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List of Companies to Head East Is Set and Secret

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The list of state-owned companies that will have to move their headquarters to Russia's Far East as part of an effort to rejuvenate the region's economy has been formed, Presidential Envoy to the Far East Yury Trutnev said Friday. However, the names of the firms are still not available to the public.

Trutnev said the exact number of companies as well as their names will be kept secret until the list is discussed with the government and the president.

"What is meant here is moving the headquarters of companies, moving the personnel and in the case of state-owned companies — shifting the tax base to the Far East," Trutnev said, Interfax reported.

In February, Prime Minister Dmitry Medvedev discussed the issue of moving some companies either partially or fully owned by the state to the Far East. The Far East Development Ministry

has often been criticized by President Vladimir Putin for being ineffective. The last such dressing down was in July 2013, when he said the government was not working hard enough to tackle the problems of the Far East.

"The whole idea of moving companies to the Far East seems to be an imitation of serious work. It will be accompanied by significant spending and will be totally useless," said Oleg Buklemishev, an associate professor at the economics department of Lomonosov Moscow State University.

To ensure their ability to continue operating successfully all the companies will have to leave a significant part of their staff in Moscow in order to interact with investors and officials located in the capital, added Buklemishev. He also said that the main way to give a boost to the Far East's economy is to give the region the freedom to define its own economic policies.

Alexei Skopin, a professor at the Moscow's Higher School of Economics is also skeptical about the move to the Far East. To make the region's economy function better more has to be done, especially in terms of attracting investors from China, Japan and Korea, he said.

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