



## Putin's Speech at the St. Petersburg Economic Forum

From the rise of BRICS economic weight to the erosion of dollar and euro confidence, from sovereign technology platforms to regional investment policy, the speech offers a comprehensive statement of the Kremlin's reading of the global economic moment.

*The Editors*

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**Editor's Note :** As the G7 countries meet in Évian, in part to step up pressure on Russia, it is worth reviewing the speech delivered by Vladimir Putin at the recent St. Petersburg Economic Forum. He sets out his interpretation of the underlying forces that are reshaping the global economic order in favor of the BRICS countries, as well as the three pillars he identifies as the foundations of tomorrow's

economic sovereignty. Readers can judge for themselves whether this analysis will stand the test of time better than the rhetoric and grandstanding currently on display on the shores of Lake Geneva.

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## Opening Remarks

Good afternoon, ladies and gentlemen. Mr Mirziyoyev. Madam Samia Suluhu Hassan. Mr Han Zheng. Ladies and gentlemen.

It is a real pleasure to see such a distinguished audience here. The President of Uzbekistan and I were just comparing notes. He remarked that the hall is full – which speaks to the level of interest that the St Petersburg International Economic Forum generates. I would like to welcome all participants and guests.

Russia and St Petersburg are once again hosting executives from leading companies, business leaders, and experts – this year from more than 130 countries – all here to expand business contacts and forge new ties.

Our host has set the bar and outlined the topics, which I will try to cover. But before entering this auditorium, she also mentioned that, in her opinion, the excellent atmosphere was created by those who organised the event. So I would like to start by thanking everyone who made this forum possible. Thank you very much.

The unrivalled and appealing nature of the St Petersburg Forum lies precisely in the opportunity to engage in free dialogue on matters that are of interest to entrepreneurs, entire industries, and even entire countries. We remain open to everyone interested in engaging with our country and is ready to pursue equal and mutually beneficial cooperation. We are convinced that this particular approach where partners hear one another, understand their partners' interests, and identify common solutions represents a harmonious path of development and makes it possible to respond to the serious challenges facing the modern-day world.

## A Changing Global Paradigm

We are witnessing turmoil in the energy markets and tensions being provoked in certain regions, primarily in the Middle East, and how the short-sighted EU bureaucracy policies are being implemented to the accompaniment of aggressive

rhetoric and leading to Europe continuing to lose its standing in the global economy, while also undermining regional and global security. In fact, European elites are inciting chaos and are trying to embroil ever more countries into it.

These processes did not arise all by themselves; they are the result of the world undergoing the largest structural transformation in decades. This transformation is not a transition from one phase of a cycle to another. We are witnessing a change in the paradigm of global development.

I would like to bring your attention to what came before. For decades, the global development model was built around a limited number of financial centres, technological solutions, insurance and logistics hubs, credit rating agencies, and reserve currencies. This construct was presented as universal and supposedly suitable for everyone, and, above all, as supposedly neutral. In reality, however, it was increasingly used as a tool to exert political pressure and promote unfair competition, where settlements, technologies, logistics, or even access to information could be cut off at a moment's notice in order to punish those who chose to act in their own national interests. In essence, it was a deliberately created system of dependency and resource extraction.

Today, the overwhelming majority of countries see this, as do entrepreneurs, banks, manufacturing companies, farmers, and transport operators. It has become clear that investment plans and business development steps may face serious risk where the external infrastructure on which they rely could be used against them. Therefore, countries are beginning to develop their own technological solutions, create their own supply routes, and build their own institutions.

Russia is experiencing these transformations firsthand. Although pressure on our country persists, the changing global landscape has also created greater room for manoeuvre. New partnerships are emerging, new financial and technological solutions are being developed, and access to promising markets is expanding. Against this backdrop, Russia views global change not only as a source of challenges but also as a tremendous opportunity. To make the most of these opportunities, we seek to act swiftly and pragmatically.

Let me reiterate: the roots of today's global turbulence lie in the ongoing transition from a vertical, hierarchical model – one that primarily served the interests of a limited number of states – to a far more complex, distributed, and multipolar international order. What does this mean in practice? Above all, it means that the geography of economic growth is changing, with new centres of development emerging across the countries of the Global South. And, colleagues, as you can clearly see for yourselves, this is not a political slogan; it is an objective reality. In

these countries, populations are growing, the middle class is taking shape, industrial capacity is expanding, and domestic markets are developing. As a result, new cities, roads, ports, energy infrastructure, and digital networks are being built. At the same time, these nations are establishing their own financial institutions, educational systems, and scientific and technological centres.

In this context, I would like to emphasise that the world becomes more equitable when economic growth is distributed more broadly and opportunities become available to billions of people who have long remained on the periphery of the global economy. It is very important that these new centres of growth seek to shape their own development paths, increase their share of value creation, and build their own brands, standards, and capabilities.

## **BRICS Overtakes the G7**

If you look at the global GDP dynamics of the last five years, you will see that almost half of its annual growth, 49 percent, is accounted for by BRICS countries, whereas the contribution of the so-called Group of Seven is estimated at 18 percent. To put this into perspective, between 2021 and 2025, the global economy expanded at an average annual rate of 4.1 percent. Of that growth, 2 percentage points were generated by the BRICS countries, compared with only 0.8 percentage points contributed by the G7. Today, the BRICS share of global GDP, measured in purchasing power parity terms, stands at approximately 40 percent, while the corresponding figure for the G7 is below 29 percent. By this measure, BRICS surpassed the G7 as early as 2020, and the gap has continued to widen ever since.

This trend is expected to continue increasingly in favour of the BRICS countries. The reason is straightforward: economic growth rates in the BRICS economies are already higher than those of the G7 and are projected to remain so in the years ahead. By the end of the current decade, annual economic growth in the G7 countries is expected to average no more than 1.5 percent, while the BRICS economies are projected to expand at an average rate exceeding 4 percent.

Ladies and gentlemen, friends. This is not something we made up. It is the data from the IMF and the World Bank – international institutions. They are forced to acknowledge this reality.

Naturally, businesses are drawn to places where growth is more dynamic and where there are greater opportunities to expand production and sales. As a result, the centre of gravity of global trade – and, with it, the global financial system – will

continue to shift. In fact, that shift is already under way, and the trend is set to continue.

## **New Trade Corridors Beyond Western Hubs**

For many years, the principal flows of goods, capital and information passed through a small number of Western infrastructure hubs. Even when goods moved from one Eurasian country to another, payments, logistics, insurance and arbitration often relied on institutions located in third countries. This created additional costs and fostered political dependencies.

Today, international trade is becoming more effective, as direct shipments without intermediaries are growing, national currency payments are developing, and new corridors are opening. In Eurasia, these include the North-South Corridor, the Trans-Arctic Route, and links running through the Caspian region, Central Asia, the Black Sea, and the Far East. All of these projects and logistics routes are defining features of today's economy and, importantly, of future development.

To give you an example of the global trade system ceasing to be Western-centric, I want to note the following. Over the past 25 years, the BRICS share in global merchandise trade has more than doubled. Last year, our group accounted for almost 25 percent of global exports. This indicator continues to grow steadily, as does trade within BRICS itself, which now exceeds \$1 trillion annually.

A particularly important role in these processes is being played by what might be called “connector countries”. These countries link markets, technologies, financial flows and business cultures. Their role extends far beyond simple transit or transportation through a particular territory. What matters most is their ability to ensure trust and provide efficient logistics, reliable payment mechanisms, legal certainty and technological compatibility.

Taking part in this panel session is the President of the Republic of Uzbekistan – and I would once again ask you to welcome him. Thank you very much for being with us today.

He is the leader of a country that is one of the centres of economic growth. Its population is growing fast; industrial plans are being fulfilled; its agricultural and energy potentials are growing, as is the domestic market. At the same time, Uzbekistan is an essential link between Russia, Central and South Asia, China and

the Middle East. There will be more and more examples of countries whose own development is enhanced by, and benefits from, their links with other centres of the emerging multipolar world.

The same is true of our other guest, from Tanzania – let us welcome her once again – who plays a similar role in East Africa. I would also like to draw your attention to another important trend: the architecture of global trade is gradually moving away from the principles that originally underpinned the World Trade Organisation. Since the beginning of this century, the number of bilateral, regional, and mega-regional trade agreements has increased nearly fourfold.

Why is this happening? The erosion of the World Trade Organisation was set off by the very authors of this organisation: the Western nations, to be more precise. When it benefited them, they promoted the WTO, they invited other countries to join. But once the West started to lose in this competition, universal and common rules for trade introduced by the WTO lost their appeal to them. Instead, they adopted unilateral restrictions and so-called sanctions. By doing so, Western countries effectively sidelined the mechanisms of the World Trade Organisation and undermined confidence in these institutions. And when trust disappears, and an institution no longer functions as intended, businesses and governments inevitably begin looking for alternative solutions. These alternatives take the form of bilateral and multilateral trade agreements.

## **Sanctions and the Erosion of Reserve-Currency Confidence**

One more point. As I have already noted, the sanctions and, basically, the theft of Russia's international reserves have had an irreversible effect on the positions of the world currencies, the US dollar and the euro. This is an objective reality that cannot be ignored. Today, every country – let me stress, every country without exception – understands that, like Russia, it could at any moment lose access to assets lawfully held in dollars or euros, as well as to Western financial and payment infrastructure.

We recognise that this ultimately boils down to the issue of unfair competition. The specific pretexts may vary, and they can always be found. In Russia's case, it was the conflict in Ukraine. In other instances, it may be developments in the Middle East, conflicts in Africa, or even a country's stance on LGBT-related issues. A justification can always be found. But the underlying problem remains the same: this is unfair competition.

Incidentally, confidence in the West is also being undermined by the state of its public finances, reflected in rising government debt and persistent budget deficits. In 2025, public debt in the eurozone reached 81.7 percent of GDP. The highest levels are well known: Greece stands at 146 percent of GDP, Italy at 137 percent, France at 115 percent, and Belgium at 108 percent. By comparison, Russia's public debt remains at approximately 16.4 percent of GDP. In fact, during a meeting with the heads of major news agencies yesterday, some experts cited a figure of 15.8 percent. In any case, the difference is simply not comparable.

The budget deficit of the European Union in 2025 stood at 3.1 percent of GDP. The highest deficits are recorded in countries such as Poland 7.3 percent, Belgium 5.2 percent, France 5.1 percent, and the United States 5.9 percent. In Russia it is 2.6 percent. It may increase by the end of this year, but I believe it will still remain lower than in other industrialised countries.

Such a situation is fraught with a new surge in inflation for Western currencies, as was the case in 2021–2022, when prices in the euro area and in the United States rose by 14 percent in a matter of two years. Clearly, given the circumstances countries around the world are taking their assets out of the West and shifting to payments in national currencies, increasingly using alternative payment systems, and expanding the role of digital financial assets, including central bank digital currencies.

In its trade relations with its key partners, Russia uses national currencies as the primary means of payment. Thus, the share of the ruble in our export transactions is currently standing at 65 percent, or almost two thirds.

Importantly, the world needs modern, flexible and responsible financial architecture without risks, prohibitions or barriers, but with incentives for sovereign development. Its instruments must reduce costs, speed up settlements, and expand access to financing, and, of course, ensure proper counteraction to tax evasion, fraud and money laundering. Naturally, this must always be given special attention.

## **Artificial Intelligence, Autonomous Systems and Platform-Based Solutions**

Next. Historically, the West has been regarded by other countries as a source of technological development, but we are seeing a major transformation here as well. Over the past 25 years, BRICS countries have significantly increased their high-tech

exports; they now account for over a third of global supplies, which indicates a shift in technological leadership around the world. This is happening gradually, but it is happening.

For example, our strategic partner China holds the largest number of patents in AI, where Russia also has excellent prospects. Let us welcome the Vice Chairman of the People's Republic of China.

Another key partner of ours, India, is a leading player in the IT industry. It accounts for a significant share of the global software market. Russia holds strong positions in the pace of adoption of digital platforms, online marketplaces, and financial solutions, as well as municipal services, healthcare and education which improve the quality of life for people in Russia and in dozens of countries around the world, where they successfully compete with their foreign counterparts.

We also lead in a complex field such as nuclear energy. Over 80 percent of NPP construction projects on the global market are implemented with the participation of Rosatom. Over 80 percent is a substantial figure.

We also have significant engineering and technological capabilities in managing the water energy balance, which is becoming increasingly important in Asia, Africa, and indeed throughout the world. I believe that our colleagues participating in the panel session cannot but agree with this, and they do agree.

Clearly, technological progress is the most important factor in global transformation. Experts identify three key technologies of today and tomorrow that are capable of making a difference in people's lives, business operations, and public administration.

What are they? First, artificial intelligence, which can process massive amounts of data and make the best decisions available across virtually all areas. Second, autonomous systems, which dramatically increase productivity and transform entire sectors of the economy. Finally, third, platform-based solutions, which allow market participants to exchange information and conclude transactions directly, in real time, and in an automated manner.

According to forecasts by researchers and specialists, the countries or groups of countries that possess a full set of their own technologies in AI, autonomous systems, and digital platforms will become powerful centres of sovereignty in a multipolar world. Moreover, without these technologies, genuine sovereignty will be unattainable in principle.

Importantly, possessing an independent technological base is critical for countries with large populations, vast territories, and distinctive cultures. Such countries cannot act merely as users of foreign-made solutions, because in that case they risk becoming objects of control by external platforms. And how those platforms are used is another matter.

In essence, major countries – true civilisations – face a historic choice: either they create their own platform and technological ecosystems, or they become a digital periphery. There should be no illusions about this. Foreign services may initially be user friendly, but over time the cost of such dependency will inevitably become apparent.

Russia has learned one such lesson. We have seen certain software providers walk away from the market, payments get blocked, and interference in commercial relations ensue. Therefore, we will strengthen our own critical infrastructure and cooperate and engage only with the partners who respect mutual obligations.

We have gained such experience over many years in our relations with the People's Republic of China which is Russia's truly strategic partner. Our economic cooperation covers virtually all areas, including high-tech sphere, transport, mechanical engineering, and, of course, energy.

## **The Race for Sovereignty**

Friends, as I have said before, a country's position in the global economic system and its claim to global leadership depend on its ability to ensure its own sovereignty. It is no exaggeration to say that the race for sovereignty has begun – and it is gaining momentum.

This is not just about resisting external pressure or protecting national interests. It is also about the quality of the state, the economy, and society. Sovereignty means being stronger and, I emphasise, smarter – managing resources more precisely and investing more effectively, including in technological development.

True sovereignty demands efficiency. It is not a licence to do things expensively, slowly, or inconveniently. On the contrary, we must act with maximum initiative and maximum efficacy across all areas of our work. We must produce faster, thereby increasing revenues for the state, for business, and for our citizens.

In these tense and challenging conditions, Russia continues to strengthen its sovereignty – not by isolating itself, but by expanding its circle of partners. Yes, economic momentum is currently subdued, and we will probably discuss that

further. But let me remind you of the task set for the Government: starting next year, we must return to sustainable growth rates in the domestic economy.

That can only be achieved under one condition: by increasing capital investment and launching a new investment cycle. Between 2021 and 2024, investment in Russia grew by nearly 38 percent in real terms, though last year, of course, it saw a decline.

I want to stress that launching a new investment cycle is a key task for our economic authorities, and investment growth is a crucial indicator of their effectiveness. It is important that economic growth be balanced, supported by domestic demand, and combined with a further reduction in inflation, which has already slowed significantly and continues to fall. I believe I mentioned yesterday that inflation is forecast to approach 5.2 percent this year.

My colleagues and I regularly discuss economic issues. I should point out that the dynamics of industrial production, GDP, and consumer activity in Russia are positive. Despite all the problems, industrial production grew in April. There will likely be some questions about this today.

In any case, industrial production in our country grew by 1.9 percent in April, including manufacturing, which grew by 3.1 percent. Retail added 6.5 percent. GDP grew by 1.3 percent in April, and by 0.2 percent over the period from January to April.

What would I say about all this? Of course, we hear criticism from all sides – that we have lost momentum. Yes, but we have fallen only to the level that the eurozone countries have been experiencing for the past few years. And now we are on the upswing.

Most importantly, we have preserved the fundamentals of our macroeconomic policy. I am confident that this will ensure continued forward progress. These trends must be consolidated, while our country's position in the world and its sovereignty must become even stronger.

In this regard, I would like to share several thoughts on the kind of sovereignty Russia needs. I have already touched on this topic, but I would like to elaborate further.

## Digital Platforms and the E-Commerce Boom

First, as I noted earlier, a sovereign economy is built on the full-cycle implementation of technologies and the use of advanced solutions that simplify business operations, automate processes, increase labour productivity, and improve the overall efficiency of the economy. This is especially important in such areas as defence and security.

Russia has made significant progress in the development and adoption of digital platforms across all sectors of the economy. We are also witnessing rapid growth in e-commerce, which is expanding by approximately 30 percent annually. Our country ranks among the global leaders in this field. This, among other things, reflects the quality of Russian platform solutions, which benefit both domestic producers and foreign suppliers.

Today I have already mentioned our friends and partners in the Republic of Uzbekistan. Let me give you an example. In 2023, the value of Uzbek goods sold through the Wildberries platform amounted to \$418 million. That was in 2023. By 2025, that figure had reached nearly \$1.5 billion, and this year it may exceed \$2 billion.

What does this mean in practice? It means that producers of a wide range of goods, including small and medium-sized enterprises, are gaining easy access to the Russian market through this platform. In fact, they are not only entering the Russian market but also reaching consumers in other countries through our platform. The volumes are growing, businesses are operating efficiently, people are earning good incomes, and small and medium-sized enterprises are developing successfully. All of this is being achieved through modern logistics systems, with taxes and customs duties being properly paid. This is something we can only welcome.

As a result, turnover has already increased 3.5 times and continues to grow, including through access to consumers throughout the Eurasian Economic Union and in partner countries, for example, the rapidly developing markets on the African continent. This is what our platform infrastructure makes possible.

Today, this Russian platform provides businesses with access to nearly half a billion potential customers worldwide, and that number continues to increase. In this way, Russian platform solutions are becoming a genuine driver of economic growth and development for our partners.

Apart from trade, the transition to a platform-based framework has been affecting the transport sector, finance, logistics, tourism, as well as healthcare, education, the media sector and other domains. Of course, we need to generate greater momentum to move towards a platform-based approach to developing various sectors by introducing artificial intelligence and autonomous systems.

We have already adopted a national Strategy for Artificial Intelligence Development. I ask the Government to prepare similar national strategies for autonomous systems and digital platforms.

I suggest that we discuss the topic of ecosystems for a platform-based economy at the Future Technologies Forum, which is scheduled to take place in early 2027. I also ask for an inter-agency working group to be formed under the Presidential Executive Office's supervision to oversee preparations for this forum.

## **Wages, Talent and Labour Mobility**

The second point I wanted to highlight is that people, the knowledge they have, their skills and their ability to master advanced technology and create breakthrough goods, services and shape entire market segments – all this has an immediate and defining bearing on sovereignty, both today and tomorrow. It goes without saying that people who have these professional skills must get adequate compensation for their work.

Only high living standards and generous salaries can make our country competitive and enable it to succeed on the demographic front, and to have excellent talent who can be confident about their professional careers and their future.

Russia has one of the lowest unemployment rates among industrial countries. It is equal to about 2.2 percent of the economically active population. This is a very robust result compared to other developed countries. For comparison, Japan is catching up to us with an unemployment rate of 2.5 percent, while this indicator for India is 4.2 percent, the United States has an unemployment rate of 4.2 percent, and the eurozone stands at 5.9 percent.

Over the past five years, salaries within the Russian economy increased by over 30 percent in real terms. I am referring to real wages, which means that the inflation rate is taken into consideration. Of course, this is a high growth rate.

Let me emphasise once again that any further increases in wages must be primarily driven by higher labour efficiency, as well as increased manufacturing efficiencies based on the latest technological solutions as developed by our excellent

engineering schools.

Labour mobility is a separate matter. It consists of enabling specialists to find relevant and well-paid jobs at new enterprises in other regions of the country that need talent more than others, while their companies belong to emerging strategic sectors committed to making high value-added products.

As you know, young people graduating from educational institutions or during their senior years at universities and other higher education institutions are more prone than anyone else to move around the country. In order to empower them to start their professional careers, we agreed to set forth laws governing internships by introducing obligations for employers. We also agreed to update the apprentice contract so that it corresponds to present-day reality.

I know that the amendments to the Labour Code have been drafted. I ask the Government and the State Duma to adopt them faster.

## **Regional Development and Investment Climate**

Thirdly, it is evident that the sovereignty of a nation as expansive as Russia is defined not solely by the strength of its capital or a few major industrial centres. It is crucial that each region attracts investment, creates high-quality jobs, and develops both its production capacity and its urban environment.

Exhibition stands have been set up at the forum, where the constituent entities of the Federation showcase their strengths, achievements, and future plans, engaging in dialogue with investors and businesses seeking to enter their markets. I am confident that the participants in our panel discussion, along with our guests, have already witnessed this rich diversity of Russia's regions and have had the opportunity to familiarise themselves with them.

However, in keeping with tradition, the forum's sidelines also see the announcement of the results of the national investment climate ranking in the constituent entities of the Russian Federation. This year, the leading positions are held by Moscow, the republics of Tatarstan and Bashkortostan, and the Nizhny Novgorod and Moscow regions. St Petersburg and the Sakhalin Region have entered the top tier for the first time. Among the regions demonstrating the most robust growth are the Khanty-Mansi and Yamalo-Nenets autonomous areas, the Omsk, Vladimir, and Volgograd regions, as well as the Krasnodar and Primorye territories.

I congratulate my colleagues on these achievements.

We will continue to provide financial assistance to the regions in this area, including through infrastructure budget loans. Over the past four years, more than one trillion rubles have been allocated to the regions through this mechanism. By 2030, we plan to allocate an additional 750 billion.

At the same time, we are writing off the regions' debt on budget loans: over the past two years, this has amounted to nearly 440 billion rubles, and this year we will defer the repayment of this debt by a further 100 billion rubles. These freed-up funds may be directed by the regions towards development projects as well.

Let me add that, starting this year, the National Investment Climate Ranking also includes a new component. This relates to reducing the investment and construction cycle for cultural heritage sites: historic houses, estates, and buildings. The aim is to expedite their restoration, bring them into economic circulation, and make them accessible to the public. This is particularly relevant for the cities of Central Russia, and for our tourist destinations, including those along the route of the renowned Golden Ring.

I would like to recognise the Yaroslavl, Nizhniy Novgorod, Lipetsk and Novgorod regions, as well as Tatarstan for their successful work with cultural heritage sites. It is my hope that other regions follow their lead. Engaging strategic business partners in efforts to restore cultural heritage sites and in regional development efforts in general is instrumental. I am referring to our major corporations and enterprises which play a defining role in the economies of the corresponding regions.

The decision has been taken to devise mechanisms for enabling these corporations from the construction sector to contribute to developing social infrastructure. This includes kindergartens, schools, hospitals, and outpatient clinics. I ask you to complete this work as quickly as possible.

At this juncture, let me also remind you that we had an agreement on moving major state-owned companies and corporations from Moscow to the regions in order to free up some space in the capital and create a regional development driver by enabling regional budgets to generate more revenue and create new jobs. Mr Sobyenin, Moscow also stands to benefit from this initiative.

RusHydro and PSB Bank both offer positive examples of relocated corporations. The United Engine Corporation has adopted the corresponding resolutions, and similar decisions are about to be taken by the Russian Railways group, as well as other structures involved in railway construction. I can understand that changing a company's office location is not easy, but we must step up these efforts.

Moving on, businesses in today's world go beyond expanding their operations and often contribute to shaping their operating environment. A people-friendly urban environment emerges around them, and sometimes even entire communities, which offer greater comfort and are attractive. We already have examples of this kind.

I believe that it would be advisable to support innovative approaches by private investors and enable them to be more creative, as they say, by using new solutions in their economic operations and construction. This can be done by setting up dedicated legal frameworks blending high-technology investment, tourism, culture, creativity and local identities.

In addition, we must encourage collective investment in projects to develop urban spaces. This involves mechanisms enabling grassroots participation in developing the home region or community by investing in making it look better. I ask the Government to work with development institutions and the Agency for Strategic Initiatives to set forth these regulations.

## **Supporting Private Enterprise and SMEs**

Next. A strong, sovereign and dynamic economy requires the promotion of private initiative, as it is entrepreneurs and companies that identify and create market niches, produce goods and services, and stimulate employment. Predictability and stability of the investment climate are important for high business activity. Businesses must clearly understand the tax system, tariffs, regulation, government support measures and mechanisms, and, in general, operating conditions for many years to come.

We have already made additional adjustments to the tax system and have established a line of investment support at both federal and regional levels. In conjunction with the business community, we have drafted a national model of targeted business environment. Among other things, we are talking about specific steps to simplify company registrations and the filing of tax reports. These efforts should certainly continue; connection to infrastructure should be made easier, the effectiveness of law enforcement improved, and so on, and so forth.

I would like to underscore once again that it is vital for the national model to yield tangible results for businesses and entrepreneurs.

On a separate note, I will just say a couple of words about the systematic work of small and medium-sized businesses.

A lot has already been done to ensure that ambitious and enterprising people can easily start their own business, launch production, and provide sought-after services to the public. However, when a business grows and develops, organisational issues and additional financial costs sometimes arise, and not all entrepreneurs are ready to cope with them. We need to minimise these costs and ensure a seamless transition of the business to a higher category, including through ready-made digital solutions or individual support.

I ask the Government, together with VEB and, of course, with business associations, to draft a concept for a smooth transition in business development and growth, which will cover all stages: from self-employment to individual entrepreneurship, and then to a company with all the advantages of corporate governance. In this work, it is necessary to factor in the transition of the economy to a platform path.

In addition, I draw your attention to a topic that I know has also been a centrepiece of discussion: starting this year, the revenue threshold for applying the simplified taxation system has been lowered. Now it is 20 million rubles, next year it is expected to be 15 million, and a year later – 10 million. We have discussed this issue in detail with representatives of the business community and with the Prime Minister.

I would like to say the following. I believe it is feasible to postpone further lowering of the revenue threshold. I knew that there would definitely be a reaction from the audience at this point. And the threshold should remain at today's level, at the current level. I won't give you a deadline, but the longer it does, the better. I ask the Government, together with the deputies of the State Duma, to make the necessary amendments.

I also propose that we, together with representatives of business associations, consider introducing preferential and more favourable conditions for small and medium-sized enterprises in the manufacturing sector. I believe this will have a positive impact on the creation of a fairer and more competitive business environment. The goal of bringing the economy further out of the shadows has been set, and we will continue to move steadily in that direction.

## **Closing Remarks: Infrastructure and Global Cooperation**

Finally, in conclusion, I would like to emphasise once again that a strong and sovereign country cannot be isolated. As I have said many times, recent experience has demonstrated that we need to produce critical goods domestically and to

strengthen infrastructure that is essential for national security, business development, and improving the quality of life of our citizens. At the same time, we must continue to strengthen ties with foreign partners, expand cooperation, and promote cross-border projects.

Naturally, we will continue implementing plans to increase the capacity of our road and rail networks, including the development of a high-speed rail system based on domestic technologies. As is well known, the pilot project in this area is the Moscow–St Petersburg high-speed railway.

I am also referring to the expansion of seaport capacity and the development of the Trans-Arctic Transport Corridor as a major global transport artery. We will continue developing our merchant and icebreaker fleets, building tankers and vessels of various classes. Our goal is to rank among the world's top ten countries in terms of the total deadweight tonnage of the national merchant fleet.

I would like to ask the Government and the Ministry of Transport to continue their work to increase the attractiveness and competitiveness of the Russian national trade flag.

A strong domestic logistics, production, technological, and financial infrastructure, together with a predictable business environment and the development of human capital, constitute powerful competitive advantages in the global economy. These are the foundations for successful cooperation with countries and investors interested in partnership, those who seek to build mutually beneficial alliances with us, invest in Russia and in joint ventures, and invite Russian companies to take part in joint projects.

I am confident that events such as the St Petersburg International Economic Forum make a significant contribution to this broad and important effort and help all of us achieve new successes in advancing the prosperity and wellbeing of our countries and peoples.

Thank you for your attention.

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