

Russian Railways Seeks Rate Increase

By [The Moscow Times](#)

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The government approved a 350 billion ruble (\$11 billion) 2011 investment program for Russian Railways, but the company says it will have to make staff reductions for 2012 if state subsidies don't continue or tariffs aren't increased.

“We have made a decision to approve the figures for 2011 and conduct additional [discussions] for years 2012 and 2013,” economic development minister Elvira Nabiullina said at a Cabinet meeting Wednesday, Interfax reported. The government didn't grant the company's request for an increase in cargo tariffs, she said.

Earlier Wednesday, Kommersant reported that Russian Railways gave an ultimatum to the government to either allow the company to increase tariffs by 23 percent in 2012 or subsidize the losses by 147 billion rubles (\$4.7 billion).

Russian Railways had been holding back on increasing tariffs to help stabilize the post-crisis economy and had been receiving state subsidies, but the government has no such plans for compensation in 2012 and 2013.

If Russian Railways increases tariffs in 2012 by only the planned 7.4 percent, it will have to lay off 42,000 people, the company estimates, Kommersant reported.

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