

Putin Promises Economic Growth, Anti-Corruption Fight in Annual Address

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In his Dec. 1 state of the nation address, Russian President Vladimir Putin promised to boost economic development across the board, while simultaneously fighting corruption.

During the 70-minute address, Putin emphasized that sanctions had hurt Russia, but that the economy was once again beginning to grow. He highlighted industrial production and real estate as two sectors that have experienced recent growth and stressed that state support had been helpful in several sectors.

To this end, he promised to extend subsidies to the IT sector — which he said could become a successful exporter — until 2023.

Putin also emphasized the military sector, which he said should promote growth by producing more civilian goods.

Despite his earlier reference to sanctions, Putin blamed Russia's recession on internal

problems, particularly on a lack of investment, modern technology, qualified workforce, and competition.

Putin also expressed hope that inflation would not exceed 6 percent this year and might fall to 4 percent in 2017, a target mentioned by Central Bank governor Elvira Nabiullina last week.

Putin returned to the subject of sanctions when discussing agriculture. “Our so-called partners imposed sanctions, so we answered by imposing counter-sanctions” on many foreign food products, he said. He framed these counter-sanctions as a boost to Russian agriculture.

Looking to the future, Putin stated he wanted the Russian economy to be growing at a rate above the world average by 2019 — a lofty goal for a country still technically in a recession. He also noted that lending to small businesses has been decreasing. He suggested that regulations could be decreased for small, regional banks, allowing them to better provide credit for small business.

The president also focused on easing the bureaucratic and corruption burdens on business. “Everything that limits opportunity is unfair,” he said. To this end, he called for a decrease in the number of government inspections businesses face and hailed the increasing transparency of inspection agencies. He also called for tax reforms to be put in place by 2019.

“Everyone who works in business should feel the government is on their side,” Putin said.

He dedicated particular attention to high-level corruption, a topic that has gained traction in recent weeks with the Nov. 15 arrest of Economic Development Minister Alexei Ulyukayev. Putin stressed that no one's official rank can excuse corruption.

“The struggle against corruption is not just for show,” he said in one of the address's most memorable soundbites.

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