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Putin Talks Multipolarity and Shrugs Off Economic Pain at 'Russian Davos'

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Vladimir Putin. **Kirill Kazachkov / Roscongress**

President Vladimir Putin delivered his keynote address at the annual St. Petersburg International Economic Forum (SPIEF) on Friday, leaning heavily on familiar talking points about a "multipolar" world while downplaying the mounting economic headwinds hitting Russia amid its war against Ukraine.

The plenary session, scheduled to begin at 3 p.m. local time, started around an hour late. Indian journalist Geeta Mohan moderated the panel, which, besides Putin, included the presidents of Uzbekistan and Tanzania, as well as Chinese Vice President Han Zheng.

Before Putin took the stage, organizers screened an AI-generated video depicting Russia across three centuries as a historic global stabilizer. A narrator describes Russia as a country "that remembers the lessons of history" and remains "ready for partnerships that span decades to come."

The video concludes by pitching Russia as the definitive anchor for future global order, calling

it “the place where dialogue begins” and “the guarantor that agreements will actually work.”

Opening his speech with brief references to the global energy crisis and war in the Middle East, Putin proclaimed that the world is undergoing fundamental geopolitical and economic shifts.

“We are not just witnessing a transition from one phase to another, but the transformation of the development paradigm itself,” he said.

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As he did during the past two forums, Putin championed BRICS — a bloc of countries originally comprising Brazil, Russia, India, China and South Africa — as the primary engine of this transition.

“BRICS leadership is growing. Projections show that this balance will continue to shift further in favor of BRICS,” the Kremlin leader said. “It’s because economic growth rates in BRICS countries will be consistently higher. They are higher now, and they will go higher still. This trend is here to stay.”

At the same time, with years of war and Western sanctions weighing heavily on the Russian economy, Putin could not avoid addressing the country’s mounting macroeconomic vulnerabilities.

“We have essentially come down to the same baseline that Eurozone countries have been living with for years,” Putin said. “The crucial thing is that we preserved the core of our macroeconomic policy. I am confident that our upward and forward progress is guaranteed.”

Russia’s economy contracted by 0.2% in annualized terms between January and March, according to the state statistics agency Rosstat. Policymakers now expect GDP to grow by just 0.4% this year, a significant decrease from their previous estimate of 1.3%.

At SPIEF, Putin acknowledged the slowdown but placed the responsibility for a turnaround squarely on state officials. “Yes, economic growth is currently subdued. I want to remind the government of the target they’ve been set: we need to return to a path of sustainable domestic economic growth starting as early as next year,” he said.

Putin stressed that reviving growth depends entirely on “increasing capital expenditure and launching a new investment cycle,” calling investment growth “the single most important metric” of performance for economic officials.

“It is vital that this economic growth is balanced, driven by domestic demand and coupled with a further reduction in inflation,” he added.

The president’s sweeping overview of socio-economic issues in Russia featured a rapid-fire delivery of macroeconomic statistics and bureaucratic goals, such as improving the business climate, ensuring predictability of laws and their enforcement, as well as easing regulatory burdens for small and medium-sized enterprises.

And yet, in practice, the Russian government has recently raised taxes on both consumers and small businesses, ratcheted up its nationalization of companies, increasingly jailed leading business figures and seized the assets of foreign corporations.

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To drive economic and productivity growth despite current headwinds, Putin pointed to artificial intelligence, autonomous systems and digital platform solutions as the key technologies of the future.

"First is artificial intelligence, which enables the processing of huge amounts of data and the making of optimal decisions in virtually every field," Putin said, adding that autonomous systems "dramatically boost productivity and reshape entire sectors of the economy."

He warned that countries must build their own digital systems or risk turning into "digital peripheries" controlled by Western tech companies, adding that Russia had already learned this lesson.

Still, Putin's address on Friday offered few concrete specifics on how Russia intends to navigate its major economic hurdles, particularly those tied to the costly, ongoing invasion of Ukraine.

Putin made no mention of the war throughout his speech.

Dubbed the "Russia's Davos," SPIEF had for years attracted top Western business leaders and policymakers, serving as a platform for major deals like the Nord Stream gas pipeline. But since 2022, the forum's lineup has reflected Moscow's pivot toward countries in Asia and Africa amid its isolation from the West.

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