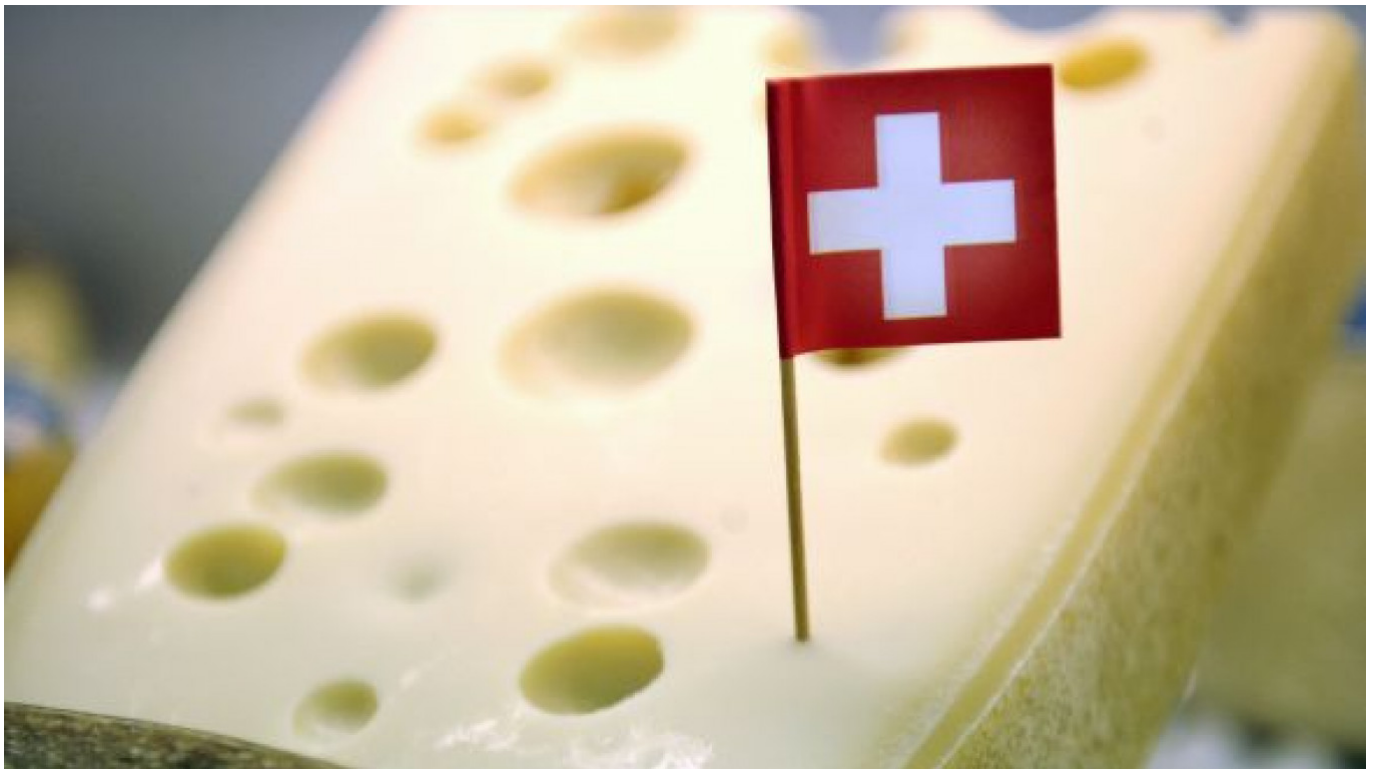


Police and Military Salaries to Double

By [Anatoly Medetsky](#)

September 21, 2011



The Cabinet also reviewed an upcoming agreement with Switzerland that will provide some banking transparency. **Adrian Moser**

The Cabinet on Wednesday approved next year's budget, which will draw increased revenues from Gazprom and pay for a doubling of salaries in the armed forces and police.

Spending will increase 15 percent to 12.7 trillion rubles (\$423 billion), compared with this year. The deficit will be 1.5 percent.

The government decided that the gas-extraction tax on Gazprom would increase more than twofold next year to generate more than 150 billion rubles in additional budget income.

The rate will grow to 509 rubles for every 1,000 cubic meters of natural gas produced, up from the current 237 rubles.

"Gazprom, on the whole, feels confident," Prime Minister Vladimir Putin said in comments on the tax while opening the Cabinet session. "It's a substantiated decision."

The new tax rate suggested that Turkey would keep buying some of its Russian gas supplies at a discount. The Finance Ministry said earlier that the higher 509 ruble rate would come into effect only if Russia opted to continue to waive export duty on the gas that Gazprom delivers to Turkey through the Blue Stream pipeline under the Black Sea. Otherwise, the tax rate could have been 480 rubles per every 1,000 cubic meters of gas.

This and some other tax increases will bring an additional 198 billion rubles into the federal coffers next year, the Finance Ministry estimated.

On the spending side, one of the highlights for next year will be the doubling of salaries — and retirement pensions — for men and women in the armed forces and police, according to Putin. As of next year, the federal government will take over from the regions the task of funding the police.

The approved budget bases its revenues on the assumption that the main Russian blend of crude, Urals, will sell for an average of \$100 a barrel, down from the latest estimate of \$108 a barrel for this year.

"As you see, we plan a conservative forecast for next year," Putin said.

Under the budget plan, gross domestic product will grow 3.7 percent to reach 58.7 trillion rubles.

That means the economy will slow down from this year, when the government expects it to expand 4.1 percent.

Consumer prices will grow 6 percent at most next year, compared with 7 percent anticipated this year.

Real disposable income will increase at a slower rate than inflation — by 5 percent.

In other Cabinet news, the ministers backed a treaty with Switzerland that would allow the government to receive information on accounts that Russian nationals hold in the Alpine country's banks, if the government suspects these people of tax evasion or money laundering, Deputy Finance Minister Tatyana Nesterenko said.

Russia and Switzerland will likely sign the double-taxation agreement in Washington over this coming weekend, a Swiss Finance Ministry spokesman said Wednesday, Bloomberg reported.

Original url:

<https://www.themoscowtimes.com/2011/09/21/police-and-military-salaries-to-double-a9691>