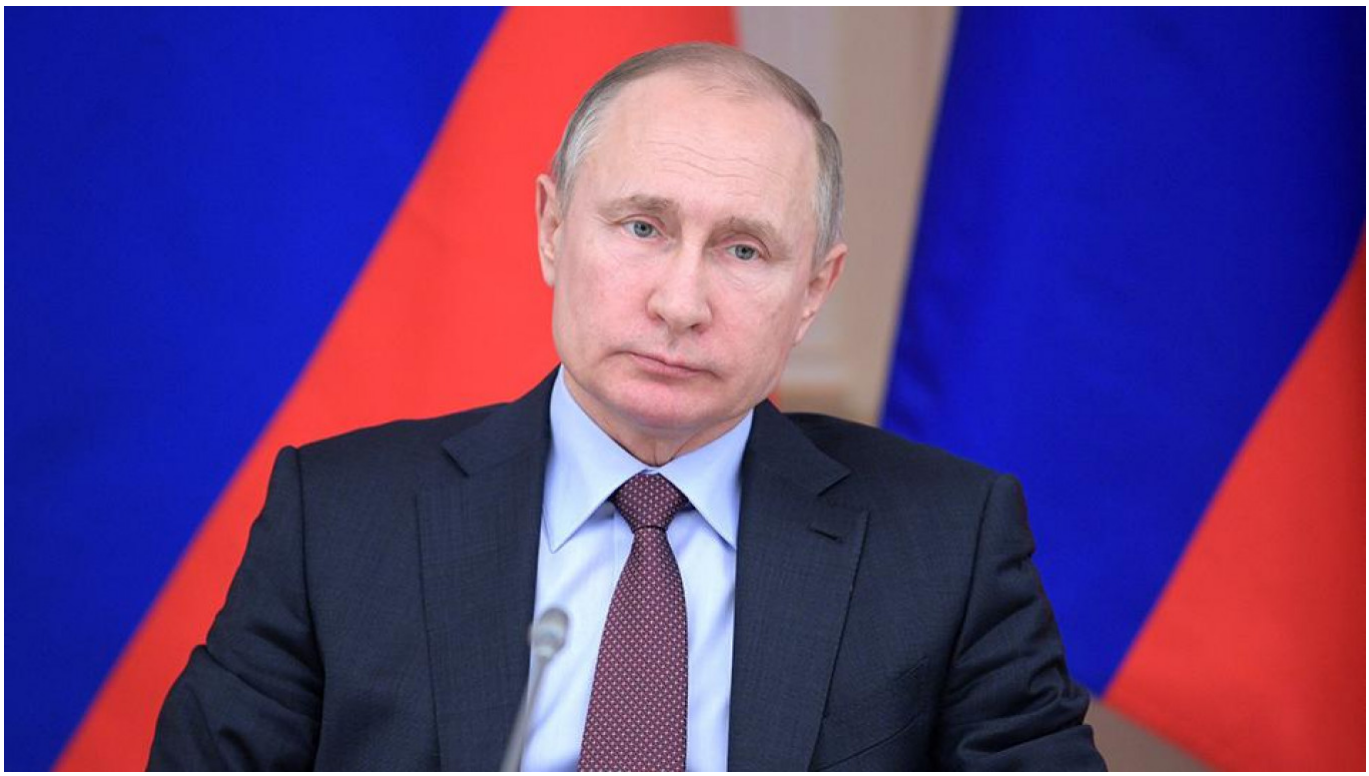
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Putin Blasts Russian State Companies, Warning of 'Cartel Danger' to Economy

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Vladimir Putin **Kremlin Press Service**

President Vladimir Putin has railed against state-run companies for "monopolizing" markets in Russia and endangering the Russian economy.

Russia's anti-monopoly watchdog said last year that it observed a "universal cartelization of the Russian economy" in recent years.

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Speaking at a meeting on business competition Thursday, Putin criticized state-run companies for squeezing out small and medium-sized businesses from the market through unfair practices.

"Cartels are growing in high competition industries; entrepreneurial initiative and motivation

to open a business are getting undermined," Putin said in a transcript of the meeting.

He noted that business-owners found it hard to compete in markets taken up by public and state-run companies and that it was "difficult to win a state or municipal order through honest competition."

Criminal cartel cases have been on the rise in the past two years, he said, singling out the construction industry as a leader in violations.

Putin also raised the growing issue of "regional protectionism," a practice where local administrations create favorable conditions for companies from their own regions.

"I would like you all to hear it now: A local producer means a Russian producer, this is extremely important," he said.

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