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Government Inspections Drain $35Bln from Economy, Business Ombudsman Says

By The Moscow Times

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Business ombudsman Boris Titov has said that business was 30 percent less profitable last year than in 2012.

Inspections by government agencies drained 1.8 percent of gross domestic product from the economy, or over $35 billion last year, business ombudsman Boris Titov told reporters Monday at a news conference.

Presenting a report on the main challenges for business in Russia, Titov said they were subjected to 2.7 million inspections annually, a large portion of which are ineffective, Itar-Tass reported.

"Today 48 percent of inspections are not scheduled in advance ... and only 55 percent of them find violations, meaning 45 percent of inspections are useless," he said, Itar-Tass reported.

Reeling off a list of problems facing business in Russia, Titov said the number of jobs in the country fell last year, that there was a 14 percent decline in the quantity of people registered as individual entrepreneurs, and that business last year was 30 percent less profitable than in 2012.

However, the number of criminal cases opened against businessmen on economic charges has decreased by 20 percent, which was a positive trend, Titov said.

He also said that the goal set by President Vladimir Putin to see 25 million people employed in the high-tech sector by 2025 is achievable — "We did a survey. Today there are more than 10 million highly productive jobs and this means by 2025 we will be able to create and modernize 25 million of these workplaces," Titov said, Interfax reported.

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