

Plenary Session SPIEF'26

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On 5 June, President of Russia **Vladimir Putin** addressed the plenary session of the XXIX St. Petersburg International Economic Forum. The discussion included President of the Republic of Uzbekistan **Shavkat Mirziyoyev**, President of the United Republic of Tanzania **Samia Suluhu Hassan**, and Vice-Chairman of the People's Republic of China **Han Zheng**. The session was moderated by **Geeta Mohan**, International News Editor at the India Today Group.

Vladimir Putin outlined the contours of a new global order, proposed parameters for an investment restart of the Russian economy, announced significant decisions on business regulation, and addressed questions on the prospects for a settlement of the conflict in Ukraine.

Russia and BRICS in the World Economy

Vladimir Putin opened the plenary session with an analysis of global shifts, characterising what is under way not as another cyclical crisis but as a change in the very paradigm of world development. In his assessment, **the international economy had for decades been structured around a limited number of financial centres**, technological solutions, insurance and logistics nodes, rating agencies, and reserve currencies. This architecture was presented as universal and neutral, yet in practice was systematically deployed as an instrument of political pressure and unfair competition. Russia, Putin stated, had experienced this in full measure.

The President of Russia made data on the relative economic weight of BRICS and the Group of Seven his central statistical argument. Over the past five years, **BRICS countries have accounted for 49% of annual global GDP growth**, whilst the G7's contribution amounted to only 18%. At the pace of global economic growth of 4.1% per year in 2021–2025, BRICS countries contributed 2 pp. of that increase and the G7 a mere 0.8 pp. **The BRICS share of world GDP measured at purchasing power parity has reached approximately 40%, whilst the G7's share has fallen below 29%**. According to projections, by the end of the decade **G7 economies will grow at no more than 1.5% per year, whilst BRICS will expand at an average of more than 4% annually.**

On trade, Putin cited data recording the structural shift: **over 25 years, the BRICS share of global merchandise trade has more than doubled**, and in 2025 the grouping accounted for nearly a quarter of world exports, whilst **intra-BRICS trade exceeded 1 trillion US dollars per year**. Alternative transport corridors

are forming in parallel — the North–South route, the Trans–Arctic route, and connections through the Caspian, Central Asia, and the Russian Far East. The number of bilateral, regional, and interregional trade agreements has grown nearly fourfold since the beginning of the twenty-first century.

Vladimir Putin attributed **the erosion of the WTO** to deliberate policy choices by Western states. As they began to lose competitive ground, universal trading rules lost their appeal and unilateral restrictions and sanctions came to the fore, **undermining the WTO's core mechanism** and compelling governments and businesses alike to seek bilateral and multilateral alternatives.

Putin dwelt separately on the consequences of the freeze on Russian reserves and the use of the US dollar and the euro as instruments of political pressure. In his assessment, this has irreversibly damaged the standing of Western currencies: any country now understands that it may at any moment lose access to lawful assets held in US dollars or euros. **The sovereign debt of the euro area reached 81.7% of GDP in 2025** — Greece at 146%, Italy at 137%, France at 115%, Belgium at 108%. **The EU budget deficit stood at 3.1% of GDP**, with Poland at 7.3%, Belgium at 5.2%, France at 5.1%, and the United States at 5.9%. By comparison, **Russia's sovereign debt stands at approximately 16% of GDP**, with a budget deficit of 2.6%. This situation, in Putin's view, creates the risk for Western currencies of a fresh inflationary surge analogous to **the 2021–2022 episode, when prices in the euro area and the United States rose by 14% over two years**. Against this global backdrop, the rouble's share of Russian export transactions has already reached 65%.

The President of Russia argued that the world needs a modern, flexible, and responsible financial architecture — free of risks, prohibitions, and barriers, and offering incentives for sovereign development. Its instruments must reduce costs, accelerate settlements, and broaden access to financing, whilst incorporating effective safeguards against tax evasion, fraud, and money laundering.

Putin also highlighted the technological dimension of the global paradigm shift. Over 25 years, **BRICS countries have grown their high-technology exports to a level exceeding one third of global supplies**. China leads in the number of artificial intelligence patents; India is among the world's leading IT players. Russia is rapidly deploying digital platforms across numerous sectors, attaining global scale, and holds a leading position in the global nuclear energy market, with Rosatom involved in more than 80% of relevant construction projects worldwide.

The Technological Foundation of Sovereignty

One of the central arguments in Vladimir Putin's address was the assertion that **genuine sovereignty requires not merely independence from external suppliers but a proprietary technological base**. Countries or groupings that possess the full range of technologies in artificial intelligence, autonomous systems, and digital platforms will become powerful centres of sovereignty in a multipolar world — without these technologies, real sovereignty is simply not achievable. Russia must manufacture its own critical products. Large states with sizeable populations, vast territories, and distinctive cultures cannot remain mere consumers of others' solutions, as in such a case they risk becoming objects of management by foreign corporations.

Putin noted that Russia has already encountered the blocking of payments and the departure of foreign software suppliers, and stated that the country intends to strengthen its own critical infrastructure, entering into cooperation only with partners who observe mutual obligations.

On the platform economy, the President cited e-commerce data: growth in Russia is running at approximately 30% per year, placing it among global leaders. By way of illustration, he pointed to the dynamics of sales of Uzbek goods through the Wildberries platform: **in 2023, turnover amounted to 418 mn US dollars; in 2025, approximately 1.5 bn US dollars; and in 2026, the figure is expected to exceed 2 bn US dollars**. The platform reaches nearly 500 mn potential customers worldwide, including consumers in the Eurasian Economic Space and across the African continent. Platformisation in Russia is extending across transport, finance, logistics, tourism, healthcare, education, and the media environment.

The President of Russia instructed the Government to prepare **national strategies on autonomous systems and digital platforms** — modelled on the National Strategy for the Development of Artificial Intelligence already in force. Putin also proposed that the development of platform economy ecosystems be placed on the agenda of the Forum of Future Technologies, scheduled for the beginning of next year.

New Investment in the Russian Economy

In addressing Russia's economic position, Vladimir Putin described it as a period of moderate dynamics from which it is necessary to emerge through **launching a new investment cycle**. From next year, the Government faces the task of returning to sustainable rates of growth. Russia is currently growing at a pace comparable to that at which euro-area countries have been operating for several years.

Putin emphasised that the fundamentals of macroeconomic policy have been preserved and expressed confidence that forward momentum would be secured, whilst underscoring the need for these trends to consolidate and for Russia's position in the world to become more robust.

The President of Russia identified growth in capital expenditure as the key condition for this recovery. **In 2021–2024, investment in the Russian economy increased by nearly 38% in real terms**, after which a decline followed. Launching a new investment cycle is designated as the principal task of the economic authorities, with investment growth as the most important effectiveness indicator. **Economic growth must be balanced, grounded in domestic demand, and accompanied by a further reduction in inflation**, which has slowed materially and is forecast to approach 5.2% in the current year.

On employment, Putin stated that **unemployment in Russia stands at approximately 2.2% of the economically active population** — one of the lowest rates among industrialised countries. For comparison: Japan stands at 2.5%, India and the United States both at 4.2%, and the euro area at 5.9%. Over five years, **real wages in the Russian economy have grown by more than 30%**. The President identified the necessity of linking further wage growth to **productivity improvements and the efficient organisation of production on the basis of modern technological solutions**.

Vladimir Putin addressed the theme of **labour mobility**. Specialists must be able to find better-paid employment at new enterprises in other regions where labour demand is particularly acute. To support the professional start of young people, amendments are being made to labour legislation: it is necessary to establish **an internship framework with clearly defined rights and obligations for both parties, and the apprenticeship contract is to be modernised to reflect contemporary conditions**. Putin called on the Government and the State Duma to expedite the adoption of the relevant amendments.

Notwithstanding the geopolitical and sanctions environment, the President of Russia stated that he sees no threats to the Russian economy in either the near or medium term. **Russia is deliberately moderating its economic pace for the sake of its long-term health.** The poverty rate stands at 6.7% — the target of 7% by 2030 has been achieved ahead of schedule. International reserves, despite the freeze of 300 bn US dollars, have already exceeded 500 bn. Sanctions have inflicted damage on those who imposed them: the combined losses of the euro area are estimated at between 1.5 and 2.5 trillion euros. Hydrocarbon revenues account for approximately 20% of the Russian budget, compared with 50% previously, and budgetary dependence on hydrocarbons has diminished organically.

Putin regards the development of all transport modes as a priority — in particular, expanding the capacity of maritime ports and the Trans-Arctic transport corridor, as well as entering the global top ten in aggregate deadweight of merchant fleet. The President instructed the Government and the Ministry of Transport to make the national merchant flag yet more competitive.

The Investment Climate in the Regions

Vladimir Putin presented the results of the **National Rating of the Investment Climate** in the constituent entities of the Russian Federation. In 2026, the leading position is shared by Moscow, Tatarstan, Bashkortostan, Nizhny Novgorod Oblast, and Moscow Oblast. St Petersburg and Sakhalin Oblast have entered the leaders' group for the first time. Regions showing the greatest upward dynamics include the Khanty-Mansiysk and Yamal-Nenets autonomous districts, Omsk, Vladimir, and Volgograd oblasts, and Krasnodar and Primorsky Krai. From this year, a new criterion has been incorporated into the rating methodology — a reduction in the investment and construction cycle at heritage sites. Putin noted the strong performance of Yaroslavl, Nizhny Novgorod, Lipetsk, and Novgorod oblasts, as well as Tatarstan, in this area.

To support the regions, **infrastructure budget credits over the past four years have totalled more than 1 trillion roubles**, with a further 750 bn roubles planned for disbursement by 2030. Regional debts on budget credits have been written off — amounting to nearly 440 bn roubles over two years — and in the current year, repayment of a further 100 bn roubles has been deferred. The released resources enable regions to direct funds towards development projects.

Vladimir Putin also recorded progress on the decision to **relocate major state-owned companies and corporations from Moscow to the regions**. RusHydro and PSB Bank have already relocated; corresponding decisions have been taken at the United Engine Corporation; and decisions concerning the RZhD group and a number of other railway construction entities are at the final stage. The President called for efforts in this area to be intensified, notwithstanding the practical challenges involved in changing an organisation's operational base.

The President of Russia separately set the task of preparing **mechanisms for the participation of strategic business partners — major companies that define the economies of specific regions — in the construction sector and in the development of social infrastructure**: kindergartens, schools, hospitals, and clinics. This work is to be completed at the earliest opportunity.

Among new regional development initiatives, Putin proposed supporting **innovative approaches by private investors to shaping the urban environment through a dedicated legal framework** combining high-technology investment, tourism, culture, and local identity. He further proposed establishing mechanisms for the collective investment of citizens in urban development projects in their own region. The Government, together with development institutions and the Agency for Strategic Initiatives, has been instructed to develop the requisite regulatory framework.

Stable Rules for Business

Questions of **the predictability of the business environment** were among the principal themes of Vladimir Putin's address. Russia has refined its taxation system, developed instruments to support investment at both federal and regional levels, and prepared a national model of target conditions for doing business. Specific steps include the simplification of company registration and tax filing procedures.

The announcement that generated the most response in the hall concerned the **turnover threshold for application of the simplified taxation system**. At present it stands at 20 mn roubles; the existing plan envisaged phased reductions to 15 mn and subsequently to 10 mn roubles. Vladimir Putin announced that he considers it appropriate to **defer any further reduction and to fix the threshold at its current level without setting a specific deadline**. The Government, together

with members of the State Duma, has been instructed to introduce the necessary legislative amendments.

The President of Russia also raised the question of a **"seamless transition" for businesses moving into a higher tax and regulatory category**. As he observed, when an enterprise grows, organisational difficulties and additional financial costs frequently arise that not every entrepreneur is equipped to manage. The Government, together with VEB.RF and business associations, has been instructed to prepare a concept for a smooth transition covering all stages — from self-employment to individual entrepreneur status and onwards to corporate governance. Putin also proposed elaborating preferential and accessible conditions for small and medium-sized manufacturing enterprises as an element of the economic formalisation agenda.

Russia and Uzbekistan: Towards a Technology Alliance

President of the Republic of Uzbekistan Shavkat Mirziyoyev presented a comprehensive picture of Russian-Uzbek cooperation and advanced a number of initiatives aimed at qualitative deepening of the partnership.

Bilateral trade has tripled over ten years — **from 4 to 13 bn US dollars** — and the portfolio of joint projects exceeds 50 bn US dollars. The regions of both countries are actively engaged: the volume of projects currently being implemented by regional authorities amounts to more than 5 bn US dollars, with projects worth a further 5 bn in the formulation stage.

In the energy sector, through investment projects including those with Russian participation, **electricity generation in Uzbekistan has increased one and a half times** — from 58 to 87 bn kilowatt-hours. The central event on the eve of the plenary session was the ceremony to pour the first concrete at the site of the **first hybrid nuclear power plant in Uzbekistan, being developed with Russian participation** — a joint project of Rosatom and the Uzbek side, which Mirziyoyev characterised as a long-term investment in a new engineering school and in the acquisition of advanced technologies.

Mirziyoyev addressed the digital dimension of the partnership separately. He cited the 3.5-fold growth in sales of Uzbek goods through Russian marketplace

platforms as evidence of the effectiveness of digital cooperation. He proposed moving towards the formation of a joint digital ecosystem — encompassing closer alignment of regulatory frameworks for digital trade and urban services, promotion of both countries' brands on mutual platforms, the creation of a unified digital employment profile, and joint product development based on artificial intelligence.

In the educational dimension, Mirziyoyev noted that of 32 foreign university branches operating in Uzbekistan, 15 are Russian — constituting the largest network of Russian universities abroad. He proposed creating a joint online platform for human capital development, with the aim of connecting education, professional training, and the labour market — bringing together educational programmes, language and IT courses, support for young entrepreneurs, and access to employers. The initiative received Putin's endorsement.

In the tourist and humanitarian sphere, Mirziyoyev proposed launching a creative-tourist corridor project from Samarkand to St Petersburg.

Africa's Voice

President of the United Republic of Tanzania Samia Suluhu Hassan presented **Africa as a centre of long-term demographic and economic growth**. She noted that by 2050 one in four inhabitants of the Earth will be African, and that the African continent will remain the only region capable of supplying global labour on a comparable scale. Tanzania was presented at the Forum as one of East Africa's most dynamically developing economies, keen to pursue business partnerships with Russia. In the tourism sector, Tanzania expects **to attract up to 500,000 Russian visitors per year by 2030**. The country is planning **the establishment of fertiliser production facilities and joint projects with Rosatom for the development of generating capacity**. Tanzania is broadly focused on attracting foreign investment, and has created a single-window service for investors, making it possible to register a new company online within 24 hours.

Responding to a question about sanctions threatening Tanzanian companies cooperating with Russia, Samia Suluhu Hassan made clear that her country **is not afraid of such sanctions**.

Beijing's Position

Vice-Chairman of the People's Republic of China Han Zheng emphasised that China **opposes hegemonism in all its forms**. In his words, Beijing is working together with Moscow to develop a world in which tolerance and mutually beneficial cooperation are valued. Han Zheng characterised the relationship between the two countries as a strategic partnership spanning virtually all areas — from high technology, transport, and engineering to energy. He described the shared aspiration to strengthen cooperation within the framework of the global governance initiative, advancing a world characterised by openness, equality, fairness, and mutually beneficial collaboration.

The Conflict in Ukraine

The subject of a Ukrainian settlement occupied a significant part of the questions and answers session. Vladimir Putin confirmed **the unchanging objectives of the special military operation**, as defined at its outset and clarified in June 2024. The first task is the liberation of Donbas: the Lugansk People's Republic was fully liberated on 1 April, with less than 15% of the territory of the Donetsk People's Republic remaining under Kyiv's control. The second objective, Putin identified as denazification, pointing to the recent reburial in Ukraine of individuals associated with Nazi formations implicated in the murders of Jews and Poles. Hostilities will end upon the achievement of the stated objectives.

In response to questions about **an open letter from President of Ukraine Volodymyr Zelensky**, Putin characterised its content as including elements that go beyond diplomatic conventions, and set aside remarks about his age without comment, noting that what matters is capacity for work rather than age. He recounted that approximately three weeks prior, a Russian businessman had visited Kyiv and met with Zelensky, conveying the latter's request for the organisation of a summit. Yet a few days later Ukrainian forces attacked the college in Starobilsk. **The President of Russia confirmed that he currently sees no purpose in a meeting with Zelensky.**

Putin's assessment is that negotiations in the format currently being proposed to Russia would resemble **the Minsk agreements** — which Germany and France subsequently acknowledged had been needed only to buy time and rearm

Ukraine. Russia **requires arrangements with a long-term historical perspective, not a short-term cessation of hostilities.**

On the technological dimension of the conflict, Putin noted parity with Ukraine in the use of unmanned aerial vehicles. Ukraine is attempting to develop drones independently, yet with limited results, whilst Russia possesses the full range of competencies required to develop new weapons independently. Putin noted that long-range UAVs would not pose a threat to Russia had timely decisions on air defence been taken earlier. He characterised the use of unmanned aircraft against civilians as a humanitarian crime, and identified the systematic strengthening of air defence as the response to Ukrainian attacks on infrastructure.

The Geopolitical Context

In his responses to questions, Vladimir Putin addressed a range of geopolitical and economic themes. On the **Iranian nuclear programme**, he characterised it as having been under IAEA oversight, adding that the Trump administration's decision to halt hostilities was the right one, and that Russia hopes the ceasefire will lead to lasting peace.

The rise in oil prices due to the ongoing conflict in the Strait of Hormuz brings Russia revenue, yet the President assessed market stability as of greater long-term value than short-term conjunctural gain. He also noted that **the share of hydrocarbon revenues in Russia's budget and economy is in steady decline.**

On the question of Russia's isolation, Putin replied that **there had been "no isolation to begin with"**: the initiator of isolationist attempts was the previous US administration and its European allies, but economic interaction was never interrupted where it suited the United States — continued uranium exports to the American market being a case in point.

Commenting on **the use of the US dollar as a political instrument**, Putin expressed the view that many in the United States recognise **the strategic error of this approach**: through the dollar, the US economy prospers, but now the entire world has begun to ask whether the same instrument might be turned against itself. This is accelerating the transition of states to settlements in national currencies, to alternative payment systems, and to central bank digital currencies.

Putin addressed Russian–Chinese relations specifically in response to a question about possible Russian dependence on China. He characterised the bilateral relationship as one between equals, **rejecting any characterisation of the partnership as colonial in nature**. Han Zheng endorsed the President's characterisation and confirmed that the relationship between Russia and China is grounded in equality and mutual benefit.