

Plenary session of the 8th Eastern Economic Forum

Vladimir Putin's address at the plenary session of the 8th Eastern Economic Forum.

September 12, 2023 11:45 Russky Island, Primorye Territory

The plenary session was also attended by Vice President of the Lao People's Democratic Republic Pany Yathotou.

The moderator of the discussion is Ilya Doronov, managing director of the RBC TV channel.

* * *

Ilya Doronov: Good morning, good afternoon or good evening, everyone.

It is nice that more people are attending our forum this year compared to last year. I believe there was more space between chairs in this room last year. Today we are sitting closer together.

Welcome to the 8th Eastern Economic Forum. I planned to start differently, but the incoming news have changed my plans. As you have probably read, a Sochi-Omsk flight had to make an emergency landing in a field in the Novosibirsk Region. There were 159 people on board; none of them have been injured. I have read that only one person had a blood pressure problem. Let us applaud the pilots.

(Applause.)

There is another issue with aircraft, but we can talk about it later.

So, this forum and this session are not standard. Why is that? The reason is it was announced exactly 10 years ago that the Far East and the Arctic are a priority to us. Yury Trutnev was appointed Presidential Plenipotentiary Envoy to the Far Eastern Federal District 10 years ago, and the President said in his Address to the Federal Assembly that the Far East was declared a priority.

Therefore, I am giving the floor to the President of Russia and will ask him to tell us, as we used to say, about what has been done during these two five-year periods.

President of Russia Vladimir Putin: Good afternoon, friends, Ms Yathotou,

I am delighted to welcome our guest, and I ask the participants to do so as well.

Our moderator has now greeted the audience by saying “good afternoon, good morning, good evening” – and indeed, when you arrive in the Far East, everything gets confusing and time-disorienting here. But one thing is clear: the Far East is Russia’s strategic priority for the entire 21st century, and we will stick to this.

I would like to welcome the participants and guests of the 8th Eastern Economic Forum, which has traditionally brought together business leaders, experts and senior officials from our country as well as from dozens of other states from across the globe to discuss promising and strategic areas for the development of the Russian Far East, the Arctic and the entire Asia-Pacific region. In my remarks today, I will mention other Russian regions one way or another as well, because they are part of a single national economic complex. We are meeting here to assess the main trends that determine the further development of international business relations.

We can all see very well the changes that the global economy has experienced in recent years and continues to experience now, including due to certain countries, primarily Western ones, of course, who are destroying the system of financial, trade, and economic relations that they had put much effort into building.

It is very important that in these conditions the world sees the expanding space for actual business cooperation between states that do not yield to external pressure but pursue

their own national interests, with a growing number of such states in different regions of the world.

In their activities and policies, they prioritise efforts to promote their own projects in transport, energy, industry, finance and the humanitarian sphere that bring direct long-term benefit to their nations, instead of being led by current political issues.

Essentially, we are witnessing a new emerging model of relationships and integration – and not by Western patterns, for the elite, for the chosen ‘golden billion,’ but for the entire humanity and the entire existing and developing multipolar world. This model offers creative energy, openness and focus on a specific outcome as a powerful competitive advantage of the Asia-Pacific region, a key factor that determines and I am sure will determine for a long time its global leadership in economic growth.

Notably, last year Russia's trade with Asia-Pacific countries increased by 13.7 percent and added another 18.3 percent in the first six months of this year. It was up 13.7 percent for the whole last year and this year, it is up 18.3 percent just in the first six months.

I expect our trade with the APR countries and economic relations in general to further expand, because Russia, our Far East, is open to strengthening trade and cooperation ties, and the potential of such cooperation simply cannot be overestimated.

The Far Eastern Federal District accounts for 40 percent of Russia's territory. Almost half of our forestland and gold reserves, more than 70 percent of our fish, diamonds, and over 30 percent of titanium, copper and so on are located here. Critically important strategic enterprises, seaports and railroads are located here. In short, the role of the Far East for our country and for its future, for Russia's position in a multipolar world is immense. We are well aware of it. That is why I would like to repeat what I said in my Address to the Federal Assembly ten years ago, in December 2013, and what I said at the very beginning: the advanced development of the Far East is our absolute priority for all of the 21st century, our shared responsibility and work of the Government, the regions and major Russian companies, both state-owned and private.

In order to organise such work, a serious regulatory and legal framework has been created over the past several years, and modern approaches to the economic and social

development of the Far East, as well as the Arctic, which is another strategic priority, have been laid down.

What are the results? The moderator asked what results we have managed to achieve working together in this region over the past ten years. First of all, it concerns the economy. We have come up with special tax, administrative and customs preferences in the Far East in order to promote the development of industrial sites and high-tech production facilities and to create new jobs, and we have taken on the construction of infrastructure and bringing utilities to industrial sites. This business support is provided in the priority development areas and the free port of Vladivostok, although other territories have been added to this port as well.

Last year, a special preferential regime was launched on the Kuril Islands, on even more favourable terms than in the priority development areas: the duration of benefits is longer, the tax cuts are greater, and so on. I will not go into detail now, so as not to waste time.

Thanks to the Government support for the Far Eastern projects, investment agreements have been signed for over 7.7 trillion rubles, 3.4 trillion of which have already been invested. As many as 125,000 jobs have been created, and about 700 new enterprises have become operational. Among them are landmark projects such as one of the world's largest gas processing plants and a gas chemical complex in the Amur Region, the Nakhodka Mineral Fertiliser Plant and the Zvezda Shipbuilding Complex for large-capacity vessels, which is located right here, next door. Copper and other mineral deposits, including Udokan, Baimskoye and Malmyzhskoye, are being developed.

Important projects have also been launched in the agribusiness sector. These include greenhouse farms in the Sakhalin Region and the Primorye Territory, fish processing in Kamchatka and Magadan, pork production in the Amur river basin, and increased soy bean production in the Amur Region. All of these are also promising areas both for supply to our domestic market and for export.

In general, the investment dynamics in the Far East, and I would like to emphasise this, are three times faster than in Russia as a whole. While from 2014 to 2022, the growth in investment in fixed capital across the country was 13 percent, in the Far East it was 39 percent.

This is also reflected in production output. Industrial growth rates in the Far East also exceed the Russian average.

According to the results of the last five years, most of our eastern regions – the Magadan and the Amur regions, the Trans-Baikal Territory, the Jewish Autonomous Region, the Amur river basin, Chukotka and Kamchatka – are among the top 20 constituent entities of the Russian Federation in terms of gross regional product growth rates, and the Magadan Region tops this rating.

Here are a few figures that speak for themselves. In 10 years, the cargo turnover of Far Eastern seaports has increased 1.6 times, housing commissioning, 1.3 times, electricity consumption, 1.2 times, annual gold production in the east of the country has increased 1.6 times, and coal, 2.8 times. You understand what we are talking about – not about the percentage increase in growth, everything is growing exponentially.

I should note here that the average percentage of explored subsurface resources in the Far East is now 35 percent. You understand, only 35 percent of the subsurface area has been explored. What does this mean? It shows that there is every opportunity for the mining industries to grow by leaps and bounds, including the strategic raw materials that are in short supply, and which will be in demand in the economy of the future.

All this is not only a guarantee of the country's resource sovereignty, but also a basis for the production of new materials, microelectronics and promising energy sources, for the promotion of domestic environmental and nature-saving technologies and scientific developments, for the creation of good jobs, and for making use of the natural competitive advantages of the Far East and the whole of Russia at a new level.

In order to increase the scope of geological exploration, we have launched a frontal strategy, it is called so beautifully: Geology. Revival of a Legend. I ask the Government to include a separate section in it, dedicated to the study of the Far East subsurface and to start preparing a similar section for Siberia.

The prospects for the Far East and the Arctic are related not only to the development of mineral deposits, which, without a doubt, enjoy high demand both in the domestic industry and internationally.

To reiterate, the potent raw material base for economic development that we are laying down allows us to move forward, to increase the depth of processing of resources, as experts put it, to increase added value at domestic enterprises, including and above all, of course, to do so in the Far East. This is the most important thing.

For us to be able to do this, we must constantly improve the terms for doing business in the macro-region, keep them at a globally competitive level and provide long-term and cheap financing for investment projects that is affordable to both small and medium-sized businesses, as well as major production companies in all areas and sectors, territories and districts.

As you may be aware, we have launched a federal cluster investment platform. This mechanism is designed to finance major systemically important projects, primarily for the production of materials, components and finished goods in the manufacturing industry.

This year, projects to produce priority output worth at least two trillion rubles should be financed as part of this investment platform. I would like the Government to use this tool to expand the Far Eastern economy, so that more sophisticated production facilities with modern and well-paid jobs can be created here. It is necessary to promote projects that require large, multi-billion investments which, in turn, become points of attraction for related sectors, the construction industry, service companies and equipment manufacturers, and for small businesses, too.

I would also like to emphasise that petrochemistry and natural gas conversion, metallurgy, machine building and other manufacturing industry sectors are all energy-intensive industries. However, and it should also be mentioned, most of the Far Eastern regions, which, as I said earlier, are building housing, opening new production facilities and industrial sites, still face energy shortages, and this, of course, is a problem.

The scale of the projects that we are implementing in the Far East requires a similarly sweeping upgrade of the Far Eastern energy system. At the same time, there are truly unique opportunities for developing environmentally friendly hydro, nuclear and renewable energy.

I ask the Government, together with our major energy companies and business community, to prepare a programme for the development of the energy capacities in the Far East. It should cover a long-term period, until 2050, to expand the economic capacities of our Far Eastern territories to the fullest. I also ask the Government to develop mechanisms of project financing for this strategic programme.

Plans call for connecting the Sila Sibiri (Power of Siberia) and Sakhalin-Khabarovsk-Vladivostok gas pipelines and then for including them in the country's integrated gas supply system. That will resolve – I dare say – a historical and global task for our country: to integrate the Russian western and eastern gas distribution networks into one.

Together with the construction of Sila Sibiri-2, it will allow us not only to work flexibly on the global energy markets, which is relevant today, as we know, but also to significantly expand the programme to connect communities in Buryatia, the Trans-Baikal Territory and other Far Eastern regions to the gas distribution system and provide the local industries in the Far East with additional resources and local cities and villages with environmentally clean fuel. The capacities of the LNG terminal, which has already been built by one of our companies, will be used to connect Kamchatka to the gas distribution network,

This sector is developing actively, including in the Arctic. After the successful launch of the Yamal LNG project, a new major project has been started to build an LNG terminal in the Arctic: the first technological line of the Arctic LNG 2 project. It has already been delivered to the production site, and the startup work is underway, am I right? That's great.

I want to note that the line is in fact a floating plant to liquify natural gas. This project is the only one of its kind in the world, it is safe to say, and is built with Russian technology and capacities. The project is being implemented by the Murmansk LNG Construction Centre, which manufactures GBS liquefaction trains.

By 2030, LNG production in the Russian Arctic zone is expected to increase by 200 percent, to 64 million tonnes per year. In this regard, a principled decision was made to build new LNG lines at the Murmansk centre to operate at the Arctic deposits. Naturally, it will make a great contribution to the development of our northern regions and improve Russia's technological sovereignty.

A high-capacity LNG production centre will be built in the Murmansk Region. The issue is not directly connected to the Far East, but a Volkhov-Murmansk-Belokamenka gas pipeline will be built to that end.

I will not go into detail but I very much hope that our companies, with the help of the Government, will come to an agreement among themselves regarding who and how will be engaged in the construction of this important infrastructure facility. It is very important for Murmansk and local communities, as well as for Karelia.

Transport projects are important as a means of support for business initiatives and in general for the economy of the Arctic and the Far East and for local residents there. It is necessary to expand the existing logistics routes and open new corridors for cargo operations.

Certainly, development of the Northern Sea Route has special priority among these projects. Thirty-four million tonnes of cargo were shipped using the route last year. In the next few years, the cargo traffic on this global transport corridor will only grow, which requires prioritising the construction of a modern icebreaker fleet, as well as upgrading Arctic ports and their infrastructure.

By 2030, we expect the general capacity of seaports in the Arctic waters to double. While last year, this capacity stood at 123 million tonnes, by the end of the decade it is expected to reach 252 million tonnes, in part thanks to the construction of new terminals and the expansion of railway access. By 2027, we plan to substantially ramp up the capacity of the Murmansk port, from 56 to 110 million tonnes per year.

We will continue to modernise the Baikal-Amur Mainline and the Trans-Siberian Railway. Certainly, the pace needs to be stepped up, including through concessions

and by attracting private capital for the construction of bridges, tunnels and overpasses. We have just discussed this matter with moderators of the respective sessions.

In this connection, I want to note that, thanks to the initiative of private investors, we are building the Pacific Railway and a new port on the Sea of Okhotsk, which will allow us to utilise the resources of Yakutia and the northern regions in the Khabarovsk Territory, and to secure direct access to Asia-Pacific markets.

Our major companies are currently building a new port on Taimyr and modernising the Pangody-Nadym railway on Yamal. There are many such examples when businesses making long-term investment in logistics, transport, energy projects, construction of railways and motorways, sea terminals and airports.

I would like to ask the Government and our colleagues in the regions to rely on this resource and make sure that both state and private investment create a synergetic effect for renewing the infrastructure and social facilities and for spatial development of regions and the country in general.

I have already told Russian business leaders, many of whom are facing pressure from some of our partners, and I want to reiterate today that it is definitely better and more reliable to invest in Russia, both in major, ambitious infrastructure projects and local but important projects related to urban development and tourism. We see what happens with capital and how and where it goes. Do not make the same mistake twice.

Just recently, we have opened a section of the high-speed motorway from Moscow to Arzamas. By the end of this year, the road will reach Kazan, and then Yekaterinburg and Tyumen. I want to say that we will certainly continue this major project and build high-speed roads across Siberia and the Far East to reach the Pacific Ocean. The Rossiya integrated transport corridor will be created from St Petersburg to Vladivostok. It will help develop tourism, connect logistics, agrarian and production centres, and will give a boost to entrepreneurship and revival of cities and villages.

A separate matter is the development of air travel between the Far East and the European part of Russia, as well as improving direct interconnectivity of the Far Eastern regions, so that people would not have to fly to neighbouring regions via Moscow or Siberian airports.

To that end, as you know, we created an integrated Far Eastern airline. Its most important routes are subsidised by the state so that airfare becomes more affordable, and there are additional opportunities to create new routes, including local ones.

I suggest that this important work be continued and made system wide. I ask the Government to put together a comprehensive plan of measures to develop air travel within the Far Eastern region by March 1, 2024. It should cover the construction of new and modernisation of the existing airports, the improvement of general aviation standards, deliveries of Russian-made aircraft and helicopters, and of course, increasing the affordability of air travel by reducing airlines' expenses on aircraft leasing.

The exact parameters and target points are to be outlined, but I think that it would be good to plan that by 2030, passenger flow on the domestic flights within the Far East should grow to at least 4 million people per year.

Colleagues,

The most important and integral goal of our plans, which we are implementing in the economy, transport and infrastructure of the Far East, is to improve the quality of life, to create comfortable and modern conditions for study and work, leisure and raising children, and to achieve sustainable population growth in Russia's Far Eastern regions.

For this purpose, a number of mechanisms have been launched, including the Far Eastern Hectare programme. More than 119,000 people have received land plots for doing business, opening production and tourist facilities, or building their own homes.

I would like to remind you of the task at hand: this autumn we need to put in place a regulatory framework to support individual housing construction across the country. I am talking about escrow accounts that are used in the construction of blocks of flats. They will further protect people's savings and create opportunities for them to attract mortgage loans to build their own homes.

I draw the attention of my colleagues from the Government to the fact that these mechanisms must be developed by the end of this year, and, to reiterate, throughout

the country, including the Far Eastern regions.

Notably, special mortgage terms are available in the Far East with the loan amount being up to six million rubles, the term, up to 20 years, and the interest rate, two percent. With the help of this tool, more than 78,000 families have purchased or built new housing.

I propose adjusting the parameters of the Far Eastern mortgage lending programme and making it more attractive. Yesterday, my colleagues and I discussed this. It is about raising the upper limit of the loan to nine million rubles for those who want to buy their own housing with floor space of more than 60 square metres. That way, families will have more opportunities to choose a flat on the primary market or to build their own house.

Initially, the Far Eastern mortgage lending programme was designed only for young families, but since last year teachers and doctors working in the Far East are eligible for such a loan as well.

I propose that we take the next step and once again expand the coverage of this programme, making mortgages at two percent available to employees of the Far Eastern defence industry enterprises. To reiterate, for all Far Eastern defence industry employees, regardless of their age or marital status, just like we did for doctors and teachers.

Next. We have suggested special mechanisms for the development of housing construction, including the so-called Far Eastern Quarter project, where companies that are engaged in comprehensive development receive the benefits available to resident companies in priority development areas. As a result, the design stage includes housing plus a comfortable urban environment and social infrastructure, such as kindergartens, outpatient clinics, sports centres, and more.

Bolstered by the mechanisms of the Far Eastern Quarter, a satellite town is being built near Vladivostok. It will accommodate some 80,000 people in a state-of-the-art living environment.

I want to add that the so-called presidential subsidy has been introduced to help bring about comprehensive development of the social infrastructure in the Far East. As part of this programme, over 1,500 facilities have been built, repaired and equipped in all Far

Eastern regions. These include schools, hospitals, gyms, fitness and health centres, houses of culture, etc.

Here are several facilities that have opened recently: a cardiovascular centre in Yakutsk, a nuclear medicine centre in Ulan-Ude, a centre for team sports and martial arts in Komsomolsk-on-Amur. Housing for social sector workers was built in Chukotka. Mayak Park opened on the coast of the Sea of Okhotsk in Magadan.

A separate and major area of work that we have launched is the revival of 25 agglomerations and cities in the Far East. I will not list them now; we discussed this publicly yesterday. The cities should get a new look based on the development of qualitative master plans based on the problems and advantages of each particular city. The master plans are more or less ready, we spoke about this yesterday. It is necessary to finalise them, outline financing sources, and get on with the work as quickly as possible.

During the renovation of the cities, it is necessary to use the Far Eastern concession mechanism. I also suggest that additional resources be allocated for the priority master plans in the next three years; I instructed the Government yesterday to finalise these mechanisms. Later, we will consider increasing financing for the period until 2030.

And, of course, it is necessary to pay special attention to municipal entities, including small ones. For example, as part of the One Thousand Courtyards programme, 1,245 public spaces were improved last year; another 562 will be improved this year. Naturally, this work should be continued.

I would like to emphasise that a while back we decided that all our key development programmes should include a special section on the Far East. This has allowed us to achieve a decent growth of government investment in projects implemented in the Far East. We should maintain such levels and dynamics and continue to prioritise the Far East with regard to state investment.

One more thing: Russia's Far East should not be solely a territory where the economy, social sector and urban environment are developing rapidly. While pursuing these plans and projects, we should not neglect efforts to take care of unique ecosystems

and preserve hundreds of rare plant and animal species. Incidentally, the international forum Falcon Day has been held for the first time as part of the current Eastern Economic Forum, with the aim of discussing the preservation and growth of the population of predatory and rare bird species.

I would like to thank our friends and colleagues from the Middle East, who are paying particular attention to this issue. And we will obviously work with you, colleagues, on this humanitarian yet very engaging matter.

Russia's Far East has more than 60 specially protected natural areas of federal significance, many included on the World Natural Heritage Sites list such as Lake Baikal, Lena Pillars Nature Park, Wrangel Island Reserve, volcanoes of Kamchatka, and others. All this is our core national wealth and at the same time it is global heritage; we are obliged to preserve it while providing opportunities for scientific research, for education and recreation of children and young people, and for Russian and foreign tourists and visitors to get to know the wonderful nature of our Far East.

I have mentioned that the Russian Far East should become a platform for new economic sectors, including the development of tourism in national parks in the Primorye and Khabarovsk territories, Yakutia, Buryatia, Kamchatka, the Kuril Islands and other regions.

On September 1, a law came into effect to provide proper conditions and a legislative framework for ecotourism and create a foundation for unlocking the scientific and tourism potential of the protected areas. It is important to provide them with proper infrastructure.

In this regard, I propose that additional funding be allocated to national parks in the Far East next year – and not through redistribution of funds allotted for other nature sites but by providing additional money over and above the envisaged financing.

And a few words on developing new industries in the Far East. The exhibition Development of Creative Economy in Russia, which took place in late May, included a substantive discussion where young entrepreneurs, including those from the Far Eastern regions, came up with engaging proposals.

For example, Yakutia boasts one of the best practices for promoting creative industries, such as computer programming, architecture, industrial design, and the like thanks to the regional authorities' efforts and the initiative of its business people. This experience will form the basis for developing a regional standard for creative industries, which will then be extended to other constituent entities of the Federation. The most important task here is to improve Russian brand recognition.

I met with our colleagues, the moderators – I mentioned this meeting earlier – and they shared the good news with me that this process is going at a fairly fast pace with good results.

It is important to support the demand for domestic products and services, for example, through exhibitions, fairs, and so on. We will certainly keep this process going.

The first such creative industries fair was held in Novosibirsk in August. It was attended by 70 Russian manufacturers and 17,000 people visited it in three days.

The second fair was recently hosted by Vladivostok, and the event was included in our forum's cultural programme. I think these initiatives will be taken up by other regions.

Speaking of the Far East specifically, another decision has been made here, which concerns the development of new industries in the economy, culture, and sport. We have agreed that a cyber sports tournament will be held in the Far Eastern Federal District every year.

This trend is vastly popular around the world, and our cyber athletes are leading the race. I am sure that holding high-level competitions in Russia will help promote computer sports in our country and internationally.

The first tournament will be held later this year. I would like the domestic IT companies and companies with state participation to pay attention to this sport and support it.

Colleagues,

Much has been done for the Far East and the Arctic over the past ten years. A powerful boost has been given to the development of the economy, the social sphere and infrastructure, and the environment for doing business that has been created is unparalleled in our country. I am not afraid to use this word: it is an unparalleled environment. We have launched major landmark projects in the production of natural resources and the manufacturing industry, housing construction and upgrading of the transport network. Plans to modernise cities and towns have been drawn up and are being acted upon.

A huge, key role in achieving these results belongs to the people of the Far East, whose families have lived here for many generations and those who have recently come here from other regions to work, study or run their own businesses.

I would like to thank everyone who believes in the future of the Far East, its vast opportunities and potential, and who is contributing to its development.

To reiterate, the Far East remains our strategic priority for the rest of the 21st century. I would like to end my remarks with the opening lines. I am sure its role, as well as the role and importance of our country in the world, will only grow.

Thank you.

Ilya Doronov: Madam Vice President, I will give you the floor a bit later, if I may.

And now I would like to ask the President of Russia several questions about his address.

Mr President, it is very good that you mentioned the priority importance of the Far East, because many people could think that our priority is in the other part of the world, in the West, and that all our efforts are focused on it.

Vladimir Putin: We have many priorities, but the Far East is one of the top priorities.

Ilya Doronov: It is the third time you have said it, and we will know now that this is really so.

You mentioned the M-12 motorway. I would like to thank you and Mr Khusnullin, who is with us today, for this. I am from Vladimir, which is located 180 kilometres from Moscow, but it took us six or seven hours by car to cover it, for example, during the May holidays. It was a real headache. We will use the new motorway now and see if it is better.

I have several related questions.

In your address, you said – I have taken down your words – “a historical, global task” regarding the Far East. This made me think about an analogy, that the plans you have made public can be compared to what Stolypin did for the development of Siberia, or to the Soviet industrialisation plan.

Here is my question: Do you think that these global domestic plans would have been made and implemented if no sanctions had been adopted [against Russia], first in 2014 and later in 2022, if the borders had not been closed, and if we had not been deprived of depositing capital [abroad]?

Here are the statistics to prove the point I have made in my question. They concern the special administrative district on Russky Island, where the number of residents has increased by 43 to 60, which is snowballing growth that took place after the adoption of the sanctions.

Vladimir Putin: Firstly, we launched that project 10 years ago. You asked me about it, and I replied that we started doing this long before the events that took place in the past few years, in 2014, and we did it because we saw the global economic development trends. We saw the rise of new centres of influence and economic development. I believe I do not need to name these countries, which everyone knows about. We saw what was changing and how, and we can see today that these trends have not slowed down but are gathering momentum.

But what happened after 2014, after the Western countries supported a coup in Ukraine and started the war in Donbass: many processes began to accelerate. In this regard, we can only feel sorry that we did not implement the plans on infrastructure development, including the railway network to the Far East in good time.

Because, honestly, the Government miscalculated to a certain extent and believed that there would not be that much cargo shipment volume; even over the past few years it has been much bigger than one could imagine. But it is okay, we are making it work, there are plans that were developed earlier and consequently it will be easier for us to implement them even within a short time frame.

Just now we, together with the moderators and our colleagues, discussed the development plans for the Eastern Operating Domain. There is money, investors are interested because there is a market, and they are ready to invest their own money because they can see the profits from such a big cargo turnover. A good return on investment is guaranteed. That is why this work began a long time ago, and the events in the global economy over the past years have given a boost to our work in the Far East.

Ilya Doronov: Still, the phrase “do not make the same mistake twice” was said twice today. Did not it dawn on everyone, or what?

Vladimir Putin: You know, if you are interested and probably many businesspeople are interested, there is a trend: earlier, many of our businesspeople created some platforms for themselves and then saw that their legally earned money got confiscated. You know, this is not my money, but the money of our companies and entrepreneurs, and it is simply beyond the pale. People who have been doing this do not understand that there will be negative consequences for them, it seems that they still do not understand that.

Take, for instance, restrictions on dollar settlements. What will it lead to? It has resulted in a situation where all countries are now considering creating their own tools, new settlement systems and are contemplating whether they should keep their savings in the US or somewhere in Europe, and if it is viable to invest in these countries' securities.

I can assure you, I know this is happening. Of course, everyone will give it some thought. Our gold and forex reserves have been frozen but we have already earned twice as much. It is not about these 300 billion, but the shattered confidence in those who are doing it. They are undermining trust in them. The same is happening in trade and restrictions on trade.

So, God knows, it is their own fault that they will inevitably face negative consequences, it is already happening. This is not what we wanted, but it is an objective process related to the increasing number of rapidly developing economic centres.

Ilya Doronov: And those who come here, who return to Russia...

Vladimir Putin: I will now talk about stepping on a rake.

Nevertheless, we can see that logistics chains and goods deliveries have now virtually been restored, and everything has been normalised. We can see that this is also linked with the national currency exchange rate, including the restrained return of foreign currency revenues, to put it mildly, and a desire to deposit something abroad once again ... We can see this, and we understand everything. We need to reach some agreement with the business community, and they should understand and proceed from the premise that it is more reliable to operate here. Consequently, they should not step on one and the same rake. I am confident that those whom I am addressing understand me.

Ilya Doronov: Actually, my next question has to do with relations between the state and the business community, including those who are returning here, who are coming to Russky Island, etc.

I interviewed Andrei Belousov ahead of the St Petersburg International Economic Forum, and I asked him how the state and the business community should interact. He said that they should collaborate as partners, with the state being a senior partner, while the business community is a junior partner.

Vladimir Putin: Did he say this?

Ilya Doronov: Yes, this is what he said.

Vladimir Putin: He is talking like a former State Planning Committee official. We should be equal partners.

Ilya Doronov: I will have to ask his opinion following your statement.

Vladimir Putin: He knows that I am always joking this way. It's a joke.

Ilya Doronov: Nevertheless, you have already said that they should be equal partners. In principle, do you get the impression that the state's presence in the economy and in business is becoming excessive?

Vladimir Putin: We are hearing this, and they are talking about this all the time. Yes, we have major companies, especially in the energy sector; however, private companies are developing rapidly, and we support them, including here in the Far East.

Look, we provide state-backed infrastructure investment for all investment in the Far East. In the past three years or so, we have invested an estimated 15 billion in business support infrastructure, I do not remember the exact figure. Additionally, we have invested 8.5 billion since early 2023 alone. As far as I know, we will be investing an additional 33 billion in the next three years. This also concerns many other areas. We are incentivising the work of our companies and creating privileges for them, especially here, in the Far Eastern region. Let us stay here, on this territory.

I mentioned the priority development areas earlier. They enjoy many benefits related to paying social security contributions, profit tax, or property tax. If you take the Kuril Islands, they have twice as many benefits as the priority development areas. So, cooperation between the state and business brings good results. We will continue to do this.

Do you know what else is critically important? I think it is important that a very good dialogue has developed between the Government and the business community over the past decade, or maybe even a couple of decades. The Government almost never makes any economic decisions without holding prior consultations with business associations. We always strive to take into account the opinions of our business partners, as well as the trade unions.

Ilya Doronov: You mentioned priority development areas and tax preferences. It all sounds good. But I have talked to experts in this field, and they say that more is needed. For example, infrastructure – gas, electricity, and all the rest – needs to be built in these areas. This is not enough.

Vladimir Putin: That is why I said that.

By the way, the number 25 billion just came to my mind. This is how much we spent on infrastructure in recent years. We spent 8.5 billion in the first six months of this year, and 33 more billion has been set aside. That is how we are doing it, and we will keep doing it. We realise that investing in infrastructure should be our way of supporting businesses. So, we are doing this and will keep doing it in the future.

Ilya Doronov: I have a question about the ruble exchange rate.

A year ago, when we were on this stage, the dollar was about 60 rubles. This summer, it went up to 100, or even higher. I checked before the session and it is 93 rubles to the dollar now. Volatility is extremely high and, as of late 2022, the Russian currency was the most volatile currency in the world.

How can you make any projections in a situation where you have no idea what is going to happen to the national currency?

Vladimir Putin: Yes, this is, of course, a question that needs a thorough researcher such as the Central Bank or the Government, that is, the financial authorities. Overall, I do not think there are any issues or difficulties that cannot be overcome.

This is connected with many factors, including with whether our major exporters must or must not repatriate part of their foreign currency proceeds. It is connected with the fact that during the first phase, which you mentioned, when the dollar was 60 rubles, the logistics chains had yet to be established for imports. Now, imports are coming to our market in greater volumes, which means that foreign currency is in greater demand. There are other factors, but they are manageable. We see and understand them, and the Central Bank sees them as well.

Of course, the Central Bank had to raise the key interest rate to 12 percent. Among other things, it had to do it because inflation had increased a little bit. Where does it stand now? Is it 5.4 percent, or 5.2 percent? I do not remember the exact number, but it is somewhere around 5.2 percent in annual terms. So, the Central Bank could not fail to respond to these developments. I think that its decision was correct, and timely too. This will mean

there are fewer opportunities to take out loans, it will constrain the economy and inhibit its development to a certain extent. However, this factor has a major bearing on mitigating inflationary risks. Everything must come at the right moment.

That is to say that we remain in control of the situation, and I will not go into too much detail because this is quite a delicate topic. But overall, we have all it takes to mitigate these risks.

Ilya Doronov: Still, as far as I can see, the state does intend to play its regulating role. Will there be any restrictions? I am asking this question because last time the ruble started losing its value, Aide to the President Maxim Oreshkin had to write a column and the ruble went up the very same day. There was also [VTB Bank Chairman] Andrei Kostin who said yesterday in an interview with RBC that there were loopholes for taking money out of the country.

Vladimir Putin: What are they doing? They are just trying to scare people by proposing that they cooperate on peaceful terms and undertake specific actions or else, they say, we will impose restrictions and force you to repatriate your revenue, etc. However, no one will make any sudden moves in this regard.

Ilya Doronov: Let's talk about the Central Bank and the 12 percent interest rate. There will be another meeting on Friday, and it may well be that the rate will go up even higher, making loans even more expensive. How do you expand manufacturing and take out new loans against this backdrop? Funding is becoming increasingly expensive.

Vladimir Putin: I have already said that the key interest rate does affect funding costs, of course, and the rates private banks charge, which in turn constrains lending and stifles economic growth. Overall, we see that lending has been quite active. This is my first point.

Second, we see that consumer lending has been growing even faster. In this sector, we also have the tools to mitigate these risks. I will not elaborate on this too much either, so go ahead and talk to [Governor of the Bank of Russia] Nabiullina, she will tell you.

Of course, we need to influence things, but if we miss a situation that will lead to uncontrollable inflation growth, it will be ultimately even worse for the economy –

because it is nearly impossible to make business plans amidst high inflation. There are no good or very good decisions here; there are only difficult decisions, and they need to be adopted promptly. So far, both the Central Bank and the Government have done so, and rather effectively.

Ilya Doronov: I would also like to ask a question regarding mortgage loans...

Vladimir Putin: Sorry to interrupt you, I just wanted to add a few words.

With growing loan costs, we have created a whole array of tools for major industries and the largest projects that serve the interests of the entire national economy. We have a set of support measures for obtaining loans, with certain preferential terms and an array of tools to support companies that make significant investments, and this is implemented jointly with the government. I have already mentioned industrial platforms and so on. Businesses are aware of them; they will continue on.

The thing is, if the costs of loans grow, the Government will probably have to consider increasing funds for these tools. This would mean additional expenses, and there is the other side of the coin, namely the budget's sustainability and balance, and so on. But all this can be worked out.

Ilya Doronov: As to mortgages, I started asking my question and you mentioned the programme for expanding preferential mortgages here in the Far East. The Central Bank executives probably winced as they have repeatedly expressed their opinion that preferential mortgages are bloated in Russia, and they see risks. Do you see risks here?

Vladimir Putin: Yes, there are certain risks, but we see and address them.

As for the Far East, we have only 12.5 million people living beyond the Urals; this is not a burden for the entire country and its economy.

Ilya Doronov: And the last question in this section before we give the floor to the Vice-President. This is a question that concerns business: will taxes be raised or is this not necessary?

Vladimir Putin: The government sees no need for that so far.

Ilya Doronov: This answer matters to the entire business community.

(Addressing Ms Pany Yathotou.) I will now give you the floor, but first I would like to cite some interesting facts about Laos for the audience. I think it is important.

First, diplomatic relations between the Soviet Union and Laos were established on October 7, 1960. We have found another reason to celebrate this day, have we not?

Vladimir Putin: We will celebrate together.

Ilya Doronov: Agreed.

In 2011, Russia and Laos established a strategic partnership in the Asia-Pacific region.

The second fact that I discovered is that Laos is the most heavily bombed country in the world. The United States dropped over 200 million bombs on Laos during the Vietnam War, and 350,000 Lao people were killed in these bombings.

Third. The ruling Lao People's Revolutionary Party remains committed to socialism.

Fourth. Laos has a pioneer movement. Frankly, I knew nothing about it. I found out about it when I was preparing for this session.

Fifth. Lao people still love baguettes and white bread. Such a good legacy from France.

Lao coffee is considered one of the best in the world, if I have it correctly.

Lastly, for us Russians, it is important that we can stay in Laos for 30 days without a visa, so welcome to Laos, and welcome to the pulpit.

Please, Madam Vice President, the floor is yours.

Vice President of Laos Pany Yathotou (retranslated): Thank you very much.

I am pleased to take part in the 8th Eastern Economic Forum. It is a privilege for me.

Laos is an ASEAN member. It is a country with a population of only 7 million people.

Our country is rich in natural resources, water resources, energy resources, minerals, timber. We have many attractive tourist destinations as well.

As for what Russia means to Laos and what our relations with Russia mean to us. Since the Soviet era, we have maintained traditional strong relations which later reached the level of a strategic partnership in matters of security in the Asia-Pacific region.

We are cooperating in many areas, including the economy, tourism, human capital development, plus both countries share information and expertise gained in many other areas of mutual interest.

Cooperation between Laos and Russia allows us to support and help each other. We build our cooperation on the basis of mutual interest.

At the same time, Laos is a developing country, so our government attaches great importance to socioeconomic development. For this purpose, we are attracting investment from many other countries, including Russia. Our countries are investing in important areas such as energy, hydro resources, and hydrocarbon resources.

Russia helped us demine our land. This help was provided with no strings attached; we are still dealing with unexploded mines and ordnance which affect the lives of our people.

With Russia's support, we were able to clear from mines more than 20,000 hectares of our land. After demining, we returned these 20,000 demined hectares to our people. Thus, by clearing our land of unexploded ordnance, we are addressing the most important task for us, which is eliminating the danger posed by unexploded ordnance.

Ilya Doronov: The Lao word for “thank you” is “khob chai.”

Mr President, this question is for you. (Addressing Pany Yathotou) I will ask you a question later, too.

In the 1990s, we ceased to be friends with and support many other countries, for example, Cuba and Laos. Do you think it would be difficult to build back these relations now and to improve them to the level we maintained during the Soviet era?

Vladimir Putin: We gained many things in the 1990s, meaning above all, emancipation and freedom, but, regrettably, we also lost a great deal, mindlessly wasting and even squandering what we had achieved in the previous decades during the Soviet era.

But, as you know, the historical memory of the nations with which we were friendly, cooperated and helped in their development has been preserved. It will not be difficult to restore our relations based on the new principles, because people in these countries want this. I am referring to Laos, where we see many friends, the Asia-Pacific region as a whole and Africa.

The Russia-Africa Summit took place recently. Frankly, I was surprised once again by the Africans' openness and their desire to work with us. I have been thinking about this too. You see, the point is not only that we did something for Africa, helping their people regain freedom and independence and fight against colonialism, although this also important. They remember that, but they also remember other things.

What do I see as the main point? The main point is that we have never acted as colonisers anywhere. Our cooperation has always been based on equality or a desire to provide help and support. The countries that are trying to compete with us, including now, had a completely different policy. When people look at what happened in the past during their cooperation with Russia, or the Soviet Union as it was called then, and with other countries, their scales are tilted in favour of Russia, which we must certainly take into account and remember today.

If we look at Africa and our cooperation, we see that we helped it. What did the former colonisers do? Back in 1957 – I was recently been shown a photograph – they brought people from Africa in cages to European countries, for example, Belgium. It is an ugly sight, children put up on display in cages.

Ilya Doronov: Yes, they had a special exhibition, with an entire village on display.

Vladimir Putin: Yes, they brought people in cages and put them up on display, whole families and children in separate cages. How can you forget this? Nobody in Africa will ever forget this.

And now they are trying to issue commands and pursue their neo-colonial policy there. They have put all African countries in debt, which runs into trillions of dollars. In other words, they have created a financial credit system for Africa under which the African countries can never pay off their loans. These are not credit arrangements at all; it is a form of contribution, if you see what I mean.

We used and still use a completely different approach, which gives us certain advantages when working with our partners, including those with whom we had special relations during the Soviet era and those with whom we are relaunching relations now. Our friends are aware of this as well.

Therefore, I do not expect to see any major difficulties, including in regaining our former positions.

Ilya Doronov: Since we have touched upon this subject anyway, can I ask you a question: What do you do with those who do not think this way? For example, what about the Baltic states, the Czech Republic or Hungary, who are saying that Russia acted as a colonising power when it ordered its tanks to invade Prague or Budapest?

Vladimir Putin: We have long since recognised that this part of the Soviet Union's policy was a mistake and did nothing but escalate tensions. A country's foreign policy must not directly contradict the interests of other nations. That is all there is to it.

However, if we are talking about stepping on rakes, this is the case today for the leading Western powers, primarily the United States. It has been pressuring its allies and its so-called partners – after all, it does not have any friends, only interests. This is an extension of a well-known British formula.

Ilya Doronov: Thank you.

Madam Vice President, I have a question for you. What does Lao PDR stand to win from working with Russia? For example, why have you decided to revive Russian language courses in your country? The fact that the President of Laos speaks Russian was not the reason, was it?

Pany Yathotou (retranslated): Mr Putin has already said that the Lao People's Democratic Republic has indeed maintained very good and reliable relations with the USSR and the Russian Federation, and I agree with this assessment. We intend to build on our past success and fruitful cooperation to move forward.

Of course, this includes the humanitarian aid we receive. Trade between our countries has been on the rise, and investment increased to a certain extent as well. We also expect more tourists from Russia to visit our country.

Of course, we greatly appreciate all the advantages these relations have offered us. It is also obvious that cooperation we had back in the Soviet era in capacity building and human resources was one of our biggest achievements which deserves a special mention. You were right to note that many of the leaders who headed Lao PDR studied in the Soviet Union in one way or another.

You may also know that we have built a railway connecting Laos to China. This is a strategic project and we wanted to use it to expand this route all the way to Australia. It is our belief that expanding this railway to the territory of the Russian Federation would have a positive impact on trade and investment flows between our two countries.

This would also increase passenger flows from Lao PDR to China through Russia's territory. We would like to discuss this matter in more detail so as to be able to tap this potential in our trade and investment relations. I do hope that our countries explore this opportunity so that it yields tangible results.

Vladimir Putin: You just spoke about Young Pioneers who operate in Laos as an organisation. Madam Vice-President recently visited our Okean children's camp and was glad to note that children from Laos spend their vacation there. They are provided with very good conditions and they have made great friends with their Russian peers.

But I also can add that Lao children not only attend the Okean camp, but also study in the Suvorov schools in the Russian Federation.

Ilya Doronov: Lao cadets of Suvorov schools.

Vladimir Putin: Yes. I will explain for our foreign guests: these are military schools for children where they study and feel very comfortable.

Ilya Doronov: Thank you.

Since we touched upon...

Vladimir Putin: So, we are doing all of this at an easy pace and will continue to restore relations with our friends.

Ilya Doronov: This is wonderful.

Since we talked about logistics: Belt and Road, the Chinese initiative, marks its 10th anniversary this year. We have the Greater Eurasian Partnership project. But after the G20 summit it was announced that – I will specify the countries – the US, the European Union, Saudi Arabia, the United Arab Emirates, Israel, Jordan and India have concluded work on a historic, as it was put, agreement on a new India – Middle East – Europe economic corridor. Russia is not included, nor is China. Do you think this initiative will affect the implementation of our own and Chinese projects and what does it mean for us in general?

Vladimir Putin: I think it is for our good; it will help us develop logistics.

First, this project has been discussed for a long time, maybe for the past several years. Truth be told, the Americans joined it at the last minute. But I do not really see why they would want to be part of it, except maybe in terms of some business interest.

In the meantime, the additional traffic of goods along this corridor will be in fact an addition to our North – South project. We do not see anything here that could harm us

in any way.

The North – South corridor goes to the Persian Gulf and then to India. If there is another route, I believe it includes Israel, we will be able to reach the Mediterranean through the Black Sea and use this corridor.

I do not know, the colleagues who presented this project need to consider it carefully. This is only a memorandum of intent so far.

Ilya Doronov: Yes.

Vladimir Putin: But we should see the economics of this project because cargo is supposed to reach the sea by railroad, and then it will be loaded aboard sea vessels, and then travel to either the Arab Emirates or Saudi Arabia; it will be once again reloaded onto the railroad. And this double transshipment and its impact on the economics should be calculated.

The head of our leading company Russian Railways, Mr Oleg Belozyorov, is nodding along, so it seems I hit the nail on the head and it is really about the economics of it, which should be thoroughly calculated.

In terms of time, if we go from Northern Europe, from St Petersburg to Mumbai, it will take the same amount of time as via the North – South route. I reiterate, the economics should be considered. I think that our route might be more efficient.

Also, interest in using the Suez Canal will not go anywhere. I do not think it would somehow have a negative impact on the Suez Canal. I do not believe that will happen.

And, finally, the last thing. Cargo shipment volumes are growing every year, and I think that the more such routes the better.

Ilya Doronov: Thank you.

The next few questions will bring us back to our country. We are in Vladivostok, where many people have right-hand drive cars. I will explain the essence of my question, and the audience will most likely split into two equal or unequal parts. One will be thinking about what they are going to do, and the other will smile because this does not concern them.

First of all, you are lucky to have an Aurus, a Niva and a Volga. Many other Russian officials are not so lucky, considering what you said about driving Russian-made cars.

The first such attempt was made in the 1990s, and it fell through. Who can guarantee that we will succeed this time? And which cars should they drive?

Vladimir Putin: You know, we did not have domestically made cars then, but we do now. It is true that they look more modest than Mercedes or Audi cars, which we bought in vast amounts in the 1990s, but this is not an issue. I think that we should emulate many of our partners, for example, India. They are focused on the manufacture and use of Indian-made vehicles. I think that Prime Minister Modi is doing the right thing in promoting the Make in India programme. He is right.

We have [Russian-made] automobiles, and we must use them; this is absolutely fine. This will not lead to any infringements of our WTO obligations, absolutely not. It will concern state purchases. We must create a certain chain regarding what cars different classes of officials can drive, so that they will use domestically-made cars.

You probably know about the proposals to continue buying these cars. It would be easy to do, because the logistics are streamlined.

Ilya Doronov: Do you mean the purchase of foreign cars?

Vladimir Putin: Yes, I do. But I have also said that I have my doubts about continuing this practice, to put it mildly.

The Government and the Presidential Property Management Directorate have coordinated a system showing what class of cars officials can drive. Let them use Russian-made cars.

Ilya Doronov: When will we see the first official do this?

Vladimir Putin: They will start doing this now. The acquisitions will begin shortly.

It concerns practical matters. The acquisitions will begin shortly. Frankly, I do not know when exactly, but it will begin soon.

Ilya Doronov: I would like to ask about Chinese cars.

The import of Chinese cars has increased by 543 percent this year. According to forecasts, nearly half a million Chinese cars will be imported this year. Is there a danger that they will dominate our market and we will become dependent on the Chinese car industry?

Vladimir Putin: No, we are working on this project together.

Take the Great Wall cars, which started to be assembled somewhere near Moscow.

Ilya Doronov: Haval is assembled in Tula.

Vladimir Putin: Yes, in Tula. The governor has presented one to me.

It is a good car. We are developing our automobile industry. Thankfully, we are doing this increasingly more on our own basis, and we are increasing localisation. And soon Moskvich cars will be produced as well. The Moscow mayor told me recently how that project is progressing. And our Lada cars will be improved. We must do this on our own basis.

Of course, when we were assembling cars almost 100 percent from foreign parts, how was it our own production? We will increase localisation levels. Yes, it takes time, but it is the right thing to do from the point of view of developing the automobile industry in our country on our own foundation.

We are not going to close down completely, or engage in DIY business.

Did we make Aurus? We did.

Ilya Doronov: But how much is it?

Vladimir Putin: Yes. The price is high because they do not produce enough. Once it goes into serial production, the price will be cut in half. Yes, it takes time, but it will be our own development. It is about acquiring and restoring competencies, it is about taxes and jobs. I do not need to tell you that. Everyone knows what goes into it. But at the same time, we will cooperate with those who want to work with us.

Ilya Doronov: I will ask...

Vladimir Putin: Officials certainly must drive domestic cars.

Ilya Doronov: Fuel prices are also car-related. You have taken this under your personal supervision, but diesel is already over 61 rubles, and petrol is also becoming more expensive. I see that many people have a question in their eyes: what is going on? And I see this in all sorts of kitchen-table chats, where people are now discussing fuel prices.

Why is this happening? Are we going to fix this?

Vladimir Putin: Yes, of course, the Government is working on it. I think our petroleum product producers are right. The Government should have reacted to that in a timely manner. Appropriate decisions were made, but not long ago, in order to maintain parity between external market prices and domestic market prices. Then, these mechanisms were cancelled. The Government did not react in a timely manner to changes on the global market due to rising oil prices.

However, this is a regulated position, and I just talked to Mr Sechin yesterday, and he has a position of his own. But in general, producers and the Government have agreed among themselves on their actions in the near future.

It is very important for us to provide agricultural producers with diesel fuel.

Ilya Doronov: Yes, the Ministry of Agriculture has already sounded the alarm.

Vladimir Putin: Yes. There was a physical shortage of diesel fuel. But now it is physically available, and the issue is about regulating prices.

There used to be multiple mechanisms. In 2009, when I was head of the Government, a decision was made – a whole thick folio – regarding our interaction with the fuel and energy companies, and everything was laid out in detail.

By the way, this resolution remains in force, but it is not being applied. Other tools are used here, the so-called damper. I have already told you that it is about striking a balance between external and internal prices. But it was halved and lost its prior effectiveness.

The tools are known, and the agreements are in place. I hope this will make a difference in the actual state of affairs.

Ilya Doronov: I have a question about the Accounts Chamber – it has been without a head since November last year. What is the reason? Alexei Kudrin was so good that they cannot find a replacement? If so, why did they let him go to Yandex in the first place?

Vladimir Putin: First of all, Russia has no slave system – if he wanted to go on to work in business, we cannot force him to stay. Even though he was indeed the best fit for the job; he had been a good Minister of Finance, too.

The Accounts Chamber is working and it is quite effective. It has carried out about 1,000 audits. I am not sure about the figure, but I think they revealed 1.6 trillion rubles worth of violations.

The Accounts Chamber has an acting chairman, but this does not affect the quality of its work. I think this personnel issue will be resolved when the time comes, when the Parliament and the Government select suitable candidates. It is not something that hinders the agency's work.

Ilya Doronov: I mentioned Yandex for a reason. Recently, Arkady Volozh created his own official website, where he says – I will quote it verbatim – that he is “a Kazakhstan-born,

Israeli tech entrepreneur” who “co-founded NASDAQ-listed Yandex N.V., one of the largest internet companies in Europe.” I will remind you that Volozh was born in 1964, when Kazakhstan was part of the Soviet Union, but there is no mention of the Soviet Union on his biography page.

We have other businesspeople who publicly express their opinion, including their view on the special military operation.

Where would you say is the line that should not be crossed? A line that even those who have contributed as much value to the nation as Yandex, should not cross?

Vladimir Putin: Look, it is not for me to draw this line. It should be in the minds and should remain on the conscience of those people who make certain statements.

I would like to emphasise that in most cases people make such statements because they want to preserve their business, to preserve their assets, especially if they have moved and decided to bind their lives to another country.

He lives in Israel, and I can imagine that, to live a good and prosperous life there and have good relations with authorities, he has to make certain statements. He had been silent for a long time before he decided to make a statement. God grant him health and may he live well there. Frankly speaking, we are not particularly bothered by what he said.

But in general, if a person grew up on this soil, got an education and became successful, he should have some respect for the country that gave him everything. I am not referring to Volozh – he is a gifted person who created a really good company and handpicked a team – I am not referring to him, but in general.

Yes, one can imagine that a person does not agree with what the current authorities are doing. Do they have the right to express their views? By all means. But there are quite a few fine points here.

We can side with our geopolitical adversaries and play along with them, thus damaging our country’s interests, or we can act otherwise. There are many nuances here. People decide for themselves who they are. Do they have a sense of national identity? Or do they

prefer to mimic and feel like someone else, not a Russian person born in the Soviet Union? A person makes their own choices.

Rest assured that ordinary citizens of Russia, our people, understand everything perfectly well and there is no way to mislead anyone. If someone has chosen a new destiny, let them try to make themselves known there, to prove themselves and to achieve results. Because whoever they may be, whatever results they have achieved, they have achieved them here, and it is not guaranteed that they will achieve the same in some other place. This is their choice.

Ilya Doronov: One more question to follow up on the topic of new destinies: an article by an independent expert from Glasgow was published in the Russian journal Voprosy Ekonomiki in July. Glasgow is Scotland.

Vladimir Putin: I am aware of that.

Ilya Doronov: I am saying this for the audience. I have no doubt that you are aware of it.

The article is titled “Non-Payments in the Russian Economy of the 1990s: An Unforeseen Institution.” You know who wrote it? Anatoly Chubais did. He is presented in this article as an independent British researcher.

I have a question: do you trust British researchers at all?

Vladimir Putin: You know, I trust researchers regardless of nationality. If they are serious people, serious researchers, I do not just trust them, but I admire their work, their lives, and the results of their work, because a real scientist is immersed in the subject he or she is working on. These people put their whole life into the cause to which they have devoted it, even at the expense of their own lives. Examples in our country and abroad abound.

If they are fooling around, they are certainly not scientists, but rather quasi-scientists who entertain the public. It is not a bad thing either, let them fool around. Although a better choice would be to go to the circus and take in a show.

The fact that Mr Chubais is hiding out there for some reason... I was shown some online photo where he is no longer Anatoly Borisovich Chubais, but some Moshe Israelievich who lives somewhere... I am not sure why he is doing that and why he ran off.

You see, it may also have to do with the fact that there are complex processes going on in the nanotechnology industry which he headed for many years. There is a big hole there, a huge financial hole, really. I am not even going to give you the numbers, big numbers. Thankfully, there are no criminal cases or prosecutions involved. Maybe it is connected with that, and he fears that in the end it will lead to a criminal case and that is why he went underground in Israel. Frankly, I have no clue why he did it.

Ilya Doronov: The opinion of a man who worked in Dresden, right?

Vladimir Putin: Well, that is nonsense. He also writes... He is no fool. I have not read this article, maybe he wrote something useful. But, by all appearances, he failed in his job as head of a large company that was created to develop nanotechnology. At least from an economic and financial point of view he failed.

Ilya Doronov: The question is about privatisation and, oddly enough, deprivatisation. New privatisation in Russia is a widely discussed idea, but deprivatisation – the process whereby the state takes over assets – is a much greater concern to businesses today. It is being discussed here on the sidelines of the EEF as well as in Moscow. There are several precedents.

Businesspeople say they are not sure if some rules have changed and they are uncertain about the future now. The issue is critical. How would you comment on this?

Vladimir Putin: No, there is no deprivatisation planned, there will be no deprivatisation, I can tell you that for sure.

The prosecutor's office is investigating certain cases, certain companies, but that's different – law enforcement agencies are authorised to investigate what is happening in the economy in specific cases, but this has nothing to do with any policy on deprivatisation. This will not happen, and Igor Krasnov [Prosecutor General] knows my approach. Mr Krasnov?

Ilya Doronov: Yes, he is in this hall, nodding his head.

Vladimir Putin: He is nodding that he knows.

Ilya Doronov: So, businesses can be sure that no one is going to make their life a nightmare, as you said several times?

Vladimir Putin: No one is going to make anyone's life a nightmare, but everyone must comply with the laws of the Russian Federation. And if they do not, then they should be prepared for the Prosecutor's Office, the Investigative Committee and the Accounts Chamber investigating what is happening, including in the economic sphere, and urge everyone to comply with Russian law. But no one is going to be prosecuted simply for doing business.

Moreover, I would like to emphasise once again, especially in today's conditions: in general, Russian companies behave in a highly responsible manner – they try to keep their teams, establish new logistics chains and be active. Of course, in many cases, business needs a new class, a young class of entrepreneurs – that is also true. But no one is saying that we need any deprivatisation or redistribution. No, this is not going to happen.

Ilya Doronov: Head of the Russian Union of Industrialists and Entrepreneurs Alexander Shokhin was also interviewed by RBC. This was released today. I will quote: “There are questions regarding the new owners of nationalised assets. If an asset becomes state property, where does it go?” This is a major concern for business.

Vladimir Putin: If something becomes state property, it goes through the procedures prescribed by law. If the asset is taken into state agency management, these agencies manage it in accordance with the law, and the law insists on public tenders.

Ilya Doronov: Business and private initiative is our next subject. Today, as it happens, is the date, I will ask you to applaud as well, since on September 12, 1959, the Soviet Union launched the Luna-2 interplanetary station. It was the first vehicle in history to reach the surface of the Moon. Let's say thank you to those who built that station.

And as we know, Luna-25 failed at that.

So, the question is: is it not time for us to think about introducing private initiative in space exploration as well? Elon Musk is successfully launching space vehicles. Are you not upset by the fact that we have begun to lose our leading position in space exploration?

Vladimir Putin: No. You see, space exploration is a complex and responsible endeavour that is tied to high technology. We do not just have practical experience here, we have excellent competencies.

As for landing on a site where no one has ever landed before, yes, it is a difficult job, of course, and it will be analysed accordingly, and the work will continue. It is a pity, of course, that the moon landing did not take place, but that does not mean that we are going to end the programme. We will keep working on it. Have there not been any incidents of that kind in other countries, even more serious ones with grave consequences? Of course, this is always about dealing with uncertainty. So, there is nothing unusual here, although we would like to see everything succeed next time.

But we will continue this work and reinforce certain areas of it.

As for private business, Elon Musk is certainly an outstanding person, it must be recognised, I think this is recognised all over the world. He is an energetic and talented businessman, and he is making a lot of things happen, including with the support of the American state. For our part, we also plan to develop this area. Roscosmos has pursued projects that have been supported by the Government to the effect that we will attract private investors to this area of activity, and we are already attracting them quite successfully.

Ilya Doronov: There is news that you are going to visit Vostochny [Cosmodrome]. What should we expect from this visit?

Vladimir Putin: I have a programme for my visit, and you will find out everything when I get there.

Ilya Doronov: Good, agreed.

The problem of demography concerns both Russia and the Far East. You have just said that 12 million people live beyond the Urals. There are official statistics: according to Rosstat, over the past year Russia's population decreased by 555,000 people.

Why do you think, despite all the measures taken by the state, we are failing to reverse the demographic situation?

Vladimir Putin: In general, I think people are failing everywhere: if there is such a downward trend, it is very difficult to overcome. This is due to the huge number of inputs that are difficult for non-specialists to understand.

This is due to the standard of living and many priorities that families and women of childbearing and reproductive age have. Because an education is needed, then it is necessary to start a career, so the first child comes at the age of 30, there is no time for a second one now, and so on. There are a lot of factors here.

As for Russia, I have already spoken about it many times, experts know this: we had two huge declines, which have given us a relatively small number of people who can reproduce new progeny: in the years 1943–1944, when there was a sharp drop in the birth rate, and in the early 1990s, unfortunately.

The early 1990s is also when Anatoly Chubais and his team were active. You know, we can laugh but they did a lot to take steps towards a sharp transition to a market economy in Russia. It is hard to say who could have done better and how. It is always easier to criticise.

Anyway, they adopted harsh measures, which resulted, among other things, in the social system collapsing almost completely, in mass impoverishment and the birth rate dropping sharply: like during the Great Patriotic War, in 1943–1944.

So, these two big declines go on in waves, from time to time, and so we face again this demographic pitfall after a few years – after 10 or 15 years I think: people reach childbearing age, but fewer and fewer by definition, and now we are in such a phase.

However, a lot has been done for this. There was a moment when our birth rate increased and reached positive numbers.

What we should pay attention to is life expectancy, which is growing in Russia. In 2021, the average life expectancy was 71 years old, and now it is more than 73, even 73.6 I believe. There was a moment, I think in June, when it was even a little over 74, if you calculate year over year.

Secondly, it is necessary, of course, to reduce the mortality rate and raise the birth rate. There is another way: a migration influx. And so, we need to work on every factor.

You have mentioned that we are carrying out a whole range of measures to support families with children, motherhood and childhood; I will not go into them now, because it is whole big collection. We have introduced maternity capital; we are increasing its size; we have introduced maternity capital for the first child, and so on. We need to step up these measures and work in the healthcare sector to support motherhood and childhood. We will do all this.

Only just recently we recorded natural population growth. Unfortunately, we were unable to maintain this trend. We need to work hard in all areas, including, by the way, the information sphere, increasing the prestige of motherhood and fatherhood with the support of the public and the media, to do...

Ilya Doronov: To inspire.

Vladimir Putin: To inspire people to have a good healthy family, promote traditional values, including religious values too. This is a whole host of actions. We will work on it, but this must surely be done by the entire society.

Ilya Doronov: I have a grandmother, who is 96 years old, she was the tenth child in the family. Today you practically never see such families.

Vladimir Putin: Why, they exist. We try to support large families, where there are ten or more children.

Ilya Doronov: A question that goes beyond the topic of demography.

Demographers at the Higher School of Economics have calculated that in order to maintain Russia's population at 146 million people, 390,000 migrants must enter every year for 80 years. In the negative scenario, 1.1 million migrants per year will be required.

Can't you see the danger in this? Won't we become like some parts of the US or Belgium? For example, something has been happening in Antwerp with migrants where police can not enter the area.

Vladimir Putin: Yes, of course, we must keep this in mind and under no circumstances allow that to happen in Russia. This is a very sensitive moment in the life of the Russian state. The economy, of course, requires the use of migrant workers in certain sectors, most of all in the construction sector. I think that is where 33 percent of all migrants work.

In general, we do not have that many migrants working in the labour market: just 3.7 percent of the total number of workers. This is a very sensitive issue, related to the economy, the social sphere, and the moral condition of society.

By the way, it is easier for us than it is for the European countries or the States, because we have an influx of workers from the former Soviet republics. It is easier for us to work with them; the leaders of those countries understand the situation and are ready to cooperate.

We are offering pre-immigration training programmes with many countries. What are they meant for? They help people who plan to work in Russia to learn the Russian language and the laws of the Russian Federation. We need these people to understand that if they move to another country, they must respect our traditions and culture, and so on. There is a lot of work to be done. We need to continue working with them.

By the way, this is also important for our citizens, the citizens of the Russian Federation so that immigrants do not act as an irritating factor for them. This is our priority. We certainly must think about the interests of Russian citizens first.

So if we accept immigrants, we certainly need to choose those who will help improve Russia's economic development.

There is another alternative, and it is simple and complicated at the same time. The simple part is that we may not need such a large immigrant workforce if we introduce new technology that eliminates a lot of labour.

This leads us to resolving another problem – the development of technology, the upgrade of facilities and equipment and so on. This is the difficult part, because this cannot be done overnight. It requires substantial investment, confident actions and hard work. There are many ways to approach this difficult problem – we just need to work on it. And we will do it.

Ilya Doronov: Now I will ask a question that becomes more relevant and pressing every day.

I will begin with the regional elections that just ended. Several regions in the Far Eastern Federal District voted on National Election Day – in fact, Russians could vote in the course of three days this year. Let's congratulate the winning candidates.

Three years ago, when you were asked if you were going to seek re-election, you said you had not decided. Now we are six months away from the presidential campaign. Are you still undecided about running?

Vladimir Putin: The law says the parliament is to appoint the next election at the end of the year. When the decision is made, the election will be announced, the date will be appointed, then we will talk.

Ilya Doronov: Ok, we can ask you then.

Then I have a question about the presidential election in the United States. What are your expectations regarding this? They are taking place next year, and some strange things are happening there; we understand that Trump could be taken into custody at any time.

Vladimir Putin: Why should we be concerned about that? I believe there will be no fundamental change in US foreign policy towards Russia, regardless of who becomes President.

It is true that we hear Mr Trump say he can resolve many serious problems, including the Ukraine crisis, in a few days. Well, that is something to be happy about. It would be good. But, in the grand scheme of things, we... by the way, despite the accusations of him having special ties with Russia, which is complete nonsense and absurdity, he imposed the greatest number of sanctions on Russia during his presidency. So, I find it difficult to say what to expect from a new President, whoever it may be. It is unlikely, though, that any crucial change will take place, because the current authorities have conditioned American society to be anti-Russia in nature and spirit; that is how things are. They did this, and it will now be very difficult for them to turn that ship around. That is the first point.

Second, they view Russia as an existential and constant adversary or even an enemy and implant this idea into the heads of ordinary Americans. This is not good because it fosters hostility. Despite this, there are many people in America who want to build good and friendly business relationships with us and, moreover, share many of our positions, primarily from the perspective of preserving traditional values. We have many friends and like-minded people there. But, of course, they are being suppressed.

So, we have no way of knowing who will be elected, but whoever it is, it is unlikely that the anti-Russia policy of the United States will change.

As for the persecution of Trump, well, in today's conditions, in my view, that's a good thing.

Ilya Doronov: Why is that?

Vladimir Putin: Because it reveals the rotten American political system, which should not be able to claim it can teach others about democracy.

Everything that is happening to Trump is the political persecution of a political rival. That is what it is. And it is happening in the eyes of the US public and the whole world. They have exposed their domestic problems. In this sense, if they are trying to fight us, it is good

because it shows, as they used to say in Soviet times, the beastly appearance of American imperialism, its beastly snarling grimace.

Ilya Doronov: Yes, I remember that.

Since you have raised this topic, let me share another quote with you, but this time I will not tell you who it belongs to, and I am doing this on purpose. “It is regarded as essential when studying the history and culture of China, or Thailand, or any African country, to feel some respect for the distinctive features of that culture. But when it comes to the thousand years of Eastern Christianity in Russia, Western researchers by and large feel only astonishment and contempt: why ever did this strange world, an entire continent, persistently reject the Western view of things? Why did it refuse to follow the manifestly superior path of Western society? Russia is categorically condemned for every feature which distinguishes it from the West.”

You just mentioned an existential enemy. This quote, by the way, belongs to Solzhenitsyn, who left this country, lived in the West, and later came back.

Where does this attitude towards us come from, in your opinion?

Vladimir Putin: First, I would like to say that my face-to-face conversations with Alexander Solzhenitsyn persuaded me that he was honest and sincere in his patriotic feelings towards Russia. To an extent, he was a nationalist, but in the positive, civilised sense of the word. With this in mind, I am not surprised that this quote belongs to him. This is my first point.

Second, everything that deals with Russia’s relations with the West revolves around the geopolitical interests of the Western countries. This applies to all these attacks, including in the spiritual domain – they are all an extension of this geopolitical confrontation. Of course, the West has long sought to convert Russia to Catholicism and to bring it under the Holy See’s rule. And when that failed, they started searching for ways to cast our country as the Evil Empire. It was Reagan who coined this phrase, but in fact we have been seeing this since the Middle Ages, or maybe even earlier.

Whenever Russia raised its head and emerged as a real geopolitical competitor, and I am talking about competition here and nothing else, Russia instantly came up against someone's containment policies. By the same token, the West is seeking to contain China in its development, seeing that under the Chinese Communist Party's leadership and with our friend, President of the People's Republic of China at the helm, the country has been making great strides in its development. This comes as a shock to them, and they are doing everything to slow China's development. But they have not been able to do this, they are late. This is a missed opportunity for them, and it is already too late. This is an objective process.

This is not just about China. There is also India, as well as Indonesia. New centres of power will emerge, and in their efforts to contain these processes certain Western countries, led by the United States, will do nothing but hurt themselves.

Ilya Doronov: Can we ask you to share a secret with us?

You remember Xi Jinping's visit ...

Vladimir Putin: I never share secret information. How could you think otherwise? I used to work for the KGB, after all.

Ilya Doronov: I see. In that case, can you share an insight with us, if possible.

Xi Jinping visited Russia, and we remember the video when you saw him off, and he said: we started change which has not been seen for the past 100 years. What did he mean?

Vladimir Putin: You know, we talked to each other one on one for four hours. There were so many nuances and details.

All I can say is that in recent years we have indeed reached an unprecedented level in our relations. This applies to our interactions in all their aspects.

We had a meeting with the Chinese delegation today. Compared to our statistics, the Chinese' statistics show an even greater volume of trade between our countries. We have every chance to maybe reach \$200 billion in trade this year, even if I cannot be sure

that we will succeed since it depends on various changing factors like price fluctuations or currency exchange rates, so we will have to wait and see how they effect it. But what matters here is that we are proactive in promoting our cooperation, rather than specific figures.

Indeed, we have reached a remarkable level in our relations on international security matters and in terms of coordinating our positions. We act in each other's interests and seek to hear each other on many important issues. This means both listening and hearing, and responding at the government level, at the heads of state level, at the ministerial level, as well as in the contacts between security and military agencies and institutions. We have upgraded our cooperation and reached unprecedented heights in this regard.

But here is an interesting fact: We are not creating any military alliance or trying to use our friendship against anyone. Our friendship is designed to serve our people. This is the way for us to move forward.

Ilya Doronov: Everything seems great as far as our relations with China are concerned, but there are issues too. I have been talking to business leaders, and what have they been telling me? For example, China is not in a hurry to bring its manufacturing to Russia and mostly seeks to export more finished goods here. And we cannot say that China's domestic market is completely open to our non-commodity goods. In addition, we do not see much appetite on the part of Chinese investors to use the tools the Russian equity market has to offer.

What is the problem here?

Vladimir Putin: You know, China is an independent country, and it prioritises its own interests. The same applies to Russia as it pursues its own interests.

It would be wrong to argue that we do not respond to each other's requests. Let me cite a sensitive issue dealing with opening the Chinese market to our coal and mining companies. China too faces some challenges in the coal industry, and they also want their miners to supply their goods to the domestic market, but still, they opened their market to our coal producers, and this has been quite a substantial effort. Indeed, we have yet

to reach an agreement on pork, but they have their own contracts, and the Government has been reluctant to interfere in these business dealings since these companies have long-standing ties. We must resolve the African swine fever issue. Do we face these challenges? We do. And we need to address them.

These are all current matters and work in progress, and we need to address them at the corresponding level. We are making progress on all these fronts, and I have no doubt that we will succeed in resolving the issues you mentioned.

However, we must do our part and demonstrate the advantages we have to offer. And our Chinese partners have been quite receptive to our initiatives. You said that they refrain from launching manufacturing in Russia, but have they not done just that over in Tula?

Ilya Doronov: A car plant.

Vladimir Putin: A car plant. So how can you say that they do not open any manufacturing facilities here? They do, in fact.

But they need to explore the market, assess the investment they are willing to offer and the potential returns, right? This means that we must address certain issues on our side to offer investors favourable terms.

We have been quite good in high technology, and the project to build nuclear power plants in China goes on, and there are quite a few of them, in fact. Of course, Russia is a leading provider in this sector with outstanding performance, both domestically and internationally. Our Chinese partners acknowledge this and offer us these projects and let us use these sites, despite the fact that they are developing their nuclear sector too. However, they have been willing to reach out to us since our proposals have their own competitive advantages.

For example, we need to reach common ground on the wide-body aircraft project. This is a challenging task, but we are making progress, even if the talks have been going on for quite some time now, but still, we must deliver. To give you another example, in helicopter manufacturing we have a clear competitive edge on the international market, but this has not prevented us from working with China. We will make heavy-lift

helicopters – there is an agreement to this effect too. We have been working together in the space sector, and despite certain challenges we have some competitive advantages here as well. They are quite willing to work with us.

Once again, we must recognise that the People’s Republic of China has achieved a lot in high technology under the guidance of its current leader. It is our duty to talk this over with them, and this work is underway. We must understand how they can benefit from working with us in order to offer them favourable terms. This is normal business practice. The fact that it rests on a solid foundation of mutual trust cannot be underestimated. I am certain that we will move forward.

Ilya Doronov: You have mentioned high technology. You probably do not know that the Chinese shook up the United States when they produced a 7-nanometre chip on their own and used it in their new smartphones.

Vladimir Putin: This is not what got the Americans so scared. The United States is scared of China because it is home to 1.5 billion people, and this economy is making great strides in its development. This is what scares the US. It is a challenge for the United States – that much is for sure. Chips are also important, of course, but it is only part of the story.

Ilya Doronov: Good.

A few questions to follow up on the issue related to Solzhenitsyn.

In July, the special correspondent of the newspaper Kommersant, Andrei Kolesnikov, who will write a wonderful article about this plenary session in Kommersant tomorrow which we will read, talked to you and drew parallels between today and 1937. You responded saying that it was 2023 now.

I disagree with Andrei in this sense; what comes to my mind is 1922, the “philosophers’ steamer”, in fact, there were more than one, and people were sent out of the country not just on steamships; the Bolsheviks made people leave the Soviet country.

Nowadays, dissenters are leaving of their own accord, and no one is forcing them to do so, but the country is once again losing talented people. How, do you think, this loss will affect

Russia?

Vladimir Putin: You know, every person makes their own choice, and we have already covered that. According to various estimates conducted by journalists, approximately 160–170 cultural figures have left abroad because they disagree with the policies of the Russian state.

You can disagree with the policies of the Russian state and still be here and talk about it; no one is prohibiting that. But some have chosen to leave. This is not only related to the position of people from the art world who disagree with what the Russian leadership is doing, but also has to do with material considerations.

In recent years, many have bought houses or flats abroad and opened bank accounts there. They want to hold onto that; they are afraid of losing it. That is one of the reasons, and I am not saying it is the only one. They leave in order to preserve their assets. They are required – this is well known – to make statements, to criticise, and to denounce. So, they criticise and denounce.

To reiterate, there are people who sincerely disagree with what the Russian state and Russian authorities are doing. But, I repeat, no one prevents them from criticising while being here, yet they chose to leave. So be it; it is their choice.

Has Russian culture been affected by this? Probably, yes. If a talented person has left who could have done something here, then we have probably lost something.

On the other hand, frankly, maybe it is better for them to serve the interests of the country they want to serve abroad, rather than here, where they would be influencing millions of our citizens and promoting non-traditional values. It is a complex matter, but ultimately, everyone is the master of their own destiny. If they have decided to leave, so be it.

Thankfully, everything is working here, including theatres, concert halls, and exhibition venues. Many artists travel to the special military operation zone to support our heroes on the frontline. They have made that choice. And they, without a doubt, are doing everything in the interests of the Russian people.

Ilya Doronov: Most likely, tomorrow or today, members of the new wave of emigration will be watching or reading about this plenary session in Western media. It is important for them to know: is the road back to Russia open for all of them, or not?

Vladimir Putin: No one closed it; they went there on their own. Who told them not to come back? We cannot do that. What are we talking about here? The issue is that, according to Russian law, a Russian citizen can live wherever they want, but no one can revoke their citizenship or deny their entry to the Russian Federation.

Ilya Doronov: I have one more question.

It is about what is known as punishment transformation. We remember, or rather, we have read about it – in Tsarist Russia, there were penal transportation (exile) and katorga (penal labour); then in the Soviet Union there was the Red Terror, reprisals, and later psychiatric hospitals. And now, in modern Russia, we have foreign agents.

I ran the numbers to find out that in our country the number of individuals and organisations collectively bearing this designation has exceeded 400. Every Friday, we see new names and new faces added to that list.

Do you not think that we are pulling in everyone standing in our way? Is there a mechanism in place? Ok, someone has become a foreign agent, but how can they stop being one? What do they need to do?

Vladimir Putin: We are not pulling in anyone. Who are we pulling in? This law has been in effect in the United States since 1937 or 1938. Our law is almost a copy, only it is much more liberal, and we keep talking about that. In the United States, the law provides for criminal prosecution and imprisonment for certain actions.

Who is a foreign agent in Russia? It is a person who engages in public activities for money from a foreign state. And this law does not even prohibit them from continuing this activity; it only requires them to disclose the sources of their funding. We know very well that whoever pays the piper calls the tune. If they are paid here, inside the country, to engage in public activities, at least they should show the source of their funding. There is nothing unusual about that.

However, there are many nuances, and human rights activists have repeatedly pointed them out to me. Some people who are not really involved in public activities but engage in environmental work and other things get caught up by this law. Yes, we are amending it. I keep asking law enforcement agencies, the prosecutor's office and investigative bodies to propose ways to improve this procedure.

But if you are asking me whether it is possible to have this status lifted, yes, it is possible, and there have been precedents through court rulings.

Ilya Doronov: I have a Ukraine-related question.

US Secretary of State Antony Blinken recently visited Ukraine, and then gave an interview to ABC, in which he said that Ukraine is ready for talks with Russia, adding that the terms and future borders would depend on Ukraine's opinion. However, he also said that peace talks are currently not an option, since quote-unquote "It takes two to tango," implying that Russia is not willing to engage in these talks. I have two questions. Can you comment on this? And second, in your opinion, what is behind the US Secretary of State's position? Did he hear you saying in Sochi that the counteroffensive has failed and it is time to start talking?

And the third question: why is the US Secretary of State making such statements on behalf of Ukraine?

Vladimir Putin: You should ask him why he is making statements on behalf of Ukraine; I have no way of knowing.

Regarding the negotiating process: if the United States believes that Ukraine is ready to talk, then let it start by rescinding the Ukrainian President's executive order that prohibits talks. There is a presidential executive order in which he prohibits himself and everyone else from holding talks. Blinken says they are ready. Okay, let them start by canceling this decree or executive order, or whatever they call it; that would be the first step.

Now, as for the general situation. Many people, including myself, understand this: Ukraine is conducting what they call a counteroffensive. There are no results, of course. Let's

refrain from calling it a failure or not a failure. There are no results. There have been significant losses. Since the start of the counteroffensive, they have lost 71,500 troops. And they want to achieve results at any cost, as they say. Sometimes it seems as if these are not even their own people that they are throwing into this counteroffensive; it is as if they are not their own people. Frankly ... this is what the commanders from the front line are telling me. It is amazing.

Ilya Doronov: Do you talk to them over the phone?

Vladimir Putin: All the time.

They have suffered significant losses, including 543 tanks and nearly 18,000 armoured vehicles of various classes, and so on. So, it appears that they want, as their Western curators are telling them, to bite off as much territory as they can, pardon my language. And then, when all resources, both personnel and equipment and ammunition, are close to zero, they will seek to stop the hostilities, saying they have been talking about wanting negotiations for a long time now, but use these talks only to buy time and to replenish their resources and to restore the combat capabilities of their armed forces.

This tactic is possible. In any case, it is one possibility. Again, if there is a sincere desire to achieve something through talks, then let them do so. But why is Blinken saying that?! Let the Ukrainians themselves say that they are rescinding the executive order I mentioned and say so.

They have publicly stated that they will not engage in talks. Now let them publicly state that they want to. I do not see anything here that would damage their image.

Ilya Doronov: What could be the first step from their side, after which we would be ready to engage in negotiations?

Vladimir Putin: Listen, from all sides the people we communicate with who would like to act as intermediaries, are asking: are you ready for a ceasefire? How can we cease hostilities if the other side is conducting a counteroffensive? What should we do? They will continue their counteroffensive, and we will say we are stopping? We are not Trotskyites

who said that movement is everything, and the ultimate goal is nothing. That is a bad theory.

Ilya Doronov: So, it means that first, Kiev should stop the hostilities, prove it, and then we would be ready to talk?

Vladimir Putin: Listen, I have already told you that first they should rescind the executive order that prohibits talks and announce that they want to engage in negotiations, and that is all there is to it. Then we will see what happens next.

Ilya Doronov: I will ask about weapons supplies and then I will ask Vice President a question because it is also a sensitive topic for you; you talked about it briefly. A decision has been made to send depleted uranium shells. There is now talk that Ukraine might also receive long-range missiles – with a range of up to 300 kilometres.

First, how do you think this might affect the situation on the front? And second, how will we respond to that?

Vladimir Putin: You know, we talked about that, but I have to repeat. Not too long ago, the US administration considered the use of cluster munitions to be a war crime, they said this publicly. Now they are sending cluster munitions to the combat area in Ukraine.

Ilya Doronov: However, they say that neither the US nor we signed a treaty banning it.

Vladimir Putin: I am talking about a different matter now. They announced publicly that it was a crime, but they are doing it anyway. Overall, they don't care what people think of them; they always do everything only in their own interest. They made some estimates, and since the 155-mm ammunition is running out and it is hard to manufacture it in Europe or in the US, they are supplying what they have in their arsenals. Well, they have cluster bombs, so there they go. The same is true of depleted uranium. Using this is a crime, they said, not me, they said it is a crime. But they are doing it now anyway.

Nothing is working. Of course, it is taking a toll on us. The same is true of depleted uranium. It contaminates the ground. Is that bad? It's very bad.

Ilya Doronov: By the way, IAEA head [Rafael Mariano] Grossi said, “No, nothing like this will happen.”

Vladimir Putin: We know what it is. The land will be contaminated anyway.

And what about it? Has it altered the situation? The British have been sending these shells for a long time. Has it changed anything on the battlefield? No. Now they are going to send F-16s. Will it change anything? No. It is just dragging out the conflict.

Their election process begins in November, and they need to show some results at any cost. They are pushing Ukraine to continue the hostilities, no matter what they say publicly, because they do not care about Ukrainians. Surprisingly, today's Ukrainian leadership does not seem to care about its own people, either; they just throw them like firewood into a stove, plain and simple.

Will this change anything? I think not. I am sure it will not. Will it drag the conflict out? Yes, it will.

But what concerns us is the fact that they have no restraints. Let me share a story.

Not long ago, on our territory, the Federal Security Service, during an armed confrontation, eliminated several troops and captured the rest. They turned out to be a sabotage group from Ukrainian special services. Interrogations are underway. What were their objectives? Their mission was to damage one of our nuclear power plants, blow up a power line, high-voltage transmission lines, with the aim of disrupting the power plant's operation. This was not their first attempt at that. During the interrogation, they said they had been trained by British instructors. Do they understand what they are playing with? Are they trying to provoke us into taking retaliatory actions against Ukrainian nuclear facilities?

Does the British government and the Prime Minister know what their intelligence agencies are doing in Ukraine, or are they are clueless? I even consider the possibility that British intelligence agencies are acting under the instructions of the Americans, and we know who the ultimate beneficiary is. Do they understand what they are dealing with, or not? I think they are simply underestimating the situation.

Ilya Doronov: They did not experience Chernobyl.

Vladimir Putin: You know I am aware that once I say this, they will start yelling that this is another threat, nuclear blackmail, and so on. I assure you that what I just said is the full and unadulterated truth.

These individuals are in our custody and cooperating. I know the likely reaction: “They will say whatever you want at gunpoint.” No, that is not the case, and the leadership of the British intelligence agencies knows that I am telling the truth. But I am not sure if Britain’s leaders truly understand what is going on.

These things really concern us because they do not know where to stop, and this could lead to serious consequences.

Ilya Doronov: But we know that we will not target nuclear infrastructure.

Vladimir Putin: I told you that they could be provoking us into taking such actions.

Ilya Doronov: Madam Vice President, a question for you. You mentioned the issue of cluster munitions. As far as I remember, the war in Vietnam ended in 1975. How much did the bombing raids in Laos influence the lives of civilians, and do they continue to influence their lives to this day?

Pany Yathotou (retranslated): Speaking about cluster munitions and unexploded shells, these vestiges of the war, I believe that the remaining number is still very large. We have not yet disarmed all of them. Of course, these unexploded munitions are creating serious problems for us. We receive humanitarian and technical assistance from Russia and international organisations, but we have not managed to clear our territory so far.

The most devastating consequences of this for our people are various injuries, and, of course, many lives have been lost. This is why there are so many orphans whose parents were killed by unexploded munitions in the Lao People’s Democratic Republic.

Moreover, these munitions are hindering the development of our agriculture because many farmlands were seriously damaged by cluster munitions. In this connection,

the Government of Laos is working hard to deal with this humanitarian challenge, in particular, jointly with Russia and international organisations.

Ilya Doronov: Can the Government of Laos say how many more years it will take to completely demine the country?

Pany Yathotou (retranslated): The war in Laos went on for over 30 years. It was one of the longest wars in history.

The use of cluster munitions was part of the tactics used in that war. We cannot tell how many more years it will take to defuse the unexploded vestiges of the war. There is no doubt that the Laotian Government will continue to work in close cooperation with friendly countries and international organisations to resolve this issue as soon as possible.

Ilya Doronov: Thank you.

Would you like to comment?

Vladimir Putin: No. I would only like to add that we – our experts – are not only helping defuse mines but are also training local personnel. We have already trained 150 local demining professionals.

Ilya Doronov: Mr President, I will now ask you about Armenia. A year ago, Nikol Pashinyan was on this stage, and I saw you talking on the sidelines. You appeared to be having a perfectly normal conversation.

Now, we are reading about the Armenian-US exercises that started yesterday, I believe. Pashinyan's wife travelled to Kiev. The Speaker of the Armenian Parliament made very unfavourable remarks about our Foreign Ministry.

Where does this pivot in Armenia's politics come from? How will this affect the situation on the border with Azerbaijan? And where could this ultimately lead Armenia?

Vladimir Putin: I do not think there has been any turnaround to speak of. We see and understand what is happening. You know, there is a lot I can say on this subject. We proposed a number of settlement solutions.

Frankly – and I think it is a well-known fact – Armenia controlled seven districts that it gained control of after the Armenian-Azerbaijani conflict in question. We proposed that an agreement is reached with Azerbaijan in a way that two districts – Kalbajar and Lachin – remain within Armenia’s jurisdiction, as well as the entire Karabakh. However, the Armenian leadership did not agree to this, even though we tried to persuade them to do so for 10 or even 15 years. There were several options, but they all came down to this. When asked what they were going to do, they said they were going to fight. Well, all right.

In the end, everything has ended in the state of affairs we are seeing today. But it is not just about the outcomes of the recent conflict; it is also about the fact that the Armenian leadership has essentially --well, not essentially, but effectively – recognised Azerbaijan's sovereignty over Karabakh and documented it in the Prague declaration.

Truth be told, we are aware of this. Now, President of Azerbaijan Ilham Aliyev is telling us: you are aware that Armenia has acknowledged the fact that Karabakh is our territory, and that the status of Karabakh is no longer a relevant issue. It has been resolved. The Armenian leaders have publicly stated this and acknowledged that the territory as of before 1991 that includes Karabakh – they provided the figures – is part of Azerbaijan. This has effectively taken place, and it was not our decision; it is the decision made by today's Armenian leadership. And if that is the case, they tell us, you should resolve any outstanding Karabakh-related issues with us on a bilateral basis. Well, what can we say? There is nothing we can say. If Armenia itself has recognised Karabakh as part of Azerbaijan, what can we do?

Of course, there are other issues related to the humanitarian aspect and the mandate of our peacekeepers. This is true. The mandate is still in effect. The humanitarian questions, including the prevention of ethnic cleansing, have remained unresolved, and I fully agree with that. I hope that the Azerbaijani leadership – they have always told us so and continue to say so – is not interested in ethnic cleansing. Moreover, on the contrary, they are interested in having this process unfold smoothly.

Ilya Doronov: How justified, do you think, are Yerevan's claims to the effect that Russia and the CSTO failed to help, and the Nagorno-Karabakh siege has not been lifted, either, which led to a humanitarian disaster?

Vladimir Putin: Since Armenia has recognised Nagorno-Karabakh as part of Azerbaijan, what is there to discuss? This is the key aspect of the issue. Armenia determined the status of Karabakh itself. That is all there is to it.

Ilya Doronov: A personal question, if I may. Has Mr Pashinyan spoken with you recently? I am asking this because he talked with President of France Emmanuel Macron and the President of Iran.

Vladimir Putin: He sent me a detailed message. We maintain communication. We have no issues with Armenia or Prime Minister Pashinyan in this regard; we remain in contact at all times.

Ilya Doronov: There is one more important question regarding the developments in Ukraine. It is widely rumoured now that a new mobilisation is possible in Russia.

What can you tell those who are watching us now?

Vladimir Putin: Look, forced mobilisation is taking place in Ukraine. It comes in waves, one after another, and I do not know if there is anyone left to call up there.

We carried out a partial mobilisation. As you know, we called up 300,000 people. Over the past six or seven months, 270,000 people have volunteered for contract service in the Armed Forces and volunteer units.

Ilya Doronov: Is this in addition to the partial mobilisation?

Vladimir Putin: Yes, of course, they signed up in the past six or seven months. People go to military recruitment offices and sign contracts. As many as 270,000 have done this. Moreover, the process continues. Every day, between 1,000 and 1,500 people come to sign up, every day.

You know that this is the distinguishing feature of the Russian people, Russian society. I do not know if this is possible in any other country because our people consciously sign up in the current situation, knowing that they will be ultimately sent to the frontline. Our men, our Russian men, realising in full measure what lies ahead and understanding that they might die defending their Motherland or be seriously wounded, they still make this choice, voluntarily and consciously, to protect their country's interests.

You spoke about elections. They have been held everywhere, including in the Zaporozhye and Kherson regions and in the Lugansk and Donetsk republics. They were held in difficult conditions there, and I admire the courage of the staff at polling stations. When bombing raids began there – the enemy also targeted voting stations, people went into basements, leaving them to resume their work when the raids were over. People came to voting stations and stood in lines despite the possibility of attacks on them.

Why am I saying this? The reason is that our soldiers, our men, our heroes who are fighting on the frontline know that there are people they must protect, and this is the key point. We are protecting our people.

Ilya Doronov: We'll be finishing soon. But I still have several questions.

On September 1, a new history textbook was delivered to schools. I will not discuss it in detail because we interviewed your aide, Vladimir Medinsky, who specified the official position.

But it contains the following phrase. I quote: "You know, life is always more complicated than any ideological or newspaper stereotypes. A decade will pass and our time will come under rigorous scrutiny. Historians will ask what steps by world leaders, including the leadership of our country, were right and timely, and in what cases a different course of action should have been taken."

If possible, I wanted to ask you, let us not wait for the historians from the future. From your point of view, what was done correctly and where errors have been committed over this period?

Vladimir Putin: No, let us wait for the historians from the future. It is only the future generations that will be able to assess what we have done for this country in an objective way.

You know, I recall what Prince Potyomkin wrote to Catherine the Great about the annexation of the Crimea. I will not be able to reproduce the exact quote, but I can convey the meaning. He wrote the following: The time will pass and the future generations will blame you for failing to annex Crimea in spite of being able to do so, and you will feel ashamed. State interests come first. We are guided precisely by these considerations, we give them top priority, and we are certainly not ashamed of that.

Ilya Doronov: I have a sports-related question. What I have in mind is the Olympic Games that will be held in France next year.

Before I ask my question, I would like all of us to applaud our tennis player, Daniil Medvedev, who put up a fight at the US Open finals in New York. It was a good final match, with a Russian and a Serb, two Orthodox believers, playing.

Let us thank Daniil for this. True, there was no flag – I saw the broadcast – nor any mention that he is from Russia.

President of France Emmanuel Macron also said about the Olympic Games which his country will host next year that there will be no Russian or Belarusian flags – nothing.

What can you tell our athletes, for whom the Olympics is truly the goal of their life? They are waiting and they will have to miss them.

Vladimir Putin: I will say this. The situation being what it is, we should in the first place be guided by the athletes' interests. Each of them, who trained for these crucial competitions for years or even decades, should take a decision all on their own.

As for the Olympic Movement itself, this is what I would like to say. I believe that the current management of international federations and the International Olympic Committee are distorting Pierre de Coubertin's original idea that sport must be beyond politics, that it should not disunite people – it should unite them.

What has happened over the past few decades? The Olympic Movement has been caught in the trap of financial interests. International sports and the international Olympic Movement has been commercialised, which is unacceptable, and this commercialisation has resulted in... What am I talking about? The sponsors, commercial airtime, the leading Western companies, which ultimately provide the basis for the functioning of the International Olympic Committee and the movement as a whole, directly depend on the political organisations and governments in their countries.

Taken together, this combination has created a situation in which international sports and the Olympic Movement are declining and no longer fulfil their main functions. The main idea [of sports] is not only to break records but to bring people together, but the international Olympic Movement is no longer doing this. This is deplorable for the Olympic Movement itself because alternative movements will be created, one way or another, and nothing can be done about this because it is an objective process.

Next year, we will hold the World Friendship Games; we will hold competitions within the framework of BRICS, and those who are depoliticised will happily attend them. This will have a destructive effect on the current international organisations. They must be rejuvenated, including in terms of personnel.

It is regrettable that this is happening, but we will protect the interests of our athletes. This is the first point. Second, we will create alternative possibilities for them, including in terms of the financial results of their achievements.

Ilya Doronov: The Ministry of Sport provided statistics for the EEF or before the EEF, according to which 55 Russian Olympic athletes have changed their citizenship, and the number including non-Olympic athletes is over 100. Do you understand these people?

Vladimir Putin: I said at the beginning of my answer that people worked towards their goals for decades but have been prevented from reaching them for political reasons.

You know, there is one more element in this. I do not know if I can say this, but some people say that sports and international competitions have become the sublimation of war. There is something in this.

I am not judging anyone, but it is important for athletes, especially top-class ones, to hear the anthem and see the flag of their country when they stand on the podium. But ultimately everyone makes his or her own choice. This is what I believe.

Ilya Doronov: I will ask you one last question.

We opened today's plenary session by stating that ten years ago we proclaimed the Far East, Siberia and the Arctic our priorities.

I would like to take a peek into the future and talk about what the Far East, Siberia, and Russia may look like ten years from now.

Right now, we are witnessing a sort of reincarnation at a new stage, perhaps, comparable to the Soviet Union when there was a young pioneer movement, and now we have the Movement of the First. Some time ago, we brought back the music of the Soviet anthem. An exhibition titled Russia is being prepared at VDNKh, which also reminds us of the past.

The future image, for example, for Ukraine is clear and it includes NATO and EU membership. In the West, the image of the future also looks, shall we say, rosy.

What is the image of the future for Russia?

Vladimir Putin: You have just mentioned that for some countries, the image of their future includes their membership in organisations like NATO or the EU. Do you realise what you have just said? In other words, their future is linked not only to interaction with others, but with their complete dependence on others.

In the defence sphere, they need someone to provide cover for them; otherwise, they will fail. In the economic sphere, they need someone to send them funds, or else they will not be able to lift their economy. By the way, no one wants peace in Ukraine because, if the war comes to an end, they will have to answer to their people for the economic and social aspects, and there is not much to show. I doubt that, once the hostilities are over, the recovery of Ukrainian economy will ensue. Who will even feed them? I doubt it.

We are the makers of our future. I recently met with young scientists at Sarov. They asked me questions too, at least we talked about this. What about? I want to say this, maybe in a different format, but the core idea will be the same. Scientists engage in R&D. Industrialists work in the sphere of material production, agriculture, in the industrial sector, etc. Cultural figures create images to preserve our values, which shape the inner life of every person and each citizen of Russia. All of this taken together will certainly yield a result. All of this should become embodied in our country's self-reliance, including in the areas of security and defence. But this does not mean that this country will go into self-isolation. This means that we will develop our own country and make it even stronger in cooperation with our partners and friends and in integration with the overwhelming majority of countries that represent most of the world population.

I have already mentioned industry, science, and so on. But in so doing, we must under all circumstances preserve the soul of Russia, the soul of our multi-ethnic and multi-faith nation. This humanitarian component, along with science, education and real production, will be the basis upon which this country will advance, while feeling and taking itself as a sovereign and fully independent state with good prospects for development. It will be this way.

Look, despite all the restrictions imposed against Russia... What did they hope for? They expected our financial system to fall into pieces, the economy to collapse, industrial plants to grind to a stop, and thousand-strong work teams to be left jobless. But nothing of that happened. Last year's performance placed Russia among the top five major world economies in terms of purchasing power parity and the economy's volume. There is every chance that we will continue along this path. I did say that inflation in Russia had grown somewhat, but it is within the bounds of relevant indicators. Unemployment is at a historical low of three percent. This is unprecedented – a three-percent national unemployment figure.

Of course, some other workforce-related issues emerge in this connection, but they are being addressed as well. Real incomes are rising for the first time in several years. Yes, these are modest incomes, as I said, but the trend is in the right direction. Real disposable incomes and real wages are also growing. Taken together, all of this gives us every reason to think that Russia not only has a sustainable and good future but also that this future is secured by the efforts of our entire multi-ethnic people.

Ilya Doronov: One feels like saying in conclusion that this sounds like an election programme. But we cannot speak about this until December.

Thank you. We will wind up our plenary session. We have talked for nearly three hours and tried to answer many questions, but you cannot embrace the boundless.

Ms Vice President of Laos, thank you for coming. Mr President, thank you for answering all my questions.

Thank you. Have a good evening everyone.

Publication status

Published in sections: News, Transcripts

Publication date: September 12, 2023, 11:45

Direct link: en.kremlin.ru/d/72259
