

Putin vows cooperation in tackling crisis, decries state interference in business

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Prime Minister Vladimir Putin of the Russian Federation told the opening plenary of the World Economic Forum Annual Meeting 2009 that his country will work with the US, Europe and other countries to resolve the global financial crisis.

“ We cannot afford to be isolationist and egotistic, ” he said, promising that Russia will not resort to protectionism and erect trade barriers that will simply worsen the global financial crisis.

As governments pump billions of dollars into financial institutions and other companies in their effort to save them and the jobs they provide, Putin warned against state interference in the private sector. He added that this error was made by the Soviet Union with disastrous results and the Russian Federation will not make the same mistake, even though it has set aside US\$ 50 billion to help its crisis-affected companies.

He pointed out that while the government will help with debt servicing and lending, the key initiatives will be lower taxes, boosting domestic consumption and other ways of creating an attractive environment for investment.

The prime minister also called for international action to promote global energy security, pointing out that the extreme volatility of energy prices helps no one. He said Russia will do its part by building new gas pipelines across the North and Baltic Seas, thus avoiding problems with gas supply, an apparent reference to Russia ' s recent face-off with Ukraine over pipelines that pass through Ukrainian territory.

Like Putin, Hans-Rudolf Merz, President of the Swiss Confederation and Federal Councillor of Finance, believes that the unprecedented crisis also creates opportunities to remake the global financial system. In his welcome address, the president called for a return to the basic values of trust and sustainability, and the development of a new philosophy for regulation of the financial sector and global rules for global players.

The World Economic Forum is ready to help, said Klaus Schwab, Founder and Executive Chairman, World Economic Forum. “ What we are experiencing is the birth of a new era, a wake-up call to overhaul our institutions, our systems and, above all, our thinking and our actions, and to adjust our attitudes and values to the needs of a world which rightly requires a much greater degree of responsibility and accountability, ” he said. With the engagement and leadership of the Annual Meeting participants, “ Davos can act as it has done already a century ago, as a healing and revitalizing force, as a magic mountain, as a true sanatorium for the world, its economy and society.”

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