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Sobyanin Vows to Fight Corruption

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Sergei Sobyanin, picked by President Dmitry Medvedev as Moscow's next mayor, said Monday that he would fight rampant corruption in an indication of a looming overhaul of the city's lucrative construction sector.

"In the eyes of the public, Moscow is the leader in this. Corruption is Russia's eternal problem, and few believe it can be dealt with," Sobyanin said in his first public remarks since his nomination. "But otherwise Moscow cannot develop."

Medvedev, who nominated Sobyanin for the post on Friday, ordered him to tackle corruption, Moscow's notoriously bad traffic and social problems as mayor.

Sobyanin said Monday that he would prioritize those three areas. He said he would also focus on maintaining social stability and solving Moscow's transportation woes, which are seen as the biggest obstacle to the city's ambitions to become a global financial center.

Businessmen say corruption is worst in the construction sector, which heavily depends on decisions by the city administration. Former Mayor Yury Luzhkov's wife, Yelena Baturina, owns Inteko, one of the largest construction firms in the city. Both Luzhkov and his wife deny

any wrongdoing when Luzhkov was mayor.

As part of an apparently Kremlin-sponsored campaign to squeeze allies of Luzhkov out of the city¹s lucrative real estate business, state television has aired reports denouncing Luzhkov¹s construction projects.

The reports focused on several businessmen seen close to Luzhkov, such as Israeli billionaire Lev Leviev, alleging that his AFI Development had delayed the completion of a shopping mall at a traffic intersection in the Moscow city center.

"This information is not true," said Stanislav Zhukov, head of investor relations at AFI.

He said the construction was stopped because the city froze its share of the funding during the crisis.

He said the financing from the city has resumed and the construction was back on track, with the project expected to be finished ahead of schedule.

Zhukov said a major shakeup of the city's construction industry was unlikely.

"I think the view that Sobyanin will make trouble for developers is wrong. He will need to show that Moscow is being built," Zhukov said.

Sobyanin, a deputy prime minister who serves as Prime Minister Vladimir Putin's chief of staff, is expected to be confirmed as mayor by the Moscow City Duma on Thursday.

(Reuters, MT)

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