

Sanctions-Hit Yakunin to Lead Russian Railways for 3 More Years

By [The Moscow Times](#)

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Russian Railways President Vladimir Yakunin.

The long-serving president of financially struggling Russian Railways, Vladimir Yakunin, blacklisted by the U.S. in March over Russia's annexation of Crimea from Ukraine, is set to have his contract extended by another three years.

Prime Minister Dmitry Medvedev is expected to sign off on Yakunin's contract renewal with Russian Railways in the coming days, three unidentified federal officials told Vedomosti on Tuesday.

65-year-old Yakunin, who was targeted by the U.S. for his closeness to President Vladimir Putin, has been slammed by anti-corruption campaigner Alexei Navalny for the riches he has accumulated during his nine years at the head of Russian Railways, the country's largest employer. The company has recently seen its profits tumble, and recorded a loss of 16 billion rubles (\$463 million) in the first quarter of this year. At a board meeting on Monday, state-

owned Russian Railways said it would pay dividends for 2013 of 25 percent of its profit, calculated according to Russian accounting standards — or 185 million rubles (\$5.3 million), Prime news agency reported.

Medvedev's spokeswoman declined to comment on Yakunin's reappointment.

Yakunin's spokesman Alexander Pirkov said, however, that his boss has an open-ended contract with Russian Railways, RBK reported, making Medvedev's intervention a mere formality.

Yakunin was appointed in 2005, and the Cabinet extended his contract in 2008 and 2011. Last summer, Russian media outlets reported that he had been sacked, citing a statement issued by the government's press service that turned out to be fake.

Russian Railways last month reported a first-quarter net loss of more than 10 billion rubles (\$278 million), which Yakunin has blamed on the government's decision to freeze freight rates.

In 2013, Russian Railway's net profits fell 19 times to 740 million rubles (\$21 million). Last month, Yakunin said the company's management was discussing the possibility of not paying dividends for 2013.

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