

Putin Creates Construction and Utilities Ministry

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President Vladimir Putin has created a new ministry for construction, housing and utilities, and appointed former Ivanovo Governor Mikhail Men as its chief, the Kremlin's press service announced Friday.

During a meeting with Men, Putin called construction a “driver of economic development,” and said housing and utilities problems have become a sore point in the country.

Household utility prices increased by 117 percent over the last five years, vastly outstripping the 43.7 percent accumulated inflation over the same period, said Daniil Markelov, an analyst at Investcafe. Meanwhile, there has been a rise in the number of major accidents in heating and water systems. Accidents increased sixfold in the first nine months of 2012 as compared to the year before, RIA Novosti reported, citing government statistics.

The new ministry will be formed on the basis of the Construction, Housing and Utilities

Agency, according to a recently signed presidential decree. Absorbing other state agencies that work in and around construction, the ministry is also charged with overseeing the final months of Olympic construction in Sochi.

During his meeting with Putin last week, Men said his goals as minister were to keep average nationwide utilities tariff hikes inside 6 percent, relocate people from emergency housing and attract investment into the affordable housing sector.

This investment can be drummed up by putting state-owned land plots on the market and using government funds to build infrastructure for low-cost housing projects, Men said.

“All talk that the housing and utilities sector is not profitable is incorrect,” Men told Putin, recalling how the Ivanovo region — where he was governor from 2005 to 2013 — was able to set up 16 modular boilers with private investment. “That we were able to attract this investment proves the point once again.”

A member of the ruling United Russia party and a son of a Russian Orthodox priest, Men has previously held various positions in the Moscow and Moscow region governments, including a period as the capital's deputy mayor, and as the governor of Ivanovo region.

The newly minted minister is recognized for helping to clean up Ivanovo's streets, repairing roads — starting with his own route to work — swimming across the Volga River, playing the guitar, and luring then-President Dmitry Medvedev to take up a dacha residence in the region, near the riverside town of Plyos.

Men has six children and is active on Twitter, though he wrote Nov. 2 that he will take a “time out” from the social media site until he figures out how to best use it in his new position.

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