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Putin Angered by Lack of Far East Progress

By Anatoly Medetsky

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President Vladimir Putin on Tuesday again said the Cabinet was slacking off.

He blamed ministers for getting behind schedule in executing measures to develop the country's Far East.

"I'll tell you what, dear friends, will you ever get to work or not? What is this?" Putin said, according to the transcript of his speech on the Kremlin website.

He made the statement at a meeting in Sakhalin dedicated to boosting the Far Eastern economy.

Putin previously took the Cabinet to task in May when television footage — thought to have the Kremlin blessing for being leaked — showed him raging about slow progress on his decrees from last year.

Measures to develop the Far East, announced in December, were supposed to have been completed by the middle of this month, but the deadline now moved to October.

The Cabinet did draft a bill that reduces the profit tax on new businesses in the Far East, which is one of the more drastic measures. Putin signed that bill into law earlier this year.

Nevertheless, Putin said 80 percent of the plans needed a deadline extension. He didn't specify which plans.

He stressed that the delay is happening on the backdrop of a population outflow from the already underpopulated area.

International energy giants — such as Gazprom, Shell and ExxonMobil — have turned life around in Sakhalin by pursuing multibillion-dollar oil and gas projects, but that hasn't stopped the exodus.

In the first three months of this year, 1.6 percent of residents left the island, Putin said. He didn't give any hard numbers.

In addition to the flak, there was also new information on some of the energy projects in the area.

Sakhalin Governor Alexander Khoroshavin said at the meeting that the regional government had zeroed in on the site they wanted to offer Rosneft for building a liquefied natural gas, or LNG plant. LNG is natural gas cooled into a liquid for transportation by tankers.

The governor said it was the port of Ilyinsky on the island's southwestern coast.

Rosneft said it was hoping to build the plant jointly with ExxonMobil. The companies are partners in the Sakhalin-1 offshore oil and gas project.

Energy Minister Alexander Novak said that if Gazprom should decide to build an LNG plant near Vladivostok, that would mean it would not add production capacity to the LNG facility it already has at Sakhalin-2 the international consortium that the gas giant leads.

Novak said he expected the decision by the end of this year, adding that the Vladivostok option was preferable.

He reiterated that the ministry planned by the end of this year to send to the State Duma a bill that would allow companies other than Gazprom to export LNG.

Putin also said he had spoken with Rosneft head Igor Sechin about the governance of the Far East.

"I think he is right: The way things work are not so efficient. I am drawing your attention to this," the president said.

The phrase underscored Sechin's unwaning influence in matters that extend beyond his current role as a state company chief executive.

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