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В РЕСПУБЛИКЕ СЛОВЕНИИ**

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PRESS RELEASE

Meeting of Vladimir Putin with heads of Russian print media and news agencies

Moscow

Ahead of Russian Press Day marked on January 13, Vladimir Putin met with heads of Russian print media and news agencies in the editorial office of the Komsomolskaya Pravda newspaper. The discussion focused on current professional issues. The President congratulated media representatives on their professional holiday.

In December 2017, during Vladimir Putin's annual news conference, Komsomolskaya Pravda correspondent Alexander Gamov invited the President to visit the newspaper's editorial office. Before meeting with heads of Russian print media and news agencies, Vladimir Putin toured an exhibition devoted to the newspaper's history, learned about the work of its editorial office and wished the listeners of KP radio station a happy New Year in a live broadcast.

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President of Russia Vladimir Putin: Good afternoon. I congratulate you all on your professional holiday. Press Day, right?

Editor-in-chief of the Komsomolskaya Pravda newspaper Vladimir Sungorkin: Russian Press Day.

Vladimir Putin: My congratulations to all those involved in this wonderful profession, an interesting, very important, difficult and, sadly, occasionally a dangerous one, but very important. I congratulate you and wish all the best to you, to all your colleagues, to everyone who works at both print and electronic media outlets, in internet media.

People in your trade are interesting, unconventional, creative, and often very talented. I would like to express my hope that all those qualities, all the talent and efforts will serve the good of society and Russian citizens.

Remark: Thank you.

Vladimir Putin: I will conclude my short speech, my introductory remarks, on that note. Let us just have a talk, as we oftentimes do at meetings like this.

Vladimir Sungorkin: Mr President, thank you for coming to Komsomolskaya Pravda.

I have a question for you not as the President, but as a presidential candidate. This year, we will have, I think, a record number of those who wish to lead our dear mother Russia. What are your thoughts on the large number of potential candidates? Do they motivate you, or just the opposite? What are your feelings on going up against 15 rivals, I believe?

Vladimir Putin: I think it is normal and good. To some degree, the pre-election period always strains society, because, unfortunately, there is also a lot of “foam” bubbling up, but still it is good because it gives people a chance and a reason to speak out, to discuss how different people approach these problems.

In general, I think it’s useful. It keeps the discussion fresh and sharpens it. The main thing is to do everything according to the law, as well as certain ethical and moral values. This is the most important element; and on the whole these campaigns I have just mentioned, while they have downsides, they still benefit society. This is why I welcome it. I will be glad to see and to hear interesting, elegant and useful proposals for the country’s development.

Editor-in-chief of the Kommersant newspaper Sergei Yakovlev: Mr President, I would like to continue with the topic of the election.

Alexei Navalny was not allowed to participate in the election. We immediately heard criticism from Washington and a number of European capitals. I would like to know what you think about this and how you see the situation?

Vladimir Putin: First, I would like to say that no one likes when others interfere with their internal political affairs. Our American friends particularly do not like it. We can see their reaction even to unreliable information on our interference, we can see how sharp the reaction has been, aggressive even, I would say. The experience of American election campaigns shows that they hardly allow anyone in.

The situation with our media which were promptly labelled foreign agents and their performance impeded, in a pretty aggressive and spiteful way, I would say this speaks exactly to how they react if someone influences the domestic political situation somehow, especially during the pre-election period.

The fact that they do that themselves, at least make these attempts, is regarded by them as normal, which is absolutely wrong in my view. And if they poke their nose in everything, they should be ready to respond to certain challenges which they actually encourage themselves.

I would ask you not to take this as if we are interfering with something. We are not going to interfere. I am just stating the fact that nobody likes it when someone interferes with their business yet they are happy to intrude into others’ affairs. This is the first thing that comes to my mind regarding some reactions by the US

Congress followed by the Department of State on the fact that someone was not allowed. This is the first instance.

The second instance. The character you mentioned is not the only one who was banned. For some reason others were not announced. This seems to reveal the US administration and other nations' preferences regarding who they would like to promote in Russia's politics and who they would like to see among the country's leadership, if not the leader. And apparently, these are the people they count on, they rely on. And in this case, they gave themselves away, they would have done better if they had kept silent.

The key is not who was allowed to run and who was not, because this is standard practice. The key is to understand and to follow the spirit of the law for us inside the country. To understand that any violation of the law, no matter who it is committed by, is intolerable. And that's it. Including during the election campaign. Rossiya Segodnya Director General Dmitry Kiselev: We have just celebrated the New Year. I understand you rang it in amid freezing temperatures in Russia. Meanwhile, as many Ukrainian media resources reported, Poroshenko, the President of neighbouring Ukraine, rang in the New Year in the Maldives where he rented a whole island. Apparently, it was there that he shouted "Glory to Ukraine!"

Meanwhile, Donbass exists. It is home to millions of people who did not recognise the coup d'état in Kiev, and on the whole their fate is not to be envied. There is little good news out of there. True, recently a prisoner exchange took place there but it was incomplete. Otherwise, there is shooting and people get killed almost every day. Does Donbass have a future? Is it a frozen conflict? It seems Europe is ready to forget about it. Or am I mistaken? Russia's maneuvering is probably also limited to an extent, is it not?

Vladimir Putin: First, I always spend the New Year and all other holidays in Russia. This is simply a tradition. To be honest, I do not even want to go anywhere. I spent the New Year holiday at home and then went to Siberia for a couple of days. The temperatures were really freezing there – minus 33 C – but I like it this way.

As for the President of Ukraine, I do not know where he spent his New Year holiday but I do not think there is any shame in the President going abroad and spending some time with his family there.

Dmitry Kiselev: But he is saying that the country is at war and yet he goes to the Maldives. How come?

Vladimir Putin: I do not know anything about this. I do not know anything for sure and so it is difficult for me to comment. At any rate, he is a wealthy man and can afford to go with his family abroad, to the Maldives or whatever other islands.

As for settlement prospects in Donbass, it seems to be turning into a frozen conflict. Nobody, including Russia, has any interest in this. We would like this situation to be resolved. But a settlement should not cause concern among those who live on this territory. I do not want to predetermine anything now. I have said

this many times. I would like to repeat: Russia would be fairly content if the Minsk Agreements were carried out in full. I am referring to their implementation on a full scale – not just selectively as some prefer. All those who live in Donbass should find such a settlement suitable, and it should include a law on the special status of Donbass. This is the second point.

Third. Regarding our relations with Ukraine in general. It is totally abnormal that instead of constructively advancing relations between the two close, brotherly nations and between what are essentially parts of the same people, we see what is unfolding today. I expect that after the Donbass issues are solved, and this will happen sooner or later, there are no doubts about it – inter-state relations between Russia and Ukraine will begin to normalise in general.

As you know, even in 2014, we began the transfer of military property and equipment. Several trainloads were sent from Crimea to Ukraine. The Ukrainian side repeatedly raised the issue of returning military equipment from Crimea. I would like to use the opportunity, as they say, and I want to say that we are ready to continue the process. We are ready to hand over naval ships to Ukraine that are still in Crimea, we are ready to hand over air force and armoured equipment. To be honest, it is in miserable shape but that is none of our business, it is in the same condition as when we got it, and it certainly has not been serviced in all these years. However, it concerns dozens of ships, dozens of warplanes.

As to the ships, I think it will be better if Ukrainian service personnel arrive and take them, we are ready to help them move the ships to Odessa.

There is also a considerable store of ammunition, but according to our military experts, the ammunition may not be transported; it is dangerous, so it must be disposed of on site. We are ready to invite the Ukrainian military for the ammunition disposal. But these are just the most necessary external steps.

Despite all the complexities and problems, trade between Russia and Ukraine increased last year, and the increase was significant. It is a good sign that we have fundamental resources to restore relations in general.

Editor-in-Chief of Nezavisimaya Gazeta Konstantin Remchukov: Mr President, I would like to touch on two interconnected topics – they are staffing for management processes in the country at all levels, in all industries...

Vladimir Putin: What kind of staffing?

Konstantin Remchukov: Staffing for management processes. And connected to that is the problem of social lifts for the young. I am a member of the Supervisory Council of the Leaders of Russia contest initiated by you. I remember when we gathered for the first meeting in the autumn, we expected seven to eight thousand people to take part in the contest. Mr Kiriienko, a thrifty person, said, “Let us assume that the contest’s organisational structure should be designed for 10,000 participants. The number of applicants was 200,000. This is phenomenal. The last semi-final started yesterday. The 300 finalists will get a million rubles each toward business training.

Question: Is this project opportunistic? Can the topic of social mobility for young people be considered from the perspective of the election campaign?

Second. If you continue to serve as President, will you continue searching for administrative staff via this contest?

And third. Do you personally follow these selection competitions across the country? Thank you.

Vladimir Putin: I will pick up where you left off. I follow them personally. I think the organisation and the specifics of this work, as well as the results of this big event, are positive. For me, it was a bit unexpected that such a big, even huge, amount of applications were submitted. It means that there is major interest.

This does not have anything to do with the current political environment. You know that for a long time, during almost the entire last six years, we have been discussing and taking consistent steps to train new specialists, in various areas.

One of the most important areas is the training of highly-qualified workers. Since 2015, we have been holding national contests and competitions, taking part in international competitions and even winning them. We won in Abu Dhabi, in the team score, as they call it. We are constantly working with businesses. Companies pitch us their programmes. We reach agreements with them on the work they will do together with the Ministry of Industry and Trade, the Ministry of Education and with regional teams. We are organising the opening of educational centres and support for them at the level of our large corporations.

You know, yesterday I visited a rail car manufacturing plant in Tver. They are also currently taking over a large regional centre where they will train specialists. It happens everywhere. Naturally, we should search for young and promising people at the federal level, too. We have established an entire training system for talented young people across the country, starting with Sirius. We are building technical parks and youth and child venues for technological creativity. This is our large, significant, multi-disciplinary programme. And the Leaders of Russia contest is one of its elements. Of course, we will continue working on this scale.

And speaking about the contest, we can really find very interesting and talented young people that way. They are of various ages, but mostly young. And our goal is not only to find them a job somewhere, but to help them to develop. The money you are talking about, it is not for employment, but for professional growth and development, for them to improve their skills. However, I can tell you that during this major work, our large companies, ministries and agencies are watching them more closely, too. Of course, we will also use them to form our federal staff reserve.

Chairman of the Russian Union of Journalists Vladimir Solovyov: The Russian Union of Journalists will mark its 100th anniversary this year. We want to celebrate this event properly, but there is one thing missing for this: an honorary title for our professionals. When good journalists are rewarded, they receive the title of a Merited Worker of Culture or even a Merited Communications Worker, which does not describe what journalists do.

I hope my colleagues will support me. I appeal to you on behalf of the journalistic community to support our initiative to establish the honorary title of a Merited Journalist of Russia. This is very important for our veterans.

Vladimir Putin: I think your request is completely justified. Why not, indeed? As I said in my opening remarks, journalism is occasionally a dangerous profession, so it is a justified request. Let us do this. I will issue the corresponding instruction to the Presidential Executive Office, and we will do this.

Vladimir Solovyov: Thank you very much.

Director General of the Interfax news agency Mikhail Komissar: Mr President, according to reports from Syria several days ago, the terrorists used drones to attack our air force base there.

Our Defence Ministry has reported that these drones were launched from an area in Idlib, which is controlled by Turkey. Here comes my question. It seemed that our relations with Turkey, at least our military and political relations, have normalised. How can you comment on this situation then?

Vladimir Putin: I spoke with the President of Turkey from an office next door right before this meeting. We discussed this situation among other issues. I am sure that neither the Turkish military, nor the Turkish authorities, nor the Turkish state has anything to do with this incident. However, it is true that Turkey should control this part of the Idlib zone. It should be said, though, that we do not always manage to have complete control over what we should control there.

Our Turkish partners are sometimes unable to do so either. The situation is complicated there. Under our agreements, they [the Turkish partners] should set up observation posts there, but they have not done this so far. And it is difficult to do it.

You probably remember that when we set up the checkpoints operated by Russian military police, the militants launched an offensive. As a result, Russian service personnel were surrounded. Through well-coordinated, professional and courageous actions by our military on the ground, in the air and by special units, we were able to create a corridor in order to move everyone out of this area without any losses.

In Syria, I met with the commander of this unit. By the way, he is from Dagestan, if I am not mistaken. Anyway, he said that the air force delivered a strike unmatched by its effectiveness. So I asked him: What did you do? I raised the Russian flag, he said, and took this corridor, while a convoy of the special forces moved towards them from the opposite direction.

This does not mean, however, that this was provoked in any way. I am now referring to our Turkish partners. There were provocateurs there, but they were not from Turkey. And we know them and who they are. We know how much and whom they paid for this provocation.

As for these incidents, there is nothing good about them. These are also provocations designed to derail the agreements that have been reached. This is my first point.

My second point has to do with relations with our partners, Turkey and Iran. Someone is also trying to destroy these relations. We understand this all too well, and for this reason, we will show solidarity towards one another.

As for these attacks, we have every reason to believe that they were carefully planned, and we know when and where the drones were delivered, and how many. These aerial vehicles were camouflaged as improvised devices. Let me emphasise, that this is only camouflage. In fact, they clearly include high-technology components. This is related to radio location systems and satellite targeting, as well as high-precision weapon separation systems. What this all means is that the explosives were dropped from the UAVs automatically, and the route was calculated so as to enable the drones to return to the launch site.

This proves that high-technology elements were used. I fully agree with experts from our General Staff that there was no way these elements were hand-built. This is the reality, we see this, and additional measures were taken to secure our locations. I hope that they are effective.

We are committed to further strengthening our partnership with Turkey, and we are engaged in talks to prepare a meeting in Sochi between the Syrian government and the opposition. The Russian inter-agency group is currently in Damascus for talks with the Syrian government and President Assad. I hope that all these complex and challenging issues will be resolved so that we can move forward.

Argumenty i Fakty Editor-in-Chief Igor Chernyak: This year our relations with our American friends have continued to deteriorate. There have been many provocations, numerous conflicts and incidents of all kinds. Recently, during an attack on the Russian base in Syria, a US reconnaissance aircraft was spotted near the base, according to the Defence Ministry.

Vladimir Putin: There was a drone hovering nearby.

Igor Chernyak: Yes, a drone.

Do you think Russia and the US have hit the rock bottom in their relations? Is there hope for improvement and what can we expect this year relationship-wise?

Vladimir Putin: This does not depend on us. We have been ready for improvement for quite some time. But the domestic political situation in the US will not settle down. We all see and understand that the Russian card is being played in the US domestic politics. The US President is being constantly threatened with impeachment and this intimidation is based on Russia's alleged meddling. I would like to stress once again that this is nonsense. It is absolutely ridiculous. There was no collusion and no interference on our part.

Stressing this again, I hope that sooner or later this political bustle comes to an end and there will be proper conditions for improving our relations.

Unfortunately, we know that US Congress has voted on some additional restrictions. We will of course analyse those and see how all that is put into practice and whether anything will, in fact, be done. We will respond accordingly. But any steps towards any restrictions and, obviously, any unlawful sanctions will damage rather than improve our relations with the United States. This is not a good

idea and it has never been one. We will see. As I said, this does not depend on us. This depends on our US counterparts.

If they show goodwill, muster up courage and common sense and finally realise that the United States itself is interested in improving the Russia-US relations, that it meets their national interests, then the situation will normalise and our relations will develop further. But until they realise this they will probably keep playing the Russian card in their political infighting and this will further damage our bilateral relations, which will continue to deteriorate. We will see what happens this year. It is not up to us.

Editor-in-Chief of the Rossiyskaya Gazeta newspaper Vladislav Fronin: Mr President, I have a question about the Korean Peninsula. The new year has brought good news about contacts, trends and possible meetings. At the same time, there is alarming news about nuclear buttons and whose is bigger. What do you think about the developments concerning the Korean Peninsula in the first days of the new year?

Vladimir Putin: I think that Kim Jong Un has obviously won this round. He has achieved his strategic goal. He has a nuclear warhead, and now he also has a missile with a global range of up to 13,000 kilometres, which can reach almost any part of the globe, at least in the territory of his potential adversary. And now he wants to clear up, smooth over or calm down the situation.

He is a shrewd and mature politician. However, we should be realistic, and based on what we have to go on we must act extremely carefully. If we want to achieve the difficult goal of denuclearising the Korean Peninsula, we should do this through dialogue and talks.

I believe that, however difficult this may seem, we can accomplish this mission if all parties to this process, including the North Koreans, become convinced that their security can be also guaranteed without nuclear weapons.

This is how I want to reply in conclusion. It is closely connected with your question and the previous question as well. We are discussing the New START Treaty with our American partners. They have suddenly stated, although their intention fits the letter of the treaty, that they want to convert some of their delivery vehicles – aircraft and submarines – together with silos to prevent their use for launching nuclear weapons.

In principle, this possibility is stipulated in the treaty. But the treaty also says that this is only possible if the other party, in this case Russia, verifies the conversion and is convinced that there is no breakout potential in this, that these silos or aircraft equipment will not be converted back for the use of nuclear weapons.

We have no proof of this so far. And we are therefore concerned about this. But our dialogue is ongoing. I hope it will be positive.

Editor-in-Chief of the Lenta.Ru online media outlet Vladimir Todorov: Mr President, I would like to discuss the important issue of digital economy.

Last July, the Council for Strategic Development discussed digital economy at its regular meeting. An interesting argument was made that excessive regulation

of this high-tech industry may result in a phenomenon of crypto-anarchism that is, the use of technology for unlawful purposes. This includes anonymous technology. I can give you an off-hand example, which is coordinating terrorist attacks via the Telegram messenger or drug trafficking on the dark web that brings billions and involves hundreds of Russian cities.

How can we maintain this important balance between regulations, whether excessive or insufficient (as in the case with cryptocurrencies), and the technological progress that could advance the Russian economy?

Vladimir Putin: What do you mean “as in the case with cryptocurrencies”?

Vladimir Todorov: There is no well-defined legal framework on cryptocurrencies at present.

Vladimir Putin: That is correct. Do you think there should be one?

Vladimir Todorov: I think it is necessary.

Vladimir Putin: You know, currently it is to a large extent the Central Bank’s prerogative. The Central Bank has sufficient power to regulate this matter right now. But generally, yes, statutory regulation will probably become necessary in the future.

The Central Bank has repeatedly expressed its view of the matter as has the Government. The Central Bank is being conservative about cryptocurrencies. But in my opinion, this conservatism is so far justified. It is a fact that there is nothing behind a cryptocurrency; it cannot be used as a savings instrument, it does not represent any material value plus it is not secured in any way. A cryptocurrency may be used for payment to a certain extent and in certain cases. It is fast and efficient. You can pay for something with it but you cannot use it as a savings instrument. It is not backed by anything.

Therefore, the Central Bank is treating the matter with a great deal of caution. Fluctuations are tremendous. Cryptocurrency values are jumping up and down, constantly fluctuating. Today you wake up rich or invest everything you had – and tomorrow you lose it.

Just as in the case of the hoodwinked housing equity holders, we cannot permit this to happen to cryptocurrency. If we do not regulate this issue sufficiently well, the state will be held accountable for the problems people may encounter. At present, it is the individual responsibility of every person. But if the state issues regulations on what is admissible or inadmissible, and if we do this badly, we will have to deal with the problems that arise.

We warned people more than once not to take out mortgages in foreign currencies. Only those who receive their salaries in foreign currencies can do this. Otherwise, they will face all the exchange rate differences and risks. But when the problem arose, everyone forgot about our warnings.

Vladimir Todorov: This is true.

Vladimir Putin: Of course, it is true. Everyone forgot, as if we had never warned them. But we did; we issued the warnings. But nobody listens. When you look at what is going on, you feel sorry for the people and want to help them.

It has always been like this, and it always will be. And the state will always be held accountable. This is why we need to act extremely carefully. How can I tell you now what kind of a law we need to regulate the use of digital technologies? I cannot answer this question right now, at this table. We need experts to seriously consider this matter.

Any excessive regulation limits the freedom of enterprise. It contains enterprise. But we sometimes need it, because some things should be contained before it is too late. A law becomes obsolete even before it is adopted. It has always been like this throughout history. But it is especially so in the super-modern sector of digital technology.

So, we do need to ponder this question. We must not allow the creation of a Procrustean bed. But if we decide to regulate this matter, we must take into account all the necessary elements.

Vladimir Todorov: Are there any additional government support measures for those who would like to take part in this business?

Vladimir Putin: We have many areas. What is digital economy? It is so diverse that each field requires special attention. But the core value is the use of digital technology, say, in industry.

I am getting immersed in this but not as experts do. This is what they say: after some time any commodity will be digitised and occupy its place on such information digital platforms that it will be impossible to produce or upgrade anything without using information from these platforms. Those who own these platforms will rule the world.

Suppose you made a car and you want to upgrade it. In any event, its modernisation will be digital and done on a platform where all this is stored. Suppose we want to replace some socket or screw. Then we have to go to the platform to do this. Whoever owns the platform is the master of the situation. If we miss this moment we will be desperately lagging behind. This did not happen and I hope will not happen in the future. Meanwhile, these platforms are being established in the United States and Europe – unified European platforms.

In principle, we are working to create a unified platform in the Eurasian Economic Union. We can do this. Moreover, we can do this on a fair basis, sharing risks and areas between all the participants. We should not be slaves of the already existing platforms but should create our own and we can do this.

Sberbank has moved far enough in this respect. The Executive Office and the Government are working on this. This is being actively used in trade that is also business. Take such large companies as Alibaba. E-trade is continuously expanding. This is not limited to trade only. This is turning into a broader platform on rendering services, shipping freight plus doing many other things as well. There is a host of components.

No less important is the use of digital technology in transport, movement of goods and integrated auto, railway and air shipments. Digital technology makes this

dozens, hundreds and maybe thousands of times more efficient. This leads to a sharp reduction in the end price of goods. On a par with modern gene engineering technology and nanotechnology, digital technology is becoming a cross-cutting issue. They will create the future of humankind.

Is it necessary to regulate this legally? Of course, it is. It is important to understand what should be regulated and within what framework. This is a separate huge sector of work, a whole layer of work for experts, for professionals. We know what it is and we know how to act as well as where to go. But this is a separate story.

TASS Director General Sergei Mikhailov: Mr President, the elections in Italy are scheduled to be held in March, that is, one week ahead of the Russian elections. And statements are already being made that Russia is meddling in the Italian political process. What do you think of this?

Vladimir Putin: Yes, I have heard about this, and we can see what is happening in some European countries, including Italy and Germany, in the run-up to parliamentary elections. And now, this is taking place in Italy. There is only one goal.

First, Russia and Italy maintain very good relations. By the way, we have diverse relations with different political forces. I have repeatedly said that I enjoy excellent relations with Mr Berlusconi and Mr Prodi, who have been voicing and continue to voice diametrically opposing political views, and they compete with one another on the political scene. But I maintain good relations with each of them. What does this mean?

This means that Russia and Italy have reached the so-called nationwide consensus regarding our bilateral ties and the development of bilateral contacts at interstate level. We highly value this. We have absolutely no intention of meddling in any national elections, including those in Italy. This is absolutely out of the question.

You see, we perceive our relations with Italy as a state to be much more important, and we consider this to be pointless. We know that, regardless of which political force gains power in Italy, the country has a nationwide political consensus prioritising expanded relations with Russia. On the whole, we are confident that Russian-Italian relations will develop positively.

Why should we work on this? These provocations only aim to wreck this nationwide consensus on the development of interstate ties. This is being purposefully done to damage the level of relations that has already been reached. This is being done from the outside, rather than in Italy itself. We can see this, we heed this factor in our work and in dealing with our Italian partners.

We are in contact with many of them, including political parties and security services. We have suggested long ago that a working group on cybersecurity should be established so as to ensure joint efforts in this area that are as transparent as possible, and we have now repeated this suggestion. To be precise, this implies specific threats, rather than activities, in this area.

Ogoniok magazine Editor-in-Chief Sergei Agafonov: Mr President, it would be a shame not to use this opportunity. I have been entrusted by my whole team to ask

you this question. We are going through a difficult time and, although it seems that we are recovering from the crisis, the economic situation is still far from thriving and prosperous. And our industry...

Vladimir Putin: I am sorry for butting in. You see, we do need to maintain the gained momentum in the economy. However, the GDP growth rate is 1.6 percent and the agricultural industry is growing at the rate of 2.5 percent. We ended last year with a budget deficit of just 1.5 percent while in 2016 it was more than double that. The inflation rate is 2.5 percent, a historic low. This has never been the case before.

All this indicates that we are standing on a quite strong foundation. The direct investment has grown by 4.2 percent. With a GDP growth of 1.6 percent, it means that the investment increase is ahead of the GDP increase. Therefore, we already have a capacity for future growth. This growth has been already funded. All these developments in general inspire optimism.

The unemployment rate is also at a very low rate of 5.1 percent. Generally, we should be very optimistic. It is better not to relax yet though, we must realise that there is still a lot to be done and these growth rates cannot make us happy just yet. You are absolutely right about this.

Sergei Agafonov: Yes, we would really like to support your optimistic outlook. But what are we talking about here? Everybody understands that in any industry companies are protecting their own interests; nobody will speak about so called benefits and that's quiet an understandable thing. But what do I want to ask? We need an opportunity to slightly expand the profit-making horizon. This topic is raised every now and then at meetings such as this one. I would like to raise it again.

I am talking about advertising opportunities. Advertising is very much in demand. There is a whole grazing field. If only the regulation was relaxed a bit, everybody would take a break, both print and online media, and radio.

What am I referring to here? We are preparing for a major event, the FIFA World Cup. Many people will come to Russia for it. The idea is to ease off regulations on alcohol advertising. I know that you have a negative attitude toward smoking. I do not know why, because smokers are ordinary people who have equal rights with everyone else in the country. I am not speaking about smoking, but alcohol is quite another matter. Especially considering the need to promote Crimean wines.

Vladimir Putin: Even good quality alcohol is still alcohol.

Sergei Agafonov: This is true. Grape juice is fermented in our blessed land, which gives grape juice the necessary force, and as you said, we should be optimistic...

Vladimir Putin: It only adds strength for a short period of time, and then...

Sergei Agafonov: As [satirist] Mikhail Zhvanetsky used to say, "Alcohol in small doses is harmless in any amount." We were raised on this. Please, this is a collective request.

Vladimir Putin: I was raised on my mother's milk.

Sergei Agafonov: You said a wonderful thing there. I have written it down: “You feel sorry for the people and want to help them.” Please, Mr President, help us with this matter.

Vladimir Putin: Look here, Mr Agafonov. First of all, we have given you a break. We have permitted the advertising of beer and wines made in Russia from Russian ingredients, such as grapes.

By the way, we did this after one of the meetings – I do not recall if it was an extended meeting or not – with the heads of media outlets, including print media. It was you who advanced the initiative.

I have done what you asked. I have asked the Government, and we have done it. We have permitted the advertising of Russian wines made out of Russian ingredients.

I cannot understand what else you want. You spoke about good products. What other good products did you mean? Whiskey?

Sergei Agafonov: No, I just wanted to say that we should move beyond. Of course, there is also whiskey...

Vladimir Putin: Maybe it is better to stop while we can?

Sergei Agafonov: No, really, we are not talking about tax relief, easy loans or something else, although the media need this as well. The idea is that we could make money from advertising.

Vladimir Putin: I see. There is reason in what you say, because the revenue from advertising has plunged by half. I know about this. This is really true.

The advertising market is shrinking rapidly, and advertising revenue has decreased by nearly 50 percent. But we also tried to preserve some of your exemptions and to give you additional ones, such as the newsprint exemption, as you know.

It concerns customs duties on five types of newsprint, as far as I remember. We have halved import customs duties from 10 to 5 percent, if my memory serves me correctly. There are also other benefits too. We are trying to take this into account. As for alcohol, what else do you want to advertise? Vodka?

Sergei Agafonov: Vodka, whiskey and brandy.

Vladimir Putin: Whiskey? No, this is too bad. However, let's think about this, alright?. Do you want us to use big sports events to egg people on to swig vodka?

Sergei Agafonov: Why swig? It is the advertising of a symbol of our national pride. Who makes the best vodka? We do.

Vladimir Putin: What pride are you talking about?

Sergei Agafonov: Of course, it is our achievement and part of our culture, Mr President.

Vladimir Putin: It is not a culture. At the very best, it is a subculture. Alright, we will think about it.

Sergei Agafonov: Thank you.