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Eastern Economic Forum plenary session

79-101 minutes

The event was also attended by Chairman of the State Administration Council, Prime Minister of the Caretaker Government and Commander-in-Chief of the Armed Forces of Myanmar Min Aung Hlaing, Prime Minister of Armenia [Nikol Pashinyan](#), Prime Minister of Mongolia Oyun-Erdene Luvsannamsrain, and Chairman of the Standing Committee of the National People's Congress of China Li Zhanshu.

Prime Minister of India [Narendra Modi](#), Prime Minister of Malaysia Ismail Sabri Yaakob and Prime Minister of Vietnam Pham Minh Chinh addressed the audience via video linkup.

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Excerpts from transcript of EEF plenary session

EEF plenary session moderator and Managing Director of RBC TV channel Ilya Doronov: Good afternoon, everyone, We are pleased to have you here. The typhoon did not bother us at all, although the sky is not completely clear, but it is great that we are all here.

As I was getting ready to moderate this plenary session, I went over the previous plenary sessions and realised an amazing thing: there were fewer plenary session participants in 2019 before the pandemic than now. We have five people here

on the stage, and three more will deliver video addresses. Also, for your information, the people who are on stage and the people who sent their video addresses represent the interests of over 3 billion people.

However, we are all perfectly aware of the fact that the world has changed, and the world in 2022 is different from the world in 2021. Back then, we talked about the pandemic and the coronavirus, whereas now we are talking about the hostilities in Ukraine and the looming global economic crisis. Many countries are seeing double-digit inflation, which they have never seen before, and a change of government has taken place in other countries. Some countries are bracing for an energy crisis, while others are getting ready to deal with an economic crisis.

Russia has seen the world divide into friendly and unfriendly nations. It so happens that there are many more friendly countries in the East, and the Far East now has a more important role to play. We should probably revise its importance. The Far East is now a gate to Russia for all eastern countries. Today, we will look into whether the region is ready for the quick changes that are on the way – in line with the title of our forum – on the path to a multipolar world.

See also

Once again, greetings to everyone in the audience and everyone on the stage: sain baina uu, mingalaba, barev dzes, nihao and hello.

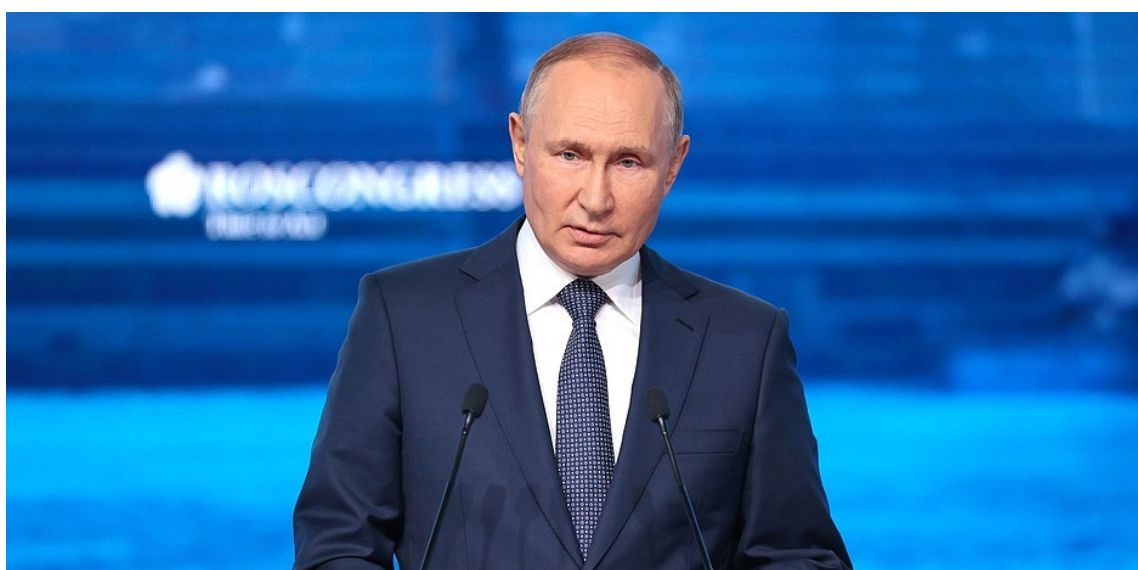
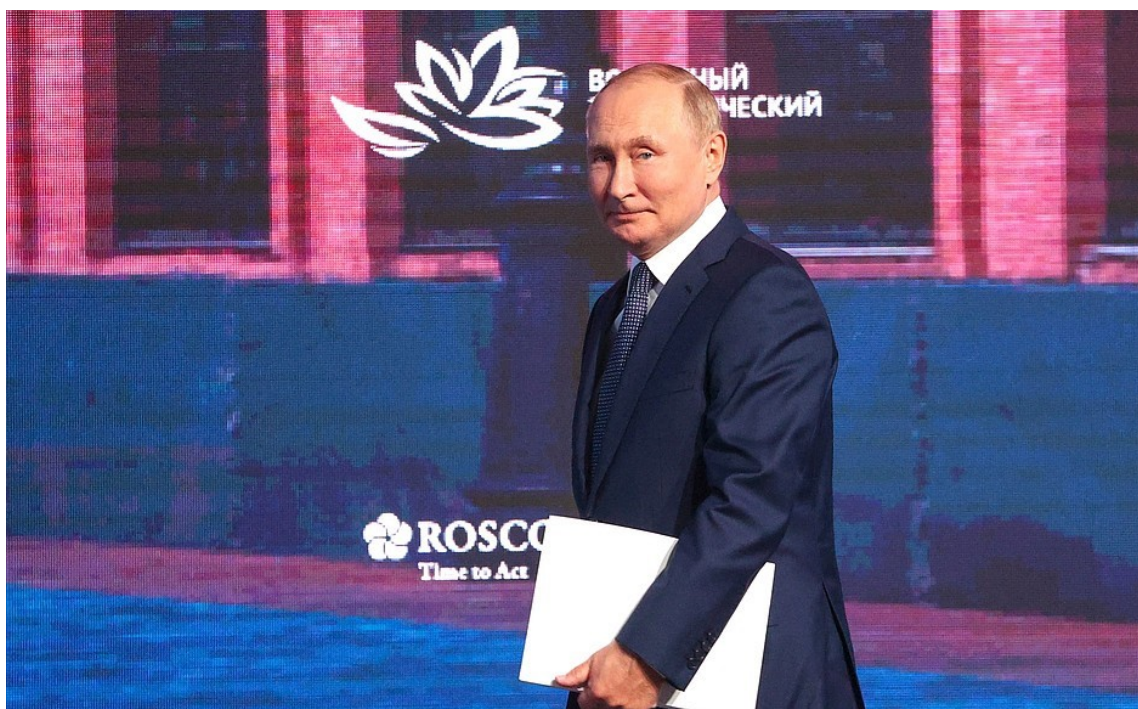
With that, Mr President, I turn it over to you.

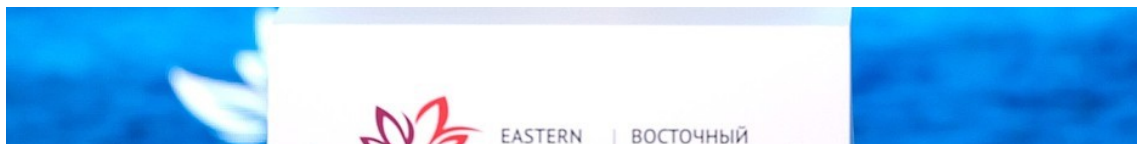
President of Russia Vladimir Putin: Friends, Mr Min Aung Hlaing, Mr Pashinyan, Mr Oyun-Erdene, Mr Li Zhanshu, ladies

and gentlemen,

I am delighted to greet all participants and guests of the Eastern Economic Forum. Russia and Vladivostok are again hosting a forum of business leaders, experts, politicians, public figures and members of government from dozens of countries across the world.

Video addresses have been sent to us by Prime Minister of India Narendra Modi, Prime Minister of Malaysia Ismail Sabri Yaakob and Prime Minister of Vietnam Pham Minh Chinh. I am delighted that they have made time to take part in this plenary session.





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Addressing the Eastern Economic Forum plenary session.

Photo: Bobylev Sergei, Host Photo Agency TASS

As per tradition, the programme of the Eastern Economic Forum includes discussions on the projects and initiatives that are extremely important for the development of the regions in Russia's Far East and for strengthening Russia's cooperation and production ties with Asia Pacific countries, both our old, traditional partners and countries that are only developing dialogue with Russia in a broad range of areas and business projects.

Of course, this meeting in Vladivostok is a good opportunity to once again review the situation in the global economy and to exchange views on its main trends and risks.

Last year, the Eastern Economic Forum was held after a long pause caused by the coronavirus pandemic. At that time, the majority of experts agreed that global business activity was beginning to recover and that it would normalise soon after the lifting of the coronavirus restrictions. However, the pandemic has given way to new challenges, global ones that are threatening the world as a whole. I am referring to the Western sanctions frenzy and the open and aggressive attempts to force the Western mode of behaviour on other countries, to extinguish their sovereignty and to bend them to its will. In fact, there is nothing unusual in that: this policy has been pursued by the "collective West" for decades.

The waning dominance of the United States in the global economy and politics, as well as the stubborn unwillingness

or even inability of the Western elites to see, let alone recognise objective facts, acted as a catalyst for these processes.

I have already mentioned that the entire system of international relations has recently undergone irreversible, or should I say, tectonic, shifts. Emerging states and regions around the world, primarily, of course, in the Asia-Pacific region, now play a substantially bigger role. Asia-Pacific countries emerged as new centres of economic and technological growth, attracting human resources, capital and manufacturing.

Despite all that, the Western countries are seeking to preserve yesterday's world order that benefits them and force everyone to live according to the infamous "rules", which they concocted themselves. They are also the ones who regularly violate these rules, changing them to suit their agenda depending on how things are going at any given moment. At the same time, other countries have not been forthcoming when it comes to subjecting themselves to this dictate and arbitrary rule, forcing the Western elites, to put it bluntly, to lose grip and take short-sighted, irrational decisions on global security, politics, as well as economics. All these decisions run counter to the interests of countries and their people, including, by the way, the people in those Western countries. The gap separating the Western elites from their own citizens is widening.

Europe is about to throw its achievements in building up its manufacturing capability, the quality of life of its people and socioeconomic stability into the sanctions furnace, depleting its potential, as directed by Washington for the sake of the infamous Euro-Atlantic unity. In fact, this amounts to sacrifices in the name of preserving the dominance of the United States in global affairs.

Back in spring, many foreign corporations rushed to announce their withdrawal from Russia, believing that our country will suffer more than others. Today, we see one manufacturing site after another shutting down in Europe itself. One of the key reasons, of course, lies in the severed business ties with Russia.

The competitive ability of European companies is in decline, for the EU officials themselves are essentially cutting them off from affordable commodities and energy, as well as trade markets. It will come as no surprise if eventually the niches currently occupied by European businesses, both on the continent and on the global market in general, will be taken over by their American patrons who know no boundaries or hesitation when it comes to pursuing their interests and achieving their goals.

More than that, in an attempt to obstruct the course of history, Western countries have undermined the pillars of the global economic system, built over centuries. It is in front of our eyes that the dollar, euro and pound sterling have lost trust as currencies suitable for performing transactions, storing reserves and denominating assets. We are taking steps to shed this dependence on unreliable and compromised foreign currencies. By the way, even allies of the United States are gradually reducing their dollar assets, as we can see from statistics. Step by step, the volume of transactions and savings in dollars is diminishing.

I want to note here that yesterday, Gazprom and its Chinese partners decided to switch to 50/50 transactions in rubles and yuan with respect to gas payments.

I want to add that with their short-sighted actions, Western

officials have triggered a global inflation. In many developed economies, the inflation rate has reached a record-high level that had not been seen in many years.

Everybody is aware of this but I will reiterate: as of late July, inflation in the United States reached 8.5 percent. Russia has just over 14 percent (I will speak about this further) but it is declining, unlike in Western economies. The inflation there is on the rise, and in our country it is declining. I believe that as of the end of the year, we will have around 12 percent and, as many of our experts think, in the first quarter or by the second quarter of 2023, we will most likely reach the target inflation rate. Some say it will be 5–6 percent. Others say it will go down to 4 percent. We will see. In any case, the trend is positive. Meanwhile, what is happening with our neighbours? The inflation in Germany has reached 7.9 percent, in Belgium 9.9 percent, in the Netherlands 12 percent, Latvia 20.8 percent, Lithuania 21.1 percent and Estonia 25.2 percent. And it is still on the rise.

Rising prices in the global markets can be a real tragedy for most of the poorest countries, which are facing shortages of food, energy, and other vital goods. I will cite a few figures that underline the danger: while in 2019, according to the UN, 135 million people in the world were facing acute food insecurity, their number has soared by 2.5 times to 345 million by now – this is just horrible. Moreover, the poorest states have completely lost access to the most essential foods as developed countries are buying up the entire supply, causing a sharp increase in prices.

Let me give you an example. Most of the ships – you all know very well how high passions have been running, how much has been said about the need to facilitate the export of Ukrainian

grain at all costs, to support the poorest countries. And we certainly had no other choice but to respond, despite all the complicated developments taking place around Ukraine. We did everything to ensure that Ukrainian grain was exported, and we certainly assumed – I met with the leaders of the African Union, with the leaders of African states and I promised them that we would make every effort to uphold their interests and would facilitate the export of Ukrainian grain.

Russia did it together with Turkiye. We did it. And I would like to report the result to you, colleagues: if we exclude Turkiye as an intermediary, all the grain exported from Ukraine, almost in its entirety, went to the European Union, not to the developing and poorest countries. Only two ships delivered grain under the UN World Food Programme – the very programme that is supposed to help countries that need help the most – only two ships out of 87 – I emphasise – transported 60,000 tonnes out of 2 million tonnes of food. That's just 3 percent, and it went to the developing countries.

What I am saying is, many European countries today continue to act as colonisers, exactly as they have been doing in previous decades and centuries. Developing countries have simply been cheated yet again and continue to be cheated.

It is obvious that with this approach, the scale of food problems in the world will only increase. Unfortunately, to our great regret, this could lead to an unprecedented humanitarian disaster, and perhaps, exporters need to think about limiting their exports of grain and other food to this destination. I will certainly consult with President of Turkiye, Mr [Erdogan](#), because together with him we were the ones who developed a mechanism for the export of Ukrainian grain, primarily, I repeat, to help the poorest countries. But what happened in practice?

I would like to stress once again that this situation has been caused by the reckless steps taken by the United States, the UK and the European Union, which are obsessed with illusory political ideas. As for the wellbeing of their own citizens, let alone people outside the so-called golden billion, they have been pushing it to the backburner. This will inevitably lead Western countries into a deadlock, an economic and social crisis, and will have unpredictable consequences for the whole world.

Colleagues,

Russia is coping well with the economic, financial and technological aggression of the West. I am talking about a real aggression; there is no other word for it. Russia's currency and financial market has stabilised, inflation is going down, as I have already mentioned, and the unemployment rate is at an all-time historical low of less than 4 percent.

The assessments and forecasts of our economic performance, including by businesspeople, are more optimistic now than in early spring.

I would like to say that our economic situation has stabilised overall, but we also see a number of problems in some sectors, regions and individual enterprises, especially those that relied on supplies from Europe or supplied their products there.

It is important to continue working with businesses to take prompt decisions and launch effective targeted support mechanisms. I would like to ask the Government Commission to Increase the Sustainability of the Russian Economy under the Sanctions to keep track of the situation. It is true that we are doing this almost on a daily basis. Nevertheless, despite the evidence of stabilisation I have mentioned, we are also

aware of the risks and so we must keep an eye on them.

Russia is a sovereign state. We will always protect our national interests while pursuing an independent policy, and we also appreciate this quality among our partners, who have demonstrated their reliability and responsible attitude in the course of our trade, investment and other types of cooperation over many years. I am referring, as you are aware, to our colleagues from the Asia Pacific countries.

An absolute majority of Asia Pacific countries reject the destructive logic of sanctions. Their business relations are focused on mutual advantage, cooperation and the joint use of our economic capabilities to the benefit of our countries' citizens. This adds up to a huge competitive advantage of the regional countries and a guarantee of their dynamic long-term development, which has been growing faster than the world's average for a long time.

You are aware of this, but I would like to remind everyone that over the past 10 years Asian countries' GDP has been increasing by approximately 5 percent every year, while the figure is 3 percent in the world, 2 percent in the US and 1.2 percent in the EU. But it is even more important that this trend persists. What will this ultimately lead to? As a result, the share of Asian economies in global GDP will grow from 37.1 percent in 2015 to 45 percent in 2027, and I am sure that this trend will persist.

It is important for Russia that the economy of the Russian Far East grows together with Asia Pacific economies, that this region provide modern living conditions, boost people's incomes and well-being, and that it create high-quality jobs and cost-effective production facilities.

We have already tested unique national tax, administrative and customs privileges in the Far East. They help implement landmark projects, even by global standards, in such fields as natural gas conversion and the shipbuilding sector, bioengineering technologies and clean energy.

In the past seven years, industrial production volumes in the Far East have increased by about 25 percent. This exceeds nationwide levels by one third. I want to stress this: growth rates of industrial production in the Far East greatly exceed similar nationwide growth rates.

We will continue to promote the priority development of the Far Eastern regions by using new advanced state support measures and by creating the best and highly competitive business environment. For example, we intend to continue adjusting the mechanism of priority development areas for modern and joint projects with other countries, to create the best possible business climate for attracting the most advanced technologies to Russia and for manufacturing high value-added goods in the Far East.

Events of this year confirm the special significance of such a factor as accessible and affordable raw materials without which it is impossible to organise any production process or to set up co-production chains. Russia is just about the only country that is completely self-sufficient in terms of natural resources, and the Far East plays a substantial role here. This region is a highly important supplier of crude oil and natural gas, coal, metals, timber and marine biological resources to the domestic market and our foreign partners.

We are staking on the prudent and rational development of Russia's natural riches under the most stringent

environmental standards. First of all, we will refine all extracted raw materials domestically as much as possible. We will also use these raw materials to strengthen the sovereignty of this country, to ensure industrial security, to raise incomes and to develop the regions.

We have already protected the resource extraction industry from unfriendly actions. From now on, only companies with Russian jurisdiction have the right to develop natural resources in Russia.

The Ministry of Natural Resources and Environment together with the Ministry of Industry and Trade and leading business associations has determined the national economy's demand for strategic raw materials. This information will become the foundation of the revised Strategy for the Development of Russia's Mineral Resources Base with an extended planning horizon up to 2050.

At the same time, special focus should be placed on geological exploration and processing of rare raw materials (such as titanium, manganese, lithium, and niobium), which are used in metallurgy, medical and chemical industries, microelectronics, aircraft manufacturing and other industries, as well as in new energy storage and transmission technologies.

I would like to separately ask the Government to have a look at the bioresources harvesting sphere, where we have a mechanism of investment quotas. Here, it is important to achieve balanced growth and full utilisation of production capacities, as well as to ensure the harmonious development of the regions' infrastructure.

I would like to stress that the funds the state receives from the utilisation of water bioresources must above all be allocated

for developing the infrastructure of rural areas, employment support, and increasing incomes of local residents. I ask the Government to take specific measures on this. We have discussed this many times.

Next, over the past years Russia has implemented big plans for the development of transport infrastructure, railways and roads, seaports and pipelines. These timely decisions have made it possible for businesses to quickly rebuild logistics in today's conditions, and redirect cargo flows to those countries that are ready and willing to trade with Russia and prefer civilised and predictable business relations.

It is noteworthy that despite the attempts of external pressure, the total cargo of Russian seaports has only slightly decreased over the seven months of this year; it has remained at the same level as a year earlier, which is about 482 million tonnes of cargo. Last year there were 483 million, so the figure is practically the same.

At the same time, Far Eastern ports are seeing a real logistics boom. The volume of cargo transshipment and container handling is such that specialists are working 24/7 to handle the workload. In a word, no matter how much someone might like to isolate Russia, it is impossible to do it, as we have always said so. It is enough just to look at the map.

We will use natural competitive advantages to build up our further transport capabilities, expand the road and railway network, build new access roads to sea terminals and expand their capacity.

I mentioned earlier that our focus is on building the eastward infrastructure and developing the North-South international corridor and ports of the Azov-Black Sea basin which we will

keep working on. They will open up more opportunities for Russian companies to enter the markets of Iran, India, the Middle East and Africa and, of course, for reciprocal deliveries from these countries.

The total volume of freight and cargo transportation along these routes and arteries will be able to grow by about 60 percent by 2030. We are absolutely realistic about our predictions, and this is how it will be. To achieve these numbers, the Government has drafted specific “roadmaps” in the three areas I outlined earlier, which will enable us to make this work consistent, consolidate and coordinate our efforts in terms of deadlines and capacity to break up the bottlenecks and upgrade border checkpoints and related infrastructure.

In addition to our plans to expand transport corridors, it is important to put in place new rolling stock and railway traction vehicles, to provide Russian shipyards with orders for modern high-quality tankers, dry cargo ships and container vessels, including ice-class ships, for the further expansion of the Northern Sea Route as a potent transport corridor of national and global importance with, I want to stress this, year-round navigation. The state-of-the-art icebreakers that we are designing and building make it possible for us to do this already now.

This year, a container vessel made its first run between Murmansk and Kamchatka along the Northern Sea Route to reaffirm the reliability and safety of shipping operations in the Arctic zone.

Notably, the point is not just about authorising the passage of ships in the Arctic or simply connecting two destinations. What we need to do is make sure that ships are properly

serviced and cargo is properly handled at each port along the route, and the traffic schedule is sustainable, predictable and reliable. Then, every Northern Sea Route waypoint and region will benefit from the logistics corridor. That is what we should be striving for.

The Government has approved a development plan for the Northern Sea Route until 2035 with plans to allocate 1.8 trillion rubles from various sources to implement it.

As forecasted, the cargo traffic along this corridor will go from the current 35 million tonnes per year to the targeted 220 million tonnes per year.

The availability of freight vehicles is certainly a key factor in the transportation of goods to and from the Russian Far East. This means we need to offer economically justified and competitive freight rates. I am asking the Government to study all these issues carefully.

Aviation is a special issue for the Far East. Here, the availability of flights from the European part of Russia to the Far East is not the only issue, but connectivity between the Far Eastern regions themselves also matters – air services should cover as many destinations, cities and regions of the Far East as possible.

That is why we have established a single Far Eastern airline. It offers almost 390 destinations, some of them subsidised by the state. In the next three years, this airline's traffic should increase, and the number of destinations will exceed 530. And as we could see after those flights were opened, these destinations are in great demand.

To implement these plans, we need to expand the company's fleet, to make sure it has modern aircraft, including small aircraft. A decision has been made in this regard, and I ask

the Government to strictly implement it.

I would like to note that in general, Russian air carriers will soon be thoroughly re-equipped. Our airlines, including Aeroflot, have placed the largest order package in modern history, for about 500 Russian-made mainline aircraft. By the way, as far as I know, the United Aircraft Corporation and Aeroflot have signed a respective agreement on the sidelines of this Eastern Economic Forum, and the figures in there are quite impressive – over a trillion, I think.

This high demand should become a powerful incentive for aircraft factories and design bureaux, for many related industries, including electronics and aircraft components, and, of course, for the schools training professional personnel including engineers and skilled blue-collar workers in the aviation industry.

I would like to add that a decision has been made on another sensitive issue for the Far East. I am referring to the development of air medical services and increasing the availability of medical care for people living in remote areas. Starting next year, we will more than double federal funding for these purposes, which means that the number of flights will also increase, and there will be faster and better provision of healthcare in the region.

Friends, colleagues,

All our decisions involving the economy and social sphere, all the mechanisms that we are implementing in the Far East have the same important purpose – to make this region a truly attractive place for living, studying, working, for starting families, to ensure that more children are born.

Several important initiatives in this regard have been included

in the package of measures that the Government is now considering. One of them is to create an up-to-date environment for living, to improve the local cities and towns.

Let me remind you that at the last forum, we set a task to develop master plans for the development of the largest Far Eastern cities. These include all administrative centres of the regions, and cities with a population of over 50,000 people, as well as Tynda and Severobaikalsk, the key stations on the Baikal-Amur Mainline railway.

We had in mind an integrated approach to the development of communities, where plans for the modernisation of infrastructure, social facilities, and creation of public spaces and so on would be combined competently and conveniently, and economic and industrial projects would rely on thoroughly calculated business models.

In all cities, the initial task was to make strategic development plans. Master plans are already being actively developed on the basis of those strategic plans in 17 cities and metropolitan areas. One of them has to do with the development of the Petropavlovsk-Kamchatsky urban area, and the day before yesterday, we discussed this issue with our colleagues on the spot. Once again, I ask the Government to provide maximum assistance in implementing this and other master plans in order to have them unconditionally implemented.

Here, among other things, it is important to use tools such as the Far Eastern concession, the government's infrastructure loans and infrastructure bonds. It is necessary to determine target limits for the Far East in these programmes. The funds should be used for urban development and improvement,

and of course, for infrastructure, including the upgrade of existing networks and connections to utilities.

I would like to add that at the recent St Petersburg Economic Forum, I instructed the Government to allocate an additional 10 billion rubles annually for improvement projects in Russian cities. I think it would be right to channel half of this financing, that is, 5 billion a year, towards upgrading Far Eastern cities and towns with populations below 250,000.

Separate resources should also be allocated under all our main infrastructure development programmes for projects to modernise Far Eastern cities. I have already given such an instruction, and I ask you to ensure its implementation as quickly as possible. Target limits should be stipulated in the federal budget for the next three years.

Something else I would like to stress – we need to increase the volume of housing construction in the Far East, while also widely applying the most advanced ‘green’ and energy-efficient construction technologies.

This year, the Far Eastern Quarters programme was launched. Under this programme, developers will be able to take advantage of priority development areas, including tax and infrastructure benefits, which will reduce the cost of flats and the price of finished housing. This will increase the availability of housing for people. The plan is to build about 2.5 million square metres of housing by 2030 using this cost-reduction mechanism. I ask the regional authorities and the Ministry for the Development of the Russian Far East to hold the first tenders by the end of the year, to select developers and start designing and developing the residential buildings.

Next, the Far Eastern residents are entitled to special, preferential mortgage terms. As many as 48,000 families have already purchased new housing using mortgages with a rate of 2 percent. This year, we have expanded the Far Eastern mortgage programme so that doctors and teachers, regardless of their age, can apply for it along with young Far Easterners.

Let me remind you that the programme is planned until 2024. But given the demand and efficacy – and this programme is working effectively – I propose extending it until at least 2030. I hope that the Far Eastern residents will also appreciate this.

(Applause.)

A separate decision concerns the support of young professionals who come to the Far East or graduate from local educational institutions, get a job and consider local accommodation. As many as 10,000 rental apartments will be built for them. The rental rate will be significantly below the market level due to subsidies from the regional and federal budgets. The Government has already envisaged such a measure. I ask you to work out all the details in order to start building rental housing for young professionals without delay. And I would like to specifically point out that the location of this housing should be included in the development master plans for Far Eastern cities, which means all the necessary infrastructure should be available – in short, such accommodation should be convenient and enjoy demand.

I would like to note that the Far Eastern regions, like many other regions of the Russian Federation, are experiencing a shortage of workers today. We will also take several important steps to intensify personnel training in key competencies. Over 900 modern workshops will be opened in Far Eastern colleges

by 2030, and in the near future, until the end of 2025, we will launch 29 production and educational clusters. In addition, businesses will receive compensation for employing young workers.

Another important area is improving the quality of higher education in the Russian Far East. The goal is to attract qualified instructors, upgrade facilities and equipment in higher education institutions, and provide grants to stimulate academic research and prospective developments in the crucial areas of the technological agenda.

There are network programmes for Far Eastern universities that connect education institutions in the region with the country's leading universities such as St Petersburg State Marine Technical University, Moscow Aviation Institute and others. We will undoubtedly support this area of cooperation.

Finally, branches of the Russian Institute of Theatre Arts (GITIS), the National State Gerasimov Institute of Cinematography (VGIK) and the Boris Shchukin Theatre Institute will open in 2025 in the Russian Far East to train cultural and art workers. I would like to ask the Government to provide all necessary assistance.

I would like to note that the Far Eastern regions offer their own professional development initiatives. For example, the Agency for Strategic Initiatives in the Sakhalin Region supports a pilot project called Earning Money Together. Participants in the project will be able to undergo free additional training, receive career guidance and get help with starting a business. Based on the outcome of these pilot projects we will think about scaling up.

I also want to mention a training programme for a new

generation of managers in the Far East. The programme focuses on cultivating a local pool of talent, and on integrating study programmes and internships in public offices and development institutions. This programme is already running and I suggest that the heads of all regions in the Far Eastern Federal District get involved.

Colleagues, I want to conclude my remarks by stressing once again that the modern global economy and the entire system of international relations is going through challenges. However, I believe that the logic of cooperation, aligning the potentials and mutual benefits that our countries and our friends in the region adhere to, will prevail no matter what.

By reasonably taking advantage of the competitive sides and strengths of the Asia-Pacific countries, by creating constructive partnerships we will open new colossal opportunities for our peoples. We are ready to work together for the sake of a successful future. And we are grateful to our partners for participating in this work.

Thank you.

Ilya Doronov: Mr President, thank you very much.

Is it me or have you really not mentioned Ukraine a single time in your speech?

Vladimir Putin: Is this country part of the Asia-Pacific region? I don't think so. And here at this conference we are discussing regional issues, having travelled to Russia's Far East. But if you are interested in any developments concerning that region, I am ready to answer your questions.

Ilya Doronov: But of course, the situation raises concerns, because even though we are here – I specifically calculated – about 7,000 kilometres from the combat zone, the impact

of what is happening there is also felt here, including in the Far East.

Vladimir Putin: I see.

Ilya Doronov: One can probably note two types of impact. Economically, we have seen that our usual way of life is changing, when we had banking systems, carmakers, other manufacturers, and then they suddenly left Russia. And there is the moral aspect, where families become divided over this, when relatives on different sides of the border stop talking, things like that.

I have a question: for our country – what do you think we have gained and what we have lost, as a state, since February 24?

Vladimir Putin: I think – I am sure – that we have not lost anything, nor will we lose anything. As to our gains, I can say that primarily we have strengthened our sovereignty, which is the inevitable result of what is happening now.

Indeed, there is a certain polarisation happening – both in the world and within Russia. I believe this will benefit us, if anything, because we will shed everything unnecessary or harmful, and anything that hinders our forward progress. We will gain momentum, accelerate the pace of development, because modern development can only rely on sovereignty. All our steps in this direction are aimed at strengthening our sovereignty. That's the first point.

Second, and most importantly – I want to emphasise this again, although it has been mentioned already, I see it, and I want to emphasise that this is an absolutely correct point – we did not start anything in terms of hostilities; we are only trying to end it.

The hostilities in fact began in 2014, after the coup in Ukraine,

pulled off by people who did not want normal peaceful development and who sought to suppress their own people by launching one military operation after another and subjecting the people living in Donbass to genocide for eight years.

Russia made this decision after repeated attempts to resolve the issue peacefully – to mirror the actions of our potential adversary – using military force. We did this consciously, and all our actions have been aimed at helping the people who live in Donbass. This is our duty, and we will fulfil it to the end. Ultimately, this will make our country stronger – both from within and in terms of its foreign policy standing.

<...>

Ilya Doronov: Mr President, just now in his speech, the Prime Minister of Myanmar talked about finding both land and maritime routes. Myanmar is very interested in importing our fertilisers. But I want to ask you about the grain deal that was concluded this summer.

It looks like we reached an agreement, with certain concessions, and now it turns out that, first, we are not allowed to export grain ourselves, and second, only two ships with grain have actually made it to Africa. Our Permanent Representative to the UN said today that Russia may even consider withdrawing from the deal. The deal is supposed to end in November.

Vladimir Putin: What do you mean by the deal?

Ilya Doronov: The grain deal, the agreement with Ukraine reached in Turkiye on grain exports.

Vladimir Putin: Officially, the sanctions on our fertilisers and food have been lifted, but in reality certain restrictions remain. This is a complicated and insidious situation. It appears

that there are no direct sanctions affecting our products, and yet there are restrictions concerning logistics, chartering ships, money transfers and insurance. Many of these restrictions persist, although credit should be given to the efforts of the UN Secretary-General and the United Nations in general: when it comes to chartering ships, many restrictions are being lifted despite the sanctions imposed on the ports we ship cargo from. Nevertheless, this sector is being released from the restrictions and the vessels can already call at our ports. So, the situation is improving.

There are still certain restrictions that prevent us from ensuring that the interests of all consumers in global food markets are being served. As a result, prices on the global markets are going up. But we hope that the remaining restrictions will be lifted. This is the first point.

Second. You may remember my meetings with our friends in Africa and African organisations. As I said in my speech, we promised to do everything we could to serve the interests of the developing countries – specifically, by ensuring supplies to their markets, including supplies of Ukrainian grain. When we discussed this, that was the understanding.

What we see is more audacious deceit. And they did not deceive *us*: they deceived the international community, their partners in Africa and other countries that desperately needed food. It is a con job, impudence and disgraceful conduct towards the partners who were supposed to benefit from the deal. It was a hoax, see?

<...>

Ilya Doronov: Mr President, you have a question following Mr Pashinyan's speech. He said that everyone wanted peace but

everyone has their own idea of the world and their own idea of multipolarity. This is the very topic of our forum. What is Russia's idea of the world and multipolarity?

Vladimir Putin: We have said this many times, and I can reaffirm it. Our idea of multipolarity and the world is that the world should be much more just, the world should not be based on the dictates of a country that imagines itself to be the representative of God on earth, and perhaps even higher, and bases all its policies on its alleged exceptionalism.

We have to respect other countries' interests and treat them as equal regardless of the size of their territory, their GDP or whether their army has advanced weapons. The foundation must be the principles of international law and not some rules that someone comes up with.

This is how you get justice, this is how you get a stable world order. This has always been our foundation, and will continue to be, and we will fight for our sovereignty. Let no one doubt that we are ready to cooperate with any state that wants to under these conditions, and we will do so. I believe everything will work out that way in the end, and everything will return to normal.

Ilya Doronov: If I could make a clarification just now. You are saying that everyone is free to choose everything, that international law is valuable. Why then do we fail to solve some problems peacefully?

Vladimir Putin: Because international law is always violated.

Today many say that Russia violates international law. I believe that this does not correspond to reality in any way.

Who started the war in Iraq without permission from the United

Nations? Who destroyed Yugoslavia under specious pretexts? Who did that? Who unleashed a war in the centre of Europe by bombing Belgrade? No one remembered the principles of international law back then.

I will share a straightforward line of reasoning, related to international law, to prove the validity of our actions.

The UN Charter has a provision about the right of nations to self-determination. During the Kosovo crisis, the International Court of Justice ruled that if a portion of a territory, a portion of a country chooses to declare independence, it does not have to ask the central government of that country for permission. This was the case of Kosovo.

Is the situation with the Donetsk Republic and the Lugansk Republic not the same? It is the same. Since they have this right – and they do have it in accordance with the UN Charter and the right to self-determination – they exercised it and declared independence. Do they have this right under international law and the UN Charter? They do, and this right is reiterated by the corresponding UN Court ruling in relation to Kosovo. It is a precedent.

If they have this right, which they exercised, do we or any other country have the right to recognise them? We do. So, we recognised them. If we recognised them, can we conclude an international treaty of friendship, cooperation and mutual assistance with them? Of course, we can. And we did. This treaty was ratified by the parliament of the Russian Federation and their respective parliaments, and Russia has certain obligations under it, such as coming to their aid, including in the event of aggression.

In this case, the aggression came from the Kiev regime, which,

in fact, is illegitimate, because it is built atop a coup, which is the ultimate source of power in Ukraine today.

This is what we are doing. Is this consistent with the UN Charter? It is. There is Article 51 of the UN Charter which covers defence and self-defence. As a party to this treaty and in accordance with this clause and this article of the UN Charter, we have an obligation to provide assistance to our allies. This is what we are doing.

Here is a straightforward line of reasoning that fully conforms with international law. That is all there is to it. Was the situation the same, say, in Iraq? They bombed that country and smashed it. The same thing happened in Libya which was smashed as well. Where is international law? It is nowhere to be seen.

Everyone who is doing this is fully aware that this is not consistent with international law. That is why they keep talking about some far-fetched rules. What rules? What have they come up with? Where have they picked them out from, these rules? Let them live by these rules themselves.

Ilya Doronov: Thank you very much.

Mr President, since we are discussing gas-related issues, the latest news is about the restrictions on gas and oil prices to be adopted by the G7 or the EU. What do you think about this, and what will we do in this regard?

Also, if the western direction is closed, will the East be able to meet all our needs and will we be able to redirect all of our resource exports eastward?

Vladimir Putin: First of all, our energy resources should be used to move our country forward. This includes all primary energy sources and all mineral resources. But we have these

in ample supply and can meet the growing demand of everyone who is willing to work with us. This is good and lucrative cooperation for our partners and very beneficial, too, including for the European countries, because our pipeline gas is by orders of magnitude more competitive than the liquefied natural gas brought in from across the ocean. This is clearly so.

Using natural gas from the Russian Federation for decades, the leading European economies clearly had advantages of a global dimension. If they believe they have no use for these advantages, that's okay with us and does not bother us in any way, because the demand for energy around the world remains high. It is not just about our friends from the People's Republic of China, whose economy is growing fast, as I said and everyone in the world is well aware of, the demand for energy is growing. We are ready to cooperate with any country. There are many such countries around the world.

Of course, the European market has always been considered a premium market, but the international situation is rapidly changing, and it recently lost its premium status with the onset of the Ukraine crisis. Even the Europeans' US partners have redirected their LNG tankers to Asian countries.

Ilya Doronov: Because it can be sold at a premium there.

Vladimir Putin: Including to China. Just because they can sell it for more money there, as simple as that. Americans are very pragmatic people.

They waged a war against one of our LNG projects in the Arctic, and I will not point to the executives of this enterprise, but the first tanker carrying LNG from this field and from this enterprise sailed to the United States, because it was a profitable deal.

When Mr Mikhelson shared this story with me, my first reaction was disbelief. I said, come on, this cannot be true. He said it was true. I asked him why and the answer was because it was a good deal and they bought it right away. They are pragmatic people, and we can learn from them in this regard.

As for our resources, you know the demand for them is so high in world markets that we have no problem selling them, especially when dealing with such a large economy. In effect, today it is the biggest economy in the world in purchasing power parity. The Chinese economy is bigger than the American one. Their needs are on the rise, we have stable agreements and our relations have reached unprecedented heights, the Power of Siberia (Sila Sibiri) is working in full swing. We are also studying other routes. By the way, there is a potential route via the Primorye Territory, via Mongolia. Such decisions are not made overnight because someone doesn't want something – everyone wants it, but much depends on the economic and geological conditions. As far as I understand, the economic operators have come to terms. Everyone believes one of the routes can pass through Mongolian territory.

Mongolia is a friendly country. It is politically stable, and we don't see any problems here. As far as I know, though we can ask Mr [Miller](#) later, they have approved in general all parameters of this deal. They even agreed with our Chinese friends on price parameters, which is never so easy. Our Chinese friends are tough bargainers. Naturally, they proceed from their national interests in any deal, which is the only way to go. But they are stable and reliable partners and the market is enormous.

But there is more to it. We will also engage in liquefying gas and selling LNG all over the world. As you see, I have already cited an example of the first Arctic LNG-1 tanker (from a deposit

in the Arctic, of course). Everybody is buying it. They will buy it, it will be profitable for them. So we have no problems at all. If European countries want to give up on that, losing their competitive advantages, this is up to them. Let them do it.

Ilya Doronov: Will price caps on gas be a heavy blow on us?

Vladimir Putin: Well, this is yet more stupidity, one more non-market decision without any prospects. All administrative restrictions in global trade lead only to disproportions and price hikes. What is happening now in European markets is the result of the work done by European specialists and the European Commission. We always insisted that prices be formed based on long-term contracts and be tied to the same market category as prices on oil and oil products, to the same basket. Prices on oil and oil products are formed by the market and the price of gas in long-term contracts is linked to this price. Why? Because this production requires big investments and those who invest in production must be sure that the product will be sold. This is why Gazprom is generally interested in long-term contracts.

They kept telling us: “No, this isn’t market-based. You should use prices in the spot market as a benchmark.” We tried to change their mind – I personally was doing this in Brussels. I said: “Don’t do this because natural gas trade is a special segment of the world market. Those who produce and sell it and those who buy it must be confident that their relationship is reliable.” “No,” they said, believing the price at the time was too high. A hundred dollars per 1,000 cubic metres seemed to them to be an extremely high price at the time and later they said the same about the price of US\$300. That is what prices were like back then. Today, let’s see, the price has exceeded 3,000 euros. We kept saying: “Don’t do this.” Yet, they practically

forced their companies to opt for pegging to spot [prices] and imposed the same on us – imposed! Now a large part of the gas price is determined by spot [transactions].

We did not ask for this – the Europeans imposed this on us. First, they imposed these truly idiotic decisions regarding gas trade, and after seeing what is happening now, they started thinking how to get out of it. So, how? They want to cap the price, resorting to administrative measures. More absurdity and nonsense that will send prices skyrocketing in world markets, including the European market. Nothing can be achieved in the economy and global trade using administrative measures.

Ilya Doronov: Did we build the Nord Stream 2 pipeline for no reason?

Vladimir Putin: No, we do not build anything for no reason. We received the necessary technology and we did our work properly. If necessary, we will put Nord Stream 2 into operation. If this matter is of interest to you, I can talk about it in more detail, however, I would prefer not to waste time on it.

Ilya Doronov: No, you said a lot on the topic, you said we were ready and the pipeline had been built.

Vladimir Putin: Nord Stream 1 is practically closed, and everyone is saying: “Russia is using its energy weapon.” More nonsense and rubbish. What weapon are we using? We supply as much gas as our partners need, as much as they order. We are not pumping gas into the air but supplying the amount ordered. We fill the orders that we receive.

What has happened? The operation of one of the two gas pipelines running across Ukraine was suspended by Ukraine for a made-up reason, alleging that there was no control over it.

They closed it themselves. It was not us who closed it, Ukraine did it. This is my first point.

Another pipeline, Yamal–Europe, runs across Poland. Poland imposed sanctions on this gas pipeline and suspended its functioning. Was it us who did this? No, the Poles did it.

The Ukrainians did it and the Poles.

Regarding Nord Stream 1, our German partners have agreed that all technical aspects of Nord Stream 1, including the maintenance of gas-pumping turbine units, are subject to British law because – I myself was unaware of this and learned about this from Mr Miller – Gazprom had to sign a contract for the maintenance of these units made by Siemens not with the Siemens main office but with its subsidiary based in the United Kingdom, which slapped sanctions on Gazprom, and agreed to repair the turbines at a Siemens plant in Canada.

What do we have to do with all of that? Canada finally took it but yielded to numerous requests coming from Germany and gave it to Germany, whereas under an agreement with a Siemens subsidiary in the UK, the turbines were to be shipped straight to St Petersburg. Logistics arrangements have changed and the contract has to be revised. The British-based Siemens subsidiary will not even respond to Gazprom's inquiries.

You can take as many photos with the turbine as you want, but give us the documents, for crying out loud. This is our property. We need to understand the legal status of this property and its technical condition. They give us nothing but chit-chat.

The last turbine is now out of order, so Siemens representatives came to look at it. There is an oil leak, which is an explosion and fire hazard. There is no way for the turbine to remain operational given its current condition. Give us the turbines,

and we will turn on Nord Stream 1 overnight. They do not give us anything. They say we are weaponising it. What are they talking about? They themselves messed things up big time and are now not sure what to do about it. They drove themselves into a sanctions dead end.

There is only one way out. In Germany, people are rallying to turn on Nord Stream 2. We are supportive of the demands by German consumers and we are ready to turn it on as early as tomorrow. All we need to do is press the button, but we are not the ones who imposed sanctions on Nord Stream 2. It was done under pressure from the United States. Why is it exerting pressure? Because it wants to sell its gas for a pretty penny. We are aware of the position of the former US administration as well. They said, “Yes, we sell at a higher price, but let them buy ours because we offer them protection.” Let them buy then if they choose to. We will sell our product.

Ilya Doronov: Since we are talking about Britain, I have a follow-up question for you. Liz Truss is the new Prime Minister succeeding [Boris Johnson](#). What are your expectations regarding the new Prime Minister? Am I right to think that there is no hope to see our relations improve after everything she had to say?

Vladimir Putin: Listen, the UK process for electing the head of state is far removed from the principles of democracy. It is confined to the party that won the previous parliamentary election. The people of Great Britain have no say in the change of government. The ruling elite stick to their rules. We know where the Tories stand on these issues, including with regard to Russia. It is up to them to decide how they are going to build relations with the Russian Federation. Our job is to protect our interests. We will do so consistently, let there be no doubt about

it.

Ilya Doronov: Thank you very much.

<...>

Ilya Doronov: Thank you very much.

Mr President, we have just heard that we are opening up border crossings, commissioning a railway bridge, but we have one bottleneck, literally. In September of last year, you admitted that the country had lost an advantage by not modernising in time the BAM and the Transsib. Ten months have passed, and Mr [Trutnev](#) says the national economy will lose 1.5 trillion rubles this year because of bottlenecks on the Eastern Operating Domain. Can we afford such expenses now? When will the situation change?

Vladimir Putin: This is not something we lost. This is what we failed to gain because of these bottlenecks. Of course, this should have been done sooner. And, the related decisions were made, in part, during my trip to Kuzbass. I remember this very well. But then a different approach prevailed, which said that there was little hope for large volume increases in cargo, primarily of coal, to the east. Now we see that this position was in error. But there is nothing catastrophic about this; traffic volumes are increasing. They are growing in the eastbound direction and will continue to grow. We are already carrying out and will continue carrying out our plans for expanding the capacity of the Eastern Operating Domain (the BAM and Transsib), and not just by improving the dispatching system but also by expanding throughput capacity. Our goal for the next few years is to increase capacity by about 40 million tonnes. I'm sure this will be achieved.

<...>

Ilya Doronov: Now I will ask my assistant to show the results of a poll on the screen. We did this poll ourselves – the RBC – among our readers and among RSPP members (Russian Union of Industrialists and Entrepreneurs). RSSP is on the left and our readers are on the right.

We asked them three questions. “Will the economy recover eventually?” RSPP: 42 percent said “Yes, it will recover”; “The economy will go into decline.” RSSP: 30 percent; “It is difficult to say”: 28 percent. Our readers painted a completely different picture – 62 percent of rank-and-file readers say that the economy will decline in the near term.

I also personally polled acquaintances who live in different areas of the Far East and all of them said: “Price increases are our biggest problem.”

Mr President, do you think we have reached the bottom or can we go deeper, or, on the contrary, are we on the rebound? How critical is inflation for us, for the country?

Vladimir Putin: Price increases always pose a certain threat. Inflation has of course an adverse effect on our citizens, their practical incomes and living standards. It also has a negative impact on the economy by upsetting macroeconomic stability.

However, I would like to stress that I tried to talk about that in my speech: we think – both the Government and the Presidential Executive Office, and also our experts – that we have seen the peak of the most complicated situation, and that it is normalising, which is evident from the macroeconomic indicators. I mentioned some of them.

First, inflation is dropping. It will reach an annual rate of 12 percent with a downward trend of about 5 or 6 points, maybe even the planned target number of 4 percent by the end

of the first quarter. I hope we will see this by the second quarter. We have record low unemployment at 3.9 percent, a major indicator of the country's economic condition. It is much higher in the developed economies.

Our state finances have stabilised. I want to stress that this year's budget will be drafted with a surplus of almost half a trillion rubles, about 485 billion.

Ilya Doronov: That's contrary to all the gloomy forecasts, right?

Vladimir Putin: In spite of the gloomy forecasts.

It might have been planned or not, but there were predictions that we would have a sharp downturn in the economy and in GDP. There will be a drop, but it will be insignificant, about 2 or slightly over 2 percent. So, I think the Government has managed to prevent these negative developments through effective, energetic and carefully measured steps.

The consolidated budgets of the constituent entities of the Russian Federation will be drafted very positively as well, I think with a surplus of 1.5 trillion rubles.

We are implementing all of our programmes, all development programmes. Moreover, this year, federal budget spending will exceed last year's by 20 percent. This shows that we are supporting all the areas that we set as priorities earlier. It certainly impacts the overall Russian economy.

So, I really expect that these trends and indicators, including prices, will proceed from these fundamental issues. In any case, we will be doing everything we can to rein them in, and we will control inflation.

Ilya Doronov: A peculiarity in the Far Eastern Federal District came to light. Apparently, there are almost no national retail

chains. For instance, if Far East residents want to shop at Magnit, Perekrestok or Lenta, they have to go to another federal district. Just before the forum, X5 said they would be arriving within the next year, about 100 stores. The others are still absent.

Why do you think they are not there? Meanwhile, Governor [Limarenko](#) was pleading in today's interview: "Come to us in Sakhalin, we are looking forward to seeing you."

Vladimir Putin: Everything is more expensive here, obviously. In addition, population density is not high. We have a little over 12 million people living to the east of the Ural Mountains, and 12 million in Moscow alone. So, this is based on practical economic considerations. But first, you just mentioned that some of these chains were coming.

Second, they have their own retail chains, which are growing. I hope very much that their progress will favourably affect this area of economic activity, and we'll be assisting them in every way we can.

Ilya Doronov: Is it even possible to operate based exclusively on terms like "profitable" or "unprofitable" when we discuss the Far East?

Vladimir Putin: You know, from the perspective of the state and its underlying logic of actions, we must primarily be guided by the strategic goals of developing the territory, preventing depopulation, and creating favourable living conditions. Hence, our support measures. I can go over them later if there are questions.

What do businesses respond to? Businesses respond to economic developments. You asked me about gas and our relations with European consumers. Poland went ahead

and imposed sanctions on Yamal-Europe, thus putting an end to its operation. Was it done for political reasons? Yes, but not only that.

It turns out that the Poles were buying gas from us at higher prices than the Germans. They closed down the Yamal-Europe gas pipeline and started buying our gas in reverse from Germany at slightly lower prices than they paid to Gazprom. The Germans were getting the cheapest gas but sold it to the Poles at a small premium. That is all there is to it, and that is what this decision is all about.

Truth be told, the companies in question have hurt their own consumers as they pursued their pragmatic interests. Why? Because our gas supplies to Europe went down and prices shot up immediately, and everything was lost again. You see? And that is what is happening everywhere you look. But there is no way around it in the economy. You cannot break objective economic laws and get away with it. It will boomerang on you.

You asked about someone making some decisions to limit prices for our oil and gas which is an absolutely dumb thing to do. Should someone try to move it forward, it will do no good for the decision-makers.

There are contractual obligations and contracts for delivery. Will there be any political decisions that run counter to contract clauses? We will ignore them and suspend deliveries if these decisions are inconsistent with our interests, our economic interests in this case. We will then stop supplying gas, oil, coal, or fuel oil, suspend all our deliveries and fully comply with our contractual obligations. Notably, the people who are trying to impose things on us are not in a position to dictate their will to us. Let them come to their senses. This is how the economy,

including the domestic economy, works.

Following up on those who we talked about earlier, we will not be supplying anything outside of contracts. We will not do anything they are trying to impose on us. What we will do instead is just sit there and keep saying a famous line from a Russian fairy tale, “Freeze, freeze, the wolf’s tail.”

By the way, they have more than one option. We see what is happening there. They can either subsidise high prices which will be bad for them, because this will not change consumer behaviour and households will continue to consume as much as they did before, and prices will rise amid rampant shortages, or cut consumption which is the right thing to do in terms of the economy, but a dangerous proposition from the social point of view, since it can lead to a rupture. Keeping contractual obligations, following the rules and maintaining civilised relations is the best way forward.

We must act in a civilised manner in our country and create incentives. We must proceed with caution, be steady and incremental in our actions, and move towards our goals steadily, without leaps. This is what we are doing and we plan to keep doing just that.

Ilya Doronov: I also want to ask a question about the relationship between business and the state.

In previous forums you have said that the role of the state always grows in importance in times of crisis, and I will give some examples.

In 2008, you might remember, you promised to send a doctor to the CEO of Mechel. You were interviewed in 2020, and when asked about your perception of businessmen as crooks by definition, you said: “There are certain grounds for that.”

Last year, before the St Petersburg Forum, I spoke with Deputy Prime Minister [Andrei Belousov](#). He said, "the metal companies double-crossed us."

Based on these examples, how does the state build relationships with big business, with businesspeople?

Vladimir Putin: You shouldn't pull single phrases out of the context of the issues we are discussing. I am not going to comment on my words. If I said anything about particular individuals in the business community, I meant individual representatives, not the entire business community.

The Russian business community as a whole shows the highest degree of responsibility to their country, their homeland, and the citizens of Russia. I want to note this, and I want to thank them for it. This is the first thing.

By the way, you know what I told many people back then: "You will wear yourself out defending your interests." Certain possessions were seized abroad – accounts, boats, and so on. I had cautioned them about that. They would have been better off keeping those boats here, and investing their money not in foreign assets, but in developing Russian infrastructure. Nothing would have been lost, everything would have been here, in the Motherland, and we would have made a profit from the money invested. Ok, this is already a lesson for everyone.

Ilya Doronov: But who would have thought they would do it?

Vladimir Putin: But I talked about this and warned about it. Not because I am smarter, but because I have more information. I warned them and spoke about it. And many people, by the way, including some sitting in this hall, understood this and did not keep anything special "abroad," they kept everything here, "at home." And they turned out to be right, in fact.

As for entrepreneurs, I talked about that.

As for what Mr Belousov said about someone double-crossing someone. Yes, anything can be said in the heat of an argument! But this, once again, simply speaks to the accuracy of the points I just made. There are certain objective rules in economics, you can't just ignore them.

Why did the steel and metal producers keep prices high?

Because of the current situation in world markets. What can you do about that? They did this naturally, being responsible to the employees of their enterprises, their industries, and to maintain profitability.

It was just that the state had to react quickly, apply appropriate market mechanisms and instruments in order to limit exports or to return super profits through various means. They are market-based, and they are all well-known: either through customs duties or when getting these super-profits back in some other way.

But businesspeople working in this area, of course, had to know in advance what the state intended to do and could do in this case. This is such a delicate area, a thin "fabric" of interaction within the economy. There is nothing to be afraid of here, everything is calmly regulated and we will be careful about it in the future.

Ilya Doronov: Speaking of these conditions. We made it so they could stay here and leave their offshore zones. Now, I know that they are registering on Russky Island, but the question is: is it because they are afraid they will lose them again, or have we created normal, better conditions?

Vladimir Putin: There are problems, you are absolutely right. We need to create the right conditions, and above all, of course,

this is connected with security and protection of property rights. You are right, and much of the responsibility for this lies with the state.

Ilya Doronov: Now, about tourism. Yesterday, the Presidium of the State Council on Tourism Development met here in Vladivostok. I would like to ask you to explain more clearly our position on visas.

We have many agreements on visa-free travel with Latin American countries but almost none with Europe. Meanwhile, I think European tourists can come here. Maybe we shouldn't close our doors to them with some kind of tourist curtain but, on the contrary, let them in?

Vladimir Putin: Yes, I share your view. Just like we won't allow anyone to press any decision on us in, say, the power industry – their arms are not long enough for this – we shouldn't do anything that contradicts our interests in this area as well. Mr [Lavrov](#) will probably be angry at me because...

Ilya Doronov: Yes, he is listening attentively in this hall.

Vladimir Putin: Because the Foreign Ministry always responds in kind: they spat on us so we must spit on them; they cancelled visas for us and so we must cancel visas for all of them. But we shouldn't do anything that does not meet our own interests.

Are we interested in young people coming to study in our country? Yes. So why stop them from coming? We are interested in entrepreneurs coming and working here despite the restrictions. So many entrepreneurs love Russia, trust it and want to work here. Welcome, let them come and work. What's the point of restricting them?

Or, say, tutors come and teach our children. Let them come

and work. What's bad about this? Or take athletes, for one, or artists. Why limit them? We will not cut off these contacts ourselves. Anyone that does this is just isolating themselves, not us.

Ilya Doronov: Yesterday, I heard, there was a little dispute over Rostourism (the Federal Agency for Tourism). Zarina Doguzova asked to expand Rostourism's authority, but Deputy Prime Minister [Dmitry Chernyshenko](#) did not agree with this. How will this work in the future? What decision was made?

Vladimir Putin: Everything is very simple there and very pragmatic at the same time. First, domestic tourism is extremely important, very important. Inbound tourism is important as well. We have a huge country. Our friends and colleagues talk about this. Our friend from the People's Republic of China and others – from Mongolia and Myanmar. I'm not even talking about the closest countries – the former Soviet republics, including Armenia.

Everyone knows Russia's tourist potential. It is huge. But, of course, we need to do a lot to develop the infrastructure for domestic tourism. I won't list everything here. There are many instruments, and we will develop them.

Yesterday's discussion was straightforward: who is supposed to spend 10 billion rubles allocated for implementing a number of programmes on tourism? The Ministry of Construction or Rostourism? It is really the same to me because there is logic to both. But the Ministry of Construction still has a professional attitude towards the issues of developing the infrastructure, to construction but...

Ilya Doronov: But only a hundred people work at Rostourism, right?

Vladimir Putin: As for Rostourism, it's not important that they have only a hundred employees. What matters is that they understand what they need to develop and this is important. The Ministry of Construction is simply building facilities whereas Rostourism still plans the direction for tourism development. So, it would be logical to channel these funds through Rostourism. But in the end, the Government must decide this. I believe they will make a decision soon. There is nothing complicated about it.

<...>

Ilya Doronov: Let us move on to international agenda, energy security and, generally, a new security structure.

The day before, the IAEA released a report on what is happening at the Zaporozhye Nuclear Power Plant. The report does not specify who is shelling the plant; it describes the damage that the experts have noticed.

How would you comment on this? Do you trust this report?

Vladimir Putin: Yes, of course, I do trust this report. The IAEA is a responsible international organisation and its head is a true professional. Clearly, they are under pressure from the countries where they work, including the United States and European countries, and cannot say directly that the plant is being shelled from the territory of Ukraine but it is an obvious thing. We are exercising control over the plant and we have our military personnel there. Is it possible that we are shooting at ourselves? It is total crap, there is nothing else to call it. I tell my Western partners: "Is it possible that we are shooting at ourselves?" [They answer]: "Well, yes, that does seem to defy common sense." This is my first point.

Secondly, there are a lot of HIMARS debris and fragments of other Western weapons around. Are they posing a threat?

Of course, they are.

I read in the report that the IAEA deems it necessary to remove military equipment from the territory around the plant. But there is no military equipment on the territory of the plant. IAEA experts should have seen that and now they can still see it, with two experts remaining at the site. There are Rosgvardiya [the Federal Service of National Guard Troops of the Russian Federation] forces there guarding the area along the perimeter of the plant and the interior of the plant – that is all.

Ilya Doronov: Yes, they have recorded a couple of vehicles there.

Vladimir Putin: These are Tigrs [armoured vehicles], which Rosgvardiya uses to guard the plant and provide security in the area. If you wish, we can take anyone you want there tomorrow, including a large group of journalists, including European or American journalists, let them have a look. It is easy to see where the shells are coming from to hit Energodar – right from the opposite side of the water storage reservoir. We know where they are coming from and still we do not have equipment, including military equipment for counter-battery fire, at the plant. All of it is deployed far from the plant's perimeter.

However, the Ukrainian side is threatening nuclear safety. Frankly speaking, I do not quite understand why they are doing this. Is it simply because they want to draw attention to the situation they are in and create more crises?

Incidentally, we do not often talk about this, but we are not hiding either their attempts to carry out terrorist acts in the Russian Federation by blowing high-voltage transmission lines close to our nuclear power facilities. That is, they are working consistently to this end. To be frank, it is not quite clear

to me why they are doing things that pose a threat to all of Europe. But that is what they are doing.

Yesterday, I asked Mr [Likhachev](#), the head of Rosatom [the State Atomic Energy Corporation], to submit additional proposals from Rosatom for ensuring security [at the plant], because the main threat is not posed by the reactor but by the spent-fuel storage.

Ilya Doronov: In the meantime, EU's chief diplomat Josep Borrell said... If I may, I would like to cite what he said. This is the translation I found: "Today we are meeting in the framework of accession negotiations with representatives of Ukraine. We do not yet have a concrete plan on how to defeat fascist Russia and its fascist regime." What is this?

Vladimir Putin: Does this have anything to do with the Zaporozhye Nuclear Power Plant? Nothing, right?

Ilya Doronov: It has nothing to do with the nuclear power plant. This is simply how he described our country.

Vladimir Putin: He is just mouthing off. He is a big specialist on this.

We have heard about the calls to defeat Russia on the battlefield from the EU's head of diplomacy. This is a strange diplomatic approach. If he were a defence minister of a country, it would be possible to understand this rhetoric, but it sounds very strange when said by the EU's chief diplomat. Let it go, let God be his judge, let him say what he wants.

As for fascist regimes, what can I say? You know if he had lived in the 1930s... He is a Spaniard, right?

Ilya Doronov: Yes, a Spaniard.

Vladimir Putin: If he had lived in Spain in the 1930s and heard

a sacramental phrase in a weather report: “A cloudless sky over all of Spain” – a signal for the beginning of a state coup by General Franco – he would have taken up arms. But whose side would he be on? The democratically elected left-wing government of Spain at that time or the putschists?

In my opinion, he would be on the side of the putschists, because today he supports the same kind of putschists in Ukraine. The primary source of today’s power is the state coup of 2014. He supports them and he would have sided with the fascists for sure. This is who is on the side of the fascists. This is my first point.

Now my second point. Today, he is vigorously supporting the Ukrainian government along with the whole of Europe. I have repeatedly discussed these issues with our European partners, and we have always pointed out the signs of neo-Nazism in Kiev’s current government. And the response is always, “Come on! All of us have all kinds of neo-Nazis.” Yes, we have them. But neither Russia nor any other civilized country promotes Nazis or radical Nazi-like nationalists to national hero status. That’s the difference. And Ukraine is doing just that.

If this man, the one you mentioned – God bless his heart – had any idea who Bandera, Shukhevich and the like were (neo-Nazis who shot Russians, Jews and Poles – and the German occupiers mostly shifted this dirty work to them, and they exterminated people), if he proceeded from these considerations he would understand where real Nazism is prospering and where it is supported at the government level.

He should be given an opportunity to look reality in the eye and then we would listen to him. If he has even a drop of conscience, he will draw the right conclusions.

Ilya Doronov: The events in Ukraine at that time, the Volyn massacre, were also the personal tragedies of many families. Now we are facing tragedies as well.

In early March I stopped communicating with my friend who lives in Kiev. He stopped communicating with me. Mr [Peskov](#) told us in an interview that his wife had also cut all ties with her childhood friends.

How can we deal with these tragedies, how do we rebuild relationships with ordinary people, ordinary Ukrainians?

Vladimir Putin: You see, for quite some time power in Ukraine has actually been in the hands of extreme nationalists and neo-Nazis, and they just carry out total terror there. Many people are just afraid to even open their mouths and say what they really think.

Just look at what is going on there. Sometimes we are critical of some of our citizens, who have their own point of view on our actions to protect Donbass. And there they shoot in the street and kill without trial those who have a different opinion from those in power. They simply destroy them physically. Is there a difference? Do we understand what is happening there or not? We must understand.

Therefore, I assure you, there is a huge number of people in Ukraine who hate this regime, and, of course, we have to rely on these people who understand what is happening and are willing to fight it, they are just unable to do it. They are under the oppression of the neo-Nazi regime there. What can they do? But I assure you, there are many such people, and we must maintain relations with them, we will do so. And I am sure that the future of Russian-Ukrainian relations belongs to this part of Ukrainian society.

Ilya Doronov: Then we must explain to them what we are bringing there, what values.

Vladimir Putin: They themselves can explain it to you. Go to Donbass and ask the Ukrainians living there about the values they are defending. They are defending Motherland, their identity, their history and their people.

Ilya Doronov: As a reporter, I would be hard pressed not to ask a corporate question, so to say.

On September 5, Ivan Safronov was sentenced to 22 years in prison for high treason. This is the longest prison sentence for this offence in recent years. That much is certain.

Next, Novaya Gazeta run by a Nobel prize winner saw its license revoked. In all, about 30 media outlets have closed or suspended their work in Russia since early February, and many journalists left for foreign countries, such as Latvia and are now working from there.

Do you think this kind of ramped-up pressure on the media is justified? Is it not a manifestation of that multipolar or unipolar world we are talking about?

Vladimir Putin: You mentioned the Nobel Peace Prize winner. We are very pleased that a Russian citizen got the Nobel Peace Prize.

I think, though, that the Nobel Committee has greatly devalued the importance of the Nobel Prizes in the humanities.

As you may recall, I think highly of all my colleagues despite disagreements, say, with our American partners. I had a working relationship with President [Obama](#). Why was he awarded the Nobel Peace Prize? I never spoke about this before, but you are forcing me to ask: what did he do to protect peace? I am

talking about ongoing hostilities in certain parts of the world when he was in office. What is going on here? Now, they awarded it to our citizen.

We are aware of multiple decisions that were made solely under the influence of ongoing political events. This does no credit to those behind these decisions. Nevertheless, we are happy for our citizens who received this award.

With regard to the people who left our country and are working from inside other countries. I assure you that they are happy to have the chance to leave. While in Russia, they never stopped working against our country. Now, on the premise that something is threatening them here, they gladly relocated there to be paid the same money they received when they worked here.

The current situation has forced everyone in any kind of position to decide where they stand. They decided to go to the nearest foreign country and get a job there in some anti-Russian centres. Well, let them do their work.

Our mission is to make clear to the overwhelming majority of Russian citizens the position adopted by the Russian Federation, the position of the Russian leadership, and our actions that are aimed at protecting the interests of the Russian people and the multi-ethnic people of the Russian Federation as a whole. We act solely based on these considerations and we see that the overwhelming majority of the people are on our side.

Ilya Doronov: 22 years is a very heavy sentence.

Vladimir Putin: As for 22 years, this reporter got this sentence, as far as I know – I am not familiar with the details – I only know that he was more than a reporter and was also an adviser

to the head of Roskosmos and made a living not only by being a reporter, but also by gathering subject matter materials and making them available to a Western intelligence service. Our counterintelligence worked on him for several years and tracked his communication with the people who paid him for sharing classified information. They tracked everything. Then, in the course of the investigation, they not only arrested him but recovered the means of communication that he used. The court considered the case proven and ruled accordingly.

As far as the sentence he received for what he did, I will not be the judge. The Prosecutor General is here, and if he believes that this punishment is excessive and overly severe, he can appeal against the ruling, and the lawyers of the defendant, the sentenced person, can file documents with a higher court.

Ilya Doronov: I am going to ask the last question, and we are set to wrap up. I would rather we finish with the Far East. You were asked about your thinking on Russia's Far East last year, too, but the situation has changed now. Did you rethink your attitude towards the Far East and the people living here? What do you think of them now?

Vladimir Putin: No, nothing has changed in that respect. On the contrary – and our Chinese friend spoke about this, he said that the Far East is of great interest to Russia and to Russia's neighbours in the Asian region. We are very glad that our positions overlap. Our colleague from Myanmar, Mr Pashinyan and our colleague from Mongolia also talked about this.

But the most important thing for us is that the Far East and the Arctic are the regions in which Russia's future lies. Not only are there resources here, there is access to a region

of the world that is actively developing and at a very good pace. We didn't start boosting the Far East because we were preparing a special military operation in Donbass. This was long before that. It was a strategic choice based on trends in the development of the global economy and, accordingly, the emergence of new centres of power in the world, based on the fact that we have generally very good, kind and friendly relations and a high level of relations with China and with our neighbours here, in the region. Everything here is on the rise. So why should we stand off to the side? On the contrary. We have to be part of the trend. We have to promote everything here that helps promote our contacts with this region of the world.

We made that choice many years ago, and we are very glad we did, and we are happy with the results. They may be modest so far, but they are there. After all, the most important task here, as I said earlier, is to prevent depopulation; on the contrary, to make this region an attractive place for citizens.

And look, for the first time in recent history, we are seeing a migration inflow in the Far East. This is the first time that this has happened in 2021. There is even a natural decline in population, but it is less than the national average. This is the main aggregator of what is being done, and in principle, it seems to be moving things in the right direction.

We still have a lot to do, we haven't done much yet, but we're definitely going to stick to this path.

Ilya Doronov: Thank you very much. I want to thank all our guests.

Mr President, as host, will you please say the closing remarks.

Vladimir Putin: I did not prepare any closing remarks. I just

want to thank the attentive audience and our friends who found the time to visit Russia despite having business to attend to in their own countries.

Obviously, I have no doubt that there are more bilateral meetings to come, I have already met with some colleagues, and I am going to meet more now. We will sum up the recent results of bilateral relations and draft steps for the future.

It will definitely benefit our bilateral relations and cooperation here, in the Far East, a strategically important region for Russia.

Thank you very much!