

Yakunin Defends Railways Party Plans, Overall Fiscal Discipline

By [Anna Dolgov](#)

December 13, 2013



Russian Railways head Vladimir Yakunin. **Sergei Porter**

Russian Railways head Vladimir Yakunin on Friday lambasted the criticism of his company for supposed financial mismanagement, saying that its budget is approved by the government, and even the New Year's Eve party will be funded out of the staff's own pockets.

Russian Railways has received no state subsidies this year, even while the company's expenses reached 1.28 trillion rubles (\$38.9 billion), Yakunin said in his LiveJournal blog.

The company had earlier asked the government to compensate it next year for some of its projected losses from an upcoming tariff freeze, or to allow it to increase regulated rates. The government has agreed to give Russian Railways 26 billion rubles out of 30 billion rubles the company had sought, but Russian Railway has asked for another 70 billion rubles of annual subsidies for 2015 and 2016.

Yakunin said that his company is managed more effectively than many private enterprises, adding that it enjoys a high investment rating and receives loans from foreign creditors at favorable rates.

Russian Railway's budget goes through an extensive chain of government and public scrutiny before it is approved by the government, Yakunin said.

"In the corridors of those agencies [that review railways finance] and from individual high-ranking superiors I personally on many occasions have heard only positive assessments of the accuracy, transparency and soundness of the company's budget," he said.

Yakunin also lashed out at critics who accused his company of extravagant spending on a lavish New Year's Eve party.

"All members of the Board will pay for their entertainment and food from their own personal funds," Yakunin said. He didn't specify whether the contributions would also cover the costs of entertaining the 1,000 external guests that Yakunin said the company had invited.

Television and radio host Vladimir Solovyov accused Russian Railways last week of planning to spend 50 million rubles on its corporate New Year's party.

"If after that Russian Railways is going to try to tell us that they need government assistance, that ticket prices need to be increased, wouldn't you think that they need to look closely at the bill for their corporate New Year's party," Solovyov told Vesti radio.

Contact the author at bizreporter@imedia.ru

Original url:

<https://www.themoscowtimes.com/2013/12/13/yakunin-defends-railways-party-plans-overall-fiscal-discipline-a30478>