The Moscow News.

Information Support: Economy and Life, The Moscow Times, Russian Economy: 21st Century, Harvard Business Review, Business Excellence, World of MBA, The Capital of the Country, Standards and Quality Russian Information Agency.

http://www.themoscowtimes.com/mt_recommends/business/article/gaidar-forum-2013-outcome-of-the-international-conference-quotrussia-and-the-world-challenges-of-integrationquot/474492.html

Interfax: Russia & CIS Business and Financial Newswire
Kostin generally supports tying banker bonuses to share value

The idea of tying bonuses for bankers to a bank's share value is a good one, but the size of cash payouts should not be limited, the President and CEO of VTB (RTS: VTBR) Andrei Kostin told reporters on the sidelines of the World Economic Forum in Davos.

"I generally support the idea of a link, and for that we are now developing a stock option program," he said.

The share of bonuses to be pegged to share value should depend on the functions fulfilled by the managers, Kostin said.

"There are those [managers] who more actively influence the earned part. There are back offices and middle offices where links should be made to a lesser degree. I would put a 50% bar. In general, this is a proper move," he said.

In all likelihood, VTB will peg less than 50% of bonuses to share value.

"At this point, it is slightly lower in our plans. Perhaps 50% will also fit," Kostin said.

On Wednesday, Kostin said that VTB expects to present its draft stock options program to the supervisory board and the Russian government in the first half of this year.

German Gref, the CEO of Sberbank of Russia (RTS: SBER), has said that the idea of tying at least 50% of bonuses in banks to the cost of shares requires further discussion. In his opinion, there are several complications in this idea because the share price can be volatile and can be manipulated. Payments to bankers could be tied to a more complex indicator, he said.

Central Bank of Russia Deputy Chairman Sergei Shvetsov said at the Gaidar Forum last week that the Central Bank plans to recommend banks tie at least 50% of bonuses to share value.

"We are in a phase of reforms: at least 50% of bonuses should be tied to share value and correspondingly to the long-term financial viability of a company, and this should encourage managers to achieve long-term stability rather than one-off, short-term results," he said.

The Central Bank hopes that this will discourage against the achievement of immediate profit to the detriment of long-term stability in banks.

http://business.highbeam.com/articles/407705/russia-cis-business-and-financial-newswire/january-2013/page-42

RIA Oreanda-News

WTC General Director Took Part in Panel Discussion at Gaidar Forum

The 2013 Gaidar Forum was held in Moscow. Leading Russian and foreign experts discussed the principal trends of the national and global political and economic development.

On January 17, 2013, a panel discussion entitled "Russia's strategy in the World Trade Organization" was run at the forum. It was attended by Vladimir Salamatov, WTC General Director, Leonid Kazinets, Chairman of the Board of Barkli Corporation and a member of the Russian Government Expert Board, and Irina Bakhtina, a member of the Board of Directors of Unilever NAMETRUB.

The list of foreign speakers included Richard Baldwin, Professor of International Economics at the Graduate Institute of International and Development Studies (Geneva); Silvana Malle, Professor, University of Verona; Anders Aslund, senior fellow of the Washington-based Peter G. Peterson Institute for International Economics; Kari Liuhto Professor of International Business, Director of the Pan-European Institute Department of Marketing and International Business, University of Turku (Finland).

The following topics were touched upon in the course of the panel discussion:

Russian in the WTO: what is the best approach to adaptation?

How can Russia get maximum benefit from its WTO membership?

What is the WTO's current situation and prospects?

What must be Russia's strategy inside the WTO?

Trade talks: a reboot.

In his presentation, Mr. Salamatov said that "the main goal of all integration processes for Russia is, first of all, integration with the European Union." One of top priority challenges remains development of economic collaboration with South East Asia. Quoting Dmitry Medvedev, Mr. Salamatov spoke about the necessity of creating a free trade zone with minimum technical barriers across the entire Eurasian

continent, from the Atlantic to the Pacific. A free trade zone, if it is to be created, necessitates harmonization of standards and technical requirements for the products manufactured in that territory.

After the collapse of the Soviet Union, the new countries first experienced disintegration and then came to a new integration. "We have developed a powerful locomotive in the post-USSR space, a Customs Union, which is turning into a Common Economic Space," stated Mr. Salamatov. Economic figures of trade volumes between CIS countries and members of the Customs Union give clear evidence of the necessity of further cooperation. In that connection, on January 17, 2013, an agreement between Russia, Belarus and Kazakhstan was signed. The new pact grants all CIS countries the right to use the Customs Union's technical regulation system without having to accede to that organization.

WPS: Banking and Stock Exchange

The capital outflow and growth of the foreign debt are the links of one chain. Shareholders disguised as creditors try to protect themselves against forfeiture risks, experts say

Why does the private sector prefer to export money from Russia while stepping up borrowing from abroad? It seems strange on the face of it.

Before the crisis, the economy had been growing primarily due to the rising foreign debt of the private sector which had boosted consumption and investment. The growth of the debt has resumed by now, but there are difficulties with consumption and investment. What's the use of increasing the debt then?

It seems to be the repatriation of the capital first removed abroad and then sent back, but in the form of loans to foreign creditors. This assumption may be confirmed indirectly by the fact that Cyprus is the jurisdiction which lent the largest amount of money to the Russian private sector in the first six months of 2012. This "treasure island" is the home territory of the Russian capital which changed its Russian registration into foreign one. Other Russian creditors are mainly from offshore countries, too.

The purpose of disguising a Russian shareholder as a foreign creditor is simple. This is a kind of hedging against forfeiture of assets in the form of corruptive corporate raiding.

No growth drivers are the key problem of the Russian economy. Rising income and consumption have been the main hopes until recently. Now Russian President Vladimir Putin says it's not the case any

longer. Last week, he stated that it's time to start thinking how "not to be keen on boosting the demand". Realizing that neither consumer demand nor private investments push the economy up any longer, the Russian government has lately started financing investment projects of all kinds from the budget. About RUR 2 trillion out of the RUR 13 trillion budget will be transferred to these doubtful purposes.

However, pumping government investments into the economy is both senseless and counter-productive. "Additional expenditures not supported by quality investment projects which are not required by the present infrastructure and economy will not result in economic growth. It may be a short-lived jump, but it will finally result in accumulation of new imbalances and risks. They materialize passing from balance sheets into living," the Bank of Russia Deputy Chairman Alexei Ulyukaev stated at the Gaidar Forum.

A growth of private investments is the only way-out. But to that end, the business should make sure that risks of forfeiture don't exist any longer.

WPS: What the Papers Say
REWRITING SCENARIOS

DMITRY MEDVEDEV ADDRESSED THE WORLD ECONOMIC FORUM IN DAVOS

An update on the Russian session of the forum in Davos.

Premier Dmitry Medvedev addressed the World Economic Forum in Davos, yesterday. Medvedev quoted Laozi and Winston Churchill, agreed with Alexei Kudrin at one point and disagreed with him on some other matters, noticed William Browder in the audience, and promised to apply "resolve and determination" of the government to overcome all three negative scenarios presented in Davos as Russia's inescapable future.

The forum in Davos found Russia interesting again (to some degree) after a four-year investment pause stemming from the first wave of the global financial crisis. Foreign investors once again demonstrated willingness to at least consider projects in the so called Emerging Markets. Like years ago, the Russian session opened the first working day of the forum.

Nature of the interest in Russia remained more or less unchanged. Everyone was interested in money from Russia (Andrei Kostin of the Vneshtorgbank participated in the financial panel) and in Russian oil and gas (the future of Gazprom was discussed at the energy panel). Nobody was very keen to learn of Russia's opinion on global security issues (the matter mostly concerned Barack Obama's new Administration, Middle East, and China). Most participants associated Russia with major oil and gas projects (Vagit Alekperov of LUKOIL became the first Russian newsmaker) and future IPOs. Also importantly and also like years ago, Russia made potential investors wary... associated as it was with domestic conflicts.

This was Medvedev's third visit to Davos and the first in the premier's capacity.

Russia surprised everyone at home and abroad when the list of speakers was announced. It included the names of Medvedev and Kudrin one after another. Kudrin, Sergei Guriev of the Russian School of Economics, Herman Gref of the Sberbank, and Oleg Tsivinsky of the Yale University appeared scant minutes before the beginning of the discourse and took their seats near John Lipski of the International Monetary Fund. Medvedev walked in after that and took a seat in the first row... flanked by Deputy Premier Arkady Dvorkovich, Victor Vekselberg of Skolkovo, Oleg Deripaska, Alisher Usmanov, and others.

Davos experts had drawn a report on what they perceived the future of Russia and its economy. It included three scenarios, all three quite bleak.

Kudrin presented the scenario stipulating a dramatic drop of oil prices to $60. As a matter of fact, this scenario promised Russia nothing really new. Kudrin merely mentioned potential investors' fears that the government of Russia might opt for establishment of an oil monopoly. i.e. for nationalization of the oil industry. Kudrin said, however, that he did not think that the government would go for it.

Guriev presented a scenario that stood for high oil prices. "Stability in this case will be an illusion," he said. "Oil dollars will swell the middle class which will eventually become a major political force and encourage changes." Guriev would not say what changes he was talking about. All he said was that the situation in Russia had had no precedents ever.

Gref in his turn presented the third scenario, one stipulating a gradual decline of oil prices, differentiation of regional revenues, and a split of Russia into the leading regional investors kept founding attractive... and all the rest. By and large, all of that had been happening in Russia in 2012 without any decline of oil prices. Gref said that he earnestly disliked all three scenarios because "... they all stipulate that we in Russia have been doing nothing at all. As a matter of fact, we are better than we are being thought of." Gref proceeded then to give the audience chapter and verse on his two pet subjects - biased international ratings that failed to give Russia its due and the global leadership concept.

Lipski then asked some of those present for comments and all comments suggested the necessity of a fourth scenario... Medvedev was given the floor soon after that.

Medvedev warned the audience that he was not there to break any big news and that he would essentially outline priorities of the government of Russia (the ones that he said he would officially present the following week). By and large, Medvedev agreed with Gref that all three scenarios were unacceptable. He also said that there must be some other future for Russia and that "Russia's friends" who he said prevailed in the audience "believed so too". The premier's speech bore a strong resemblance to the speech at the Gaidar Forum the previous week. In a word, he was quite optimistic.

The premier saved his pessimism for the interview with Bloomberg TV later on. Medvedev said then that Gazprom might stop being a monopoly if the government thought that it would be better. He denounced the possibility of running against Vladimir Putin for president in 2018 and announced that the people who were behind the so called Magnitsky Affair could be found right there in Davos. (The premier denied Magnitsky the title of "truth-seeker" and called him a hired hand; as for the people he mentioned, he said that they had been making quite a buck in Russia, hence their rage.)

ezhong.ru

“向东还是向西？”俄经济界对一体化方向问题意见不一

本月中旬，在俄罗斯联邦总统直属国民经济与行政管理学院举行的盖达尔论坛上，俄有关人士讨论了应当同谁发展商务关系的问题。总理德米特里·梅德韦杰夫称，**俄**罗斯必须加快经济现代化进程，**争取成**为连接太平洋和大西洋的纽带。

在俄罗斯联邦总统直属国民经济与行政管理学院举行的盖达尔论坛是今年俄罗斯第一个讨论经济问题的平台，许多俄政治和商业精英齐聚一堂，探讨俄罗斯经济一体化的方向问题。同谁优先发展商业关系是俄罗斯面临的一个紧迫问题，俄经济学家对此意见不一。论坛举行前夕，该论坛组织者之一、俄自由主义经济学派重要代表人物、俄罗斯农业科学院院长弗拉基米尔·马乌（Vladimir Mau）称，俄罗斯未来的出路在于同欧洲的一体化，但应保持在瑞士和挪威的水平上。他说，考虑到俄罗斯55~60%的贸易额来自欧盟，这个方向是符合逻辑的。

不过，如同欧洲对依赖单一天然气供应感到担忧一样，俄罗斯也认为依赖单一买家会有问题。欧洲在俄罗斯天然气出口中的比例近年来快速下降，2012年首次跌破50%大关（联邦海关总署资料）。俄罗斯目前最大的贸易伙伴是中国，其在俄对外贸易中的比重从2008年的5.2%上升到2012年前十个月的10.6%。排在第二位的是荷兰（这很容易解释，因为荷兰是欧洲最大的物流中心），其次是德国、意大利、土耳其、日本、美国、波兰、韩国和法国。“欧洲本身并不需要同俄罗斯的一体化。”全球化问题研究所所长米哈伊尔·杰利亚金（Mikhail Delyagin）提醒道。他说，波兰和罗马尼亚克服了重重困难才加入欧盟，土耳其则最终放弃了加入欧盟的打算。

俄罗斯总理德米特里·梅德韦杰夫的讲话更具外交艺术。他说，俄罗斯有潜力成为全球一体化进程中的关键环节之一，并实现自己的地缘政治优势。“我的理解是，从大西洋到太平洋的统一经济与人文空间概念更具吸引力。”德米特里·梅德韦杰夫说。

“俄罗斯的地位还和从前一样，是个富有的自然资源出口国。”“投资咖啡馆”公司董事总经理伊万·卡布拉耶夫（Ivan Kabulaev）说。不过他同时指出，俄罗斯非常需要外国投资和建立自己的国际金融中心。“打个比方说，需要更多的德帕迪约。”他开玩笑地说。

俄罗斯80%的出口产品是原料。对原料需求越来越多的国家，尤其是亚洲国家，越来越有机会成为对俄罗斯具有吸引力的合作伙伴。俄罗斯东部能源项目的积极落实便是证明。东西伯利亚——

太平洋管道去年输送了第一百万吨原油，新油田的开发纷纷上马，许多大型能源供应合同正在签订。

尽管目前亚洲在俄罗斯对外贸易中还不能同欧洲相比，俄罗斯却越来越担心欧洲的衰落会对本国经济造成影响。由于油价高企，俄国家财政预算尚能保**持平衡（根据初步**资料，2012年俄预算赤字仅为GDP的0.02%），但石油赤字已上升到占GDP的10.6%。2008年油价的崩溃导致俄GDP下降了7.8%。但那时候国家的负担还不算太重。相比之下，俄当前的社会责任负担在不久前的大选之后大大增加了。

梅德韦杰夫承诺，俄罗斯将在未来几年实现5%的经济增长率，与此同时其对全球经济增长的支撑将成为俄担任G20主席国的重要政治支柱之一。但独立专家对俄政府能实现如此高的经济增长率表示怀疑。前财政部长、现公民倡议委员会主席阿列克谢·库德林（Aleksey Kudrin）表示，如果不进行改革，俄罗斯经济在5~7年甚至更长时间内的增长率将不超过3.5~4%。俄罗斯经济发展部副部长安德烈·克列帕奇（Andrey Klepach）认为，俄2013年经济增长率能达到4~4.5%，但他同样指出，必须进行“认真的改革”。“里科姆信托”投资公司高级分析师弗拉迪斯拉夫·茹科夫斯基（Vladislav Zhukovsky）提醒说，“油管（石油）经济”模式已走到尽头，即使在最好的情况下，它也只能带动1.5~2%的经济增长。

http://ezhong.ru/economics/2013/01/23/20457.html

Руска Реч

Интеграције између Тихог и Атлантског океана

На Гајдаровом форуму, одржаном у Москви средином јануара, размотрено је питање са ким Русија треба да развија пословне односе. Премијер Дмитриј Медведев је изјавио да је неопходно радити на томе да Русија постане мост између Тихог и Атлантског океана.

Гајдаров форум, одржан у Руској председничкој академији за националну економију и јавну администрацију (рус. Российская академия народного хозяйства и государственной службы при

Президенте Российской Федерации) у Москви, био је у 2013. години прва дебатна трибина на којој су се окупили представници власти и бизниса. Главна тема форума је била интеграција Русије, тј. питање са киме Русија првенствено треба да развија пословну сарадњу.

Питање је крајње актуелно, али се у погледу његовог решења мишљења руских економиста разилазе. Уочи форума је један од његових организатора Владимир Мау, иначе председник Академије народне привреде и угледни представник групе либерално оријентисаних економиста, саопштио да он будућност Русије види у интеграцији са Европом, додуше на нивоу Швајцарске или Норвешке. То би било логично, будући да се 55-60% спољнотрговинског промета Русије реализује управо са Европском унијом, истакао је он.

Међутим, као што се Европа прибојава зависности од једног испоручиоца гаса, тако и Москва види проблеме који се могу појавити уколико буде зависила од једног купца. Удео Европе у спољнотрговинском промету Русије последњих година брзо опада и 2012. је први пут био нижи од 50% (подаци Федералне царинске службе). Кина је постала највећи трговински партнер Русије. Њен удео се са 5,2% у 2008. години повећао на 10,6% за 10 месеци 2012. године. Иза Кине је Холандија (што је сасвим разумљиво, будући да је та земља највећи логистички чвор Европе), па тек онда следе Немачка, Италија, Турска, Јапан, САД, Пољска, Јужна Кореја и Француска.

Премијер Дмитриј Медведев је дипломатски саопштио да Русија има све могућности да постане једна од кључних карика које повезују глобалне интеграционе процесе и да реализује своје геополитичке предности. „По мом схватању боље је дати предност појму јединственог економског и друштвеног простора од Атлантског до Тихог океана“, додао је премијер.

„Русија заузима исто место у свету као и раније. То је врло имућан извозник природних богатстава“, истакао је Иван Кабулајев, директор „Инвесткафеа“, али је истовремено скренуо пажњу на то да су Русији веома потребне стране инвестиције и да она треба да гради сопствени међународни финансијски центар. „Сликовито речено, потребно је да буде више Депардјеа“, нашалио се аналитичар.

Сировине чине 80% извоза Русије. За Русију ће све привлачнији партнер бити онај ко је данас заинтересован за повећање потрошње тих сировина, а то је пре свега Азија. О томе сведочи

активан развој источних енергетских пројеката Русије. Прошле године је кроз нафтовод Источни Сибир – Пацифик прошло првих милион тона нафте, индустријализују се нова налазишта и склапају се велики уговори о испоруци енергената.

Па ипак, када је реч о спољнотрговинском промету Русије, Исток се засада још није изједначио са Западом, тако да Москву све више забрињава опадање потражње за енергентима у Старом Свету и могућност да се то одрази на економију Русије. Захваљујући високим ценама нафте буџет је још увек мање-више избалансиран (према прелиминарним подацима, дефицит у 2012. години износио је свега 0,02% бруто домаћег производа), али нафтни дефицит је порастао на 10,6% бруто домаћег производа. Пад цена нафте 2008. довео је до пада бруто домаћег производа за 7,8%, а држава тада није била оптерећена социјалним обавезама као што је данас, с обзиром да су те обавезе повећане уочи претходне предизборне кампање.

Медведев је обећао да ће у наредном периоду Русија достићи раст економије од 5% и да ће, узгред, подршка раста глобалне економије бити један од стубова политике Русије у оквиру њеног председавања у Г-20. Па ипак, независни експерти сумњају да ће влада успети да подигне руску економију на тако висок ниво.

Алексеј Кудрин, бивши министар финансија, а сада шеф Комитета грађанских иницијатива, саопштио је, на пример, да ће руски бруто домаћи производ без одговарајућих реформи расти највише 3,5-4% у наредних 5-7 година, па чак и дуже. Заменик министра економског развоја Русије Андреј Клепач је уверен да руска економија у 2013. години може забележити пораст од 4-4,5%, али је такође указао на неопходност „озбиљних реформи“. Модел „економије цевовода“ није више тако ефикасан и у најбољем случају може да обезбеди раст економије од 1,5-2%, подсећа Владислав Жуковски, виши аналитичар инвестиционе компаније „Риком-Траст“.

http://ruskarec.ru/economics/2013/01/23/integracije_izmedju_tihog_i_atlantskog_okeana_19561.html

Gazeta Russa

Políticas econômicas da Rússia são debatidas em fórum

Garantir uma estabilidade macroeconômica ou estimular o crescimento econômico através de mais gastos do governo? Na semana passada, principais tomadores de decisão do país discutiram os desafios econômicos russos durante o Fórum de Gaidar, em Moscou.

O Fórum de Gaidar, realizado entre os dias 16 e 19 em Moscou na Academia Presidencial da Agricultura e do Serviço Estatal da Rússia, foi aberto quase sem traços de retomada da discussão do problema básico da política econômica russa, que é a abordagem à promoção do crescimento da economia através de gastos do Estado.

Em seu discurso no evento, primeira plataforma de discussão de 2013 na Rússia e que tradicionalmente reúne funcionários do governo e especialistas independentes, Dmítri Medvedev declarou que o principal objetivo do governo a médio prazo é o crescimento econômico de não menos de 5% do PIB ao ano.

Os participantes do fórum não tinham quase nenhuma dúvida de que 3,5% a 4% de crescimento do PIB em 2013 era praticamente o que havia sido decidido previamente e que os restantes 1,5 pontos percentuais devem ser procurados nas reformas estruturais. Os oponentes dessa ideia, que acreditam que o crescimento adicional encontra-se oculto nos incentivos, ficaram de fora do fórum.

No entanto, o aumento de 5% em 2013 não é visto como “obrigatório” pelo governo —o prazo colocado pelo primeiro-ministro foi definido mais amplamente como "no futuro próximo".

Medvedev enfocou as atividades das corporações do Estado, que "tiveram o seu papel na consolidação de diversos ativos e, no futuro, o seu destino tem de obedecer a regras determinadas”.

Como alternativa de suporte às corporações estatais, Medvedev propôs uma política de incentivo à iniciativa privada, incluindo “pequenas, médias e grandes empresas”.

Para isso, segundo Medvedev, é necessário pensar em estimular a competição entre as regiões pelos investidores. Ele recomendou às autoridades regionais e municipais que compartilhassem as responsabilidades com as autoridades federais.

Para desenvolver um ambiente competitivo, Medvedev considera necessário realizar uma "privatização progressiva". O primeiro-ministro não fez nenhum segredo de que já não está mais disposto a "aguardar indefinidamente" as condições favoráveis de mercado.

Mudanças

Dessa maneira, o Fórum de Gaidar confirmou que os governos, personalidades e principais indicadores macroeconômicos podem mudar na Rússia, mas o conflito básico na política econômica continuará o mesmo —a política da estabilidade macroeconomica irá se opor à política de aumento de gastos do Estado para a aceleração do crescimento econômico.

Mudam somente as nuances desta polêmica: em 2013, ela interessa pela perspectiva a médio prazo, com relação ao alvo colocado (crescimento do PIB em 5% por ano), mas para o qual aparentemente levam os dois caminhos.

O crescimento “natural" de 3,5%, na ausência de choques externos, não é contestado pelos partidários de nenhum dos lados. Os adicionais 1,5 pontos percentuais podem tanto trazer uma expansão drástica do financiamento de projetos de infraestrutura pelo governo (a curto prazo), como também trazer reformas estruturais significativas (a curto e médio prazos).

Durante o fórum, Anton Siluanov, chefe do Ministério das Finanças, falou em apoio à ideia de crescimento econômico através de reformas estruturais.

Mas, segundo ele, as reformas é que são necessárias e não o crescimento de demanda do Estado.

A posição do Ministério das Finanças também é apoiada pelo Banco Central. De acordo com o seu vice-presidente, Alexei Uliukaev, o crescimento de 3,5% de 2012 é uma possibilidade objetiva do modelo econômico operante.

O representante do Banco Central considera contraproducente incentivar esse modelo através de um simples relaxamento da política monetária, o que não "conduziria ao crescimento econômico, mas ao desequilíbrio e ao acúmulo de novos riscos em diferentes segmentos da economia”.

Em geral, o Fórum de Gaidar é mais um fórum de defensores dessa ideia, por isso o chefe adjunto do Ministério do Desenvolvimento Econômico, Andrei Klepach, colocou um ponto de vista oposto durante a abertura do evento.

Segundo ele, o crescimento do PIB de 5% exigiria "ajustes" nas regras fiscais.

Klepach também afirmou que não concorda com a opinião de Alexei Uliukaev sobre o ajuste do crescimento atual com o potencial econômico. Segundo ele, a flexibilização da política monetária e de crédito é uma forma aceitável para estimular o crescimento do PIB.

No entanto, é evidente que, em 2013, a estabilidade da situação econômica mundial trará mais oportunidades exatamente aos partidários do aumento dos gastos do governo –o sucesso de seus oponentes é ligado em muitos aspectos com a necessidade do governo de se opor a choques externos no período entre os anos de 2008 e 2012.

http://gazetarussa.com.br/economia/2013/01/23/politicas_economicas_da_russia_sao_debatidas_em_forum_17321.html

Russia Beyond Headlines
Moscow tackles economic integration issues

At the Gaidar Forum, which took place in Moscow in mid-January, participants discussed options for developing business relations. Prime Minister Dmitry Medvedev stressed the need for Russia to accelerate economic modernization and act as a link between the Pacific and the Atlantic.

The main topic of the Gaidar Forum, which was held in the Academy of National Economy and Public Administration under the President of the Russian Federation, – the first event of the year to convene representatives of government and business – was the integration of Russia. The acute question is which direction the country should look to develop business ties, and there is no consensus among Russian economists.

Ahead of the forum, one of its organizers, Vladimir Mau (head of the Academy of National Economy and a prominent liberal economist) said that he sees Russia's future in the context of closer integration with

the EU, along the lines of Switzerland or Norway. This would be logical, given that 55-60 percent of Russia's foreign trade is with the region, he noted.

However, just as Europe fears dependence on one supplier of gas, Moscow sees problems in being dependent on a single customer. Europe's share of exports in recent years has been rapidly declining, and, in 2012, it dropped below the 50-percent mark for the first time (according to the Federal Customs Service).

Russia's largest single-country trading partner is now China. Its share increased from 5.2 percent in 2008 to 10.6 percent in the first 10 months of 2012. Next comes the Netherlands (explained by its status as the largest logistics hub in Europe), followed by Germany, Italy, Turkey, Japan, the U.S., Poland, South Korea, and France.

"Europe itself does not need integration with Russia," said director of the Institute of Globalization Problems, Mikhail Delyagin. He recalled that the EU faced problems integrating Poland and Hungary, as well as the fact that the integration of Turkey is no longer on the table.

Prime Minister Dmitry Medvedev was diplomatic, noting that Russia could become a key link in the global integration process and realize its geopolitical potential. "As I see it," the prime minister said, "the notion of a single economic and humanitarian space from the Atlantic to the Pacific is advantageous."

"Russia's place is the same as before. It is a very wealthy exporter of natural resources," said managing director of Investkafe, Ivan Kabulaev. At the same time, he pointed to the fact that the country relies on external foreign investment and needs to create its own international financial center. "Depardieu is not enough," said Kabulaev.

Raw materials make up 80 percent of Russian exports. Consequently, any potential partner looking to increase consumption – particularly Asia – will be actively courted by Russia. This is evidenced by Russia's development of Eastern energy projects. Last year, the Eastern Siberia-Pacific Ocean pipeline pumped its millionth metric ton of oil; new deposits are being developed and major energy supply contracts are being signed.

Until the East catches up with the West in terms of Russia's foreign trade turnover, the Kremlin will continue to have sleepless nights over the impact that the Old World's recession is having on its economy.

Thanks to high oil prices, the budget remains more or less balanced (the deficit in 2012 amounted to just 0.02 percent of GDP, according to preliminary data), but the oil deficit rose to 10.6 percent of GDP. The collapse of oil prices in 2008 led to a 7.8 percent drop in GDP. At that time, though, the state was less burdened with social obligations – a result of the most recent election campaign.

Medvedev promised that the coming years would see Russia hit 5-percent annual growth. In this context, global growth will be one of the pillars of Russian policy within the framework of its G-20 presidency. However, independent experts doubt that the government will be able to pull the economy up by its bootstraps to such high levels.

For example, Alexei Kudrin, former finance minister and current head of the Committee of Civil Initiatives, says that, in the absence of reform, Russian GDP will grow no more than 3.5-4 percent for the next 5-7 years and beyond.

Deputy Minister of Economic Development Andrei Klepach is sure that the Russian economy can grow by 4-4.5 percent in 2013, but he also pointed to the need for "serious transformations." The "pipeline" economic model has exhausted itself, and economic growth of 1.5-2 percent is now the best that can be achieved, remarks senior analyst Vladislav Zhukovsky of Ricom-Trust Investment Company.

http://rbth.asia/business/2013/01/23/moscow_tackles_economic_integration_issues_21665.html

The Moscow Times

9 Reasons Why Stability in Russia May Be Elusive

Last week, the annual Gaidar Forum took place at the Academy of the National Economy and Public Administration in Moscow. Admirably, the academy's rector, Vladimir Mau, attracted most ministers and the cream of Russia's intelligentsia into interesting panel debates.

This year's forum was titled "Russia and the World: Challenges and Integration." I was most struck by a panel on political trends that featured nine prominent Russian pundits. Their pessimism was

overwhelming. Most expected no change this year, at least not for the better. President Vladimir Putin did win the presidential election last March, and the popular protests have largely faded, while the economy is doing pretty well. The increasingly reactionary regime is based on personal authoritarianism. It has gradually reinforced repression and thrives on anti-Americanism, but it enjoys solid support from the state bureaucracy, siloviki, big business and the provinces. The opposition may be supported by one-fifth of the population, but it is fragmented and weak.

Yet during one session at the forum, Novaya Gazeta journalist Andrei Kolesnikov appealed, "Do not underestimate the unpredictable!" Moderator Leonid Gozman, an opposition leader, underscored that the regime appears to be exhausted and at a dead end, saying: "The government does not even say anything good about itself. It only slanders the opposition."

Indeed, the Kremlin faces many risks this year. Its fundamental weakness is the dominance by a corrupt state apparatus that rules in its own interests and with impunity. Here are the top nine risks facing the Kremlin:

1. Oil prices may finally fall, as many leading financial analysts and banks predict. Global oil prices have been high since the end of 2003. The last time they stayed high was from 1973 to 1981. Then they fell steadily for five years, which destabilized the regime under Soviet leader Leonid Brezhnev. The time for an adjustment may be ripe.

2. The regime is completely dependent on one person: Putin. If anything happens to him, the system will be destabilized. Bizarre recent decisions, such as Rosneft's purchase of the highly profitable and well-managed TNK-BP, at great expense to the state, or the large, value-destructive Gazprom investment, raise questions whether he really is in control or only out of his mind.

3. Regimes with such extraordinary top-level corruption are not stable. Huge wealth is transferred to top officials. Corruption renders the state dysfunctional. Sooner or later, people will protest, and we cannot predict when.

4. In late 2012, Putin launched his first significant anti-corruption campaign. One indication that the elites are scared is the sharp increase over the past year in the number of luxury villas on Rublyovskoye Shosse that has been put on sale. Meanwhile, ordinary people are getting enraged by the massive corruption

within the government. In each of the six current corruption cases involving more than $100 million, one top official goes after another one, reflecting a wild interclan feud. This underscores the weakness of law and order. Putin's Catch-22 is best illustrated with former Defense Minister Anatoly Serdyukov. If Serdyukov is convicted and sent to prison, the corrupt elites will rebel. If he is acquitted, the population will protest.

5. The regime's new reactionary radicalism has put itself in danger. Previously, Putin was a master of political safety valves, but now he is plugging them, raising the risk of unexpected explosions. Every protest seems to be encountered with more repression, which is rarely optimal. The regime has developed a strong instinct to do the opposite of the rational.

6. Similarly, the anti-American campaign that started in connection with the State Duma elections in December 2011 is just getting worse. To judge from the official propaganda, Putin harbors the illusion that U.S. President Barack Obama intends to start an Orange-style revolution in Russia to oust him. In addition, anti-Americanism enjoys popular support in the regions. If this continues, the scaling back of U.S.-Russian cooperation will be inevitable. Why should Obama go out of his way to mend ties with a person who persistently campaigns against him and even skipped out on the Group of Eight meeting at Camp David in May? Obama has apparently turned down Putin's invitation to meet in Moscow this spring, and the question will inevitably rise whether Obama will go to the G20 summit in St. Petersburg in September. Putin's relations with the other G8 leaders are hardly better. Such foreign policy aggression is always imprudent, but particularly for the chairman of the G20. Putin runs the risk of losing face on a global scale.

7. With the return of Putin as president, Russia's relations with its post-Soviet neighbors have deteriorated to a dangerous low. Last time he was president, his aggressive neighborhood policy led to a war in Georgia in August 2008. There is an old, dangerous Russian myth stated by tsarist Interior Minister Vyacheslav von Plehve before the disastrous Russo-Japanese war in 1904: "We need a small, victorious war." No war is on the horizon, but with unresolved post-Soviet conflicts and persistent Islamic terrorist threats, new military actions cannot be excluded.

8. Putin's leading slogan in his state-of-the-nation address in December was "deoffshoreization." Demands for honest declarations of purchases of luxury residences abroad and for the prohibition of

foreign bank accounts have aroused great concerns among the state elites. It is an open question how far this policy will go, but it is already destabilizing the regime.

9. Finally, as the internal top struggle is clearly intensifying, a coup in the Kremlin cannot be excluded, especially since the most important combatants draw from the siloviki. If they consider Putin ineffective or weak, they might opt for a coup. Remember the August 1991 putsch.

Although there are many risks facing Russia, we should not forget positive factors, although they pale in comparison. Macroeconomic data remain stellar, and international reserves are huge. Russia's human capital is talented, and higher education is gradually being reformed. Accession to the World Trade Organization should speed up international economic integration and foreign direct investment. The euro crisis has abated, which may improve demand for Russian oil. But this will likely be offset by the shale gas revolution and Gazprom's dysfunction.

A year ago, revitalizing economic and political reforms appeared likely, but that is no longer the case. Under such circumstances, the unpredictable may suddenly happen.

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http://www.themoscowtimes.com/opinion/article/9-reasons-why-stability-in-russia-may-be-elusive/474379.html

IHS Global Insight Daily Analysis

Janssen and Pharmstandard enter into licensing agreement for TB drug

Janssen (a subsidiary of Johnson and Johnson, US) has entered into an agreement with Russian company Pharmstandard according to which it will transfer the rights to its bedaquiline, a treatment for multidrug-resistant TB (MDR-TB) in adults, to the Russian company in Russia and Commonwealth of Independent States countries, reports Pharmvestnik.ru. According to the source, Janssen will transfer its technology and expertise to Pharmstandard for the localisation of production. Furthermore, the companies will be forming a joint committee of experts "to discuss the legal, medical, industrial topics and those related to

the supply of bedaquiline". The committee will additionally monitor the proper usage of the drug so as to "limit the risk of drug resistance".

Significance: The agreement was signed as part of the Gaidar Forum held over 16–19 January. Another agreement, between Janssen and Russian company NewVac, for Janssen's quisinostat was also signed at the same forum (see Russia - United States: 22 January 2012:). Given that Russia is one of the world's "high burden" TB countries, with over 150,000 cases of active TB reported each year and over 43,000 cases of MDR-TB, the drug is likely to be met with high demand in the market.

SKRIN Newswire

Deputy Prime Minister Arkady Dvorkovich chairs press briefing on Russia's participation in World Economic Forum in Davos, Switzerland

On 22 January 2013 Deputy Prime Minister Arkady Dvorkovich chaired a press briefing on Russia’s participation in the World Economic Forum in Davos, Switzerland.

Transcript of the meeting:

Arkady Dvorkovich: Good day, colleagues! I will outline the key objectives for the Russian delegation at this year’s Davos Forum. The delegation, headed by Prime Minister Dmitry Medvedev, will attend the forum meetings on January 23 and 24, that's two full days. The delegation comprises representatives of federal and regional governments, including yours truly, as well as some members of the Government Staff, including Sergei Prikhodko (First Deputy Chief of the Government Staff), Minister for Relations with the Open Government Mikhail Abyzov, some regional heads, in particular Rustam Minnikhanov (Head of Tatarstan), Lev Kuznetsov (Governor of the Krasnoyarsk Territory) and Yevgeny Kuivashev (Governor of the Sverdlovsk Region). The forum will also be attended by a number of deputy federal ministers, including Sergei Belyakov (Deputy Minister of Economic Development) and Sergei Storchak (Deputy Minister of Finance). Representatives of business associations and large state development institutes Vladimir Dmitriev (Chairman of Vnesheconombank), Alexander Shokhin (President of the Russian Union of Industrialists and Entrepreneurs), Vasily Titov (Deputy CEO of VTB Bank), and leaders of the Agency for Strategic Initiatives, as well as leaders of large state and private companies, will also attend the meetings.

This year, the Russian delegation is bigger than ever. There are several reasons for that. First, Russia is president of the G20 this year and traditionally the Davos Forum welcomes the chairs of the G20 and G8 as its main guests. This time, the Prime Minister will speak at the first large plenary session in the Congress Hall. This meeting will focus on national development scenarios which have been prepared by a panel of Russian and foreign experts over the past few months. Our colleagues, Sergei Guriyev, Alexei Kudrin and Yale University professor Oleg Tsivinsky, will speak about them at the beginning of the plenary meeting. Following the presentation of the scenarios (they will be discussed for about two hours prior to the session), the Prime Minister will deliver a speech outlining his own view of the development scenarios and Russia's role in the global economy. He will talk about the priorities of Russia's presidency of the G20 and outline the Russian Government's main objectives, including those that lie at the heart of Government activities and which he will shortly be announcing at a Government meeting. In this sense, both the Davos Forum and the Gaidar Forum, which recently took place, provide platforms for comparing approaches with the experts and verifying understanding of Government activities, which under Russian law are defined by the Prime Minister.

On the second day of the forum, the Prime Minister will attend two main events. The first one is a special working breakfast, organised by the major Russian bank VTB Bank, where an informal discussion on Russia's development will take place. The second event is a session on the G20. During this session, the Prime Minister will give a more detailed view of the priorities of Russia's G20 presidency, taking into account his own experience working in this format. Together with other heads of state, Mr Medvedev was one of the de facto instigators of the G20 in its current format and was himself one of the G20 leaders. Therefore, he has all the information needed to give an overview of the prospects and priorities for the G20. Ksenia Yudaeva, the current Russian G20 Sherpa, will attend this session too and will give a detailed presentation of our position and priorities. This meeting will also be attended by the Sherpas of the other G20 countries.

The Prime Minister will also hold bilateral meetings, as the leaders of many countries traditionally attend the meeting in Davos. In particular, meetings have been scheduled with UK Prime Minister David Cameron and President of the Swiss Confederation Ueli Maurer. Other meetings, the duration of which may vary, could be held in other formats; their schedule is being coordinated. Mr Medvedev will certainly meet with the media and will also attend two meetings held behind closed doors, notably meetings with

members of the Davos forum's International Business Council and International Media Council where he will be able to put forth our approaches and our vision on issues of interest to our colleagues in an informal manner.

Many informal evening meetings are held during the Davos forum. The Prime Minister will attend a party given by Mr Schwab (Klaus Schwab, the founder of the World Economic Forum) which is traditionally held on the opening day of the forum, where he will be able to talk with his colleagues, including the leaders of other countries, in an informal setting. In our opinion, this is very useful for discussing global issues in different formats, including Russia's priorities which are of interest for business people, journalists and our colleagues in the governments of other countries.

I'd like to stress that one more format will be added to the Gaidar and Davos forums soon for setting out the guidelines for the Russian Government's activity. This is a forum that will be held in Krasnoyarsk in the middle of February, with the main day set for February 15. The Prime Minister will attend the Krasnoyarsk forum where following the announcement of our priorities he will be able to discuss them with a large group of experts, business people and representatives of Russian regions. We believe that this direct-access intense work, which will last a month, will be very useful for presenting the current efforts of the Russian Government.

Other members of the Russian delegation will attend different meetings. For example, I plan to attend the aforementioned VTB Lunch, where I will serve as the moderator, to direct discussions towards issues which I consider interesting (and which I hope my colleagues will like), including to coordinate the Russian and the global agendas, which is very important for us in the current situation. In addition, I plan to attend a meeting on the G20 priorities on the forum's opening day, and also to talk with journalists from various media outlets. As chairman of the Russian Organising Committee for hosting Expo 2020 in Yekaterinburg, I will attend presentations on this issue. However, the planned special presentation will be held after the official delegation leaves Davos, but some colleagues capable of making the presentation at a high level will stay behind.

I'd like to say again that various Davos formats are a very useful method for resolving important issues very rapidly and in a compressed mode. Regarding Russia's agenda, our most important task is to show investors, and primarily big international investors, that Russia is an open country, that one can and

should work with it, and that we are waiting for investment and are ready to work with everyone who shares our view of priorities.

Question: Alexander Tretyakov, the newspaper Business Online, Kazan. I have a double question about the role of regional leaders, in particular the leader of Tatarstan Rustam Minnikhanov. What tasks are they facing?

Arkady Dvorkovich: Under one of the scenarios drafted by our experts, the role of regional leaders is very large, considering differences in the regions' standards of development, and we can see the growth of the trend of the past few years, when Russia's development will not be bolstered by all regions, and not even by the federal Government, but by regional leaders. I repeat that this is the opinion of experts rather than my personal opinion. The regional leaders who will go to Davos - as I have said today, there will be several deputy governors among them, in particular Mr Sharonov (Deputy Moscow Mayor Andrei Sharonov), who will represent the Moscow Government - these leaders have recently been the most effective, and Rustam Minnikhanov is definitely one of them: all of us know about Tatarstan's achievements. Their goal is also to attract investors, to show what they are doing and possibly to boast about their achievements, and also to draw on the experience of others and to develop new ties.

The federal Government needs to demonstrate this aspect of Russia to the world, to show that Russia does not only consist of federal officials and Moscow as the federal centre, but that there are also a large number of regional leaders, and that Russia's growth begins in the regions, which have proved their ability to achieve good results.

Question: Dina Khrennikova, Platts. You have said that one of the delegation's tasks will be to show that Russia is open to investors. Hence my question: What is the Government's view on the possibility of privatising Rosneft? What portion of the company does the Government plan to keep?

Arkady Dvorkovich: Of course, the Prime Minister and all of us [other members of the delegation] will present the promotion of competition as one of the Government's priorities. Privatisation is, certainly, an instrument of creating truly competitive conditions on the Russian market, including in the energy sector.

We believe that no companies should have privileges. State property, as set out by law, excluding the shelf, does not entail any privileges - I am referring to the oil sector.

Russia OGGI

Forum Gaidar, gli interventi più significativi

Il primo ministro Medvedev propone la costruzione di una politica economica basata sui capisaldi dello scrittore e statista russo a cui è dedicato il vertice. Le posizioni degli altri partecipanti anche su argomenti come Depardieu e Wto

Il primo ministro Dmitri Medvedev ritiene che la convinzione di Egor Gaidar secondo cui la politica economica dello Stato dovrebbe essere innovativa piuttosto che convenzionale resterà di attualità per la Russia per molti anni a venire. Parlando al Forum Gaidar, svoltosi presso l'Accademia russa di Economia Nazionale e della Pubblica Amministrazione, Medvedev ha citato il famoso detto "Quando soffia il vento del cambiamento, occorre costruire un mulino a vento, non un paravento".

"È stato Mao a dirlo", ha sottolineato il primo ministro, aggiungendo dopo una breve pausa, "Tse-tung". Uno scoppio di risate è esploso in mezzo al pubblico, seguito da degli applausi, perché alcuni potevano aver frainteso il primo ministro e pensato che Medvedev stesse citando Vladimir Mau, rettore dell'Accademia di Economia nazionale, che ha fatto da moderatore nella sessione plenaria del forum.

"Ma penso che dovremmo ricordare una cosa diversa nel corso dei prossimi anni e che dovrei citare Egor Gaidar, il quale ha detto che la politica economica dello Stato non deve essere convenzionale, ma richiede soluzioni innovative. Quanti progressi la Russia farà in questo ambito nel corso dei prossimi decenni deciderà la sua efficienza nel corso della prossima recessione economica mondiale e la prospettive a lungo termine della nostra espansione economica. Si tratta di un'affermazione molto veritiera", ha sottolineato Medvedev.

Al Forum Gaidar si è parlato anche di Wto. Il direttore generale del Wto, Pascal Lamy, ha affermato: "Il Kazakhstan e la Bielorussia devono di fatto rispettare molte norme del Wto, in qualità di partner dell'Unione doganale russa". "Il Kazakhstan potrebbe aderire all'Organizzazione mondiale del commercio (Wto) nel 2013", ha riferito ai giornalisti Lamy.

"Il Kazakhstan si trova in una fase avanzata dei suoi negoziati di adesione. La mia ipotesi è che ciò potrebbe avvenire quest'anno", ha detto ai giornalisti a margine del Forum Gaidar. Aggiungendo che la

Bielorussia è invece in una fase meno avanzata dei negoziati, rendendo quindi difficile specificare un lasso di tempo per la sua adesione.

Contemporaneamente, Lamy ha detto che la Russia, la Bielorussia e il Kazakhstan, facendo parte dell'Unione doganale, dovrebbero operare in un contesto di regime commerciale unico. Dal momento che la Russia è già un membro del Wto, il Kazakhstan e la Bielorussia devono di fatto rispettare molte delle norme dell'Organizzazione.

Il capo del Wto non ha dato luogo a una stima dei risultati dei primi sei mesi di adesione della Russia all'Organizzazione, specificando che sarebbe stato prematuro giudicare. “La Russia non è molto diversa da qualsiasi altro Paese che ha aderito al Wto nel corso degli ultimi dieci anni”, ha detto. Aggiungendo che ogni nuovo membro del Wto ha bisogno di tempo per funzionare senza problemi e soddisfare tutte le norme e gli standard del Wto.

Al Forum Gaidar anche il caso Depardieu. "La competizione globale tra i sistemi fiscali è cresciuta in maniera più intensa nel corso degli ultimi anni e i Paesi sono in lotta per i contribuenti così come si battono per gli investitori", ha detto in una sessione plenaria del forum il capo del Servizio Fiscale Federale, Mikhail Mishustin.

"Gérard Depardieu è il perfetto esempio di un uomo che ha apprezzato la prevedibilità e la trasparenza del sistema fiscale russo", ha sottolineato Mishustin, rispondendo a un’osservazione del moderatore della sessione, il numero uno della società Rusnano Anatoly Chubais, che ha fatto riferimento alla decisione dell’attore francese come a una “vittoria fantastica” per il sistema fiscale russo nella competizione globale.

Depardieu aveva deciso di rinunciare alla cittadinanza francese dopo che il presidente Holland aveva annunciato l'intenzione di imporre un’imposta sul reddito del 75% per coloro che guadagnano più di un milione di euro l'anno. L'attore non ha cambiato i suoi piani, anche dopo che le autorità francesi hanno rinunciato ai loro.

Il Servizio Fiscale Federale ha spiegato che Gerard Depardieu sarebbe diventato un contribuente in Russia solo se avesse scelto di vivere qui per più di 180 giorni per anno solare o di avviare un business in Russia.

"Gérard è un esempio non solo per coloro che sono interessati ad aliquote fiscali ridotte, ma anche per chi guarda alla prevedibilità e alla trasparenza del sistema fiscale russo", ha detto Mishustin. Aggiungendo anche che il numero di persone che condivide questo parere è in costante crescita.

Secondo il capo del Servizio fiscale federale, la Russia ha costruito il suo sistema fiscale sulla base di standard internazionali e sul modello Ocse di convenzione fiscale. Quindi "ci sentiamo sicuri quando siamo in competizione con altri sistemi fiscali nel mondo", ha detto Mishustin.

Il capo della Sberbank German Gref ha suggerito di rinominare il Ministero del Governo aperto (Open Government, letteralmente "governo aperto", intendendo il concetto di amministrazione trasparente a livello centrale e locale, ndr), come Ministero della Propaganda, sulla base della dichiarazione del ministro Mikhail Abyzov, titolare del dicastero, riguardo i suoi obiettivi.

I partecipanti al Forum Gaidar hanno proposto che il ministro russo Mikhail Abyzov cambiasse il nome del suo team in Ministero della Propaganda, poichè il ministro ha proclamato che il chiarimento delle decisioni del governo rappresenta il suo obiettivo principale; quest'ultimo, tuttavia, non ha trovato lo scherzo divertente ribadendo che la spiegazione degli atti del governo rappresenta il suo principale compito.

"Il compito numero uno per me e la mia squadra, nel 2013, insieme con l'intero Gabinetto, è quello di rendere il lavoro del governo russo comprensibile per i normali cittadini sia per quanto riguarda il funzionamento dei meccanismi amministrativi che sul fronte delle decisioni prese dal governo. Se l'operato del governo e le sue decisioni non risulteranno comprensibili per il pubblico, non adempiremo al normale impegno verso la società civile, non saremo in grado di utilizzare report adeguati, perché questo fa parte delle attività di informazione che sono alla base di questo processo", ha detto Abyzov.

Commentando l'affermazione del ministro, il ceo di Sberbank, German Gref, ha suggerito la modifica del nome in Ministero della propaganda, se questo era ciò che il ministro intendeva fare. "Si può chiamare Ministero della Propaganda, Ministero della Spiegazione, ma questo è il nostro compito fondamentale", ha risposto Abyzov.

Il ministro ha proseguito discutendo dei cambiamenti in Rusnano, spingendo il capo della società, Anatoly Chubais, a offrire il suo aiuto al ministro negli sforzi di propaganda. “L'unica cosa che ha bisogno di aiuto è la propaganda nel tuo Ministero”, ha risposto Chubais.

Il progetto di una nuova configurazione, essenzialmente bicamerale, del governo è stata avanzata da Dmitri Medvedev nell'autunno del 2011, durante il suo mandato presidenziale. Il Gabinetto tradizionale doveva essere rinforzato da una governance che avrebbe incluso i rappresentanti della società civile. Nel mese di maggio 2012, Abyzov è stato nominato ministro per il Governo aperto, che dovrebbe diventare pienamente operativo nel 2013, con l’inizio di un numero compreso dai tre ai cinque dei progetti pilota programmati.

http://russiaoggi.it/economia/2013/01/22/forum_gaidar_gli_interventi_piu_significativi_21823.html

Bankir.Ru

Moscow tackles economic integration issues

At Moscow's mid-January Gaidar Forum, participants discussed options for developing business relations. Prime Minister Dmitry Medvedev stressed the need for Russia to accelerate economic modernization and act as a link between the Pacific and the Atlantic.

The main topic of the Gaidar Forum - the first event of the year to convene representatives of government and business - was the integration of Russia. The acute question is which direction the country should look to develop business ties, and there is no consensus among Russian economists.

Ahead of the forum, one of its organizers, Vladimir Mau (head of the Academy of National Economy and a prominent liberal economist) said that he sees Russia's future in the context of closer integration with the EU, along the lines of Switzerland or Norway. This would be logical, given that 55-60 percent of Russia's foreign trade is with the region, he noted.

However, just as Europe fears dependence on one supplier of gas, Moscow sees problems in being dependent on a single customer. Europe's share of exports in recent years has been rapidly declining, and, in 2012, it dropped below the 50-percent mark for the first time (according to the Federal Customs Service).

Russia's largest single-country trading partner is now China. Its share increased from 5.2 percent in 2008 to 10.6 percent in the first 10 months of 2012. Next comes the Netherlands (explained by its status as the largest logistics hub in Europe), followed by Germany, Italy, Turkey, Japan, the U.S., Poland, South Korea, and France.

"Europe itself does not need integration with Russia," said director of the Institute of Globalization Problems, Mikhail Delyagin. He recalled that the EU faced problems integrating Poland and Hungary, as well as the fact that the integration of Turkey is no longer on the table.

Prime Minister Dmitry Medvedev was diplomatic, noting that Russia could become a key link in the global integration process and realize its geopolitical potential. "As I see it," the prime minister said, "the notion of a single economic and humanitarian space from the Atlantic to the Pacific is advantageous."

"Russia's place is the same as before. It is a very wealthy exporter of natural resources," said managing director of Investkafe, Ivan Kabulaev. At the same time, he pointed to the fact that the country relies on external foreign investment and needs to create its own international financial center. "Depardieu is not enough," said Kabulaev.

Raw materials make up 80 percent of Russian exports. Consequently, any potential partner looking to increase consumption - particularly Asia - will be actively courted by Russia. This is evidenced by Russia's development of Eastern energy projects. Last year, the Eastern Siberia- Pacific Ocean pipeline pumped its millionth metric ton of oil; new deposits are being developed and major energy supply contracts are being signed.

Until the East catches up with the West in terms of Russia's foreign trade turnover, the Kremlin will continue to have sleepless nights over the impact that the Old World's recession is having on its economy.

Thanks to high oil prices, the budget remains more or less balanced (the deficit in 2012 amounted to just 0.02 percent of GDP, according to preliminary data), but the oil deficit rose to 10.6 percent of GDP. The collapse of oil prices in 2008 led to a 7.8 percent drop in GDP. At that time, though, the state was less burdened with social obligations - a result of the most recent election campaign.

Medvedev promised that the coming years would see Russia hit 5-percent annual growth. In this context, global growth will be one of the pillars of Russian policy within the framework of its G-20 presidency. However, independent experts doubt that the government will be able to pull the economy up by its bootstraps to such high levels.

For example, Alexei Kudrin, former finance minister and current head of the Committee of Civil Initiatives, says that, in the absence of reform, Russian GDP will grow no more than 3.5-4 percent for the next 5-7 years and beyond.

Deputy Minister of Economic Development Andrei Klepach is sure that the Russian economy can grow by 4-4.5 percent in 2013, but he also pointed to the need for "serious transformations." The "pipeline" economic model has exhausted itself, and economic growth of 1.5-2 percent is now the best that can be achieved, remarks senior analyst Vladislav Zhukovsky of Ricom- Trust Investment Company.

Russland Heute

Le climat pour l'investissement s'améliore en Russie, mais doit encore progresser

Wirtschaftswachstum fördern – aber wie?

Makroökonomische Stabilität sichern oder Wirtschaftswachstum durch höhere Staatsausgaben stimulieren? Führende Experten und Entscheidungsträger diskutierten auf dem Gaidar-Forum in Moskau über die aktuellen Herausforderungen an Russlands Wirtschaft.

Das Gaidar-Forum ist eine der bedeutendsten Plattformen zur Diskussion wirtschaftlicher Themen in Russland. In diesem Jahr fand das Forum vom 16. bis 19. Januar in der Präsidentenakademie der Wirtschaft und Staatsdienstes in Moskau statt. Als Hauptthema der Veranstaltung wurde das Ankurbeln des Wirtschaftswachstums durch Staatsprogramme diskutiert.

In seiner Ansprache erklärte Ministerpräsident Dmitri Medwedjew ein Wirtschaftswachstum von mindestens fünf Prozent des jährlichen Bruttoinlandprodukts zum mittelfristigen Hauptziel der Regierung. Laut Medwedjew spielten die Staatsunternehmen eine wichtige Rolle bei der Konsolidierung der verstreuten Aktiva. Dennoch müssten auch sie künftig klaren Regeln unterworfen werden.

Als Alternative zu den Staatsunternehmen hob der Ministerpräsident die Stimulierung des Privatunternehmertums, von kleinen über mittlere bis zu großen Firmen, hervor. Eine zentrale Aufgabe bestehe in diesem Zusammenhang darin, den Wettbewerb zwischen den Regionen anzuregen.

Notwendig, so der Regierungschef, sei dabei eine „konsequente Privatisierung". Er wolle nicht ewig warten, bis ausreichend günstige Marktbedingungen gegeben seien und beklagte das zu langsame Voranschreiten des Verkaufs von Staatseigentum.

Der Auftritt Medwedjews ist symptomatisch. Auch bei regem Wechsel von Regierungen, Akteuren und makroökonomischen Faktoren bleibt der Grundkonflikt in der Wirtschaftspolitik doch immer der gleiche: Der Politik der steigenden Staatsausgaben zur Ankurbelung des Wirtschaftswachstums steht eine Politik der makroökonomischen Stabilität entgegen. Die Auseinandersetzung variiert lediglich in Nuancen.

Das für 2013 mittelfristig gesetzte Ziel von fünf Prozent BIP-Wachstum kann auf beiden Wegen erreicht werden. Anhänger beider Richtungen erwarten bei Ausbleiben äußerer Risiken ein „natürliches" Wachstum von 3,5 Prozent. Zusätzliche 1,5 Prozentpunkte könnten sowohl kurzfristig mittels einer schlagartigen Aufstockung der staatlichen Finanzierung von Infrastrukturprojekten als auch langfristig mittels grundlegender Strukturreformen erreicht werden.

Finanzminister Anton Siluanow favorisierte in seiner Rede die Ankurbelung des Wirtschaftswachstums mittels Strukturreformen. Seine Position wird von der Zentralbank unterstützt. Dem ersten Stellvertreter des Präsidenten der Zentralbank Alexej Uljukajew zufolge habe das Wachstum von 3,5 Prozent im Jahr 2012 die Richtigkeit der aktuellen Wirtschaftspolitik bestätigt.

Dieses Modell durch eine Aufweichung der Geldpolitik anzukurbeln, erachtete die Zentralbank als kontraproduktiv, da dies „nicht zu einem Wirtschaftswachstum, sondern zum Ungleichgewicht und zur Anhäufung neuer Risiken in den verschiedenen Wirtschaftsbereichen" führe.

Der stellvertretende Wirtschaftsminister Andrej Klepatsch verteidigte den gegenteiligen Standpunkt. Seiner Meinung nach erfordere ein BIP-Wachstum von fünf Prozent sowohl staatliche Unterstützungen als auch eine flexible Geld- und Kreditpolitik.

Insgesamt betrachtet, eröffnet die Stabilität der Weltwirtschaft 2013 den Befürwortern höherer Staatsausgaben die besseren Chancen, sich mit ihrer Meinung durchzusetzen.

http://russland-heute.de/wirtschaft/2013/01/22/wirtschaftswachstum_foerdern_aber_wie_21555.html

La Russie d'Aujour'hui

Le climat pour l'investissement s'améliore en Russie, mais doit encore progresser

Augusto Lopez-Claros, le directeur du Département des Indicateurs Globaux et Analyse du Groupe de la Banque mondiale, considère qu'une ascension dans le classement « Doing Business » de la Banque mondiale va nécessiter une véritable volonté politique de la part du gouvernement russe.

La Russie a connu des succès certains dans l'amélioration de son climat d'investissement, s'étant hissée dans le classement de la Banque mondiale jusqu'à « Doing Business », mais elle peut aller encore plus loin à condition de mener une politique cohérente, a déclaré le directeur du Département des Indicateurs Globaux et Analyse du Groupe de la Banque mondiale, Augusto Lopez-Claros, lors d'une conférence du Forum Gaïdar à Académie de l'économie nationale et de la fonction publique de Russie auprès du président.

« La Russie a connu des succès certains, elle a amélioré son classement, cela montre que les réformes vont dans la bonne direction », a-t-il déclaré.

La Banque mondiale, selon ses mots, salue ces efforts. Lopez-Claros a rappelé que le gouvernement russe a l'ambition d'atteindre la 20e place dans le classement international, bien qu'aujourd'hui, il se situe encore dans le bas de la liste.

Dans le classement « Doing Business » de 2013, la Russie gravit quelques échelons et passe de la 120e à la 112e place. Cette fois-ci, la Russie vient se placer entre la République de Palau et le Salvador. Le classement international couvre 185 pays, en tête duquel se situe Singapour pour la septième année consécutives. Dans le top 10, figurent ensuite Hong Kong, la Nouvelle-Zélande, les Etats-Unis, le Danemark, la Norvège, la Grande-Bretagne, la Corée du Sud, la Géorgie et l'Australie.

Les succès remportés dans l'amélioration du climat d'investissement et, par conséquent, l'ascension de la Russie dans le classement « Doing Business » requièrent une volonté politique, des actions soutenues et un progrès certain, a déclaré Lopez-Claros. Toutefois, a-t-il dit, ce n'est pas une tâche impossible.

« Bien entendu, il faudra une politique cohérente. Mais nous voyons que le pays a réussi à améliorer le climat d'investissement ces dernières années », a indiqué l'analyste.

En parlant de classement, Lopez-Claros a souligné que la situation de la Russie dépend non seulement de son propre succès, mais aussi de la politique conduite par d'autres pays.

« En effet, si vous agissez rapidement, mais que d'autres sont encore plus rapides, alors vous restez derrière », a-t-il dit.

S'exprimant sur le climat d'investissement, le représentant de la Banque mondiale a noté que les investisseurs cherchent aujourd'hui une main-d'œuvre non seulement bon marché, mais également professionnelle. Il a également indiqué que les investisseurs prêtent une attention particulière à l'environnement institutionnel, pour aller là où les « règles sont raisonnables, transparentes, bien prescrites et prévisibles ».

Il a également fait remarquer que, ces dernières années, les changements mondiaux dans ce domaine ont lieu dans tous les pays en même temps.

La Banque mondiale, a déclaré Lopez-Claros, observe une bonne dynamique en Europe centrale et orientale, y compris en Russie. L'expert conseille de porter une attention toute particulière au développement de la concurrence dans le secteur du transport, à l'amélioration de l'éducation et à la lutte contre la corruption.

http://larussiedaujourdhui.fr/economie/2013/01/22/le_climat_pour_linvestissement_sameliore_en_russie_mais_doit_encore_21497.html

Russian Government News

Deputy Prime Minister Arkady Dvorkovich chairs a press briefing on Russia's participation in the World Economic Forum in Davos, Switzerland

Arkady Dvorkovich: Good day, colleagues! I will outline the key objectives for the Russian delegation at this year's Davos Forum. The delegation, headed by Prime Minister Dmitry Medvedev, will attend the forum meetings on January 23 and 24, that's two full days. The delegation comprises representatives of federal and regional governments, including yours truly, as well as some members of the Government Staff, including Sergei Prikhodko (First Deputy Chief of the Government Staff), Minister for Relations with the Open Government Mikhail Abyzov, some regional heads, in particular Rustam Minnikhanov (Head of Tatarstan), Lev Kuznetsov (Governor of the Krasnoyarsk Territory) and Yevgeny Kuivashev (Governor of the Sverdlovsk Region). The forum will also be attended by a number of deputy federal ministers, including Sergei Belyakov (Deputy Minister of Economic Development) and Sergei Storchak (Deputy Minister of Finance). Representatives of business associations and large state development institutes Vladimir Dmitriev (Chairman of Vnesheconombank), Alexander Shokhin (President of the Russian Union of Industrialists and Entrepreneurs), Vasily Titov (Deputy CEO of VTB Bank), and leaders of the Agency for Strategic Initiatives, as well as leaders of large state and private companies, will also attend the meetings.

This year, the Russian delegation is bigger than ever. There are several reasons for that. First, Russia is president of the G20 this year and traditionally the Davos Forum welcomes the chairs of the G20 and G8 as its main guests. This time, the Prime Minister will speak at the first large plenary session in the Congress Hall. This meeting will focus on national development scenarios which have been prepared by a panel of Russian and foreign experts over the past few months. Our colleagues, Sergei Guriyev, Alexei Kudrin and Yale University professor Oleg Tsivinsky, will speak about them at the beginning of the plenary meeting. Following the presentation of the scenarios (they will be discussed for about two hours prior to the session), the Prime Minister will deliver a speech outlining his own view of the development scenarios and Russia's role in the global economy. He will talk about the priorities of Russia's presidency of the G20 and outline the Russian Government's main objectives, including those that lie at the heart of Government activities and which he will shortly be announcing at a Government meeting. In this sense, both the Davos Forum and the Gaidar Forum, which recently took place, provide platforms for comparing

approaches with the experts and verifying understanding of Government activities, which under Russian law are defined by the Prime Minister.

On the second day of the forum, the Prime Minister will attend two main events. The first one is a special working breakfast, organised by the major Russian bank VTB Bank, where an informal discussion on Russia's development will take place. The second event is a session on the G20. During this session, the Prime Minister will give a more detailed view of the priorities of Russia's G20 presidency, taking into account his own experience working in this format. Together with other heads of state, Mr Medvedev was one of the de facto instigators of the G20 in its current format and was himself one of the G20 leaders. Therefore, he has all the information needed to give an overview of the prospects and priorities for the G20. Ksenia Yudaeva, the current Russian G20 Sherpa, will attend this session too and will give a detailed presentation of our position and priorities.

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http://government.ru/eng/docs/22473/

SKRIN Newswire

Single Economic Space de facto uses WTO norms

MOSCOW, 18 January (BelTA) - The Single Economic Space of Belarus, Russia, and Kazakhstan de facto operates using norms of the World Trade Organization. The statement was made by Mr Viktor Khristenko, Chairman of the Board of the Eurasian Economic Commission, at the plenary session of the Gaidar Forum in Moscow. The plenary session was dedicated to discussing global competition challenges, the press service of the Eurasian Economic Commission told BelTA.

According to Viktor Khristenko, the regulatory framework of the Single Economic Space heavily relies on WTO norms and rules. He remarked that norms, rules, procedures, and obligations of Russia within

the framework of the WTO are applicable to other Customs Union participants. "While de jure not all the Single Economic Space members are part of the WTO, de facto the norms the Eurasian Economic Commission adopts rely on equivalent norms and procedures of the World Trade Organization," explained the Chairman of the Board of the Eurasian Economic Commission. "In my opinion, it is a positive thing for foreign trade participants and investors, who strive for getting market rules to comply with generally acknowledged, acceptable and time-tried procedures".

"The integration process is not just gaining momentum. It really demonstrates its effectiveness, which is confirmed by researches carried out by such institutions as the European Bank for Reconstruction and Development. The bank named our project the most successful regional integration project in 2012," remarked Viktor Khristenko.

As of 1 January 2012 Belarus, Russia, and Kazakhstan are busy building the Single Economic Space on the basis of 17 fundamental agreements. "We will have to accomplish a stupendous piece of work within two years. We will have to pass about 60 documents to build upon these agreements in such important areas as macroeconomics, finance and foreign currency, industry policy, agriculture policy, trade policy, transport policy, and energy policy," said Viktor Khristenko.

The official said that the leaders of the three countries had given instructions to enable the operation of the Eurasian Economic Union as of 1 January 2015. "It is a massive undertaking. The thick of it will involve the reshuffling of competence between national and supranational bureaucracies," said Viktor Khristenko.

He remarked that the transfer of competence to the supranational level will create a unique opportunity to advance the reformation of the regulatory sphere because the best practices of global and supranational institutions have been utilized as the basis of the regulatory framework of the Customs Union, the Single Economic Space and the future Eurasian Economic Union.

"Our use of the opportunity, the support the deployed legal base will provide to the political will determine not only the success of the integration project but also the effectiveness of the regulatory environment in the Eurasian space on the whole," said Viktor Khristenko. / Belta.by

SKRIN Newswire

Gaidar Forum 2013: new challenges, new opportunities

Financial crisis, a new world order, the decline of international financial institutions, a new reserve currency, and measures to address global threats were on the agenda of the Gaidar Forum 2013, which took place in Moscow January 16th through 19.

The participants in the Gaidar Forum 2013 were unanimous that the world is on the threshold of big change. Over the past 30 years, the world economy has been relying on workforce from South East Asia and has been developing thanks to the ensuing consumer boom and rising commodity markets. This model is no longer relevant, Professor Jack Goldstone of George Mason University, says.

Asian, European and American economies are all in for structural changes. As for Russia, it will have to step up modernization of its economy as it will also face changes, the professor said.

Addressing the Gaidar Forum, Russia's Prime Minister Dmitry Medvedev said that there were new opportunities and new models lying ahead.

"The economic crisis of the 1970s led to the creation of a new model and the appearance of two major reserve currencies. Consequently, it gave new impetus to globalization - a major feature of contemporary development."

The crisis of the 1970s produced a bi-currency model - at first dollar-Deutschemark, then dollar-euro.

Given that both currencies are going through hard times at the moment, experts consider alternative options. Nobel Prize-winning Canadian economist Robert Mundell suggested a supranational currency - 'device' - which would be a combination of the dollar, the euro and the yen. This currency should not be tied to any country if it is to meet the interests of all countries, Robert Mundell said.

Mikhail Delyagin of the Institute of Globalization, comments.

"The dollar, the euro and the yen lean on three different economic models with different rates of development. A system of management that would involve Japan, the United States and Europe, is

impossible. Mr.Mundell's suggestion reflects the 'death' of the old model. The dollar is no longer capable of performing the function of a reserve currency."

However, experts don't see any alternative to the dollar. Only the euro seems to satisfy global requirements. But a supranational currency would require trust in international financial institutions, which, in the opinion of Bulgarian Finance Minister Simeon Djankov, are falling into decline. The IMF, he says, has failed to cope with the eurozone debt crisis.

Russia has drawn a lesson from the crisis - it recognized the need to reduce budgetary spending and reform the budget sector. The result is the so-called 'fiscal rule', Russia's Finance Minister Anton Siluanov says.

"The 'fiscal rule' enables us to make forecasts for the future and understand the Russian budgetary policy - what expenditure we can afford and what we can't."

According to Anton Siluanov, Russia will try to address a wide range of economic issues, including state debt, budget and unemployment, during its G20 presidency this year. Prime Minister Dmitry Medvedev underscored that Moscow would urge G20 nations to pursue the policy of cementing economic growth. / Voice of Russia

ENP Newswire

OAO Severstal - Alexei Mordashov Participated in 2013 Gaidar Forum

Alexei Mordashov, Chief Executive of OAO Severstal, one of the world's leading steel and steel-related mining companies, participated in a panel discussion at the 2013 Gaidar Forum entitled Russia and the World: Challenges to Integration.

The discussion focused on emerging global economic trends, the opportunities and challenges associated with Russia's admission to the World Trade Organization (WTO), and the prospect of more Russian companies becoming competitive, truly global players.

Mr. Mordashov highlighted that other countries' have experienced accelerated economic growth following their admissions to the WTO and commented that Russia has 'joined the WTO, firstly, to

promote our goods and services on the world market and, secondly, to create a more stable and favorable investment climate in Russia.'

Alexei Mordashov also stated that further liberalization of the Russian economy is crucial to its development. He said that taking firm measures to create a climate in Russia where 'truly competitive producers capable of developing our economy' flourish will 'materially improve the well-being of Russian people.'

According to Severstal's CEO, Russia is facing challenges associated with removing barriers to the promotion of goods and services related to customs activities.

The following people also took part in the panel discussion: Director-General of the WTO Pascal Lamy, RF Minister of Industry and Trade Denis Manturov, RF Minister Mikhail Abyzov, Chairman of the Management Board & CEO of Sberbank of Russia German Gref, Head of the Federal Tax Service Mikhail Mishustin, Chairman of the Board of the Eurasian Economic Commission Viktor Khristenko, and Director for the Global Indicators and Analysis Department, World Bank, Augusto Lopez-Claros.

Chairman of the Board of ROSNANO Anatoly Chubais and General Director of FC Otkrytiye Ruben Aganbegyan acted as moderators.

SKRIN Newswire

Igor Shuvalov insists on rate cuts by CBR to stimulate economic growth

The Bank of Russia has not made any advances to the government's calls to lower interest rates to stimulate the national economy, first vice PM Igor Shuvalov said.

Russia, according to him, needs easier-to-get funds to stimulate corporate lending. The Bank of Russia has opportunities to lower the rates by around a percentage point and refuses to do this for the sake of curbing inflation, he added.

"We have permanently tried to persuade them that they already need cutting the rates. And they respond that the time has not yet come. In our view, this step could have already been taken," said Shuvalov in an interview with Bloomberg.

Meanwhile, cutting inflation is a priority target for the Russian government which, as Shuvalov said, intends to curb consumer price growth at 4%. This will become a positive signal for investors after prices jumped 6.6% in 2012, which exceeded the previous year's inflation (6.1%) and grew more than targeted by the Bank of Russia (5-6%). "They act absolutely on their own, and we argue very often," said Shuvalov when asked about the performance of the Bank of Russia, employees of which, he added, always have the opportunity to state their actions are based on Russian laws.

Speaking at the Gaidar Forum last week, first deputy CBR chairman Alexei Ulyukaev said that lowering rates under the current circumstances is countereffective. According to him, presently Russia's actual economic growth corresponds to the potential growth rate, and for this reason monetary easing cannot propel economic growth. At the same time, the Bank of Russia is concerned about contracting economic activity, and Ulyukaev said the regulator is prepared to revise its monetary policy as early as February.

Only 80% of the Russian economy's potential is employed, and therefore measures are needed to stimulate demand, including via monetary easing, deputy MED head Andrei Klepach said in response to Ulyukaev's statement.

Prime Minister Dmitry Medvedev set a short-term target for the government to take measures to ensure the nation's GDP steadily grows at least 5% a year. / banki.ru

WPS: What the Papers Say
MINISTERS

WILL VLADIMIR PUTIN SACK THE GOVERNMENT?

The president seeks loyalty and not competence in his subordinates.

Dmitry Medvedev's government is running the risk of remaining technical forever - or at least for a long time. It lacks political influence necessary to map out, launch, and carry out the reforms specified by the president. On the other hand, there is no pressing need for Putin to sack the government.

All of the government is criticized nowadays... not just the ministers responsible for the unpopular social reforms. Vladimir Putin berated three ministers in public last year (Oleg Govorun then resigned as the

regional development minister). The Kremlin's frustration with the Cabinet is common knowledge, and its signals to this effect are quite frequent. Incumbent ministers are compelled to look over their shoulder at the former colleagues who became presidential advisors. In fact, even the Duma developed the arrogance and started to neglect governmental draft laws. Former deputy premiers themselves, Herman Gref and Anatoly Chubais openly sneered at incumbent ministers' incompetence at the Gaidar Forum.

This attitude may only mean one of the two following things. Either everyone knows that this government is as good as gone already... or everyone knows that this is a government of scapegoats.

Medvedev made it plain over several years in the upper echelons of state power that he was not a man to slam the door. Commenting recently on the news concerning evaluation of Cabinet members' efficiency by the Presidential Administration, Medvedev announced that the president alone wielded this power.

By and large, efficiency of a state structure might be appraised by whoever makes use of the services provided by the said structure... but Medvedev was correct in that the government did answer to the president alone.

As for the president, he knows what he is doing. The president is adept at divvying responsibility. Criticizing the Cabinet, the president traditionally promotes everything good (i.e. what is specified by his decrees) and condemns everything bad (consequences of the decisions already made). This is a dead-end... no policy of development may stem from that.

If he really wants unpopular reforms to be carried out, the president himself ought to initiate them. Moreover, he ought to be protecting the people carrying them out as long as they carry them out - protecting them from critics. It means that the president will have to shoulder responsibility... which is the last thing he wants, of course.

Reforms continue... but it is not incumbent ministers who launched them and these ministers have no guarantees at all that their opinion will ever be taken into account. Or that they will be given time to finish what was started before their time.

Unlike previous governments under Putin the president, the incumbent one wields no political clout worth mentioning. Mikhail Fradkov was a technical premier too... but his technical government included

heavyweights like Alexei Kudrin and Gref. As for Putin himself, he could then relax and give the government time to wrap up debates.

This is more than he can afford these days. Axiomatic nature of his decrees leaves his subordinates no leeway in performance... meaning that no mistakes are permitted. Presidential decrees are to be carried out by loyal people - not necessarily competent. They are unlikely to succeed but that is not a reason for firing them, is that?

The Moscow Times
OECD Chief Says Accession Is a Learning Process

Accession to the Organization for Economic Cooperation and Development provides a good chance for Russia's decision-makers to identify weaknesses in social and economic policy and respond with adequate reforms, the organization's secretary general said.

Jose Angel Gurria, who spoke at the Gaidar economic forum on Friday, said work on Russia's accession to the OECD is in full swing, but the country is facing enormous challenges, which require a multifaceted approach by the government.

To improve quality of life and facilitate accession, the country has to address four key problem areas, Gurria said. Addressing those challenges should involve economic diversification, more attention to social and environmental issues and improvements in public administration, he added.

To diversify its economy, which remains heavily dependent on natural resources, Russia needs to ensure faster manufacturing growth and reduce state participation in the economy, Gurria said.

Addressing social issues primarily involves targeting poverty. The number of poor people stands at 17 percent of Russia's population, Gurria said, adding that the figure is significantly higher than the average of 10 percent for OECD members.

He also recommended that officials focus on reducing income inequality and inequality between regions and that they increase budget spending on health care.

Gurria said improving the ecological situation is also critical for Russia, which remains the world's third-largest emitter of greenhouse gases.

Increasing investment in energy efficiency should be a priority for the government, given that only 0.2 percent of the federal budget is spent to benefit the environment, he said. Gurria proposed that the government install more household utility meters to improve energy efficiency.

The final block of necessary reforms highlighted by Gurria involve serious changes to public institutions and improvements in the business environment.

Despite big opportunities for growth provided by the Russian market, "doing business in Russia is difficult and risky," he said, citing problems like a lack of transparency, corruption and weak rule of law.

He pointed out that the OECD's assistance in identifying those challenges and proceeding with the necessary reforms is one of the major benefits from Russia's accession to the organization, which is often called a club of rich countries.

Paving the way to the OECD is a good chance for the country's officials to learn from the experience of the member countries in proceeding with reforms, the secretary-general said.

"We're not telling Russians what to do with Russia," Gurria said. The OECD's goal is to show "what the Mexicans, the Turks, the Italians, the Americans ... do" to address challenges like those facing Russia. Based on such examples, he said, Russian authorities can decide how to proceed with the reforms.

"Accession to the OECD should be a strong catalyst to Russia's modernization agenda," Gurria said.

Prime Minister Dmitry Medvedev repeatedly pointed out last week that accession to the OECD is a major goal in terms of Russia's integration into the global economy, after the country made it into the World Trade Organization following 18 years of effort.

"This is a key priority for us, and based on that we make internal decisions and adjust our legislation," he told Gurria when the two met on Thursday.

Medvedev said Russia is very interested in joining the OECD as soon as possible, although the government understands that there are some "technical obstacles" on that way.

Russia has progressed in meeting the OECD requirements in two fields, Gurria said at the meeting, according to a transcript on the government website.

He did not specify what those fields are, saying only that he is waiting for two of the organization's committees to send him the positive results of reviews.

Nevertheless, it remained unclear when Russia could become a full-fledged OECD member. The outcome depends largely on how quickly the country can implement the necessary reforms to meet the standards of the organization, OECD chief spokesman Anthony Gooch said in an interview on the sidelines of the Gaidar forum.

For a country to join the OECD, whose major goal is to help governments improve social and economic policies, a consensus decision by all the 34 member states is needed. This decision is based on the conclusions of the organization's commissions, which scrutinize the candidate country to figure out what reforms it needs to carry out.

In one effort to help Russian authorities improve quality of life in the country, the OECD launched a Russian-language version of its Better Life Index, an interactive tool designed to compare the level of well-being of residents of different countries.

Gooch said the organization is working closely with Russian officials to keep them informed of the results of the initiative.

The index began in May 2011 and has been available in English and French. It was used initially to assess only the 34 OECD members. Russia and Brazil, which is also not yet a member, joined the pool last year.

The index for each country is compiled annually based on figures provided by national statistical services and consists of 11 elements related to quality of life: housing, income, jobs, community, education, environment, civic engagement, health, life satisfaction, safety and work-life balance.

The average rating of quality of life in Russia stands at about 4.7, according to the ranking on the Better Life Index website.

This is low in comparison with most of the OECD member states. Australia earned a score of 8, the highest in the ranking. Russia placed between Brazil and Estonia.

Among the 11 components of the index, Russians appeared to be most satisfied with their work-life balance, which earned a score of 7.8 out of 10. This aspect was closely followed by the quality of housing and safety with scores of 7.1 and 6.7, respectively.

At the same time, Russians are not happy about their health, with this characteristic earning a meager score of 0.1.

The level of life satisfaction, which is defined as the degree of positive emotions like feelings of relaxation, accomplishment or enjoyment every day, also remains low, at 1.2.

In general, Russians are less satisfied with their lives than their counterparts in other member countries. The OECD average is 72 percent, according to the Better Life Index website. Only 59 percent of Russian citizens said they are satisfied with their lives, the website says.

http://www.themoscowtimes.com/news/article/oecd-chief-says-accession-is-a-learning-process/474209.html

Interfax
Kazakhstan Mining Weekly

Kazakhstan could become a WTO member already in 2013, said Director-General of the World Trade Organization (WTO) Pascal Lamy.

"I would suggest Kazakhstan could join WTO this year," Pascal Lamy told journalists on the sidelines of the Gaidar forum on Thursday in Moscow.

http://www.interfax.com/txt.asp?id=117

The Moscow News

Russia's economy: facing down challenges

Angel Gurria, secretary general of the Organization for Economic Cooperation and Development, addressed the Gaidar Forum in a keynote address on Friday.

[The global economic outlook] has deteriorated again, and the word "again" is probably the more operative one. We are indeed far from being out of the woods. We predict a hesitance, uneven recovery for the OECD area over the next two years, 1.4 percent in 2013, 2.3 percent in 2014....

In this grim context, the Russian economy will continue at about 4 percent.... Of course, a lot depends in this particular case, in that projection, on oil prices.

But hard times are also times of opportunities, and in Russia, like the OECD, governments [must] act decisively to address the long-standing social problems that have weakened their economies. They must also act together, particularly with the G-20, to put the global economy on a renewed growth path, and here Russia's leadership will be requested, will actually be needed. Russia is a critical player on the international scene, and its leadership is even more prominent now in 2013, with the presidency of the G-20, but also, in 2014, you will be hosting the G-8, so you'll be having a lot of summitry for some time, for the next 18 months.

There are high expectations on Russia's presidency, and a growing feeling of skepticism on the G-20's capacity to fulfill its mission is being put to the test. Now, this is a little unfair, because when the house is on fire, it's very easy to know what to do: you get a hose.... You try to put out the fire.

Right now, the options are more difficult, it's not obvious: you have countries that are growing, countries that are in recession and countries that are so-so.... What to do together? Everybody doing the same thing is difficult, because now everybody's in a different situation. Before, everybody was in a crisis going down, and then you had to row very hard. Now it's a little bit less obvious.

To be able to play this leading role with the G-20, Russia needs to modernize its economy.... It has low productivity and low per capita income, low access to the use of [information and communications technology]. It suffers extreme inequality as well as poor outcomes in health and the environment. Its

trade growth has fallen well below 4 percent and remains heavily dependent on natural resource extraction. The share of oil and gas in exports has increased further since the crisis....

Very unfavorable demographic trends... will weigh on growth potential going forward and will put the social system under extreme pressure. To modernize its economy, Russia thus faces critical challenges: a structural challenge, a social challenge, an environmental challenge and an institutional challenge....

Diversifying the economy will require raising productivity growth, and there is considerable room to do so. In this regard, it is crucial to increase competition, including by making product market regulation less restrictive and reducing the role of the state in the economy. This should be coupled with a serious reform of state-owned enterprise governance to ensure, inter alia, that they operate under competitive neutrality rules....

I think the hot political potato with the G-20 is going to be stateowned enterprises.... Opening further the economy is also crucial. In this regard, WTO accession should have very positive results....

A low birth rate could put pressure on the pension system and work force

Right now Russia suffers from an exceptionally high income and regional inequality, and from health incomes well below those of OECD countries. In a nutshell, Russia needs to invest urgently in the quality of its human capital. This requires, first of all, a more efficient and better-funded health care system....

You need balance to make sure that those that are today in the dual labor market, and that have the short-term contracts with no guarantees, etc., etc. – this is a problem around the world, including in Japan, in Italy, in Mexico, everywhere – that they have a minimum of guarantees. Some of the workers inside the system have perhaps too much labor protection, and now a growing number have no protection....

Now, last but not least, the education system needs a serious overhaul. With the highest level of educational attainment in the world, Russia's educational performance, as measured by our PISA [Program for International Student Assessment], ranks below most OECD countries....

Besides developing its human capital, Russia needs to preserve its natural capital. It still has one of the most energy-intensive economies in the world. It is the fourthlargest user of energy and the thirdlargest

emitter of greenhouse gases, both in absolute but also in relative terms per unit of GDP produced, etc. Moreover, it has one of the highest rates of premature mortality attributable to air pollution....

The institutional challenge in Russia remains very, very important. Russia needs to improve on three related points: 1. the efficiency of the public administration; 2. the business climate; 3. the question of transparency, integrity, anti-corruption, whatever you want to call it....

A more open, competent and accountable public administration... is a pre-requisite to design and implement the necessary reforms to achieve a sustainable and inclusive growth....

Doing business in Russia is difficult, and is considered by investors as not only difficult, but risky – but of course the opportunities are so great that many of them still come – due to the heavy administrative burden, the widespread lack of transparency, sometimes proven cases of corruption, and the generally weak rule of law....

In all of these areas, the OECD accession process provides a useful opportunity to take stock of convergence, to identify both the progress as well as the areas where the gaps are still large. Drawing on OECD experience and peer review process may be particularly useful to Russian policymakers. It will help them design and implement these critical reforms.

OECD accession should thus not be seen as an end in itself, but rather as a conduit for improving policymaking and economic performance.

The health care system needs more efficiency and funding, Gurria said

The Moscow News

Finance forum leaves many questions, few answers

The Gaidar Forum, 2013's first large-scale discussion of leading international financial experts and economists, saw arguments about challenges and threats standing before Russia and the world, and about lessons of the economic crisis and problems of state policy.

Vladimir Mau, rector of the Russian Presidential Academy of National Economy and Public Administration, said that interest in the event was high. The forum's opening on Wednesday was delayed for 50 minutes because of the large numbers wishing to attend the event – a line stretched from the building halfway toward the academy's main entrance.

Meanwhile, regardless of the importance of the topics and questions presented, few of them found solutions by virtue of the complex arguments of some and the rhetoric of others. It can be said that only a circle of tasks and problems were identified at the forum, whose resolutions will present themselves in the future.

Five percent annual growth

Despite the global nature of the topics and discussions undertaken, one of the most important stories on Wednesday was the ambitious address by Prime Minister Dmitry Medvedev, concerning the national economy. He laid before ministers the goal of achieving in the near future steady GDP growth of no less than 5 percent annually.

The government had earlier addressed plans for growth targets. In 2003, during his first presidential term, Vladimir Putin put forward the task of doubling GDP, but the world economic crisis of 2008-2009 interfered.

Announcing such a difficult goal, Medvedev did not outline the means of achieving it. Experts sharing the stage limited themselves to arguments about the necessity of carrying out structural reforms, which would take more than one year, bringing the fulfillment of such an ambitious task in the near future into doubt.

How to get there

The head of expert management for the president, Ksenia Yudayeva, noted that the bar set by Medvedev could be met through structural changes, an improvement of the investment climate, the development of the financial sector and more capacity in the labor market.

Former Finance Minister Alexei Kudrin said that in current conditions, the maximum bar was 4 percent. Growth at the level of 4 percent can be achieved only as the result of successful reforms in a whole range

of industries, and no earlier than five years from now. Meanwhile, the process of reforms in the Russian economy is slowing down, which, Kudrin said, was happening due to fear of unpopular measures. He lay responsibility as much on the government, as on the presidential administration.

In a keynote speech on Friday morning, Angel Gurria, secretary general of the Organization of Economic Cooperation and Development, gave his estimate of Russian GDP growth for 2013 as 4 percent.

“By saying 4 percent, I'm trying to make [Medvedev] look good, so that when they actually report the 5 percent, which we hope they will, he can say, ‘You see, we did better than the OECD was projecting,’” he said.

WTO dispute

Pascal Lamy, director general of the World Trade Organization, criticized Russian officials at Thursday's plenary session for considering that membership in the organization was something due to happen in the future, despite the fact that it was sealed five months ago. The question of Russia fulfilling its obligations to the WTO is closed, he said.

Industry and Trade Minister Denis Manturov, meanwhile, said that Russia had no plans to cancel the vehicle recovery tax instituted on Sept. 1 on imported vehicles, and may apply similar taxes to other foreign-made equipment. As one of the conditions of accession to the WTO, Russia was forced to reduce tariffs on imported goods.

Listening to the discussion, German Gref – Sberbank's CEO and a participant in the WTO accession process for eight years – said that the Russian authorities did not yet understand that the country was a full member of the organization. He compared the actions of officials to a hockey team that had not been explained the rules of the game, and criticized ministers for not spending any time studying the WTO's rules and practices.

Cultural discussions

Friday saw the focus shift to issues of culture and society. Deputy Prime Minister Olga Golodets pointed to three main trends in Russian society, contributing to better living conditions and lower mortality rates:

increased movement from cities to less polluted regions, the development of new professional standards in education and the adoption of better technology in health care, the forum said in a press release.

In a session on "The Economy of Culture," Mikhail Shvydkoi, president of the Academy of Russian Television foundation, identified a "crisis of the public" in Russia as contributing to a "crisis of culture" whose roots lie in schools. He cited figures that only 1.5 percent of Russians attend orchestral concerts, 3 percent museums and 7 percent theaters.

In response to a suggestion that Russian cultural institutions fight this decline by adopting an American model of private financing, Gennady Khazanov, artistic manager and director of the Estrada Theater, said that "when it comes to following the American model of cultural development, at that moment, Russia will be finished."

Interfax: Russia & CIS Business and Financial Newswire
Pharmstandard, Newvak to develop Johnson & Johnson drugs

Janssen, the pharmaceuticals division of Johnson & Johnson, has signed a license agreement for the development and commercialization of its products for treating tuberculosis and cancer with OJSC Pharmstandard (RTS: PHST) and LLC Newvac (part of ChemRar High Tech Center), Paul Stoffels, the head of Johnson & Johnson Research Programs, said during the Gaidar Forum

Pharmstandard General Director Igor Krylov said the company will produce and commercialize Bedaquiline for the treatment of multi-drug resistant tuberculosis in adults. In addition, the pharmaceutical manufacturer will be responsible for registering the drug and for interacting with regulatory agencies with regard drug supplies and availability. "We will try to get the product out this year," Krylov said. He did not specify the financial parameters of the agreement or planned production volumes.

Janssen in Russia and CIS CEO Naira Adamyan said a molecule has already been registered in the United States. "Over the past 40 years there have not been any innovations in the field of resistant forms of TB. We will further develop the drug through III and subsequent phases," she said.

Janssen and Pharmstandard also plan to set up a join expert committee to discuss legal, medical, production and supply issues relating to Bedaquiline. The committee will monitor the proper use of this drug in order to limit the risk of resistance to the medication.

According to its agreement with Janssen, Newvac will obtain the right to develop and commercialize Quisinostat, a histone deacetylase inhibitor for the treatment of solid tumors. Newvac will study and conduct clinical trials of anti-cancer drugs in Russia. Janssen will provide the company with its expertise in developing and conducting foreign global clinical research. The companies plan to jointly participate in the global three phase clinical trial program, for subsequent registration of Quisinostat on all the major markets.

"This cooperation with Johnson & Johnson on the Quisinostat molecule is unique in terms of its business model. We are running parallel research with Johnson & Johnson and are joint funding this research. In addition, we are exchanging data," Nikolai Savchuk, a member of the ChemRar board said. The company plans to start clinical trials of the drug in Russia in 2013.

Stoffels added that Johnson & Johnson will continue to invest in its partnership with Russia and on R&D.

WPS: Banking and Stock Exchange

The Bank of Russia summed up preliminary results of the bank lending market in 2012. The most significant growth was in the retail segment: the retail loan portfolio increased 39.3%. The support to the real sector decreased: total corporate loans increased 12.7% in 2012 versus 26% in 2011

Companies say they cannot borrow at such high rates, but banks complain that there are no reliable borrowers. This is what the Bank of Russia First Deputy Chairman Alexei Simanovsky told about the reasons for the slowdown in corporate lending at the Gaidar Forum on January 17.

The Bank of Russia officials expressed concerns over a very slow growth of corporate lending compared with a rapid growth of unsecured retail loans. In order to change the situation, the Bank of Russia imposes additional requirements to reserves and capital of organizations focused on consumer lending.

Participants of the market think the slower growth of corporate lending results from the increased cost of borrowing. In September 2012, the Bank of Russia increased the refinancing rate by 0.5 percent to 8.25%.

The growth rate of loans granted by banks to companies and organizations started falling in autumn. For example, retail lending increased 2.2% in December, corporate lending up by 0.7% only.

"As an incentive, the Bank of Russia could provide the market with more liquidity at a more reasonable rate," says Mikhail Polyakov, Deputy Chairman of Nordea Bank's Management Board. Banks outside the top-50 are short of resources and are unable to step up their corporate loan portfolios adequately, he says. "Interest rates to borrowers, particularly small companies, have become rather high. Many of them cannot afford to raise funds at such price," says the banker.

The Bank of Russia disagrees that the increase in the refinancing rate affected the situation in the segment of corporate lending. The decline in borrowing efforts of corporate customers has nothing to do with the increase in the refinancing rate, said Alexei Simanovsky. The current rate correlates with the level of inflation and the state of the country's economic development, he said.

"The key factors for the slowdown in corporate lending are macroeconomic ones: the fall in industrial growth and retail trade turnover as well as a not high level of direct investment," says Evgeny Retyunsky, Deputy Chairman of Absolut Bank's Management Board. Last year, many companies saw their costs rising and earnings and debt load figures changing for the worse, he reminded.

Russian Financial Control Monitor

Nizhnekamskneftekhim breaks ground for ethylene plant

MOSCOW. Large Russian petrochemical producer Nizhnekamskneftekhim is building a 1mn metric ton/year ethylene plant in Tatarstan, the regional leader, Rustam Minnikhanov, told the annual Gaidar Forum.

All the required approvals have been given for the project, which is one of a series of industrial projects currently being implemented in the Kama innovative cluster, he said.

“The overall production volume of the Kama cluster will triple to around RUR2tn ($66.2bn, or €49.5bn) by 2020,” he said. The ethylene plant construction will not take more than four years. The project financing is estimated at $3bn.

http://www.fcinfo.ru/themes/basic/materials-fldr-document.asp?folder=4640&matID=313704

Bizekon-Russica Izvestia

Russia's economic policy debated at major forum in Moscow

Securing macroeconomic stability or propelling economic growth through more government spending? Leading experts and decision makers discussed Russia's economic challenges at the Gaidar Forum in Moscow.

The Gaidar Forum opened in Moscow on Jan. 16, immediately tackling the basic problem of Russian economic policy: the ratio of economic stimulus to government spending.

Addressing the forum, Prime Minister Dmitry Medvedev stated that the government's main objective is to secure economic growth of at least 5 percent of GDP per year.

Forum participants have little doubt that 3.5-4 percent GDP growth in 2013 is achievable and that the extra 1.5 percent can be attained from structural reforms. Opponents, however, believing that the additional growth is hidden in the stimulus package, voiced their concerns outside the forum.

Sustained economic growth of at least 5 percent is the main goal of Russia's current government.

The new target, set against a backdrop of slower growth, was issued by Prime Minister Dmitry Medvedev during his speech at the Gaidar Forum - the first event of the year that traditionally brings together government officials and independent experts.

The end of 2013 does not represent a deadline for achieving this 5 percent growth, and the time frame was defined more broadly as somewhere "in the near future."

Medvedev focused attention on the activity of state corporations. According to him, these corporations have played a role in the consolidation of disparate assets, and their fate must be governed by certain rules.

As an alternative to supporting state-owned corporations, the prime minister proposed a policy of stimulating private enterprise - small, medium, and large. To this end, Medvedev believes that regional competitiveness should be raised, in order to entice investors.

He advised that regional and municipal authorities share responsibility for the proposal with the federal government.

To enhance competition, Medvedev considers it necessary to carry out a coherent privatization plan. He did not hide his disapproval of waiting indefinitely for the market to pick up: the lack of a favorable investment climate has been used by officials to explain the sluggish sale of state assets.

His opening speech at the Gaidar Forum confirmed that, despite some changes in personnel and macroeconomic targets, the underlying conflict in the government's economic policy looks set to remain the same: increased spending to spur economic growth will run counter to macroeconomic stability.

Only the nuances of the debate have changed. Interestingly, in 2013, both approaches seem to lead to the overall goal in the medium term - 5 percent annual GDP growth.

"Natural" growth of 3.5 percent (in the absence of external shocks) is taken as a foregone conclusion by both camps. The extra 1.5 percentage points could either come from a rapid expansion of budget financing for infrastructure projects (short term) or major structural reforms (short and medium term).

The idea of economic growth through structural reform was backed by Finance Minister Anton Siluanov. He underscored, however, that reform meant just that: reform, not an increase in public demand.

The Ministry of Finance's position is also supported by the Central Bank of Russia. According to the first deputy chairman of the Central Bank, Alexei Ulyukaev, the 3.5 percent growth seen in 2012 is the objective feasibility of the current economic model.

Efforts to stimulate this simple model through easing monetary policy were described by a Central Bank spokesperson as "counterproductive" and "not conducive to economic growth, but rather an imbalance and the accumulation of new risks in different segments of the economy."

In general, the Gaidar Forum is more of a platform for supporters of this idea, which is why Deputy Minister of Economy Andrei Klepach chose to voice his opposing view elsewhere. In his opinion, growth that is 5 percent of the GDP requires adjustments to the budget rules.

It is unlikely that the minister had in mind a tightening of policy, since the Ministry of Economy has consistently lobbied for more government spending to spur GDP growth.

Klepach also disagrees with the opinion of Alexei Ulyukaev on the correspondence between current growth and economic potential, although he sees the easing of monetary policy as an acceptable way of stimulating GDP growth.

It is clear that, in 2013, a stable global economy will favor supporters of increased government spending; meanwhile, their opponents' success depends largely on the external shocks that hit the government in 2008- 2012.

WPS: What the Papers Say

DAVOS RUSSIAN DELEGATION WILL SET OUT FOR THE WORLD ECONOMIC FORUM IN DAVOS, TOMORROW

Russian delegation at the World Economic Forum will include Aleksei Kudrin.

The Russian delegation will set out for the World Economic Forum in Davos, tomorrow. What information is available to this newspaper indicates that ex-minister Aleksei Kudrin is included in the delegation as well. Premier Dmitry Medvedev's opponent, Kudrin will be representing Russia and its economy at conferences with foreign investors.

Resilient Dynamism forum will take place in Davos, Switzerland, between January 23 and 27. Nearly fifty heads of states are expected including David Cameron (Great Britain), Angela Merkel (Germany), Mario Monti (Italy), leaders of Azerbaijan, Georgia, Kazakhstan, Ukraine, Egypt, Poland, Qatar, Sweden, and other countries... not to mention UN Secretary General Ban Ki-Moon, Mario Dragi of the European Bank, Jim Yong Kim of the World Bank, Christine Lagarde of the International Monetary Fund, Pascal Lamy of the World Trade Organization.

Medvedev will head the Russian delegation to Davos. He is scheduled to attend several working meetings, an official reception, and plenary meeting Scenarios for Russia. Sources close to the premier said that his speech was just being drafted at this point and refused to elaborate. Still, Medvedev's latest speech at the Gaidar Forum shed some light on what he regarded as the top priorities of the government and what he thought of the national economy. It stands to reason to expect Medvedev's speech in Davos to be something like that too.

The Russian delegation will include Arkady Dvorkovich (deputy premier), Mikhail Abyzov (Open Government minister), Andrei Belousov (economic development), Herman Gref (Sberbank), Konstantin Kostin (WTB). "Discourse at many meetings will be focused on Russia this year... because, among other things, Russia is the G20 chair-in-office," said Dvorkovich. The state functionary added that he meant to attend several meetings and events including the ones to be organized by Russian companies. Dvorkovich said as well that he was meeting with some foreign partners. "Meetings like that are always helpful," he said.

Kudrin will also represent Russia as part of the delegation, despite his quite rocky relations with Medvedev.

Ruski vjesnik

Medvjedev nastupio na Gajdarovom forumu u Moskvi

„Tendencija ekonomske, socijalne i političke modernizacije Rusije bit će nastavljena“, izjavio je premijer Dmitrij Medvjedev u svom govoru na Gajdarovom forumu, održanom u Moskvi u Ruskoj predsjedničkoj akademiji za nacionalno gospodarstvo i javnu administraciju.

Medvjedev je također naglasio da će vlada u bliskoj budućnosti imati zadatak osigurati stabilan rast bruto domaćeg proizvoda od najmanje 5% na godišnjoj razini. Medvjedev se pri tom zalaže za daljnju decentralizaciju ekonomije. Prema mišljenju premijera, državne korporacije odigrale su svoju ulogu u konsolidaciji pojedinačnih aktiva, i sada se treba fokusirati na stimulaciju privatnog poduzetništva.

Ekonomski forum koji nosi ime ruskog ekonomista Jegora Gajdara, koji je bio jedan od glavnih rukovoditelja ekonomskih reformi početkom devedesetih u Rusiji, ove godine održava se pod sloganom

„Rusija i svijet: izazovi integracije“. Ovaj forum nije glavni događaj u svijetu financija, ali ga tradicionalno posjećuju predstavnici svjetske ekonomske elite. Ovaj put je u rusku prijestolnicu doputovao i dobitnik Nobelove nagrade za ekonomiju iz 1999. Robert Mundell, te potpredsjednik Svjetske banke Otaviano Canuto, kao i ministri financija Bugarske, Indije i Bjelorusije.

http://ruskivjesnik.com/news/2013/01/18/medvjedev_nastupio_na_gajdarovom_forumu_u_moskvi_17147.html

The Moscow Times
WTO Compliance Urged

Russia has to meet all its World Trade Organization obligations, WTO Director General Pascal Lamy said Thursday at the Gaidar Forum in Moscow, Interfax reported.

The comments come after a statement by Russia's top trade negotiator, Maxim Medvedkov, in which he said Russia would not have to assume some WTO obligations because it is a recently acceded member.

Lamy said Russia has been a member of the trade body for five months already, so the question is a thing of the past.

The country can no longer choose whether or not to meet its obligations. It has to do so, Lamy said.

However, he said, a different question could arise as to whether other WTO members believe that Russia is not fully meeting its obligations.

(MT)

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The Moscow Times

World Bank Praises 'Doing Business' Progress

Russia is on the right path to radically improve its business environment and move up 100 notches within the next five years in the global rankings of the favorableness of countries' investment climate, a World Bank official said Thursday.

But its eventual position in relation to other countries in the Doing Business rankings is less important than the actual progress it is making to become more friendly to investors.

President Vladimir Putin's goal to make Russia 20th out of 185 economies by 2018 is very ambitious, but the government's commitment to improve regulation and the creation of a medium-term plan to bring those efforts to life is a good foundation for improving the rating, said Augusto Lopez-Claros, the bank's director of global indicators and analysis.

"And whether it comes to the 20th or 25th place by 2018 is a less important issue than the direction of changes," he said at a panel session at the Gaidar Forum.

Lopez-Claros, who oversees the compilation of the Doing Business rankings, praised recent efforts by the government to improve the investment climate and said further progress will require a consistent policy and strong political will.

However, he remained cautious about predicting whether Russia will make it to 20th place over the next six years.

"Clearly there's room for growth," Lopez-Claros said.

If Russia achieves the goal, it will become a rare example of a country making such rapid progress in moving up in the rankings in a short time.

The only country to make such a leap is Georgia, which skyrocketed from No. 100 in 2006 to No. 9 in 2013 as a result of drastic changes to the law enforcement system, said Kirill Rogov, a senior fellow at the Yegor Gaidar Economic Policy Institute.

The World Bank ranked Russia No. 112 in this year's list, up from 120 in 2012.

Moving up eight places during a one-year period "is not a breakthrough, but it indicated that we're moving in the right direction," said Deputy Economic Development Minister Sergei Belyakov, who participated in the panel.

To fulfill Putin's order, the ministry must ensure a rise of 31 places this year so that Russia will be ranked 81st in next year's Doing Business report, according to a decree signed in November by Prime Minister Dmitry Medvedev.

Some economists expressed doubt that this short-term goal is achievable.

"The legislative field for 2013 is already outlined. Unfortunately, no laws aimed at improving the business climate were passed in 2012," Russian Economic School rector Sergei Guriyev and Yale University professor Oleg Tsyvinsky said in an article published Wednesday in Vedomosti.

The article ironically said the State Duma was busy with "other important things," like Internet regulation and the "foreign agents" law.

However, the article stated, meeting the 2018 deadline is "absolutely realistic" if the authorities turn their words into deeds in 2013. Approving the privatization plan for 2014-16 is a key measure, the article said. The government missed the Nov. 1 deadline to provide the plan.

The government is counting on a number of measures to facilitate further progress. The plan for this year involves creation of an investment map of Russia to help companies learn about the investment potential of different regions, Andrei Nikitin, director of the Agency for Strategic Initiatives, said at an earlier panel.

Another step is implementing what the government calls road maps, detailed tactical plans created in concert with businesspeople to measurably speed up state-provided services to businesses and reduce bureaucratic barriers.

The third measure to improve the business climate is encouraging startups so that more young people will chose entrepreneurship as their life path, said Nikitin, whose agency oversees the promotion of business activity in the country.

Belyakov said his ministry sees 20th place in the World Bank's rankings as a realistic goal.

"Based on that goal we were planning our activities," he said.

http://www.themoscowtimes.com/news/article/world-bank-praises-doing-business-progress/474179.html

The Times of Central Asia
Kazakhstan may join WTO this year — Lamy

MOSCOW, January 18 (TCA) — Kazakhstan may become a member of the World Trade Organization (WTO) in 2013, Prime News quoted WTO Director-General Pascal Lamy as saying on the sidelines of the Gaidar Forum.

“Kazakhstan is at a fairly advanced stage of negotiations to join the WTO. I assume that the entering can be even expected in this year,” Lamy said.The WTO chief added that Belarus is less advanced in negotiations to join the WTO, so it is difficult to name the possible terms of its accession to the organization, RIA Novosti reported.At the same time, according to Lamy, Russia, Belarus and Kazakhstan are members of the Customs Union, and must exist in the single trade regime. Since Russia is already a member of the WTO, Kazakhstan and Belarus are also forced to comply with many rules of the WTO.The WTO was established in 1995. Its goal is liberalization of international trade and regulation of trade and political relations between the member states. More than 150 countries are the WTO members.

ITAR-TASS World Service

Tax revenues in consolidated budget go up by 13% to near RUB 11 trln in 2012 – FTS head.

MOSCOW, January 18 (Itar-Tass) —— The total amount of tax revenues in the consolidated budget increased by 13.1 percent in 2012 compared to preceding year, and reached 10.998 trillion roubles (USD 1 = RUB 30.21), Chairman of the Federal Tax Service (FTS) Mikhail Mishustin said on the sidelines of the Gaidar Forum.

In his words, the country's federal budget revenues reached 5.16 trillion roubles over the year, which exceeded the index of 2011 by 15 percent. "Besides, the federal budget revenues, exclusive oil and gas incomes, will make up 2.76 trillion roubles, which is 10.8 percent more than in 2011," Mishustin said.

While quoting preliminary estimates, he stated that the property income revenues in the consolidated budget went up slightly more than 20 percent.

Earlier, Mishustin projected that tax revenues would exceed ten trillion roubles in 2012.

In 2011, the federal service collected about ten trillion roubles, which exceeded the indicators of 2010 by 25 percent, Medvedev reaffirmed back then.

SKRIN Newswire

Rustam Minnikhanov speaks at Gaidar Forum

President of Tatarstan, Rustam Minnikhanov, has today said at the Gaidar Forum's international conference, Russia and the World, in Moscow what the regions could do to be competitive on the global market, the presidential press service reports.

The Gaidar Forum is a regular meeting venue for experts influencing the course of economic and political development. The participants debate various ideas and approaches to understanding the global processes in Russia and the world. This year, an international conference Russia and the World: Challenges of Integration is on 16 to 19 January held within the event, aimed to discuss Russia's integration with the world trade.

Opening the plenary session, Russian State Duma chairman, Sergei Naryshkin, said the conference was held in the year of Russia's presidency in the G20 and was the first edition held after Russia had joined the WTO. With that in view, said S. Naryshkin, the main subjects for discussion were ones related to Russia economy's integration with the global trends.

Discussion moderator, Sergei Naryshkin, suggested Tatarstan President, Rustam Minnikhanov, answered whether an individual Russian region could efficiently position itself on the global market.

"One region cannot do it on its own, which is why I represent the Russian Association of Innovative Regions," Rustam Minnikhanov replied.

The 12 association members had in 2012 attracted over $12 billion in foreign investments, he claimed. The regions' total spending on investments was 26 percent of the Russian average, while the share of innovative products in the association economies was 9 percent versus 6 in Russia, he reported.

Association member regions provide efficient examples of innovative manufacturers in the fields of petrochemistry, metallurgy and aerospace industry.

Rustam Minnikhanov went on to tell about the work Tatarstan did to increase its competitiveness on the global markets. The republic modernised production facilities, increased productivity and built innovative industries, he said. In terms of industrial manufacturing, Tatarstan ranked fifth in Russia and 4th in terms of investment in capital. The region had been selected for investing by well-known global companies like Daimler, Ford, Rockwool, ZF and many others, he reported.

"Russia's accession to the WTO is a new challenge for our manufacturers," he noted. "Being a region exporting over one half of its industrial output, Tatarstan is interested in soonest adjustment to the new environment."

Small and medium business was a key component of the region's competitiveness, Tatarstan governor went on to state. Its share in the local economy was at most 25 percent and the task was to increase it to 40, he said. Tatarstan has built a strong infrastructure, to support enterprise, infrastructural sites tenants alone in 2012 manufacturing products worth 50 billion roubles.

Anatoly Chubais regretfully stated that, like Tatarstan and other RAIR members, at least another 10 Russian constituents were quite able to promote innovations but failed to do so. / tatar-inform

Kazakhstan Newsline

Kazakhstan could join WTO this year: WTO Chief Lamy

Kazakhstan may join the World Trade Organisation this year, WTO Director General Pascal Lamy said Thursday.

"Kazakhstan is at an advanced stage of its accession negotiation. My guess is that this could be doable this year," he told reporters on the sidelines of the Gaidar Forum, an economic conference in Moscow.

Kazakhstan applied to join the WTO in 1996. The oil-rich Central Asian state is one of the few countries in the world that remains outside the international trading club. Membership is expected to boost the Kazakh economy by opening it to foreign investors.

Kazakhstan's neighbor Russia was admitted to the WTO last August after 18 years of negotiations.

Lamy played down suggestions that Russia's WTO membership was not proceeding smoothly, following signs over recent months of possible trade disputes with the European Union, Russia's major trading partner.

"We don't judge results of a WTO accession that lasted 18 years in six months. Time will say whether or not it worked," he said, according to Reuters.

http://www.newsline.kz/news.php?y=2013&m=01&d=18#10

Interfax: Russia & CIS Business and Financial Newswire

Russian Central Bank keeps 2013 growth forecast for corporate lending at 15%, retail lending at 25%-30% (Part 2)

The Central Bank of Russia (CBR) is sticking to its 2013 growth forecast at 15% for the corporate loan portfolio of Russian banks and 25%-30% for the retail loan portfolio, the CBR's First Deputy Chairman Alexei Simanovsky told the press on the sidelines of the Gaidar Forum.

"I still stand by my forecast. Overall growth in lending in the economy [the aggregate loan portfolio for 2013] will be around 20%," he said.

Therefore, the corporate loan portfolio will grow slightly more than it did last year (13%), Simanovsky said.

"There's an inner sense - I can't say that it is a certainty - a hope that lending in the corporate sector will go through 2013 at higher rates than 2012," he said.

Asked if a decrease in rates would stimulate growth in lending to the economy, Simanovsky said, "The lower the price of money, probably the more active lending will be. But if we're talking about the actual formulation of the question, the Central Bank's rate corresponds to the realities today - it corresponds both to the level of inflation and to our estimates of the state of economic development."

Simanovsky stressed that he considers the CBR's current rates to be balanced.

"The task of any central bank is to maintain a balanced state of the cost of money and of the conditions of economic development. If the point of the question was whether or not the Central Bank is going to do something with interest rates, my answer as of today is no, because the Central Bank's interest rates are balanced," he said.

Addressing the key stimuli for growth in corporate lending this year, Simanovsky pointed to the anticipated improvement in business conditions, particularly in the framework of the Doing Business project, as well as an expected slowdown in the growth rates of retail lending.

"With a certain decrease in the rates of retail lending growth, banks are faced with the need to search for other spheres in which to apply funds. One of last year's subjects for the banking community was that of determining spheres of investment," Simanovsky said.

In this context, banks could facilitate business development themselves, he said.

"Banks themselves form production enclaves. I don't mean affiliation, I mean aid that banks could render to business," he said.

Asked which level of corporate lending growth would cause concern to the CBR, Simanovsky said that 13% is the lower threshold and over 20% is the upper threshold.

"I wouldn't dramatize the situation that growth was less than 13% last year, but in general it draws attention. In my understanding, this is a low level of corporate lending growth. If the lending dynamic were to suddenly shoot up significantly beyond 20%, that would also attract serious attention," Simanovsky said.

State stimulus measures will also provide some boost to corporate lending this year, he said.

"If it is established that a high level of borrower risk, according to bank estimates, prevents the development of lending to the corporate sector, then there would be a possibility of certain government measures aimed at reducing these risks, but not totally, not frontally, and for those [companies] that, in the government's point of view, are important for overall economic development," Simanovsky said.

"This means certain material things, like government guarantees for some object or project. This accordingly reduces risks to lenders that provide funds for this kind of borrower," he said.

Simanovsky did not rule out that the total profit generated by banks might be just as much this year as it was last year, at over 1 trillion rubles.

Last year, banks capitalized around 60% of profit, he said.

"This is not a low figure, but we would like it to be even higher," Simanovsky said, adding that he considers the optimal profit capitalization level to be 70%-75%.

Interfax: Russia & CIS Business and Financial Newswire

FTS chief calls on state structures to lower pressure on conscientious business

The head of Russia's Federal Tax Service (FTS), Mikhail Mishustin, thinks it necessary to reduce the pressure by any state structure on conscientious representatives of business.

"I and my colleagues are convinced that conscientiousness, openness, transparency in the affairs of taxpayers has to be encouraged by the state. A better form of such encouragement is reducing the burden and pressure on such representatives of the business community on the part of any state structure," Mishustin told the press on the sidelines of the Gaidar Forum.

Mishustin noted that in accordance with the model of the Organization for Economic Cooperation and Development (OECD) convention and the position of institutions forming the global agenda for tax administrators, it is advisable to improve or cultivate special relations with taxpayers that are open and that voluntarily provide information about themselves without using schemes for aggressive tax planning. But on the other hand, there should be the inevitability of punishment for those "that engage in bad schemes and aggressive planning," he said. These special relations are discussed around the world, he said. In particular, law on the transfer of price-formation and the creation of a consolidated taxpayer institution could be relevant to such relations.

"This is two institutions that, on the one hand, encourage one to show one's openness and, on the other, control you," Mishustin said.

The agreement transferring pricing from the FTS was signed by Rosneft (RTS: ROSN) and Aeroflot - Russian Airlines (RTS: AFLT), and another roughly twenty companies expressed the desire to sign it, he said. "We have a line, about two dozen companies today, and the number is increasing. These are big companies," he said.

Fifteen consolidated groups of taxpayers joined by some two hundred companies have been created in the country, he said.

"Where is the sense? One of the members of a consolidated group of taxpayers could have a 8%-10% stake in the assets of the group but 30%-40% in the profits. And them in the corresponding fashion the

profit is distributed to the party where you have the main assets and the main human resources," Mishustin said.

In his view, he said, that is fair, including from the standpoint of regions receiving taxes. Those regions suffer from this where their budgets are in the main typically paid for with taxes on large corporations - Moscow, St. Petersburg, and a number of others, he said. "But regions where there is production, where there is human capital, subsurface resources are used, they receive [additional taxes]," he said.

There is another means of interaction between the FTS and taxpaying legal entities - horizontal monitoring. An agreement on this monitoring has already been signed with four companies - Mobile TeleSystems (MTS) (RTS: MTSS), Ernst & Young, RusHydro (RTS: HYDR), and Inter RAO. "And there is also a line [to sign the agreement]," Mishustin said.

This monitoring involves companies providing tax agencies with access to their tax and bookkeeping accounts online, and also the provision of primary documents and explanations at the request of tax collectors. A tax agency, in turn, gives explanations of a company's tax risks based on the information it provides on a deal, at the time it is concluded, and before and after the submission of a tax declaration.

Interfax: Russia & CIS Business and Financial Newswire
Minister not concerned about TVZ not producing second-class rail cars

Russian Industry and Trade Minister Denis Manturov does not consider it critical that Russia's largest manufacturer of second-class rail carriages - OJSC Tver Carriage Works (TVZ) is refusing to produce second-class carriages.

"[TVZ] will simply produce other carriages," the minister told the press on the sidelines of the Gaidar Forum-2103 Thursday in Moscow, noting that "the market itself regulates demand on one or another type" of production.

Commenting about the risk of completely losing production of second-class carriages in Russia, Manturov said the main customer - OJSC Russian Railways (RZD) (RTS: RZHD) needs to be asked "about the general demand for this type of transport. TVZ is not really threatened by anything."

The Tver company, which is part of transport engineering company Transmashholding (TMH) (RTS: TRMH) said it may stop manufacturing second-class carriages. "The plant faces a difficult task - it must resolve systemic production issues in the near future. {In particular] replacing the manufacture of second-class carriages with better quality, but inexpensive economy class carriages, that could compete on the international market," TVZ said.

The company indicated a reduction in orders from RZD subsidiary - OJSC Federal Passenger Company (FPC). "FPC, which is one of TVZ's main customers, has not yet confirmed its plans for second-class carriages produced in 2013, the issue of which production is mainly aimed at," the company said citing its general director, Mikhail Nenykov.

Because of this from April 2013 the company could switch to a four-day working week. "We will work to full capacity in February and March," TVZ cited its Manufacturing Director Sergey Gorin as saying. However, prior to that the plant had planned from March 15 to switch to a three-day week due to order volumes.

Federal Passenger Company needs new carriages because of the high wear of the carriages in operation. RZD Vice President and FPC Chairman Mikhail Akulov said earlier that the company should annually write off more than 1,000 carriages out of the current 24,000 in its fleet. However, the rail operator is so far only reducing its order for second-class carriages, attributing this to a lack of funding from the government for the regulation of passenger transport in such carriages (they currently have a 50% discount). The government decided to compensate the company's loss by increasing fares 20% instead of 10% in 2013. In addition FPC has been asked to increase business efficiency.

The company said in December that it may diversify production, expanding its range of products and services "possibly" through products that are not typical for TVZ, such as trams.

TVZ was able to utilize capacity in 2012 despite the reduction in FPC orders, with metro car production. In addition, the plant produced RIC dimension carriages (together with Siemens) and also worked on double-deck carriages (they are just completing preparations for their commercial production).

Tver Carriage Works is the largest producer of main-line passenger rail cars in Russia and the CIS. TMH controls 50.7% of the company's shares. The Federal Agency for State Property Management (Rosimushchestvo) owns 42%.

Interfax: Russia & CIS Business and Financial Newswire
Russia losing out from globalization of economy - Gref (Part 3)

The Russian economy is losing out from the process of globalization, Sberbank (RTS: SBER) president German Gref believes.

"A question: are we gaining or losing on global markets? Answer: losing. We gained in all recent years only thanks to resource exports. On all other positions we are losing," Gref said at the Gaidar Forum, commenting on Russia's competitiveness on world markets.

"Our current competitiveness in the overwhelming majority of cases is of a national nature. If we don't make it international, then unfortunately our future as an economic player on global markets will be very sad," Gref said.

Citing critics of globalization, he said that the economically strongest countries have the competitive advantage in the context of globalization.

"In globalization, like in competition, the strongest wins. ... One of the world's key problems is the division of society, the division of populations into those who earn $1 a day and those who earn $10 million a day. Globalization facilitates this disparity and it facilitates the disparity between countries…Because the strong gain even more from globalization processes while the weak become even weaker and poorer," Gref said.

SNEAK THE PUCK INTO THE NET

He also criticized Russia's willingness to play by new rules after joining the WTO. "We can imagine that we are sending our hockey team out without explaining the rules of the game of hockey to it. We say whoever gets the most pucks into the opponent's net wins. What happens in this case? The first thing you

want to do is hide this puck away and crawl to the opponent's net in order to stick it in there. That's what we're now doing in the WTO," Gref said.

"Mister Lamy [World Trade Organization Director General Pascal Lamy, who was also involved in discussions held in the forum's context] say you always talk about the WTO like about something future. You are already there. Ministers need to be asked. How many hours have ministers spent studying the rules of the WTO. The WTO rules, in a second, are forty-seven thousands pages of a document, the basic agreement is six hundred pages. I don't want to drive ministers into a dead end. I know that they have not spent even one hour on the study of the rules and norms of the WTO, so if you answer that it is so, then I will pose the first and simplest question, because I have worked with this for eight years, what regulates the rules of the WTO - don't risk answering," Gref said.

Gref said he thinks that the quality of human capital has to be improved in order for the competitiveness of the Russian economy to increase. Citing research on the period 2010-2012, he said that the financial sector is perhaps one of the potentially competitive Russian sectors at the international level. "Our financial activity is one of the most competitive from the standpoint of analysis over the last three years," he said.

This is aided by a large number of players and thus - competition, Gref said. The ten biggest banks in Russia command a market share of roughly 45%, where in the United States that figure is around 70%, he said. "We have more banks, such as Sberbank, and God help these large banks, everyone beginning needs to be helped," he said.

"Can we be globally competitive [in the financial sphere]? The answer is, we potentially can. The question, are we now globally competitive? The answer, not yet," Gref said.

THE MOST IMPORTANT SCIENCE IS PROPAGANDA

The former economic development minister also took Mikhail Abyzov, the minister for Open Government Affairs, to task for a unfocused arrangement of priorities.

Asked by an audience member "what kind of real work can Abyzov's ministry do with the population so that those reforms that are being conducted now are received correctly by the population?" the minister

said that precisely this direction is key for him. "Job one for me and my team in 2013, together with the entire cabinet of ministers, is to make the work of the government in the functioning of mechanisms of state management and in those decisions the government makes understandable to ordinary citizens," Abyzov said. "Without comprehensibility in the work of the government and the decisions it makes normal interaction with civil society is not possible, work in the normal use of expert conclusions is not possible, because this is part of that informational work that lies at the foundation of it. Open government is what can be done and should be done in 2013," he said.

"Forgive me, but then you need to be renamed minister of propaganda, if that is your main goal," Gref said. "It could be called the ministry of propaganda, the ministry of explanation, but in this that is absolutely the key task," Abyzov parried.

The term 'propaganda' was picked up on by the session moderator, Rusnano chief Anatoly Chubais. When an audience member asked whether WTO membership would improve the situation with connection to power grids, Chubais - who for many years headed RAO UES - deferred the question to his former deputy at the power holding, as a member of the government though not directly responsible for the sector. However, Abyzov did not expand on the subject, and returned Chubais's volley with, "I hope, Anatoly Borisovich, I wish that Rusnano had been taken to the end more successfully than in energy."

"Thanks for the support. We only need to help in your ministry with propaganda, and all will be well, excellent," the Rusnano chief responded.

This is not the first time the former RAO UES colleagues have sparred in public. In March of 2011, when Abyzov was not yet a bureaucrat, but was a successful businessman, he criticized a Chubais speech at a conference concerning the role of the state in the development of innovation.

Interfax: Russia & CIS Business and Financial Newswire

Idea to link 50% of banker bonuses to share value needs work - Gref

The idea of tying at least 50% of bonuses in banks to the cost of shares requires further discussion, Sberbank (RTS: SBER) Chairman German Gref has said.

"This subject needs to be discussed," Gref told the press at a Gaidar Forum.

There are several complications in this idea because the share price can be volatile and can be manipulated, he said.

"I believe this is a complex idea [to type payments to share price]. 100% of our bonuses are linked to net profit," he said, adding that the share price can easily be manipulated but it is harder to do that with net profit.

Payments to bankers could be tied to a more complex indicator.

"I think there could be a more complex indicator, including profit," he said.

"Actually this is done a different way, through an option system. The main thing is that managers should be co-owners, they should participate in ownership then they share the interests of the shareholders," Gref said.

Commenting on share price volatility, Gref said the "share price could surge or plunge for reasons that do not depend on us, especially for banks, because the financial sector is global. We went up 8% over the [New Year] holiday." The opposite is also possible, he added: "we could show supper financial results and our shares might not go up."

Central Bank of Russia Deputy Chairman Sergei Shvetsov said at the Gaidar Forum Wednesday that the Central Bank plans to recommend banks tie at least 50% of bonuses to share value.

Interfax: Russia & CIS Business and Financial Newswire
Industry ministry foresees automobile output at 2012 level in 2013

Russia's Industry and Trade Ministry expects that automobile production in the country this year will reach the same level as it did last year, Industry and Trade Minister Denis Manturov told the press on the sidelines of the Gaidar Forum - 2013 on Thursday.

"Almost three million [produced in 2012]. That is the market for everything - cars trucks - for everything sold. Correspondingly, production was around two million units, a bit more than we figured for the year originally. I think that [production] will maintain in these volumes in 2013, too," Manturov said.

He expressed the hope that production will not drop off this year. "So I cautiously say that it will maintain," he said.

Car production in Russia was up 14.6% year-on-year at 1.8 million vehicles in January-November of last year. Truck production (including chassis, excluding dump trucks) was up 1.5% for the period at 191,000, that of buses 34.1% at 50,500.

The main car producers in Russia are OJSC AvtoVAZ (RTS: AVAZ), the groups Sollers (RTS: SVAV) and Avtotor, OJSC Avtoframos (Renault's plant in Moscow), and the Hyundai Motor plant in St. Petersburg. The country's biggest truck-builders are OJSC KamAZ (RTS: KMAZ) and the GAZ (RTS: GAZA) group.

Interfax: Central Asia General Newswire
Kazakhstan could join WTO in 2013 - Lamy

Kazakhstan could join the World Trade Organization (WTO) as early as this year, WTO Director General Pascal Lamy told reporters on the sidelines of the Gaidar Forum in Moscow.

"We could even see Kazakhstan join the WTO this year," he said.

Belarus is further in the negotiation process from joining the WTO and it is harder to say when that country might join, Lamy said.

But both Kazakhstan and Belarus as Customs Union members already comply with WTO standards to some extent.

Interfax: Kazakhstan General Newswire
Kazakhstan could join World Trade Organization in 2013, WTO Director-General

Moscow. 17 January. INTERFAX - Kazakhstan could become a WTO member already in 2013, said Director-General of the World Trade Organization (WTO) Pascal Lamy.

"I would suggest Kazakhstan could join WTO this year," Pascal Lamy told journalists on the sidelines of the Gaidar forum on Thursday in Moscow.

Interfax: Russia & CIS General Newswire
Russia losing out from globalization of economy - Gref (Part 2)

The Russian economy is losing out from the process of globalization, Sberbank (RTS: SBER) president German Gref believes.

"A question: are we gaining or losing on global markets? Answer: losing. We gained in all recent years only thanks to resource exports. On all other positions we are losing," Gref said at the Gaidar Forum, commenting on Russia's competitiveness on world markets.

"Our current competitiveness in the overwhelming majority of cases is of a national nature. If we don't make it international, then unfortunately our future as an economic player on global markets will be very sad," Gref said.

Citing critics of globalization, he said that the economically strongest countries have the competitive advantage in the context of globalization.

"In globalization, like in competition, the strongest wins. ... One of the world's key problems is the division of society, the division of populations into those who earn $1 a day and those who earn $10 million a day. Globalization facilitates this disparity and it facilitates the disparity between countries…Because the strong gain even more from globalization processes while the weak become even weaker and poorer," Gref said.

He also criticized Russia's willingness to play by new rules after joining the WTO. "We can imagine that we are sending our hockey team out without explaining the rules of the game of hockey to it. We say whoever gets the most pucks into the opponent's net wins. What happens in this case? The first thing you want to do is hide this puck away and crawl to the opponent's net in order to stick it in there. That's what we're now doing in the WTO," Gref said.

"Mister Lamy [World Trade Organization Director General Pascal Lamy, who was also involved in discussions held in the forum's context] say you always talk about the WTO like about something future. You are already there. Ministers need to be asked. How many hours have ministers spent studying the rules of the WTO. The WTO rules, in a second, are forty-seven thousands pages of a document, the basic agreement is six hundred pages. I don't want to drive ministers into a dead end. I know that they have not spent even one hour on the study of the rules and norms of the WTO, so if you answer that it is so, then I will pose the first and simplest question, because I have worked with this for eight years, what regulates the rules of the WTO - don't risk answering," Gref said.

Russian authorities do not yet understand that Russia has joined the WTO, he said, and they do not know the trade organization's rules. "Why do we think that we are still not in the WTO? Because in our heads we are still not in the WTO. The question is, where are we in our heads? I'll leave that open, but everything else begins from there," he said.

Gref said he thinks that the quality of human capital has to be improved in order for the competitiveness of the Russian economy to increase. Citing research on the period 2010-2012, he said that the financial sector is perhaps one of the potentially competitive Russian sectors at the international level. "Our financial activity is one of the most competitive from the standpoint of analysis over the last three years," he said.

This is aided by a large number of players and thus - competition, Gref said. The ten biggest banks in Russia command a market share of roughly 45%, where in the United States that figure is around 70%, he said. "We have more banks, such as Sberbank, and God help these large banks, everyone beginning needs to be helped," he said.

"Can we be globally competitive [in the financial sphere]? The answer is, we potentially can. The question, are we now globally competitive? The answer, not yet," Gref said.

Interfax: Russia & CIS Business and Financial Newswire

FFMS to send clarifications to Euroclear on Fri, sees no obstacles to start work in Russia

Russia's Federal Financial Markets Service (FFMS) on Friday will submit clarifications to Euroclear on particular provisions of laws and regulations that the company requested in the run-up to the launch of its work with federal loan bonds (OFZ).

"The service received an inquiry from Euroclear regarding clarifications of particular provisions of existing laws and regulations. The service's employees are in constant contact with Euroclear representatives and are answering any questions that may arise. Verbal clarifications were already given to the company. On January 18, Euroclear will be sent a written response with explanations of existing legislation," the FFMS said in a statement.

That said, the regulator believes that "there are not currently any legislative or other obstacles for the company Euroclear to begin carrying out operations with securities," it said.

Euroclear opened a nominal holder account at the Russian central depositary at the end of December.

In December, Stephan Pouyat, Euroclear's Head of Product Management Global Reach, said that the company anticipates receiving an official response from Russian regulators regarding taxation and information disclosure on OFZ in the near future. According to Pouyat, this is a formal procedure and Euroclear is awaiting confirmation of what has already been discussed in detail.

On Wednesday, on the sidelines of the Gaidar Forum, Deputy Chairman of the Central Bank Sergei Shvetsov told the press that Euroclear is awaiting clarifications from the FFMS and the Finance Ministry in order to start working.

"The FFMS and Finance Ministry - right now they're waiting for clarifications on the mechanism of taxation from these two agencies. As soon as Euroclear receives clarifications that are understandable to it in order to carry out its activities, it will start selling this service," Shvetsov said.

The only central depositary in Russia is CJSC National Settlement Depositary (NSD), which is part of the Moscow Exchange MICEX-RTS group.

Through its account at NSD, Euroclear will work exclusively with securities, and cash funds will be in the account of its partner - VTB (RTS: VTBR) - at the central depositary.

Due to the specifics of working on the Russian market, Euroclear needs online credit in rubles to provide settlement services on deals with securities, and it has chosen VTB for this purpose, Pouyat said.

Interfax: Russia & CIS Business and Financial Newswire
Issue of Russia meeting WTO obligations closed - Lamy

The question of Russia meeting its obligations to the World Trade Organization is closed, WTO Director General Pascal Lamy said Thursday at the Gaidar Forum in Moscow.

He said Russia has been a member of the trade body for five months already, so the question of the country meeting its obligations is a thing of the past. Now the country can no longer choose whether or not to meet its obligations, it has to do so, Lamy said.

However, he said a different question could arise in whether other WTO members believe that Russia is not fully meeting its obligations. If anyone has any questions, the WTO has a dispute resolution process for this.

On the other hand, if Russia believes that one of its partners is not playing by WTO rules, it can also turn to the WTO.

If a WTO member loses a dispute, it is obligated to comply with the ruling or face sanctions, Lamy said.

Asked whether Russia's introduction of a recycling levy for automobiles is consistent with WTO rules, Lamy declined to give a direct answer, saying he wanted to remain neutral. From a legal point of view, the question is whether the levy restricts imports or exports, he said.

ITAR-TASS World Service

Russia must do much work to develop economic institutions - speaker.

MOSCOW, January 17 (Itar-Tass) – Russia must do a lot of work to develop its financial institutions and to ensure legal protection for businesses, State Duma speaker Sergei Naryshkin told the international conference Gaidar Forum-2013 "Russia and the World: Challenges of Integration" on Thursday.

"Much work is needed to develop our economic institutions, create convenient financial instruments and ensure vaster opportunities for legal protection of businesses," he said.

At the same time he noted that the development of economic institutions "is a difficult, cost-based process and of course there is a temptation to use manual control mechanisms," Naryshkin said.

At present, competition exists not only for resources and markets, but also for a business initiative, the speaker said.

"Undoubtedly it is impossible to ensure sustainable economic growth without it," he said.

At the same time he paid attention to the fact that the process of integration is also competition, when resources and effective management solutions move to the forefront.

"Over the past years economic experience of every country and in general, our global economic experience, has become significantly richer. The analysis of the global economic crisis helped to learn lessons that we need to adequately respond to challenges of global competition," Naryshkin said.

ITAR-TASS World Service

Kazakhstan may join WTO in 2013--Lamy.

MOSCOW, January 17 (Itar-Tass) - Kazakhstan may become a member of the World Trade Organization (WTO) as early as in 2013, WTO Director-General Pascal Lamy told journalists here on Thursday on the sidelines of the Gaidar Forum-2013 which is taking place at the Russian Academy of the National Economy and Public Service under the President of the Russian Federation.

"Kazakhstan is currently in a rather advanced stage of talks on accession to the WTO, and I'd express a supposition that even this year one can expect Kazakhstan's joining the WTO," Lamy said.

ITAR-TASS World Service

Russia's financial industry has great competitive potential – Sberbank CEO.

MOSCOW, January 17 (Itar-Tass) – Russia's financial industry has the potential to become one of the most competitive ones, Sberbank CEO German Gref told the 2013 Gaidar Forum titled Russia and the World: Challenges to Integration, underway at the Russian presidential academy of the economy and civil service.

Gref said that "the top ten banks controlled about 45 percent of the Russian market. In the United States the rate is about 70 percent, which indicates that despite the existence of major players the room for competition remains rather vast."

Gref believes that the state should refrain from helping major players.

"Don't help these big banks for God's sake," he said.

About the competitiveness of Russia in general Gref said, "Do we have the potential to be competitive? We most certainly do. Are we competitive globally? No."

"The question of education, communications, the government's openness, crowd sourcing and modern technologies, the expansion of the Internet and relations with small and medium businesses is a question of the further competitiveness of our country," Gref said.

He added that the competitiveness of the country depended on the competitiveness of each individual, so education was the corner stone.

Interfax: Russia & CIS Business and Financial Newswire

CBR identifies systemic banks, to recommend they pay 50% of bonuses in shares

The Central Bank of Russia has identified a list of 15-30 systemically important national banks, CBR deputy chairman Sergei Shvetsov told reporters on the sidelines of the Gaidar Forum on Wednesday.

"We've informally identified 15 to 30 banks," Shvetsov said, adding that there are no globally systemically important financial institutions among them.

He said stricter requirements would be set for such lenders. For example, the CBR has already recommended that they draft financial recovery plans.

Asked whether higher capital requirements would be imposed on these banks, Shvetsov said that this would not happen this year.

The CBR has not yet decided whether or not to publish the list of systemically important Russian banks.

The CBR also in future plans to recommend that systemic banks pay at least 50% of their bonuses to executives in the form of stock. Shvetsov said that the Russian government already has such recommendations on payment of remuneration to executives at state companies. "And we have certain obligations to apply this to systemically important institutions, he added.

He said this would discourage executives from pursuing immediate profits at the expense of a bank's long-term stability.

He also said that the problem of remuneration for senior executives in Russia is exacerbated by the fact that corporate boards are often elected for one year, while for a normal bank or company the medium-term planning period is 5-10 years and long-term planning is for even longer periods.

"We are in the reform phase: at least 50% of the bonuses should be linked to the share price, consequently to the long-term financial health of the company, and this should encourage mangers to pursue long-term stability rather than one-off, short-term results," Shvetsov said.

SKRIN Newswire

Prime Minister Dmitry Medvedev attends Gaidar Forum-2013 - International Conference "Russia and the World: Challenges of Integration"

16 January 2013 Prime Minister Dmitry Medvedev attended Gaidar Forum-2013 - International Conference "Russia and the World: Challenges of Integration".

Speech by Dmitry Medvedev at the forum:

'Good afternoon, colleagues, ladies and gentlemen. I would like to thank you for inviting me to speak at the Gaidar Forum.

Life changes fast. Currently, all of us, Russians of course, take for granted the possibility to build our lives as we see fit and to do it according to our own interests. We can do business, travel abroad for business, relax and, finally, own private property. All this seemed an illusion and an unrealisable dream just over 20 years ago. Incidentally, this was our life when I first visited this building and the complex of the Academy of National Economy for the first time. But the dream came true, and this was largely made possible by Yegor Gaidar's team. Long ago, his team was not afraid to deviate from the path, which seemed forever shaped by the history of our country, despite an extremely difficult situation. Yes, of course, this was a very difficult path and a very difficult time, but we realise that such transformations are never easy for any country.

Quite possibly, this is particularly evident today when, as many analysts believe, the global economy is experiencing a systemic crisis. This is proved by the all-encompassing nature of this crisis, the duration of this crisis, as well as by intertwined financial and political upheavals. It appears that this crisis will never end. As soon as we breathe a sigh of relief, the crisis starts unfolding again. The situation resembles major 20th century crises like the crises of the 1930s and the 1970s. I would like to recall that the last large-scale crisis of the 1970s gave birth to a new technological and economic model, as well as the political and economic liberalisation and the appearance of the two main reserve currencies. Accelerated globalisation, a key factor of the modern world's development, was the most important consequence of this crisis.

Obviously, inter-dependent economic processes in various countries serve to aggravate, rather than mitigate, various manifestations of the crisis. We felt the crunch in 2008 when the current crisis began. Of course, new opportunities, new changes, technological shifts, a new model of economic growth, new geo-economic and geopolitical balances and a new realignment of global currencies lie ahead. In effect, a new model of economic regulation is currently being formed. It appears that this will be a supra-national model. Leading countries will have to make unconventional and responsible decisions in the next few years. Those, who find these solutions will be able to make a powerful leap forward.

Russia presides over the G20 this year. We see our role in offering a policy to consolidate economic growth to our partners. Most importantly, we must restore confidence on global markets and develop new international financial centres. We must eliminate barriers hampering direct investment and global value-creation chains. We must ensure more transparent and more effective financial regulation, as well as that in other spheres, including energy, which is important for Russia. I am confident that we will be able to turn to normal sustained development in this manner, that is, by removing barriers and by strengthening international coordination.

The Government's main short-term goal is to ensure a conversion to sustained economic growth. At any rate, this economic growth should be at least 5%. We must strive to accomplish this objective and to ensure a sustained increase in national standards of living on this basis. As before, our country needs to ensure the qualitative renewal and comprehensive modernisation of various areas. My colleagues and I have repeatedly noted that we need production and technological modernisation, which will make it possible to create millions of high-skill jobs. We need economic diversification, and we need to reduce our dependence on fuel and energy price fluctuation. Of course, we need social modernisation, which would help turn the middle class into the dominant class. We have to create a more effective and equitable healthcare system, a more effective and equitable pension system and to make all social institutions more effective and equitable. And, finally, we must continue our political modernisation and drastically expand the range of political and economic freedoms.'

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BBC Monitoring European

Bulgarian finance minister outlines EU economy prospects at forum in Russia

Moscow/Sofia, January 17 (BTA) -- Speaking at a panel of the international conference "Russia and the World: Challenges of Integration", part of the ongoing Gaidar Forum here, Bulgarian Finance Minister Simeon Djankov said that a calm year for Europe is ahead. On Wednesday [16 January] Djankov participated in the plenary discussion on "New Configuration of the Global[1] Financial System". Djankov is in Moscow at the invitation of his Russian counterpart Anton Siluanov, Djankov's Ministry said.

At the discussion Djankov outlined the prospects for the EU economy in 2013 and said that the decisions taken in 2012 on the establishment of a single supervisory mechanism of banks, the fiscal compact and the European Stabilization Mechanism will provide the necessary stability to the EU and contribute to faster growth and greater competitiveness. Djnakov noted that at this background, Bulgaria stands out among the other EU member states as one of the three countries meeting the Maastricht Criteria, the member state with the second lowest debt in Europe and the third lowest budget deficit.

The Geidar Forum is a high-profile event devoted to the economic policy of Russia. Among this year's participants in the forum are Russian Prime Minister Dmitry Medvedev, AlekseiUlyukaev, First Deputy Chairman of the Central Bank of the Russian Federation, AlekseiKudrin, Member of the Board of Trustees of the Gaidar Institute for Economic Policy.

RosBusinessConsulting

Rusnano's privatization slated for 2013

The privatization of Russian state-owned nanotechnology corporation Rusnano was initially scheduled for December 2012, but its management intentionally postponed it until 2013 in order to ensure that shares are sold "on adequate terms," Rusnano's CEO Anatoly Chubais said today on the sidelines of the Gaidar Forum in Moscow.

According to earlier reports, the Federal Property Management Agency, Rusnano's sole shareholder, has amended the company's articles of association, paving the way for an additional issue of 5.97bn shares or 10% of Rusnano's outstanding shares.

Both Russian and foreign investors could participate in the privatization, Chubais pointed out, adding that he is heading to Davos to hold talks with potential partners. He went on to say that once the privatization process is complete, the company would be able to offer new mechanisms for raising private investments for innovative projects.

http://rbcnews.com/free/20130117165139.shtml

Xinhua News Agency

Russia faces challenges as WTO member: official

MOSCOW, Jan. 17 (Xinhua) -- Russia faces challenges as a member of the World Trade Organization (WTO) and its future depends on how Moscow could cope with the new realities, a senior Russian official said Thursday.

Five months after it became a WTO member, Russia must obey the organization's rules and implement its obligations to the world trade bloc, Pascal Lamy, the country's WTO director general, said at the ongoing international Gaidar Forum.

If some countries believe Russia does not implement its obligations or vice versa, they might launch a legal process to level their differences, Lamy said.

Russia officially joined the WTO on Aug. 22. After the accession, Russia will have to gradually lower its average tariff ceiling to 7.8 percent from the current 10 percent, with the agricultural tariff down from 13.2 percent to 10.8 percent, and the tariff for industrial products slashed from 9.5 percent to 7.3 percent.

Meanwhile, President Vladimir Putin has said Russia might not enjoy immediate benefits from its accession to the WTO and could even face serious challenges.

As for the WTO accession process of Russia's partners in the tripartite Customs Union, Lamy said he hopes Kazakhstan could become a WTO member in 2013, although Belarus' prospect is more remote.

"I would suppose that this year Kazakhstan could join WTO," he said.

The Gaidar Forum, named after Yegor Gaidar, Russia's first post-Soviet prime minister, debuted in 2010 and has become a significant gathering of experts and political leaders in Russia.

http://news.xinhuanet.com/english/world/2013-01/17/c_132110353.htm

WPS: Banking and Stock Exchange
Russia's federal budget for 2012 was deficit-free, Finance Minister Anton Siluanov stated at the Gaidar Forum

Russia's non-oil and gas deficit was 10.6% of GDP in 2012. This is about one percent higher than as of the end of 2011, said the minister.

"Siluanov: Russia Ended 2012 with a Zero Budget Deficit", BFM.ru, January 16, 2013

Russian Financial Control Monitor
Russia’s federal budget 2012 executed with zero deficit

MOSCOW. Russia’s federal budget 2012 was executed with a zero deficit, Finance Minister Anton Siluanov said at the fourth annual Gaidar Forum at the Russian Presidential Academy of National Economy and Public Administration.

“We really don’t have a budget deficit. Last year, the budget had a zero balance,” he said, adding that the Russian budget depended strongly on the situation. “Last year, our non-oil and gas deficit was 10.6% of GDP, which is not a small sum; it is almost one percentage point up from 2011,” he said.

http://www.fcinfo.ru/themes/basic/materials-rfcm-index.asp?folder=2780&pg=16

Russian Financial Control Monitor

Prime minister confirms Russia's policy towards political modernisation

MOSCOW. Russia's policy towards political modernisation will remain unchanged, Prime Minister Dmitry Medvedev said at the fourth annual Gaidar Forum on Wednesday.

Among other goals, he mentioned qualitative reform, comprehensive modernisation of different sectors, technological upgrade, economic diversification, efforts to lower dependence on energy price fluctuations, and social renewal.

SKRIN Newswire

Dmitry Medvedev: government's goal is to boost economic growth to at least 5% a year

The primary objective pursued by the Russian Federation is to provide sustainable economic growth of at least 5% a year. Prime Minister Dmitry Medvedev made this statement at the Gaidar Forum in Moscow, a Banki.ru correspondent reported. "In any case, we need to press for this," he pointed out.

"The Russian Federation aims to carry out comprehensive upgrade in various sectors of the economy. We need a technological upgrade that to create highly qualified jobs, and we also need economic renovation," thinks the prime minister adding the country's readiness for a next financial crisis will depend on how far Russia succeeds in following this path within the decade.

In particular, Medvedev emphasized the need to reduce the country's reliance on energy prices, and proceed with reforms of all social institutions. "We need to continue reforms in the domestic political system," said the prime minister. He added that a political course taken some time ago will continue. / banki.ru

RosBusinessConsulting

January inflation to exceed 0.6%

Russia's consumer price inflation is expected to total 0.6%-0.7% in January 2013, Deputy Economic Development Minister Andrey Klepach told RBC.

According to earlier reports, Klepach and Central Bank of Russia First Deputy Chairman Alexey Ulyukayev said yesterday at the Gaidar Forum that January 2013 inflation would be above the year-earlier level of 0.5% as the price of food products has recently been on the rise.

Inflation ran at 0.4% year-to-date as of January 14, 2012, according to a statement released by the Federal State Statistics Service.

http://rbcnews.com/free/20130117131822.shtml

SKRIN Newswire

Klepach: Russia will have to revise budget rule to speed up GDP growth

To propel growth of the Russian economy to 4.5-6% it will be necessary to amend the budget rule, deputy MED head Andrei Klepach thinks. He shared his viewpoint with journalists on the sidelines of the Gaidar Forum.

A bit earlier Prime Minister Dmitry Medvedev noted at the forum that the government's ultimate goal "is to provide sustainable economic growth of at least 5%".

As Klepach said, to achieve economic expansion from the current 3.6% to the sought 5% it is essential to pursue serious structural reforms and enhance competitiveness of enterprises. He also said the budget rule would need adjusting. Under these conditions the Russian economy could expand 4-5% a year starting 2014-2015, Klepach believes.

The new budget rule concerning the use of O&G budget revenue, and also the formation and use of the resources from the Reserve Fund and the National Welfare Fund (NWF) took effect on January 1, 2013. In line with the document, once the Reserve Fund reaches 7% of GDP the country's extra O&G revenue (no more than 50%) could be wired to the National Welfare Fund (NWF), and could also be earmarked for infrastructural and other projects. / banki.ru

ITAR-TASS World Service

ITAR-TASS news summary for Wednesday: 1.

MOSCOW - - Russian President Vladimir Putin named the economic results in 2012 as “relatively satisfactory.” The Russian president has made a statement to this effect at a meeting devoted to economic issues at the Kremlin on Wednesday.

“The economic results of the previous year were not summed up finally, but the preliminary indicators sound relatively satisfactory. In the estimates of the Russian Ministry of Economic Development the GDP growth reached 3.5% in January-November 2012. The previous year ended with a low unemployment rate of 5.4% for Russia and at the global level,” the president said.

Putin noted that the 2012 budget was executed without deficit, according to preliminary estimates, “substantial reserves” grew, the inflation rate reached 6.6% over “price fluctuations on the food products.” He recalled that in the previous decades from 2000 to 2010 the average inflation reached 12.75%.

“The real salary growth of 8.8% showed a good dynamics for the last 11 months. The growth of investments accelerated and reached 8.4% for the last 11 months against the same period in the previous year,” the president said.

However, the president noted that a fluctuating dynamics of economic indicators during the previous year causes some concerns amid these positive tendencies.

MOSCOW - - Russian President Vladimir Putin proposed to create conditions for investments in Russia and forward the investments in the infrastructure development.

Speaking at a meeting devoted to economic issues in the Kremlin the president recalled that in the years of the economic crisis the Russian authorities supported actively the demand and now the Russian economy “is in the situation, when very many, if not all production capacities are involved, and the unemployment rate is at a record low level.” In his view, some experts believe that in these conditions the support for the demand is less efficient and results not in the growth of the output, but in the price growth.

MOSCOW - - Russian Prime Minister Dmitry Medvedev has invited members of the Eurasian Economic Community and the CIS to join the Customs Union and the Common Economic Space under general conditions.

“The Customs Union and the Common Economic Space are an integration project open for other states,” he told the international conference Gaidar Forum-2013 “Russia and the World: Challenges of Integration” on Wednesday.

MOSCOW - - Russian Prime Minister Dmitry Medvedev said the government must ensure at least a 5-percent GDP growth in the near future. "The government's immediate objective is to ensure the transfer to a stable economic growth track at a level not lower than 5 percent of the GDP," he said at Gaidar Forum 2013 at the Russian Academy of National Economy in Moscow on Wednesday.

MOSCOW - - Russian Prime Minister Dmitry Medvedev has called for not politicizing the choice between westward, eastward, northward and southward movement of Russia’s policy.

“The most adequate response to global challenges is to harmonize our efforts in all these directions and to create modern models of integration,” he told the international conference Gaidar Forum-2013 “Russia and the World: Challenges of Integration.”

MOSCOW - - Russian Prime Minister Dmitry Medvedev believes that Russia has all the potential to become a key part of integration processes. “We are not closed for any processes,” he stressed d at the Gaidar Forum 2013 in the Academy of National Economy and Public Administration under the President of the Russian Federation. “It is important that Russia has all the potential to become one of the key links of global integration processes, to accomplish its geopolitical advantages that are known to all, to draw significant dividends for own development.”

MOSCOW - - Russian Prime Minister Dmitry Medvedev said on Wednesday that Russia’s strategic goal in the sphere of integration was to join the Organization for Economic Cooperation and Development (OECD).

"The OECD membership remains our strategic goal in the sphere of integration now that we have joined the WTO,” Medvedev said in his speech at the 2013 Gaidar Forum held at the Russian Presidential

Academy of National Economy and Public Administration. The prime minister said that a 'roadmap' for the OECD membership had already been adopted and that the Russian leadership had clear understanding of the tasks and benefits.

MOSCOW - - The Russian federal budget was deficit-free in 2012, Finance Minister Anton Siluanov said on Wednesday, addressing the annual international Gaidar Forum-2013 entitled "Russia and the World: Challenges of Integration." The forum opened in Moscow on Wednesday, January 16, and will last till January 19.

Upon results of the preceding year, Russia's non-petroleum deficit, or the deficit excluding the revenues from oil and gas export, amounted to 10.6 percent of the GDP, the minister said.

MOSCOW - - Russia's inflation rate in January will slightly exceed 0.5 percent, the first deputy head of the Central Bank of Russia, Alexei Ulyukayev, told the Gaidar Forum 2013 on Wednesday.

"I think it will be a bit higher than in January 2012," he said.

The consumer price growth made up 0.5 percent last January.

MOSCOW - - The Russian Central Elections Commission (CEC) will be drafting a bill over the elections of deputies in the State Duma on the mixed system until January 30, Chairman of the Russian CEC Vladimir Churov said at a CEC meeting on Wednesday.

MOSCOW - - Deputy Economic Development Minister Andrei Klepach said attaining a 5-percent GDP growth will require an adjustment to the budget rule. The Ministry proceeds from the assumption that the potential of the Russian economy's growth rate is higher than the predicted 3.6 percent.

MOSCOW - - A quarterly outflow of capital under ten billion dollars is acceptable for Russia, First Deputy President of Russia's Central Bank, Alexei Ulyukayev, told the 2013 Gaidar Forum titled Russia and the World: Challenges to Integration, underway at the Russian presidential academy of the economy and civil service.

ITAR-TASS World Service

Putin sends greetings to Gaidar Forum 2013 participants.

MOSCOW, January 16 (Itar-Tass) – President Vladimir Putin sent greetings to participants and guests of the Gaidar Forum 2013 International Conference.

“Your annual scientific and practical conferences have earned broad recognition from specialists in Russia and abroad. You carry on an open and involved exchange of views on today’s most relevant social and economic issues and offer promising solutions,” the president said in his message.

“Among this forum’s priority themes are issues concerning growing integration in the world and Russia’s part in these processes. I hope the ideas and initiatives you put forward will help to improve Russia’s business climate and our economy’s influence and standing,” Putin said.

The Gaidar Forum is a permanently open discussion platform and place for experts to meet. The Forum holds an annual international conference, with this year’s event devoted to the topic of Russia and the World: Challenges of Integration. The conference is taking place in Moscow on January 16-19, 2013.

Gaidar Forum is a regular discussion forum and a meeting point for experts influencing the course of economic and political development. Within the framework of the Forum, there is a discussion of different ideas and approaches to understanding of the global processes that take place in Russia and in the world. Gaidar Forum includes events of different scale and format. The largest event is the international conference “Russia and the World”.

On January 16-19, 2013, the international conference “Russia and the World: Challenges of Integration” will take place as a part of Gaidar Forum and will focus on Russia’s integration in the global trade.

As in earlier years, the conference will be held in the form of plenary discussions and expert round tables enabling participants to express and discuss their understanding of the key trends and challenges of the economic development and integration.

The purpose of the Forum is to promote Russia as a centre of economic discussions; bring together leading international scholars and practitioners to discuss economic and political problems; maintain

continuous expert dialogue on key political and economic issues; define main trends and key events in the national and world politics and economy; work out strategic proposals and recommendations for the development of the national economy.

The organisers of the Forum are the Gaidar Institute for Economic Policy, the Russian Presidential Academy of National Economy and Public Administration and the Gaidar Foundation.

ITAR-TASS World Service
RF govt to secure at least 5 prc GDP growth in coming years – PM (adds).

MOSCOW, January 16 (Itar-Tass) – The Russian government should secure at least a 5 percent growth of the gross domestic product (GDP) in the coming years, Prime Minister Dmitry Medvedev said at the Gaidar Forum 2013 on Wednesday, January 16.

“The main goal of the government for the coming period is to ensure a transition to sustainable economic growth at a rate of at least 5 percent of GDP a year,” Medvedev said.

According to the World Bank’s forecast released earlier in the day, Russia’s GDP is projected to grow by 3.5 percent in 2012 but will grow only slightly in the future despite expected high oil prices.

Medvedev stressed that Russia needs technological modernisation that will create millions of new jobs, economic diversification and lesser dependence on fluctuations in energy prices.

Russia also needs “social modernisation that leads the middle class to become a dominating one and to a more efficient and fairer healthcare and pension systems”, the prime minister said.

“Finally, we need political modernisation and a qualitative expansion of political and economic freedoms,” Medvedev concluded.

In his opinion, the government will have to focus its efforts on a number of key tasks. “The first one is to ensure macroeconomic stability, which means strict implementation of a long-term and predictable budget policy, reduction of inflation and more effective budget spending,” he said.

The government will also have to accelerate the development of infrastructure, remove restrictions on entrepreneurial activities, improve the labour market and encourage greater mobility of the population.

The prime minister is convinced that companies' access to financial resources is also a priority task for the federal authorities.

He spoke separately of adaptation to the WTO mechanisms. "This means strengthening the international positions of the Russian economy, increasing the integration of Russian companies into the global value chains.

"And of course we need to retain leadership in integration processes in the post-Soviet region," he emphasised.

The Gaidar Forum-2013, which opened in Moscow on January 16, will focus on global challenges of integration.

The discussions at the Forum will focus on Russia's integration into global trade, development of the international financial and monetarisation systems, energy cooperation, global competition and economic integration.

The conference will bring together First Deputy Prime Minister Igor Shuvalov; Minister of Economic Development Andrei Belousov; Minister of Industry and Trade Denis Manturov; Finance Minister Anton Siluanov; heads of relevant ministries and agencies; WTO Director-General Pascal Lamy; leading Russian and international experts, entrepreneurs; Hans Timmer, Director of the Development Prospects Group at the World Bank; VTB CEO Andrei Kostin; Sberbank CEO German Gref; Alexei Kudrin, Chairman of the Board of Guardians at the Gaidar Institute for Economic Policy; and Vladimir Mau, Rector of the Russian Presidential Academy of National Economy and Public Administration.

Young people from 16 countries, including Africa, will attend the Forum.

On January 16-19, 2013, the international conference "Russia and the World: Challenges of Integration" will take place as a part of Gaidar Forum and will focus on Russia's integration in the global trade.

The representatives of the Russian government, the heads of several Russian regions, prominent Russian and foreign economists and public figures agreed to take part in the plenary discussions as moderators and speakers.

The organisers of the Forum are the Gaidar Institute for Economic Policy, the Russian Presidential Academy of National Economy and Public Administration and the Gaidar Foundation.

ITAR-TASS World Service

Russia's consumer inflation grows by 1/10 percent on Jan-10-14 – statistics.

MOSCOW, January 16 (Itar-Tass) – Russia's consumer inflation rate increased by 0.1 percent in the period from January 10 to January 14, 2013, the Federal State Statistics Service said in its regular report made public on Wednesday.

Over the same period of 2012, the country's consumer prices grew by 0.1 percent and increased by 0.5 percent in January, the Statistics Service reaffirmed.

In the period from January 10 to January 14, the state service registered the biggest growth of prices for cabbage – 3.9 percent.

Besides, the prices of vodka went up by 2.9 percent, the document underlined, adding that average prices of wheat flour grew by 0.6 percent, while prices of vermicelli and macaroni increased by 0.3 percent.

Simultaneously, the prices of pork and poultry decreased by 0.2 percent over the designated period, the Statistics Service said.

In addition, the prices of fruit and vegetables went up by 1.8 percent on average across the country, the document wrote, adding that the prices of cabbages increased by 3.9 percent, the prices of carrots and onions grew by 2.1-2.3 percent.

On January 10 – January 14, the country's average prices of gasoline and diesel fuel edged up by 0.1 percent, the statistics said.

The report was drafted on the basis of weekly monitoring of retail prices for 62 socially important goods and services, which the Federal State Statistics Service carried out in 271 Russian cities and towns.

Earlier on the day, First Deputy Chairman of the Central Bank Alexei Ulyukayev told the Gaidar Forum 2013 that Russia's inflation rate in January will slightly exceed 0.5 percent

Russia's Economic Development Ministry supported the position of the Central Bank.

Deputy Economic Development Minister Andrei Klepach told reporters on the sidelines of the forum the inflation rate in January 2013 will be higher as against the same period of last year.

ITAR-TASS World Service

Russia's finance minister reports zero budget deficit in 2012 = 1.

MOSCOW, January 16 (Itar-Tass) – The Russian federal budget was deficit-free in 2012, Finance Minister Anton Siluanov said on Wednesday, addressing the annual international Gaidar Forum-2013 entitled "Russia and the World: Challenges of Integration." The forum opened in Moscow on Wednesday, January 16, and will last till January 19.

"We certainly have no budget deficit. Russia managed to guarantee balanced federal budget in 2012," he said.

Upon results of the preceding year, Russia's non-petroleum deficit, or the deficit excluding the revenues from oil and gas export, amounted to 10.6 percent of the GDP, the minister said.

While touching upon the country's economic development scenarios, Siluanov said that Russia is in need of structural reforms, instead of the state expenditures hike and following promotion of the consumer demand. In his opinion, the latter scenario may be dangerous for the economic stability. "So, the zero budget deficit means a big dependence on the market changes," he said, adding that this is evidenced for everyone. In such conditions, it is impossible to say about the hike of the state demand and the items, depending on the foreign economic market developments, the finance minister said.

In compliance with the recent amendments to the federal budget 2012, the state budget deficit was projected at the level of 42.7 billion roubles (USD 1 = RUB 30.34), or 0.07 percent of the GDP, upon the results of the year.

ITAR-TASS World Service
OECD is Russia's strategic integration goal – Medvedev.

MOSCOW, January 16 (Itar-Tass) - Russian Prime Minister Dmitry Medvedev said on Wednesday that Russia's strategic goal in the sphere of integration was to join the Organization for Economic Cooperation and Development (OECD).

"The OECD membership remains our strategic goal in the sphere of integration now that we have joined the WTO," Medvedev said in his speech at the 2013 Gaidar Forum held at the Russian Presidential Academy of National Economy and Public Administration. The prime minister said that a 'roadmap' for the OECD membership had already been adopted and that the Russian leadership had clear understanding of the tasks and benefits.

"The entrance into this organization is a vital signal for investors that indicates the level of the country's institutional development," the Russian prime minister emphasized.

Medvedev stressed the need to create favorable conditions for Russian firms to participate in international VAT chains as a new area of integration. They include the transfer of technologies, know-how and the hand-over of management principles.

"However, such an approach calls for a new vision of the economic policy, problems of the customs union and tariff regulation, tax administration, development of infrastructure and other processes," the Russian prime minister stressed.

Medvedev called for giving up the long-standing and much-touted sectorial approach.

"It's necessary to give thorough attention to companies that build themselves into international chains. That will be more effective than complete subsidizing of separate industries," the Russian prime minister emphasized.

In the meantime, Vladimir Mau, the rector of the Russian Presidential Academy of National Economy and Public Administration, who's also attending the 2013 Gaidar Forum, warned that the next economic crisis might strike in 40-50 years from now.

"Crisis is a phenomenon of economic growth. Innovative development is always accompanied by crises," Mau said at the forum's plenary meeting.

"Replies to the challenges of this crisis should not be bureaucratic. We understand quite well that in conditions of global integration it's international rather than national regulation that is the thorniest challenge of modern times that faces countries, including the G-20 states," Mau went on to say.

"Our task is to understand and overcome today's crisis and lay down the foundation for the next one which's going to occur in 40-50 years," the rector of the Russian Presidential Academy of National Economy and Public Administration said.

ITAR-TASS World Service

Next economic crisis may occur in 40-50 years from now – expert.

MOSCOW, January 16 (Itar-Tass) – The next economic crisis may strike in 40-50 years from now, according to Russian economist Vladimir Mau, the rector of the Russian Presidential Academy of National Economy and Public Administration.

"Crisis is a phenomenon of economic growth. Innovative development is always accompanied by crises," Mau said at a plenary discussion of the 2013 Gaidar Forum on Wednesday.

"Replies to the challenges of this crisis should not be bureaucratic. We understand quite well that in conditions of global integration it's international rather than national regulation that is the thorniest challenge of modern times that faces countries, including the G-20 states," Mau went on to say.

"Our task is to understand and overcome today's crisis and lay down the foundation for the next one which's going to occur in 40-50 years," the rector of the Russian Presidential Academy of National Economy and Public Administration said.

ITAR-TASS World Service

Medvedev believes RF has key integration potential.

MOSCOW, January 16 (Itar-Tass) – Russian Prime Minister Dmitry Medvedev believes that Russia has all the potential to become a key part of integration processes. "We are not closed for any processes," he stressed d at the Gaidar Forum 2013 in the Academy of National Economy and Public Administration under the President of the Russian Federation. "It is important that Russia has all the potential to become one of the key links of global integration processes, to accomplish its geopolitical advantages that are known to all, to draw significant dividends for own development."

The fourth annual Gaidar Forum brings together Russian and international economic leaders to discuss key policy issues around the theme of "Russia and the World: The Challenges of Integration." The forum grew out of conferences held during the century's first decade, and is named after former Prime Minister Yegor Gaidar, one of the proponents of the "shock therapy" of the 1990s. Since 2010, the main theme has been about Russia's economic place in the world, focusing on a different aspect. This year, following the August accession to the World Trade Organisation and December's assumption of the presidency of the G20, the integration aspect is an apt topic.

Medvedev reminded the audience that they all are witnesses of major changes in the world economy. "This is a serious challenge. On the one hand, any government today must maintain social and political stability. We must curb unemployment, which, by the way, we have been doing quite well so far," said the prime minister. "On the other hand, we must stimulate the modernisation of the economy and structural reform." The RF Cabinet head noted that it is not easy to combine these approaches, especially at the level of practical politics. In this sphere much depends on the ability of the authorities to adequately perceive the challenges and respond to them. Moreover, according to Medvedev, finally, everything depends "on the effectiveness of economic and political institutions, on their stability."

The prime minister stressed that at present it is difficult to say what the post-crisis configurations will be like. "The discussion is going on. The future positions of separate countries, separate regions, the balance of forces are discussed, using a variety of terms, including the term Big Two or Chimerica, which was proposed by Mr. Ferguson, and other combinations are possible," said Medvedev. "In any case, the concept of a single economic and humanitarian space from the Atlantic to the Pacific is more preferable

to us, to my understanding." According to the RF prime minister, the positive outlook for the BRICS alliance is also obvious.

Speaking about the opening integration possibilities, Medvedev quoted Mao Zedong. "There is a saying that when the winds of change are blowing, don't put up shelters, build up wind mills," he said. At the same time, in his opinion, Russia in the coming years should remember something else. "In this context, I would like to recall the words of Yegor Gaidar," the premier said. "The government economic policy cannot be standard. It requires innovative solutions. The condition in which Russia approaches the next global crisis and our country's long-term development prospects largely depend on the degree of Russia's progress in this sphere in the coming decades."

ITAR-TASS World Service

Capital flight of 10 bln dlrs a quarter or less acceptable for Russia - Ulyukayev.

MOSCOW, January 15 (Itar-Tass) – A quarterly outflow of capital under ten billion dollars is acceptable for Russia, First Deputy President of Russia's Central Bank, Alexei Ulyukayev, told the 2013 Gaidar Forum titled Russia and the World: Challenges to Integration, underway at the Russian presidential academy of the economy and civil service.

Ulyukayev said that after the crisis of 2008-2009 Russia witnessed a stable reduction of capital flight, which was interrupted in the fourth quarter of 2011 and the first quarter of 2012. The interruption was due to a combination of global factors – the threat of a reduction in the sovereign rating of the US, worsening debt problems in Europe and investors' doubts regarding the Chinese economy's growth rates.

"At the beginning of the second quarter of 2012 we were back to a single digit capital flight situation, under one billion dollars a quarter. This figure is acceptable for the condition of institutions that we have these days and the level of the current balance surplus that we have," Ulyukayev said.

As it was stated earlier, the net outflow of capital, according to the CBR, accounted for 56.8 billion dollars in 2012. In the first quarter of this year the net export of capital by private economic entities was

33.3 billion dollars, in the second quarter, 6.4 billion dollars, in the third quarter, 7.6 billion dollars, and in the fourth quarter, 9.4 billion dollars.

ITAR-TASS World Service

5-percent GDP growth to require budget rule adjustment - view.

MOSCOW, January 16 (Itar-Tass) - Deputy Economic Development Minister Andrei Klepach said attaining a 5-percent GDP growth will require an adjustment to the budget rule. The Ministry proceeds from the assumption that the potential of the Russian economy's growth rate is higher than the predicted 3.6 percent.

"We proceed from the standpoint that our potential is higher: 4-odd to 5 percent. In 2014- 2015, it might be possible to accelerate the growth rate to 4-odd percent a year, but this will require an adjustment of the budget rule," Klepach said.

Earlier on Wednesday, Russian Prime Minister Dmitry Medvedev said the government must ensure at least a 5-percent GDP growth in the near future. "The government's immediate objective is to ensure the transfer to a stable economic growth track at a level not lower than 5 percent of the GDP," he said at Gaidar Forum 2013 at the Russian Academy of National Economy in Moscow.

The World Bank has published a prognosis, according to which Russia's GDP growth rate is expected to reach 3.5 percent, noting that in 2013, the GDP growth will be insignificant despite the expected high prices of oil.

Euroclear did not officially ask FFMS for clarifications on taxation - Pankin

Interfax: Russia & CIS

Business and Financial Newswire

MOSCOW. Jan 16 (Interfax) - Euroclear did not officially address the Russian Federal Financial Markets Service (FFMS) for clarifications on taxation, head of the FFMS Dmitry Pankin told journalists on the sidelines of the Gaidar Forum.

"They did not officially address us. We'll sort it out. From our point of view, all issues have been resolved, but they didn't officially address us. There wasn't any communication from Euroclear that something isn't ready or something isn't clear to them. In our view, everything works. If they want, they can begin operating. They didn't communicate with the service. All of the regulatory documents necessary to open work were released last year," he said.

Meanwhile, earlier on Wednesday, also on the sidelines of the Gaidar Forum, Deputy Chairman of the Central Bank Sergei Shvetsov told the press that Euroclear is awaiting clarifications from the FFMS and the Finance Ministry in order to start working.

"The FFMS and Finance Ministry - right now they're waiting for clarifications on the mechanism of taxation from these two agencies. As soon as Euroclear receives clarifications that are understandable to it in order to carry out its activities, it will start selling this service," Shvetsov said.

Russian Government News

Prime Minister Dmitry Medvedev attends Gaidar Forum-2013 – International Conference "Russia and the World: Challenges of Integration"

Speech by Dmitry Medvedev at the forum:

Good afternoon, colleagues, ladies and gentlemen. I would like to thank you for inviting me to speak at the Gaidar Forum.

Life changes fast. Currently, all of us, Russians of course, take for granted the possibility to build our lives as we see fit and to do it according to our own interests. We can do business, travel abroad for business, relax and, finally, own private property. All this seemed an illusion and an unrealisable dream just over 20 years ago. Incidentally, this was our life when I first visited this building and the complex of the Academy of National Economy for the first time. But the dream came true, and this was largely made possible by Yegor Gaidar’s team. Long ago, his team was not afraid to deviate from the path, which seemed forever shaped by the history of our country, despite an extremely difficult situation. Yes, of course, this was a very difficult path and a very difficult time, but we realise that such transformations are never easy for any country.

Quite possibly, this is particularly evident today when, as many analysts believe, the global economy is experiencing a systemic crisis. This is proved by the all-encompassing nature of this crisis, the duration of this crisis, as well as by intertwined financial and political upheavals. It appears that this crisis will never end. As soon as we breathe a sigh of relief, the crisis starts unfolding again. The situation resembles major 20th century crises like the crises of the 1930s and the 1970s. I would like to recall that the last large-scale crisis of the 1970s gave birth to a new technological and economic model, as well as the political and economic liberalisation and the appearance of the two main reserve currencies. Accelerated globalisation, a key factor of the modern world's development, was the most important consequence of this crisis.

Obviously, inter-dependent economic processes in various countries serve to aggravate, rather than mitigate, various manifestations of the crisis. We felt the crunch in 2008 when the current crisis began. Of course, new opportunities, new changes, technological shifts, a new model of economic growth, new geo-economic and geopolitical balances and a new realignment of global currencies lie ahead. In effect, a new model of economic regulation is currently being formed. It appears that this will be a supra-national model. Leading countries will have to make unconventional and responsible decisions in the next few years. Those, who find these solutions will be able to make a powerful leap forward.

Russia presides over the G20 this year. We see our role in offering a policy to consolidate economic growth to our partners. Most importantly, we must restore confidence on global markets and develop new international financial centres. We must eliminate barriers hampering direct investment and global value-creation chains. We must ensure more transparent and more effective financial regulation, as well as that in other spheres, including energy, which is important for Russia. I am confident that we will be able to turn to normal sustained development in this manner, that is, by removing barriers and by strengthening international coordination.

The Government's main short-term goal is to ensure a conversion to sustained economic growth. At any rate, this economic growth should be at least 5%. We must strive to accomplish this objective and to ensure a sustained increase in national standards of living on this basis. As before, our country needs to ensure the qualitative renewal and comprehensive modernisation of various areas. My colleagues and I have repeatedly noted that we need production and technological modernisation, which will make it possible to create millions of high-skill jobs. We need economic diversification, and we need to reduce

our dependence on fuel and energy price fluctuation. Of course, we need social modernisation, which would help turn the middle class into the dominant class. We have to create a more effective and equitable healthcare system, a more effective and equitable pension system and to make all social institutions more effective and equitable. And, finally, we must continue our political modernisation and drastically expand the range of political and economic freedoms. In the past few years, we have begun active efforts in these areas, and this policy will remain unchanged.

The Government has to focus its efforts on solving the entire range of issues. The first task is to provide macroeconomic stability, which implies a tough, long-term and predictable budget policy, a decline in inflation, and greater efficiency of Government spending. The second goal is accelerated infrastructure development in key sectors and removing restrictions that hinder business activities. The third task is to improve the labour market and to provide conditions for citizens' geographical and professional mobility. The fourth is to improve the business climate, provide access to credit resources, and boost private long-term investment resources. The fifth goal is to utilise competitive advantages in human capital and to create conditions for the dynamic development of the country's education and health sectors. The sixth task is to ensure a balanced regional development, to improve inter-budgetary relations, and encourage competition among regions for labour force and investment resources. Finally, the seventh is to boost the Russian economy's international positions, to adapt to WTO conditions, increase the level of Russian companies' integration into the international chain of added value formation, and improve our exports structure. And, certainly, it is necessary to retain a leading role in the integration processes in the CIS. At the same time, we need to speed up integration as regards our relations in APEC and the European Union, and our activities on joining the Organisation for Economic Cooperation and Development.

I will elaborate on certain points. As you know, the three-year budget has been approved. To retain macroeconomic stability, a new budget rule has been introduced. I have to admit this was not easy, and the Government had to stand its ground in professional debates. As a result, the adopted social commitments and long-term investment programmes do not depend on the current oil prices.

The work is being completed on the development of state programmes, which will allow for concentrating resources on priority areas of the national advancement. Redundant investment barriers are being steadily removed and state governance institutions work with greater efficiency. This process is not proceeding as quickly as we would like, but I am glad that for the past few months these efforts have

gained a new and stable dynamics. For the first time in eight years, Russia has moved up in international ratings, including the World Bank's rating.

The progress is evident, though as I said, is as yet insufficient. The main thing is that things moved off the ground and much work lies ahead. Open work and an ongoing daily dialogue with civil society and experts are one of the principles of the Government that I'm honored to head.

I would like to mention in particular the necessity to develop private initiative. We have to reduce the share of state participation in the structure of the national economy. I have repeatedly mentioned that state corporations have completed their role in consolidating disparate assets, and in the future their fate should follow certain rules.

Now, we have to focus on stimulating private enterprises – small, medium and large businesses – and on removing obstacles along the way. Creating a favourable business climate is the common task for both federal bodies and regions, municipalities.

In the past few months, the Government has adopted regulatory documents which set these tasks as key indicators of the governance efficiency. In this regard, much depends on regional governors and administrators. There are many examples of territories that have similar conditions but totally different work results. Such examples are known to everyone. Some regions can be neighbours geographically but boast performance results that are poles apart. This means that end result depends on people and decisions they make.

Also, we should boost competition among regions for investors. The election of regional governors is a step in this direction. Regional authorities should have greater opportunities to influence living standards in their regions.

Consistent privatisation is fundamentally important for the development of a competitive environment. We are interested in strategic investors. Assets must be sold under favourable market conditions, but if we wait forever, we will never sell anything. We must take a decision considering how ready enterprises slated for privatisation are to work under new conditions.

But most importantly we have a clear understanding that privatisation will boost the competitiveness of Russian business. Equally important is the competitiveness of our people.

We have adopted new state programmes for the development of education and healthcare – these are big, very important programmes, unlike anything we've had before. Their targets are well known. The programmes are ambitious, but achieving these goals is the only right way forward and it's a chance to improve living standards in Russia. We have to acknowledge that the level of medicine as well as the quality of education in Russia is lower than in many other countries despite the competitive capacities our country historically has had. That is why education, healthcare, and medical technologies are among the main priorities for modernisation.

Colleagues, everybody knows that a closed economy is a sure path to stagnation. In 2008, since the very beginning of the economic downturn, the Russian President and the Government spoke out against the voices in the world calling for the closing of domestic markets and greater government regulation. I remember how leaders of many countries said during the G20 meetings that they would be closing their economies, which, of course, did not happen. We are convinced that competition is the main driver of renewal and the most effective remedy from stagnation both in times of economic prosperity and in times of global crisis. It is already clear that the economic models being formed will be supranational in nature.

A global character, dynamic information and financial flows, global companies, and global institutions are our reality today, which we cannot ignore. Russia plays a leading role at all the main international venues. In 2012 Russia presided over APEC, this year the G20, in 2014 the G8, and in 2015 BRICS. Again, modern economic growth can't be achieved in a single country in isolation – even a country with a vast domestic market like Russian has. It is one of the largest in the world, ranked ninth on the Global Economic Forum list of the largest domestic markets.

Regarding integration, there are several priorities as well. First, each sphere of integration – integration with Europe, within the Customs Union, the Common Economic Space, and in Asia – has its own specifics. Integration within the Customs Union and the Eurasian economic space opens new markets for Russian companies and fosters a competitive environment. Greater cooperation with the European Union, WTO membership, joining the Organisation for Economic Co-operation and Development (OECD) meets the goals of modernising legislation, technologies, institutions, and infrastructure. And finally, our

cooperation in the Asian-Pacific region is important for speeding up the development of Eastern Siberia and Russia's Far East – areas that cannot focus entirely on the Russian domestic market given their geographical location. In this sense, the question of choosing between east or west, north or south is unrealistic and politically motivated. We need to abandon this kind of approach. This is important both for ourselves and for our neighbours. We need to harmonize our respective efforts in all areas and build modern integration models. This would be the best response to global challenges.

Secondly, I would like to emphasise that the Customs Union as well as the Common Economic Space are open to other countries. This is an open integration project, mainly for the EurAsEC and CIS members. Of course, potential partners should not only share our principles but should be ready to implement these principles, and not just talk, that is to sign all the documents involved, and not just some of them. This is what integration is all about. Our current integration project of three countries has had tangible success. Frankly, I am very pleased to know this because there were vary diverse forecasts. As it is, the participating countries are showing good macroeconomic results and high mutual trade growth rates. The general investment climate is gradually improving as well as a result of more comfortable conditions for doing business, especially for small and mid-sized companies, and more jobs are being created. Generally, a common economic space means granting partners national treatment. The Customs Union and Common Economic Space will give investors the right to choose where it is easiest to do business, and where there are fewer administrative barriers.

This would also imply a competition of state regulation systems – which can benefit business. Honestly, we are still working hard to put up strong competition, but these changes are creating a very positive atmosphere. Although the Russian bureaucracy might not find change to be very comfortable, on the whole, the changes are positive.

My third point about integration is as follows: joining the OECD (Organisation for Economic Co-operation and Development) remains our strategic priority after joining the WTO. We have a roadmap that we adopted in 2007 as well as a clear understanding of our goals and benefits. Joining this organisation would be an important signal for investors that Russia's level of institutional development has risen.

And finally I would like to say a few words about another aspect of integration, that of creating favourable conditions for involving Russian companies in international value-added product chains. This implies technology and expertise transfer, as well as the transfer of managerial principles. However, this approach requires a different perception of economic-policy, customs-regime issues, tariff-regulation and tax-administration issues, infrastructure development and other processes. We must transcend the boundaries of the departmental approach, which has evolved in Russia, and which is being advertised here quite often. We need to focus on companies, which are becoming part of international chains. And this will probably yield even more impressive results than all-out support for some sectors.

Colleagues, friends, we are now witnessing impressive technological, social, intellectual and, of course, world-outlook changes in the global economy. This is a serious challenge. On the one hand, every government must now maintain social and political stability. We must realise this, and everyone must realise this. We must curb unemployment. By the way, we have managed to address this issue rather effectively. On the other hand, it is our duty to encourage economic modernisation and structural reforms. Believe me it is not easy to combine these approaches, especially at a practical-policy level. Much depends here on the government's ability to clearly perceive contemporary challenges and to respond to these challenges. In the long run, much depends on the efficiency of economic and political institutions, on their flexibility and, at the state time, on their stability.

We know little about eventual post-crisis combinations. They are discussing the future stances of individual countries and particular regions using all sorts of terms, including the Group of Two (G2 or Chimerica), which denotes an informal relationship between China and the United States. This term was coined by Harvard University Professor Niall Ferguson. Other combinations are also possible. At any rate, it would be preferable for us to create a concept of economic and humanitarian space between the Atlantic and Pacific Oceans. I consider this concept to be quite pertinent. I also believe that the positive prospects of the BRICS alliance are quite obvious. But we are not closed to any processes. It is important that Russia can become a key link in the global integration processes, and that it can implement its well-known geo-political advantages. And, of course, it can obtain sizeable dividends for the sake of its own development. Mao Zedong once said: "When you feel the wind coming, instead of building a shelter, build a windmill." I believe that we should think about other aspects in the next few years. In this connection, I would like to quote Yegor Gaidar: "There can be no standard economic policy. This calls

for innovative solutions. Russia's positions in the run-up to the next global crisis and its long-term development prospects depend on the extent to which Russia manages to make headway in this direction during the coming decade." This is a very relevant statement. I wish everyone good luck.

Dmitry Medvedev's concluding remarks:

I believe that this was quite interesting for everyone. I will only say a few words. I would like to thank all of our colleagues who are present on the stage for their detailed speeches, in which they have assessed current developments and the influence of global processes on the world economy and on the Russian economy. I can only say that, after listening to the distinguished Mr Robert Mundell, who received the 1999 Nobel Prize in Economics, I realised that the situation was really complicated, but that we were doing everything right. And it is very important that leading specialists who come to Russia give their assessment of the situation in our country in the context of global economic processes. I would like to thank Mr Niall Ferguson, a Harvard University Professor, for his very subtle assessment of the current situation and for his tip, which I will now use when they tell me once again that Russia has no full-fledged rule-of-law state. I will tell them that we have a rule of lawyers in full volume, and that we consider this to be our achievement.

And, finally, I would like to say that we are extremely interested in all those interesting remarks that were voiced in the speeches of other colleagues, including Mr Otaviano Canuto, Vice President of the World Bank, and Mr Esko Aho, Executive Vice President of NOKIA, as regards the investment economy and specific measures that were implemented in Finland in 1991-1994. In reality, we consider all these comments to be very interesting. And, quite possibly, these remarks can be applied to the current situation, especially with due consideration for specific technological modernisation tasks facing our country. I am confident that together we will be able to cope with all those problems that are now confronting the global world, and that Russia will certainly not remain on the sidelines of these transformations. We will implement everything that I have mentioned. We will try to act efficiently and consistently. But, of course, we will do this in line with the global market situation. I would like to cordially thank everyone for attending this panel.

http://government.ru/eng/docs/22403/

ITAR-TASS World Service

Medvedev calls for not politicizing Russia's policy directions.

MOSCOW, January 16 (Itar-Tass) – Russian Prime Minister Dmitry Medvedev has called for not politicizing the choice between westward, eastward, northward and southward movement of Russia's policy.

"The most adequate response to global challenges is to harmonize our efforts in all these directions and to create modern models of integration," he told the international conference Gaidar Forum-2013 "Russia and the World: Challenges of Integration."

"Presentation of the issue concerning the choice between westward and eastward, northward and southward directions of our policy is far-fetched and politicized. We need to get rid of this," he said.

Medvedev noted that each direction of integration - with Europe, the creation of the Customs Union and the Common Economic Space - has its own specifics.

"Integration in the format of the Customs Union and the Common Economic Space opens new markets for Russian producers and creates a really competitive environment," he said.

"Deeper interaction with the European Union, membership of the World Trade Organization and accession to the Organization for Economic Cooperation and Development meets the goals of modernization of our legislation, technologies, institutions and infrastructure. Enhancement of cooperation with the Asia-Pacific Region is important from the point of view of accelerated development of Eastern Siberia and the Far East that cannot focus only on the domestic market," Medvedev said.

ITAR-TASS World Service

RF govt has no privatisation plans on any terms.

MOSCOW, January 16 (Itar-Tass) – The Russian government is ready at any time to offer the market all the companies that are included in the list of privatisation, but has no plans to implement it on any terms, First Deputy Prime Minister Igor Shuvalov said in an interview with the Kommersant newspaper on the

eve of the Gaidar Forum, which is opening in Moscow on Wednesday and that will focus also on the government's economic agenda for 2013.

"We do not have the task under any scenario to push an asset to someone. Privatisation occurs only when there is the investor and money that is regarded fair by our consultant. Under this condition everything that is in the list is yours," he said.

Shuvalov also stressed said approaches in this matter are very liberal and "this process is going maximally outside the government." "There are privatisation agents selected under a transparent scheme - it is not even a government mechanism," he specified. "These agents help a joint stock company to establish corporate procedures, to become more open. On the other hand, they work with potential investors, with stock market experts. We entrust the most proven agents with the best reputation in the market with this work and pay them the appropriate remuneration. After that, as soon as the market is capable of acquiring our asset on the best terms, and an efficient investor comes as well, we do not set restrictions on the sale of an asset."

"In the case of Sberbank we wanted to sell it earlier in 2012 and have twice postponed the deal, but as soon as the market became ready to purchase the package on good terms, we immediately sold it," continued the first deputy prime minister. "We do not have any restrictions. Rosneft – indeed, it's a non-traditional form of sale of shares, but the fact that BP (if the whole process is completed) becomes a shareholder of Rosneft - this is privatisation." Shuvalov said that the "further privatisation of Rosneft, of course, will be continued, and it will be complex. It will also include the direct sale of shares owned by the government and state-owned companies, as well as the exchange of assets." "But in this case the main thing is not money to the budget from the sale of Rosneft, the task is to make Rosneft absolutely transparent in privatisation, a competitive company in relation to other world energy giants."

ITAR-TASS World Service

Medvedev invites EurAsEC, CIS members to join Customs Union.

MOSCOW, January 16 (Itar-Tass) – Russian Prime Minister Dmitry Medvedev has invited members of the Eurasian Economic Community and the CIS to join the Customs Union and the Common Economic Space under general conditions.

"The Customs Union and the Common Economic Space are an integration project open for other states," he told the international conference Gaidar Forum-2013 "Russia and the World: Challenges of Integration" on Wednesday.

"Of course, potential partners should not only share the project's principles, but really should be ready for their fulfillment in deeds, not words. They should agree to sign all documents and not only some of them," Medvedev said.

The head of government admitted that he was satisfied "with a rather concrete practical result" of the integration among Russia, Belarus and Kazakhstan.

Their macroeconomic rates and bilateral trade growth are good in general and the investment climate is gradually improving, Medvedev said.

He recalled that the Common Economic Space provides national rules for partners.

"Investors get the right to choose, where it is easier to do business, where less administrative barriers exist and what system of state regulation is more comfortable for businesses. Frankly speaking, we still have to make efforts to stand this competitive struggle," Medvedev said.

ITAR-TASS

Russia's inflation to slightly exceed half percent in January.

MOSCOW, January 16 (Itar-Tass) – Russia's inflation rate in January will slightly exceed 0.5 percent, the first deputy head of the Central Bank of Russia, Alexei Ulyukayev, told the Gaidar Forum 2013 on Wednesday.

"I think it will be a bit higher than in January 2012," he said.

The consumer price growth made up 0.5 percent last January.

As of January 16, Russia's inflation exceeds 6.8 percent in annual terms.

High inflation rates are caused by an increase in excise duties on alcohol.

At the same time he noted that Russia will be able to fit the inflation target (less than 6 percent) in the second quarter of 2013, Ulyukayev said.

Russia's Economic Development Ministry supported the position of the Central Bank.

Deputy Economic Development Minister Andrei Klepach told reporters on the sidelines of the forum the inflation rate in January 2013 will be higher as against the same period of last year.

"I think it will be a bit higher," he said.

Interfax: Russia & CIS Business and Financial Newswire
Kudrin estimates Russian economic growth potential at not over 4% in current conditions

MOSCOW. Jan 16 (Interfax) - The potential for Russian economic growth in the current conditions is not over 4%, former Finance Minister and head of the Committee for Civil Initiatives Alexei Kudrin thinks.

"In the framework of the factors existing today, if they don't change fundamentally, our ceiling is 4%," Kudrin told the press on the sidelines of the Gaidar Forum.

Kudrin said that if no reforms are carried out, then the potential for Russian economic growth will be 3.5%-4% over the next five to seven years, or maybe longer. "If we begin reforms now, then this potential will not be appreciable any earlier than in five years," he said.

The Economic Development Ministry forecasts GDP growth of 3%-4% for the next three years, he said. "If I have understood the prime minister [Dmitry Medvedev] properly, he said a move to growth of 5%. That does not mean that we have any grounds for planning such growth," he said. That kind of growth could come about only as a result of successful reforms in a whole range of sectors, he said.

"The several steps being taken lately do not allow us to say that there could be such a trend," Kudrin said. Furthermore, a number of international agencies have pessimistic scenarios projecting Russian economic growth of up to 2%, he said.

Interfax: Russia & CIS Energy Newswire

Bulgaria to contest EUR 1 bln Rosatom lawsuit

MOSCOW. Jan 16 (Interfax) - Bulgaria's National Electric Company, against which Russia's state nuclear power corporation Rosatom has filed suit seeking EUR 1 billion for its refusal to build the Belene nuclear power plant, is prepared to contest it and is confident it will prevail, Bulgarian Deputy Prime Minister and Finance Minister Simeon Dyankov said on the sidelines of the Gaidar Forum in Moscow on Wednesday.

The agreement between the companies expired in March of last year, and the Bulgarian company did not sign any contracts for the building of reactors for the power plant during the time it was in force, Dyankov said.

Rosatom's claims include the cost of all the work done on the project, the cost of long-cycle use equipment, and losses incurred.

Bulgaria decided against building the Belene nuclear power plant in late March last year. Russia said that Russian companies had already finished the first compliment of equipment for the facility, so as to install it during the planned building of a new block for the Kozloduy nuclear plant.

Russia and Bulgaria inked an agreement on the building of the Belene plant back in 2006, but no general construction contract was signed and building did not begin. The Belene project involved the building of a power plant with two generating units with combined capacity of over 2,000 mWt.

Bulgaria plans to hold a referendum on the advisability of building a new nuclear power plant in the country on January 27. However the country is considering the U.S. consortium Global Power as a potential investor.

Interfax: Russia & CIS Business and Financial Newswire

Central Bank says Sept rate hikes to affect consumer prices in spring

MOSCOW. Jan 16 (Interfax) - The impact of the Central Bank of Russia's decision in September 2012 to put interest rates up will be felt on inflation in the spring, Central Bank Deputy Chairman Sergei Shvetsov told reporters on the sidelines of the Gaidar Forum.

Any tightening of monetary policy is usually felt six to 12 months afterwards. "If we take our September actions, the effect of that tightening as well as the effect from rates being pressed against the upper end of the range in the second half of autumn will be felt in the spring," Shvetsov said.

He said the regulator was hoping that the effect would be felt not after a year but sooner, in a little over half a year.

Interfax: Russia & CIS General Newswire
G20 to discuss achievement of forecast indicators by member countries

MOSCOW. Jan 16 (Interfax) - The G20 will discuss the achievement of forecast indicators by its member countries during Russia's presidency in 2013, Russian Finance Minister Anton Siluanov said at the Gaidar Forum on Wednesday.

"In the framework of our presidency at the G20, we will talk about the possibility of more rigidly fulfilling the obligations that countries assume in framework agreements, in which the parameters of the forecast of key financial indicators (debts, the budget, unemployment, etc.) by this or that government are prescribed," he said.

From the perspective of guaranteeing macroeconomic coordination, it would be a good decision for the G20 members to clearly fulfill all the commitments that they undertake, Siluanov said.

Particular responsibility to reach the forecast economic indicators lies on countries that issue reserve currencies, he said.

"A whole host of countries and the Russian Federation deposit their reserves - the Central Bank and sovereign reserves - in the assets of large foreign economies. We, as investors in these assets, should clearly understand which policy these countries will have, how the budget will be driven, which monetary policy is forecast for the upcoming years, and what we will get from investing our assets," Siluanov said.

There are plans to submit for G20 consideration the necessity of macroeconomic coordination among states, first and foremost among the largest economies of the world, he said.

As an example, Siluanov referred to the BRICS countries, which have already initiated closer coordination among their economic policies. In particular, they have agreed that, in case of a balance of payments deficit or funding deficit, decisions on support will be made at a bilateral or multilateral level.

The crisis proved the need for macroeconomic coordination, Siluanov said. Firstly, international financial organizations - for example, the International Monetary Fund (IMF) and the G20 - should coordinate their actions, he said.

Besides that, the G20 will be asked to review the Maastricht Treaty, an agreement signed in February 1992 that marked the birth of the European Union, thanks to which the issue of regulating the monetary and political system of European countries was resolved.

"The issue is being discussed right now, and at the G20 this year in Russia we will discuss what to do with this Maastricht Treaty. We might adopt several threshold values for various countries, depending on the sophistication of the financial institutions in one country or another," Siluanov said.

Because of the crisis, many countries are exceeding the level in terms of government debt to GDP ratio and budget deficit, and at this point it is impossible to make a quick return to the set benchmarks, he said.

"We can probably agree that a debt level of roughly 80%-90% of GDP might be acceptable in the next few years. It seems to me that it can be discussed in principle, but we need to understand the future trend of how such a debt level in the long-term might not be acceptable from the point of view of stimulating economic growth and stability in the financial system," Siluanov said.

Interfax: Ukrainian General Newswire
Membership in Customs Union, Common Economic Space should not be formality - Medvedev

Moscow, January 16 (Interfax) - Prospective partners of Russia that wish to join the Customs Union and the Common Economic Space should be prepared to implement the principles of these organizations, Prime Minister Dmitry Medvedev said at the Gaidar Forum in Moscow on Wednesday.

"The Customs Union and the Common Economic Space are open to other countries. This is an open integration process. Certainly, it is opened to members of the Eurasian Economic Community and CIS states, in the first turn," he said.

"Prospective partners should not only share our principles but also be prepared to put them into life," he said.

"Consent to sign all documents makes them a part of that. This is the only way to integrate," Medvedev said.

Common Economic Space and Customs Unions terms help investors choose the best conditions for business, he added.

Interfax: Russia & CIS Business and Financial Newswire
We cannot wait for favorable conditions for privatization forever - Medvedev

MOSCOW. Jan 16 (Interfax) - Russian Prime Minister Dmitry Medvedev said privatization of enterprises should continue.

"We are interested in strategic investors. Of course, assets should be sold in favorable market conditions, but we can't wait for them forever. We won't sell anything that way," Medvedev said at the Gaidar Forum.

The government has a clear understanding that privatization will make Russian businesses more competitive, he said.

Interfax: Russia & CIS General Newswire
Medvedev affirms BRICS potential

MOSCOW. Jan 16 (Interfax) - BRICS will be one of the most promising international unions of the post-crisis period, but Russia is ready to cooperate in other formats as well, Prime Minister Dmitry Medvedev said at the Gaidar Forum on Wednesday.

"Pros of the BRICS alliance are obvious to me but we are also open to every other process," he said.

"We do not know what post-crisis configurations may take shape in the end," the prime minister admitted.

"Debates go on with regard to future positions of concrete countries and regions and correlation of forces, various terms are being used… The notion of a common economic and humanitarian space from the Atlantic to the Pacific Ocean is more preferable to me," Medvedev said.

It is a task of Russia "to receive dividends for national development" from current economic processes, he stressed.

"There is a saying: when you feel the wind coming, instead of building a shelter, build a windmill. That was said by Mao Zedong," Medvedev observed.

He also recalled the opinion of late economist and politician Yegor Gaidar that the state economic policy could not be standard but required innovative solutions.

"The Russian position on the brink of the next global crisis will depend to a large extent on the degree of its progress. That is a very precise formula," the prime minister said.

Interfax: Russia & CIS Business and Financial Newswire
CBR still expects inflation to get back on target of 5-6% in Q2

MOSCOW. Jan 16 (Interfax) - The small jump in consumer prices at the start of 2013 has not changed the Central Bank of Russia's forecasts, and it still believes that inflation will get back within the target range of 5-6% in the second quarter and then slow to the lower end of this range.

Consumer prices in Russia rose by 0.3% in the period from January 1 through 9, compared to 0.1% in the same period of last year (inflation was 0.5% for all of January 2012). Therefore, annual inflation accelerated to 6.8% by January 9 from 6.6% at the end of 2012, driven by increases in excises on alcohol and prices for passenger ground transport, and a steep increase in prices for fruit and vegetables.

Central Bank Chairman Sergei Ignatyev said at the end of December that there would be a jump in inflation at the beginning of the year due to excise increases, and no serious concerns about early January inflation statistics were expressed in the statement issued after Tuesday's Central Bank board meeting.

Central Bank first deputy chairman Alexei Ulyukayev, fielding questions at the Gaidar Forum on Wednesday, also noted the seasonal nature of the accelerated January inflation. "We believe that starting with the second quarter we'll be able to return to the target of 5% to 6%," he said.

"I think that then we will move in the course of 2013 toward the lower boundary of the target," Ulyukayev said.

Interfax: Russia & CIS Business and Financial Newswire
Political modernization must be carried on - Medvedev

MOSCOW. Jan 16 (Interfax) - The political modernization course is unwavering, Prime Minister Dmitry Medvedev said at the Gaidar Forum on Wednesday.

"We need political modernization and qualitative broadening of political and economic freedoms," he said.

The other tasks are qualitative renovation, comprehensive modernization of various spheres of the country's life, technological modernization, economic diversification, reduced dependence on fluctuations of energy prices, and social modernization, Medvedev said.

"We have been working actively in these fields for the past few years, and this course is unwavering," Medvedev said.

Interfax: Russia & CIS Business and Financial Newswire
Russian central banker questions IMF recommendations

MOSCOW. Jan 16 (Interfax) - The International Monetary Fund's proposals to reimpose partial control over the movement of capital and change inflation targets will not lead to the desired economic growth, Central Bank first deputy chairman Alexei Ulyukayev believes.

"When I now see from respected financial organizations, the International Monetary Fund in particular, proposals like let's think about restoring elements of control over the movement of capital and the capital

account…, I think that international financial organizations are exhibiting excess flexibility here and excess inclination to make decisions…ad hoc," Ulyukayev said at the Gaidar Forum on Wednesday.

"The same is true for recommendations to change the inflation target. Right now most of the world's central banks that target inflation believe that the target should be about 2% or a corridor of about 2%. Respected central bank colleagues, now it's time to revise the corridor for inflation, revise the target, look at the figure of 4% - this is a completely emotional approach, maybe 4, maybe 6 percent. Why do we have to reconsider it at all?" Ulyukayev said.

He said easing monetary policy in Russia would not lead to the desired economic growth. "Can a loose monetary policy or a loose fiscal policy in principal be a means of solving long-term global economic problems?" Ulyukayev said, adding that the answer to this question is also the answer to the next one: "Is there a negative or positive gap in production, namely does actual economic growth correspond to potential economic growth with the existing public institutions and the current structure of the economy."

"We at the Central Bank of the Russian Federation believe that in Russia there is no negative gas in production, that is actual economic growth approximately corresponds to potential growth, therefore easing monetary policy, lowering interest rates…would be counterproductive in that this would not yield a result in the form of the desired economic growth but would probably lead to the accumulation of new imbalances and risks in the economy," Ulyukayev said.

Interfax: Russia & CIS Business and Financial Newswire
Removing phrase on appropriateness of rates signals possible change at next CBR meeting (Part 2)

MOSCOW. Jan 16 (Interfax) - The Central Bank of Russia's decision to remove the phrase "the appropriate level of rates" from the commentary to its latest interest-rate decision on January 15 signals that rates could be altered at the CBR's next rate-setting meeting, CBR First Deputy Chairman Alexei Ulyukayev told reporters on the sidelines of the Gaidar Forum.

"This is a signal for market participants that a different decision might be reached as early as the next meeting," Ulyukayev said, adding that the CBR could decide either to raise or lower rates.

The CBR board decided on January 15 to leave the refinancing rate and interest rates on operations unchanged, basing its decision on an assessment of inflationary risks and economic growth prospects. At present, the refinancing rate is 8.25% per annum.

Ulyukayev said later that removing the phrase about the appropriateness of rates indicated that any monetary policy decision could be on the cards in the near future. "This isn't necessarily about rates only," he said. Any decision is possible. [Rates] might be left on hold, raised, lowered, the corridor altered, some might go up, some down," he said.

Interfax: Russia & CIS Business and Financial Newswire
Central Bank interest rate corridor ideal for now - Ulyukayev (Part 2)

MOSCOW. Jan 16 (Interfax) - The Central Bank of Russia's interest-rate corridor is ideal for now, CBR First Deputy Chairman Alexei Ulyukayev told reporters on the sidelines of the Gaidar Forum.

"I think we're in a normal corridor here," he said.

"A further reduction of interest rates is possible, but would not be very pertinent in light of the steps that have already been taken," he said.

Ulyukayev said the market felt "fairly comfortable in the framework of the corridor that we have already."

He also said he did not think the CBR ought to alter the duration of its instruments.

Interfax: Russia & CIS General Newswire
Jan inflation in Russia could somewhat top Jan 2012 inflation - CBR (Part 2)

MOSCOW. Jan 16 (Interfax) - Inflation in Russia this month could be a bit higher than last January's 0.5%, First Deputy Chairman of the Central Bank of Russia (CBR) Alexei Ulyukayev told the press on the sidelines of the Gaidar Forum on Wednesday.

"I think [inflation will be] a little bit higher than it was in January of last year," Ulyukayev said.

According to the Federal State Statistics Service's (Rosstat) figures, consumer prices in Russia increased 0.3% in the period January 1-9. Prices rose 0.1% per week during the previous eight weeks (inflation in the first week of January is typically higher due to the extended New Year's holidays).

Prices were up just 0.1% for the same period of last January. Prior to 2012, prices had increased much faster in January due to the indexation of tariffs for the services of the country's natural monopolies. But the government has decided to index tariffs for gas and electric power on July 1, starting last year.

The Rosstat data indicate that annual inflation, including possible rounding, was up to 6.8% by January 9 from 6.6% at the end of last year.

The quickening of inflation at the start of this year is attributable to higher excises on alcohol, higher overland passenger transport fares, and significant price growth for fruits and vegetables.

Interfax: Russia & CIS Business and Financial Newswire
World on verge of new wave of currency wars - Ulyukayev (Part 2)

MOSCOW. Jan 16 (Interfax) - The currency regulation measures that several leading nations are taking are provoking a new wave of currency wars, Central Bank First Deputy Chairman Alexei Ulyukayev said at the Gaidar Forum in Moscow.

"What do we have in the field of [global] fiscal policy regulation, debt management policy? We have a very serious imbalance. I think the situation here is not improving, it is worsening. We are on the verge of very serious, I think confrontational actions in the field of what can be described, perhaps too emotionally, as currency wars," Ulyukayev said.

One recent example, he said, was the Japanese government's decision regarding a "more interventionalist monetary policy." "In effect this is a policy for a sharp devaluation of the yen. We can already see that the market's expectations of this have materialized in the form of some decline," Ulyukayev said.

Some other colleagues "from esteemed central banks and governments" are pursuing a similar policy, Ulyukayev said. "And this is a path not towards unity but towards separation, splitting up into separate

ones of influence, as far as very fierce rivalry and world trade and currency wars, which is of course counter-productive," he said.

Regarding the coordination of global economic policy, Ulyukayev said: "I'm concerned to some extent about the readiness of international financial institutions to change their priorities, assessment and regulations, depending on the current situation. I think this is not productive and I would call for a very cautious approach to proposals and recommendations like these. At least I'd like us to be very cautious about this in Russia," he said.

Ulyukayev was more upbeat about coordinating macroeconomics via the joint efforts of national regulators. "I'd like to note an interesting thing. I those cases where we're talking about coordinating the activity of independent regulators - central banks, securities commissions and financial market regulators - we see some very serious achievements," he said.

He said that in the last three years, the Financial Stability Board had done "a huge amount of work," taking serious decisions on firming up requirements for banks and financial organizations, capital and liquidity and risk assessment requirements, and requirements for backbone financial institutions.

"I think this is enormous progress. It's the result of these institutes not being directly accountable to the political system, the electoral cycle. The high independence of central banks makes it possible to reach decisions in the field of global macro-regulation, to speak the same language, not to contradict but to understand that we are all in the same global macroeconomic boat and that a decision reached by any of the regulators reverberates in the jurisdictions of all other regulators," Ulyukayev said.

Interfax: Russia & CIS Business and Financial Newswire
Pension funds can't replace govt financing, central banker says

MOSCOW. Jan 16 (Interfax) - Pension funds cannot be an adequate replacement for government budget financing, Central Bank first deputy chairman Alexei Ulyukayev believes.

"In terms of balance, the money of pension funds is almost the same as budget money: there and there you have social obligations on one half of the balance," Ulyukayev said at the Gaidar Forum on Wednesday.

For pension funds, these are simply obligations of future periods, and "inter-generational transfer," he said.

He also said that both of these resources have an element of revenue risk. In budget revenues it is in irregular revenues, while in pension fund returns the risk depends on the market situation. If the market situation is good, returns are high, if it is bad they are low.

"The risks are comparable. There's no need to create the illusion that pension money can replace budget financing," Ulyukayev said.

He also said that he is in favour of expanding the investment mandate of pension funds and giving them the opportunity to invest in instruments with a higher return.

"I'm against putting additional burdens on businesses and making it difficult for them to invest funds in pension plans, but we need to be very careful and very cautious here," Ulyukayev said.

He was stating his position in response to statements made by Finance Minister Anton Siluanov, who said earlier at the forum that pension funds are a source of long money that could be invested in various projects.

"This is that long money. We are saying let's look for sources of investment. The budget can't be such a source, because the budget is above all social obligations. But issues of investment growth - it is the job of every government to attract the resources of private investors, pension funds, insurance organizations," Siluanov said. The economy needs this long money, he said.

"We forget that we don't need to think in the state plan way, provide for more funds for given investment projects. No, the world already lives differently and this is right," Siluanov said.

Interfax: Russia & CIS General Newswire

Jan inflation in Russia could somewhat top Jan 2012 inflation - CBR

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"I think [inflation will be] a little bit higher than it was in January of last year," Ulyukayev said.

Interfax: Russia & CIS Business and Financial Newswire

Minister advocates insurance for retail investments in nonbank institutions

MOSCOW. Jan 16 (Interfax) - The Russian government is discussing introducing insurance for investments in nonbank financial institutions similar to the insurance offered for bank deposits, Finance Minister Anton Siluanov said.

"The security of investments in various financial institutions should be evened out," Siluanov said at the Gaidar Forum on Wednesday.

He said that retail investors who deposit money in banks understand that they have a guarantee for the security of their investment. In the case of private pension funds, insurance companies and so on, there are no such guarantees, Siluanov said.

The government is also working on evening out taxation in various segments of the financial sector, the minister said.

Central Bank first deputy chairman Alexei Ulyukayev, however, urged caution in making decisions on insurance of nonbank investments.

He said there can be various views on deposit insurance - it has pluses and minuses, but the high quality of prudential oversight makes it clear that the system covers only those institutions that generate a small amount of risk. "If we will be able to create prudential regulation of such quality, we can create something similar for them, if not then not," Ulyukayev said.

He said that quality oversight must be put in place before there is any introduction of such an insurance plan.

Interfax: Russia & CIS Business and Financial Newswire
World on verge of new wave of currency wars - Ulyukayev

MOSCOW. Jan 16 (Interfax) - The currency regulation measures that several leading nations are taking are provoking a new wave of currency wars, Central Bank First Deputy Chairman Alexei Ulyukayev said at the Gaidar Forum in Moscow.

"What do we have in the field of [global] fiscal policy regulation, debt management policy? We have a very serious imbalance. I think the situation here is not improving, it is worsening. We are on the verge of very serious, I think confrontational actions in the field of what can be described, perhaps too emotionally, as currency wars," Ulyukayev said.

Interfax: Russia & CIS General Newswire
Russia had balanced budget in 2012 -Siluanov

MOSCOW. Jan 16 (Interfax) - Russia had a balanced federal budget in 2012, Finance Minister Anton Siluanov said at the Gaidar Forum.

"The budget had a zero balance last year," he said.

But there was a non-oil deficit, of 10.6% of GDP, he said.

Interfax: Russia & CIS Business and Financial Newswire
Russia had balanced budget in 2012 -Siluanov (Part 2)

MOSCOW. Jan 16 (Interfax) - Russia had a balanced federal budget in 2012, Finance Minister Anton Siluanov said at the Gaidar Forum.

"The budget had a zero balance last year," he said.

But there was a non-oil deficit, of 10.6% of GDP, he said.

A slight surplus of 0.1%-0.2% of GDP was planned for last year, according to the Finance Ministry's latest estimates in December. "Significant funds will be used at the last moment, and the budget deficit will depend on how they are used, but we think the budget will be in surplus, albeit a small one," Siluanov said at the end of December.

Budget funds are usually spent more actively in the last few weeks of a year. Two weeks before the end of the year 1.7 trillion rubles of budget spending had still not been allocated, while overall spending was 13 tonnes rubles, Siluanov has said.

RIA Oreanda-News

Dmitry Medvedev Attends Gaidar Forum

Politic. Moscow. OREANDA-NEWS . January 16, 2013.Speech by Dmitry Medvedev at the forum: Good afternoon, colleagues, ladies and gentlemen. I would like to thank you for inviting me to speak at the Gaidar Forum.

Life changes fast. Currently, all of us, Russians of course, take for granted the possibility to build our lives as we see fit and to do it according to our own interests. We can do business, travel abroad for business, relax and, finally, own private property. All this seemed an illusion and an unrealisable dream just over 20 years ago. Incidentally, this was our life when I first visited this building and the complex of the Academy of National Economy for the first time. But the dream came true, and this was largely made possible by Yegor Gaidar’s team. Long ago, his team was not afraid to deviate from the path, which seemed forever shaped by the history of our country, despite an extremely difficult situation. Yes, of course, this was a very difficult path and a very difficult time, but we realise that such transformations are never easy for any country.

Quite possibly, this is particularly evident today when, as many analysts believe, the global economy is experiencing a systemic crisis. This is proved by the all-encompassing nature of this crisis, the duration of this crisis, as well as by intertwined financial and political upheavals. It appears that this crisis will never end. As soon as we breathe a sigh of relief, the crisis starts unfolding again. The situation resembles major 20th century crises like the crises of the 1930s and the 1970s. I would like to recall that the last large-scale crisis of the 1970s gave birth to a new technological and economic model, as well as the political

and economic liberalisation and the appearance of the two main reserve currencies. Accelerated globalisation, a key factor of the modern world's development, was the most important consequence of this crisis.

Obviously, inter-dependent economic processes in various countries serve to aggravate, rather than mitigate, various manifestations of the crisis. We felt the crunch in 2008 when the current crisis began. Of course, new opportunities, new changes, technological shifts, a new model of economic growth, new geo-economic and geopolitical balances and a new realignment of global currencies lie ahead. In effect, a new model of economic regulation is currently being formed. It appears that this will be a supra-national model. Leading countries will have to make unconventional and responsible decisions in the next few years. Those, who find these solutions will be able to make a powerful leap forward.

Russia presides over the G20 this year. We see our role in offering a policy to consolidate economic growth to our partners. Most importantly, we must restore confidence on global markets and develop new international financial centres. We must eliminate barriers hampering direct investment and global value-creation chains. We must ensure more transparent and more effective financial regulation, as well as that in other spheres, including energy, which is important for Russia. I am confident that we will be able to turn to normal sustained development in this manner, that is, by removing barriers and by strengthening international coordination.

The Government's main short-term goal is to ensure a conversion to sustained economic growth. At any rate, this economic growth should be at least 5%. We must strive to accomplish this objective and to ensure a sustained increase in national standards of living on this basis. As before, our country needs to ensure the qualitative renewal and comprehensive modernisation of various areas. My colleagues and I have repeatedly noted that we need production and technological modernisation, which will make it possible to create millions of high-skill jobs. We need economic diversification, and we need to reduce our dependence on fuel and energy price fluctuation. Of course, we need social modernisation, which would help turn the middle class into the dominant class. We have to create a more effective and equitable healthcare system, a more effective and equitable pension system and to make all social institutions more effective and equitable. And, finally, we must continue our political modernisation and drastically expand the range of political and economic freedoms. 112th executive meeting of government chaired by governor Li Bin on the morning of January 15 discussed and approved Anhui Quality

Development Outline (2013-2020). The meeting also required that the meetings and exhibitions at all levels should be streamlined.

The meeting pointed out that quality is the key of regional comprehensive strength and related to the production and life. People-oriented development mode should be popularized and guarantee capacity for the quality should be enhanced.

The meeting required quality supervision should be strengthened and illegal behavior on quality should be cracked down severely.

RosBusinessConsulting

CBR issues bonus recommendation for banks

The Central Bank of Russia (CBR) may recommend that systemically important banks peg at least 50% of top managers' bonuses to the price of their shares, CBR Deputy Chairman Sergey Shvetsov told reporters on the sidelines of the Gaidar Forum in Moscow today.

The CBR is not going to tighten its capital requirements for systemically important banks this year. Such banks will be required to present their own recovery plans to the regulator, he added.

http://rbcnews.com/free/20130116184143.shtml

RosBusinessConsulting

Kudrin predicts 4% mid-term GDP growth

The annual growth of Russia's GDP will not exceed 4% over the next five-seven years, former Finance Minister Alexey Kudrin told reporters during the Gaidar Forum in Moscow.

If external factors are unfavorable, growth could slow to 2%.

Commenting on Prime Minister Dmitry Medvedev's words that the economy should expand by at least 5% annually, Kudrin said that such a target could be archieved if wide-ranging structural reforms are implemented in the country.

"Even if we start reforms now, we won't be able to achieve growth above 4% for the next five-seven years," Kudrin said.

http://rbcnews.com/free/20130116184342.shtml

Ukrainian National News Agency

It is impossible to join Customs Union partially - Medvedev reiterates

KYIV, January 16 /UKRINFORM/. The states wishing to join the Customs Union of Belarus, Russia and Kazakhstan have to sign all the documents adopted in it, not just a part of them.

The Prime Minister of Russia, Dmitry Medvedev, said this speaking at the Gaidar Forum in Moscow on January 16, the UKRINFORM correspondent in Russia reported.

"Our partners have not only to share the principles of the Customs Union, but also to be ready to implement them. When joining the Customs Union they should sign all documents, not just some of them," he said.

On top Medvedev stressed that the Customs Union and the Common Economic Space are open to other states. "These are open projects, especially for the EurAsEC and CIS states," he said.

Russia's prime minister emphasized that the question of choosing between the western, eastern, northern and southern areas of integration is far-fetched and over-politicized.

"We need to turn away from this. It is important both for us and for our neighbors. We need to harmonize our efforts in all directions and form a modern model of integration, which would be the most relevant response to the global challenges," he said.

As known, the Ukrainian authorities support the idea of cooperation with the Customs Union in the 3+1 format. This implies partial integration of Ukraine into the union, but without a full membership. At the same time, Russia and the European Union have repeatedly warned the Ukrainian authorities that they will have to choose only one association.

RosBusinessConsulting

Ex-minister: Global economic woes here to stay in 2013

The global economic environment should not be expected to stabilize in 2013, former Finance Minister Alexey Kudrin told reporters during the Gaidar Forum in Moscow.

"We have already lost the battle to stabilize the economy in 2013," he pointed out, adding that GDP of major economies is expected to contract, while deficits would go up, aggravating debt-related issues.

Kudrin went on to say that in 2014 GDP growth rates would be even lower across the world, including Russia.

http://rbcnews.com/free/20130116174905.shtml

Xinhua News Agency

Russian PM sees BRICS as best way to integrate into global economy

MOSCOW, Jan. 16 (Xinhua) -- Participation in the BRICS was the most promising route for Russia's integration into the global economy, Prime Minister Dmitry Medvedev said Wednesday.

"The positive prospects of the BRICS are obvious," Medvedev told the ongoing Gaidar forum, which is discussing the integration of Russia into the global economy.

The annual forum, named after Yegor Gaidar, Russia's first post-Soviet prime minister, was first held in 2010 and has become a significant gathering of experts and political leaders in Russia.

Russia had also been open to cooperation within other frameworks, Medvedev said. "I believe, the preference should be given to the notion of the common economic and humanitarian space from Atlantic to Pacific."

While admitting that no one knew how the world would look after the global financial crisis, Medvedev said Russia should deal with the

unfolding process with a positive mood.

To illustrate his vision, he quoted Mao Zedong, one of the founders of the People's Republic of China, who once said, when the wind of change blows, one should build a windmill instead of finding a place to hide.

The priority for the government, in his view, was technological and social modernization, and diversification of the economy to reduce its dependence on fuel export.

"This course will stay steady," he promised, adding success depended on the authorities' ability to face new challenges, to be "flexible yet stable".

Medvedev noted Russia was interested in attracting strategic investors but the government could not wait indefinitely for favorable conditions to appear.

He said the private sector should be given more support and efforts should be made to cut bureaucracy for the sector.

http://news.xinhuanet.com/english/world/2013-01/16/c_132107493.htm

RosBusinessConsulting

Official calls for budget rule revision to jump-start economic growth

Deputy Economic Development Minister Andrey Klepach has proposed revising the spending of oil and gas windfall in order to boost economic growth.

In order for economic growth to rise from the current 3.6% to 4.5%-6.0% it will be necessary to execute structural reforms, improve the competitiveness of domestic companies, and all of this calls for a revision of the budget rule, which regulates the spending of oil and gas revenues, Klepach told reporters on the sidelines of the Gaidar Forum in Moscow today.

If these conditions are met, economic growth could advance to 4%-5% as early as in 2014-2015, he added.

According to the budget rule which took effect on January 1, 2013 oil and gas revenues are accumulated in the Reserve Fund and after the fund reaches 7% of GDP they can be transferred to the Sovereign Wealth Fund and spent on infrastructure and other projects.

http://rbcnews.com/free/20130116153526.shtml

RosBusinessConsulting

Economy Ministry sees higher January inflation

Consumer price inflation in January 2013 is expected to exceed the year-earlier level of 0.5%, Deputy Economic Development Minister Andrey Klepach said at the Gaidar Forum in Moscow today.

Thus, the Economic Development Ministry agrees with the inflation forecast made by the Central Bank of Russia First Deputy Chairman Alexey Ulyukayev earlier today.

According to revised data from the State Statistics Service, inflation rose to 0.5% in December 2012, up from 0.4% in December 2011 and to 6.6% in 2012, up from 6.1% in 2011.

http://rbcnews.com/free/20130116150541.shtml

Reuters **News**

Russia's cbank keeps markets guessing on next rate move

MOSCOW, Jan 16 (Reuters) - Russia's central bank may change interest rates as early as next month, a senior central banker said on Wednesday, while keeping markets guessing over the direction of future rate moves.

Alexei Ulyukayev, the central bank's First Deputy Chairman, explained why a central bank statement on Tuesday had dropped earlier language about current rates being "acceptable for the near future".

"It's a signal for market participants that we are leaving ourselves the possibility of taking any decision as early as the next meeting... to raise or lower rates depending on the situation," Ulyukayev told reporters on the sidelines of the Gaidar Forum, an annual economic conference.

The Bank of Russia left monetary policy unchanged on Tuesday and sounded a relatively hawkish note on inflation, muddying the waters over the direction of its next interest rate move.

Speaking earlier at the conference, Ulyukayev said that an immediate easing in monetary policy was not appropriate. But he also said that inflation was firmly under control and set to fall to within the central bank's target in the second quarter.

"Economic growth in Russia, which is at 3.5 percent, roughly corresponds to its potential," Ulyukayev said.

"Therefore, monetary policy easing in the form of a cut in interest rates or introduction of additional instruments of quantitative easing would be counter-productive... and would lead to the accumulation of new imbalances."

Many economists have nevertheless argued that the central bank should cut interest rates in the coming months, as inflation has stabilised while economic growth is slowing.

Although Ulyukayev's comments suggest that the central bank is in no rush to cut interest rates, they leave room to do so if economic growth were to slow further - thereby falling below its long-run potential - as many forecasters expect.

Analysts polled by Reuters at the end of last year forecast on average that growth in gross domestic product (GDP) would slow to 3.2 percent in 2013 from 3.6 percent in 2012, even if the central bank cuts interest rates as forecast.

Ulyukayev was also upbeat about the prospects for bringing down inflation - seen by most analysts as the key prerequisite for future cuts in interest rates.

He predicted that annual inflation - which reached 6.8 percent in early January - would fall to 5-6 percent from the second quarter, bringing it within the central bank's target range.

"Inflation at 6.8 percent shouldn't worry the central bank," he said. "It is the result of a shock in food prices... (Price rises) don't have a serious macroeconomic or monetary instance."

Pressure to ease monetary policy this year may come from Russian President Vladimir Putin, who expressed concerns on Wednesday that economic growth is losing steam.

"The results for November (the most recent official data) cause a certain worry," Putin said at a government meeting, adding that annual growth in gross domestic product is slowing according to government estimates.

Annual GDP growth declined from 4.4 percent in the first half of 2012 to just 1.9 percent in November, although the Economy Ministry expects December figures to show an improvement to 2.8 percent. ☐

ACCEPTABLE OUTFLOW

As well as playing down concerns over inflation, Ulyukayev also sounded relaxed about so-called capital flight, saying that net private capital outflows below $10 billion per quarter represented an "acceptable" level for Russia.

"This figure is acceptable given the state of institutions in Russia and the size of the positive current account balance," Ulyukayev said, observing that net outflows have been below $10 billion for each of the last three quarters.

Large-scale capital outflows from Russia have been a source of concern over recent years, suggesting that a poor business climate is deterring badly-needed investment.

However, some analysts reject explanations linked to politics or the investment climate, arguing that the size of capital outflows is closely linked to the size of overseas export earnings.

The net outflow of private sector capital reached $56.8 billion in 2012, according to a central bank estimate published last week, a decline on an $80.5 billion outflow seen in 2011 and below earlier forecasts.

(Reporting by Darya Korsunskaya and Oksana Kobzeva; Writing by Jason Bush; Editing by Toby Chopra)

http://www.reuters.com/article/2013/01/15/russia-rates-idUSL6N0AK26920130115

RosBusinessConsulting

PM: Time to switch from support of industries to companies

It is necessary to switch over to state support of specific companies from entire industries, Prime Minister Dmitry Medvedev said at the Gaidar Forum in Moscow today.

"Special attention should be devoted to companies which join in international chains," he said.

He called for creating favorable conditions for domestic companies participating in international chains. "I'm referring to the transfer of technology, know-how, and management principles. However, this approach requires a different attitude towards economic policy goals, customs issues, tariff regulation, tax administration, and infrastructure development," Medvedev said.

http://rbcnews.com/free/20130116142014.shtml

RosBusinessConsulting

Government targets 5% economic growth

The government's goal is to secure sustainable economic growth of at least 5%, Prime Minister Dmitry Medvedev said at the Gaidar Forum in Moscow today.

He reiterated such goals as technological upgrade which will help create millions of highly-qualified jobs and social modernization intended to make the middle class the dominant group in society.

"We have started working actively towards these goals and the course will remain unchanged," Medvedev said.

http://rbcnews.com/free/20130116140515.shtml

RosBusinessConsulting

PM reiterates commitment to privatization

The Russian economy would benefit from a gradual privatization of state-owned assets, Prime Minister Dmitry Medvedev said at the Gaidar Forum in Moscow.

According to the prime minister, the state should loosen its grip on the economy. "State corporations have helped consolidate assets, but now we should move forward by promoting private entrepreneurship," Medvedev pointed out.

Addressing the issue of the sale of state property, Medvedev said that although the government is interested in attracting strategic investors and selling off property in a favorable market environment, waiting for these conditions indefinitely is not an option. "Otherwise, we won't sell anything," he went on to say.

http://rbcnews.com/free/20130116131358.shtml

RosBusinessConsulting
Inflation seen higher in January

Russia's consumer price inflation is expected to run higher in January 2013 than in the year-earlier period at 0.5%, Alexey Ulyukayev, first deputy chairman of the Central Bank of Russia (CBR), said at the 2013 Gaidar Forum today.

According to the official, inflation picked up in late December and early January 2013 on the back of higher food prices.

http://rbcnews.com/free/20130116123513.shtml

RosBusinessConsulting
CBR official opposes monetary easing

Easing monetary policy by lowering interest rates on transactions of the Central Bank of Russia (CBR) is not likely to bolster economic growth, CBR's First Deputy Chairman Alexey Ulyukayev said at the 2013 Gaidar Forum today.

http://rbcnews.com/free/20130116110011.shtml

Reuters **News**

Russian capital outflow below $10 bln/quarter acceptable-c.bank

Net private capital outflow of below $10 billion per quarter is an acceptable level for Russia, Alexei Ulyukayev, First Deputy Chairman of the Russian central bank, said on Wednesday at the Gaidar Forum economic conference.

Such a level corresponds with institutional development and the size of the country's current account surplus, Ulyukayev said.

The capital outflow has been below $10 billion for the last three quarters, amounting to $9.4 billion in the fourth quarter and $56.8 billion in 2012.

Arabic.rt.com

اربـاح الـ بـنوك الـرو سـ ية تـ ضرب رقـما قـ يا سـ يا هذه الـ سـ نة قـ دره اكـ ثر من 33 مـلـ يار دولار

17 الـ يوم "2013 غايـ دار مـ نـ تدى" خلال كـ لمـ تهـ فـ ي الـ رو سـي " سـ بـ يربـ انـ ك" مـصرف ادارة رئـ يس غريـ فـ غـ يرمان اكـ د عـلى قـ درة الاكـ ثر من الـمسـ تـ قـ بل فـ ي يـ صـ بح ان يـ مكن الـ رو سـي الـمالـ ي الـ قطاع ان الـ ثانـ ي كـانـ ون/يـ نايـ ر والـمواصلات الـ تعـ لـ يم مـسائـ ل عـلى ذلـ ك ويـ تعـ لق ."الآن الـمنافـ سة عـلى قـ ادرة لـ سـ نا أنـ نا" مرفـ دا الـ تـ نافـ س والـمـ توسط الـ صغـ ير الـ بزنـ س تـ طويـ ر الـمـ تـ قدمة، الـ تـ كنولـ وجـ يات اعـ تماد وقـ ضايـ ا الـ حكومة نـ شاط و شـ فافـ ية ذلـ ك خلال الـ تعـ لـ يم صدارة عـلى مـ شددا وغـ يرها.

قـ يا سـ يا رقـ ما الـ سـ نة هذه ربـ تـ ض الـ رو سـ ية الـ بـ نوك اربـ اح :رو سـي مـصرفـ ي

2012 عام الـ رو سـ ية الـ بـ نوك اربـ اح ان رو سـ يا بـ نك لـ محافـ ظ الاول الـ نائـ ب سـ يمانـ وفـ سكي الـ كـ سي و صـ رح هذا دولار مـلـ يار 28.3 مـ قابـ ل دولار مـلـ يار 33 من اكـ ثر الـ تمهـ يديـ ة، الـ بـ يانـ ات حـ سب بـ لـ غت، اذ قـ يا سـ يا رقـ ما ضربـ ت الـ سابـ ق الـ عام فـ ي.

عام خلال ازدادت الـ رو سـ ية الـ بـ نوك فـ ي لـ لا شخاص الـ ودائـ ع ان سـ يمانـ وفـ سكي واكـ د 2012 - بـ 19.9%.

بـ - الـ شركات ودائـ ع ازدادت فـ يما 11.9%.

الـ تابعة الـ حكومية والـ خدمة الـ شعبي لـ لاقـ تصاد الـ روسية الأكاديمية من بـ دعم الـ سنوي "غايدار" مؤتمر يـ نظم الاقـ تصاد في روسيا ومكانة ردو لـ بحث بـ ارزين أعمال ورجال خبراء المؤتمر هذا ويـ ستقطب .الروسية لـ لرئاسة الـ عالمي.

http://arabic.rt.com/news_all_news/news/605288/

Arabic.rt.com

الـ بنك الدولي:دعم الـ نمو يـ تطلب رفع الإنـ تاج

الـ خبراء لأبـ رز موعدا موسكو حددت ..الـ عالمي تـ صادالاق اجندة في حدث اكبر دافوس منـ تدى من معدودة ايام قبل في الاقـ تصادي الـ نمو على لـ لحفاظ الـ لازمة الوسائل في لـ لـ بحث اجتمعوا الذين والاقـ تصاديين الماليين عالميا الـ تكامل عمليات واتـ ساع مستقرة غير عالمية بيئة ظروف.

شأنها من الـ تي الـ خصخصة منهج عبر الـ بهاريق والـ ط .طموحة اهداف امامها روسيا تضع تـ رحم، لا الظروف ان ورغم الروس المسـ تثمرين شهية لدى الاقـ الـ يم في المنافسة وحفز عموما الروسية لـ لأعمال الـ تنافسية الـ قدرة زيادة والاجانب..

الاقـ تصادي غايدار منـ تدى هامش على "تـ يمير هاندس" الدولي لـ لـ بنك المشاريع تطوير قسم رئيس وقال الروسي الاقـ تصاد نمو تنشيط إن والعالمية الروسية الاقـ تصادية الـ قضايا اجـ تمعمل المتخصص الروسي الانـ تاجية الطاقات وزيادة العرض حفز على الـ تركيز يـ تطلب المتباطئ.

الـ تابعة الـ حكومية والـ خدمة الـ شعبي لـ لاقـ تصاد الـ روسية الأكاديمية من بـ دعم الـ سنوي "غايدار" مؤتمر يـ نظم الاقـ تصاد في روسيا ومكانة دور لـ بحث بـ ارزين أعمال ورجال خبراء المؤتمر هذا ويـ ستقطب .الروسية لـ لرئاسة الـ عالمي.

http://arabic.rt.com/news_all_news/news/605275/

Arabic.rt.com

ايدار" الاقـ تصادي بموسكوالمسائل الاقـ تصادية الروسية والعالمية في صدارة منـ تدى "غ

منـ تدى اعمال في مشاركته خلال أولوكايـ يف ألـ يكسي الروسي المركزي الـ بنك لمحافظ الأول الـ نائب أكد يـ سمى مما جديدة مرحلة انـ دلاع احـ تمال اعـ تاب على الآن يـ قف الـ عالم إن المتخصص، الروسي الاقـ تصادي "غايدار"

عـلى الـ توافـ ق 20الـ ـ لـمجموعة الـ حالـ ية رئـ ا سـ تها إطار فـ ي سـ تطالـ ب روسـ يا أن الـ ى مـ شـ يرا الـ عملات، بـ حروب والأوروبـ ية الأمريـ كـ ية الـ نـ قديـ ة الـ سـ يا سة.

أن وأعـ تـ قد عديـ دة، دول فـ ي الـ حكومي الـ ديـ ن وإدارة الـ نـ قديـ ة الـ سـ يا سة مجال فـ ي تـ وازن عدم هناك :اولـ وكـ ايـ يف وقـ ال تـ شهد أن وأتـ وقـ ع ةجذري تـ غـ يـ يرات حافـ ة عـ لى الـ عالـ م ويـ قف .الـ راهنة الـ فـ ترة فـ ي تـ دهورا يـ شهد الـ وضـ ع الـ عملات بـ حروب يـ سمى ما الـ معمورة.

الـ ماضي الـ عام فـ ي وفـ ائـ ضا عجزا تـ سجل لـ م الـ روسـ ية الـ مـ يزانـ ية :الـ روسي الـ مالـ ية وزيـ ر

الـ روسـ ية الـ فـ يدرالـ ية الـ مـ يزانـ ية إن سـ يـ لوانـ وف أنـ طون الـ روسي الـ مالـ ية وزيـ ر قـ ال الاقـ تـ صادي الـ مـ نـ تدى ذات وفـ ي الـ طاقـ ة موارد تـ صديـ ر إيـ رادات احـ تـ ساب دون الـ مـ يزانـ ية عجز بـ أن مـ نوها ائـ ض،فـ أو عجز أي الـ ماضي الـ عام تـ سجل لـ م الـ محـ لي الـ ناتـ ج إجمالـ ي من 10% من أكـ ثـ ر شكل.

الـ مـ يزانـ ية عجز بـ لـغ حـ ين فـ ي الـ مـ نصرم، الـ عام فـ ي عجز أي الـ روسـ ية الـ مـ يزانـ ية تـ سجل لـ م :قـ ائـ لا الـ وزيـ ر وأشار الـ محـ لي الـ ناتـ ج لـ يإجما من 10.6% والـ غاز الـ نـ فط تـ صديـ ر ايـ رادات احـ تـ ساب دون.

الـ تابـ عة الـ حكومـ ية والـ خدمة الـ شعـ بي لـ لاقـ تـ صاد الـ روسـ ية الأكـ اديـ مـ ية من بـ دعم الـ سـ نوي "غايـ دار" مؤتـ مر يـ نظم الاقـ تـ صاد فـ ي روسـ يا ومكانة دور لـ بحث بـ ارزيـ ن أعمال ورجال خـ براء الـ مؤتـ مر هذا ويـ سـ تـ قطب .الـ روسـ ية لـ لرئـ ا سة الـ عالـ مي.

http://arabic.rt.com/news_all_news/news/605178/

Arabic.rt.com

سـ ية والـ عالـ مـ ية فـ ي صدارة مـ نـ تدى "غايـ دار" الاقـ تـ صادي بـ مو سـ كوالـ مـ سائـ ل الاقـ تـ صاديـ ة الـ رو

مـ نـ تدى اعمال فـ ي مـ شاركـ ته خلال أولـ وكـ ايـ يف ألـ يكـ سي الـ روسي الـ مركزي الـ بـ نك لـ محافـ ظ الأول الـ نائـ ب أكد يـ سمى مما جديـ دة مرحـ لة انـ دلاعـ احـ تمال اعـ تاب عـ لى الآن يـ قف الـ عالـ م إن الـ مـ تخصص، الـ روسي الاقـ تـ صادي "غايـ دار" عـ لى الـ توافـ ق 20الـ ـ لـمجموعة الـ حالـ ية رئـ ا سـ تها إطار فـ ي سـ تطالـ ب روسـ يا أن الـ ى مـ شـ يرا تـ،الـ عملا بـ حروب والأوروبـ ية الأمريـ كـ ية الـ نـ قديـ ة الـ سـ يا سة.

أن وأعـ تـ قد عديـ دة، دول فـ ي الـ حكومي الـ ديـ ن وإدارة الـ نـ قديـ ة الـ سـ يا سة مجال فـ ي تـ وازن عدم هناك :اولـ وكـ ايـ يف وقـ ال تـ شهد أن وأتـ وقـ ع جذريـ ة، تـ غـ يـ يرات حافـ ة عـ لى الـ عالـ م يـ قفـ و .الـ راهنة الـ فـ ترة فـ ي تـ دهورا يـ شهد الـ وضـ ع الـ عملات بـ حروب يـ سمى ما الـ معمورة.

الماضي العام في وفائض عجزا تسجل لم الروسية الميزانية :الروسي المالية وزير

الروسية الفيدرالية الميزانية إن سيلوانوف أنطون الروسي المالية وزير قال الاقتصادي الميندتى ذات وفي الطاقة موارد تصدير إيرادات احتساب دون الميزانية عجز بأن منوها فائض، أو عجز أي الماضي العام تسجل لم الإجمالي الناتج من 10% من أكثر شكل.المحلي

الميزانية عجز بلغ حين في الميندصرم، العام في عجز أي الروسية الميزانية تسجل لم :قائلا الوزير وأشار الإجمالي الناتج من 10.6% والغاز النفط صديرت ايرادات احتساب دون.المحلي

التابعة الحكومية والخدمة الشعبي للاقتصاد الروسية الأكاديمية من بدعم السنوي "غايدار" مؤتمر يُنظم الاقتصاد في روسيا ومكانة دور لبحث بارزين أعمال ورجال خبراء المؤتمر هذا ويستقطب .الروسية للرئاسة العالمي.

http://arabic.rt.com/news_all_news/news/605193/

ITAR-TASS World Service

Medvedev to take the floor in Gaidar Forum's plenary discussion

MOSCOW, January 16 (Itar-Tass) - Prime Minister Dmitry Medvedev will participate in the work of a Gaidar Forum opening here on Wednesday. This is an International Conference Workshop on the theme of "Russia and the World: Challenges of Integration". He will make a speech during a Global Challenges of Integration plenary discussion, the government press service reported.

This year the Gaidar Forum will be devoted to global challenges of integration, Vladimir Mau, Rector of the Russian Academy of the National Economy and the Public Service to the President of the Russian Federation, told a news conference at Itar-Tass earlier.

Mau believes that "Russia's integrational future is in Europe", although Russia is aiming to be an integrational association between the Asia-Pacific and European zones of development.

"Europe -- not the Commonwealth of Independent States, and still less China or the United States -- accounts for almost 60 percent of Russia's trade turnover," Mau points out. To Russia, this means an "associated participation in the European Union: not participation in a political alliance but engaging in

the exercise of four freedoms: the freedom of the movement of commodities, capital, people, and services", he said.

The 2013 Gaidar Forum will be held in Moscow for four days. The first two days will be dedicated to macroeconomic and financial problems of global markets, the international currency system, the future of reserve currencies, global competition, and Russia's strategies in the World Trade Organization (WTO). Educaiton and culture will be the main subjects of discussion on the third day. The forum will end with the consideration of the problems of youth.

The Forum will be attended by First Vice-Premier Igor Shuvalov, Minister of Economic Development Andrei Belousov, Minister of Industry and Trade Denis Manturov, Minister of Finance Alexei Siluanov, by the heads of relevant ministries and agencies, by Pascal Lamy, WTO General Director, by the leading Russian and international experts and members of the business community.

The Gaidar Forum is a permanently functioning discussion floor, a meeting place for experts who exert influence on the processes of economic and political development. During the Forum proceedings those present will discuss various ideas and approaches to understanding the global processes evolving in Russia and the world.

The Forum includes an annual international "Russia and the World" conference which is held in the form of plenary discussions and roundtable meetings of experts, "Gaidar Readings", topical seminars, and other events.

The purposes of the Forum are to enhance the image of Russia as a center for economic discussion; to invite leading world scientists and practicians for a joint discussion of economic and political problems; to maintain experts' uninterrupted dialogue on key political and economic issues; to record the main trends and key events of the national and world economies and politics; and work out strategic proposals and recommendations for the development of the national economy.

The Forum has been organized by the Yegor T. Gaidar Institute of Economic Policy, the Russian Academy of the National Economy and Public Service to the President of the RF, and the Yegor Gaidar Foundation.

ITAR-TASS World Service

Media advisory – news conf by Rector of Presidential Academy of National Economy Vladimir Mau.

Rector of the Russian Presidential Academy of National Economy and Public Administration Vladimir Mau will hold a news conference devoted to the opening of the 2013 Gaidar Forum titled Russia and the World: Challenges of Integration, due in Moscow on January 16-19.

The news conference will be held at the Itar-Tass news agency (2, Tverskoi Boulevard, Press Center, 2nd floor) at 12.00 on Monday, January 14.

Journalists of Russian and foreign mass media, TV and radio companies are invited to request accreditation for admission beforehand.

The Moscow News

Gaidar Forum returns with stellar line-up

The fourth annual Gaidar Forum kicks off at the Russian Presidential Academy of National Economy and State Administration on Wednesday, bringing together Russian and international economic leaders to discuss key policy issues around the theme of "Russia and the World: The Challenges of Integration."

The forum grew out of conferences held during the century's first decade, and is named for former Prime Minister Yegor Gaidar, one of the proponents of the "shock therapy" of the 1990s.

Since 2010, the main theme has been about Russia's economic place in the world, focusing on a different aspect. This year, following August's accession to the World Trade Organization and December's assumption of the presidency of the G20, the integration aspect is an apt topic.

One of the most notable changes between the 2012 forum and this year's is, of course, the return of Vladimir Putin to the Kremlin. Still, according to Renaissance Capital analyst Ivan Tchakarov, political subjects are likely to be on the back burner.

“I really doubt the past political cycle will have an effect on the discussions,” he told The Moscow News in an e-mail. “Things have faded away and I really think Russia has much more important economic issues to deal with. It seems quite likely we will have political certainty at least until 2018, which is probably a thing that foreign investors will appreciate.”

Economics in focus

The scheduled sessions reflect Tchakarov's thoughts, with emphasis on Russia's international and domestic economic policy. Spread out over the days of the forum, the major topics of the sessions fall under the broad themes of the global role of Russia, common policy in the post-Soviet space – including the Belarus-Kazakhstan-Russia Customs Union – historical models and their lessons for today, and technological development for Russia's future.

Wednesday sees a focus on global challenges and their impact on Russia, addressing the questions of whether a common international macroeconomic policy is required to confront the economic crisis, and what position Russia has taken in an integrated world economy. In the afternoon, the forum will split into round tables and individual discussions on responses of the G20 to current economic issues and, particularly important for Russia, the management of resource revenues so as to avoid Dutch Disease.

Thursday's sessions outline a more direct focus on Russia, with an analysis of its current role and its future ambitions in the world economy, and the development of Russia's economy – especially in the regions – to place it more competitively on an international level. Development of banking, the Customs Union, the role of technology and the reform of agriculture come into the spotlight in the afternoon discussions, and three new Russian publications by the Gaidar Institute will be presented: translations of books by professors Gregory Clark and Robert Allen, and a new book by Professor Georgy Derlugyan.

As the economic crisis has focused attention in many Western countries on the impact of government policy on individuals, Friday's theme will be “Competition for the person.” Topics for discussion include developments in health care and pharmaceuticals, health care reform, employment, climate change, and the assessment of business education.

Heavy hitters

While the forum may not be at the most climatically comfortable time in Moscow – a typically frigid January – the event is attracting its share of big names. Pascal Lamy, head of the World Trade Organization, is scheduled to attend, and Angel Gurria, secretary general of the Organization for Economic Cooperation and Development, is to give the keynote address on Friday morning.

From the government, Prime Minister Dmitry Medvedev will be the lead attraction, but Finance Minister Anton Siluanov and Industry and Trade Minister Denis Manturov are also expected, as is presidential adviser and former Economic Development Minister Elvira Naibullina.

The banking sector will be represented in part by deputy Central Bank chairman Alexei Ulyukayev, VTB's Oleg Vyugin, Alfa Bank's Pyotr Aven and Sberbank's German Gref, with Rosnano chief Anatoly Chubais also slated to attend.

From academia, chairman of the board of trustees of the Gaidar Institute for Economic Policy Alexei Kudrin, and Niall Ferguson of Harvard University, Daniel Treisman of the University of California at Los Angeles, and Anders Aslund of the Peterson Institute for International Economics, are expected.

http://themoscownews.com/business/20130115/191133523.html

SKRIN Newswire

Dmitry Medvedev to attend Gaidar Forum conference "Russia and the World: Challenges of Integration"

On January 16, Prime Minister Dmitry Medvedev will take part in the international conference hosted by the Gaidar Forum, "Russia and the World: Challenges of Integration," where he will speak at a plenary discussion, "Global Challenges of Integration."

This year’s forum will focus on Russia’s integration in global trade, development of global financial and monetary systems, energy cooperation, global competition and economic integration.

The conference will also be attended by First Deputy Prime Minister Igor Shuvalov, Economic Development Minister Andrei Belousov, Industry and Trade Minister Denis Manturov, Finance Minister

Anton Siluanov, heads of other interested ministries and agencies, WTO Director-General Pascal Lamy, leading Russian and international experts, and business executives.

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The Gaidar Forum is a permanent discussion venue for experts who can influence economic and political development. During the Forum events, participants discuss ideas and approaches to understanding the global processes taking place in Russia and around the world.

The Forum includes an annual international conference, Russia and the World, which features plenary discussions and expert roundtables, the Gaidar readings, seminars on specific issues, and other events.

The goals of the Gaidar Forum are:

Promoting Russia as a centre of economic discussion;

Engaging leading international academics and economists in the discussion of economic and political issues;

Maintaining an ongoing expert dialogue on key political and economic issues;

Identifying the key trends and events in the Russian and global economy and politics; and

Developing strategic proposals and recommendations to boost Russia’s economic development.

AP Planner

WTO Director-General Pascal Lamy meets Russian First Deputy Prime Minister; AP Planner; Future News Item; World Trade Organization

Description: WTO Director-General Pascal Lamy participates in the Gaidar Forum plenary discussion on 'Russia in the World: Challenges of Integration' and meets Russian First Deputy Prime Minister Igor Shuvalov

Start Date: 2013-01-17

End Date: 2013-01-17

Web Site: http://www.wto.org

Time Zone: EST

Summary: WTO Director-General Pascal Lamy meets Russian First Deputy Prime Minister

Event Type: Trade Conferences

Venue: Moscow, Russia

Country: Russia

Precise Media Planner
WTO Director-General Pascal Lamy meets Russian First Deputy Prime Minister; Advance Media Information; Future News Item; World Trade Organization

Organisation: World Trade Organization

Description: WTO Director-General Pascal Lamy participates in the Gaidar Forum plenary discussion on 'Russia in the World: Challenges of Integration' and meets Russian First Deputy Prime Minister Igor Shuvalov

The Moscow Times
Gaidar Forum-2013 "Russia and the World: Challenges of Integration"

On January 16-19, 2013, the annual international conference Gaidar Forum-2013 "Russia and the World: Challenges of Integration" will take place. As in earlier years, the Forum will take place at the Russian Presidential Academy of National Economy and Public Administration (RANEPA) — the main advisor to the Government on the issues of economic policy.

The Forum participants will discuss the areas of Russia's domestic and foreign economic policy for the next year. Within the framework of the discussion platform, a series of plenary sessions and round tables covering international trends of global integration processes and economic development will take place.

Among the main issues on the agenda of the major international economic policy conference are: WTO, OECD; Russia's agenda in G20 and its projection on the G8 presidency; Russia's macroeconomic policy in the context of global risks; new configuration of the world financial system; economic aspects of the integration agenda: CIS, EU, APR; international competition development; impact of global integration processes on the development of nuclear power engineering etc.

The novelty of the Forum-2013 will be the youth forum which will gather students from Russian and foreign universities.

Gaidar Forum-2013 will gather more than 100 honoured guests including heads of regional and federal authorities, world financial and business leaders, top managers, experts, analysts and scientists from Russia, Canada, the USA, China, Italy, Germany, Great Britain, the Netherlands and other countries.

Among the participants of the Gaidar Forum-2013 are OECD Secretary-General Angel Gurria, Nobel Prize Laureate in Economics Robert Mundell, First Deputy Prime Minister of the Russian Federation Igor Shuvalov, Italy's Minister of Economy and Finance Vittorio Grilli, Deputy Prime Minister of Bulgaria Simeon Djankov, Chairman of the State Duma of the Russian Federation Sergei Naryshkin,Vice Presidentof the World Bank Otaviano Canuto, Minister of Economic Development of the Russian Federation Andrei Belousov, Minister of Finance of the Russian Federation Anton Siluanov, CEO and Chairman of the Management Board of Sberbank of Russia German Gref, Aleksei Kudrin, Chairman of the Board of Trustees of Gaidar Institute for Economic Policy Aleksei Kudrin, President of the Republic of Tatarstan Rustam Minnikhanov, President and Chairman of the Management Board of VTB Bank Andrei Kostin, Deputy Prime Minister of the Russian Federation Olga Golodets and may others.

You can find the complete list of participants and the program of the Forum on the website: www.gaidarforum.ru

The Forum is organized by the Russian Presidential Academy of National Economy and Public Administration, Gaidar Institute for Economic Policy and Yegor Gaidar Foundation.

The Forum partners are: the World Bank, VTB, BP, Coca-Cola, Ernst & Young, Novartis, "Otkrytie" Financial Corporation, Cotton Way, ACIG etc.

http://www.themoscowtimes.com/mt_recommends/business/article/gaidar-forum-2013-quotrussia-and-the-world-challenges-of-integrationquot/473684.html