

Railways Management Pay Cut Looms as Freight Volumes Fall

By [The Moscow Times](#)

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Declining freight traffic at Russian Railways will affect bonus payments to company management, said company head Vladimir Yakunin.

In the fight to control costs at Russian Railways, the country's fourth-largest company by revenue, "We will start with ourselves, even though we not obliged to," Yakunin said, Prime news agency reported. "We feel that this is fair."

Yakunin said the size of the pay cuts would equal the fall in freight volumes, which currently stands at 4.3 percent.

At an April meeting with President Vladimir Putin, Yakunin said state-owned Russian Railways would have to "optimize" spending of about 49 billion rubles (\$1.5 billion) in order to meet targets set by the government while at the same time balancing the company budget. At that meeting, Yakunin predicted a rise in freight volumes of 0.7 percent. In May,

the company was forced to review its forecast. Russian Railways now predicts that freight traffic for this year will be down 30 million tons, or 2.4 percent.

Yakunin also said in April that while efforts would be made to preserve staffing levels, the company would most likely be forced to make cutbacks. Russian Railways has 976,116 workers, according to material on its website, making it the largest employer in the country.

Pictures of a luxury mansion occupying 70 hectares of land outside Moscow believed to belong to Yakunin were published by bloggers earlier this week, but the rail chief has yet to comment on the accusation.

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