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Putin Vows to Spend $285Bln on Roads Over Next Decade

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TVER — Russia will spend 8 trillion rubles ($285 billion) over the next decade to double the rate of road building, Prime Minister Vladimir Putin said Monday, addressing one of the most sensitive issues for voters.

Putin, who has not ruled out taking part in the presidential election in March 2012, is keen to appease car owners. Opinion polls suggest that Russians are increasingly concerned with road quality as the number of cars doubled to 40 million in the last decade and is expected to reach 60 million by 2020.

The World Bank said the country's road infrastructure is viewed as one of the key restrictions for economic growth, with only a third of all federal roads meeting quality standards.

"The state of our roads is a real problem, constraining business activity, investment and development of the Russian territories," Putin told a local government meeting in Tver, a city some 220 kilometers northwest of Moscow.

"Our financial resources allow us to double road construction volumes in the next 10 years," Putin said.

Data published by the World Bank suggests that Putin did not prioritize road construction during his rule, with spending on roads falling to 1.5 percent in 2009, compared with 3.5 percent spent by China, from 2.8 percent of GDP in 2000.

During years of economic boom the industry has become one of the most corrupt in Russia and road building costs have soared.

"We need to eliminate factors that lead to artificial increases in cost and construction delays," Putin said.

Russia, ranked 124th in the World Economic Forum's road quality rating, increased road construction spending 40 percent to $25 billion in 2011 and last year completed a motorway that links European Russia to its Far East.

In 2011, the government set up a budget for motorway building at federal and regional levels, which will accumulate revenue directly from sources such as petrol excise duty and vehicle licensing tax, channeling them into road construction.

In recent years, car owners have organized rallies to protest against corruption among traffic police and the violation of traffic rules by senior officials.

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