

Putin calls for new financial world order

By Neil Buckley and Catherine Belton in St Petersburg
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Russian president Vladimir Putin called on Sunday for a radical overhaul of the world's financial and trade institutions to reflect the growing economic power of emerging market countries – including Russia.

Mr Putin said the world needed to create a new international financial architecture to replace an existing model that had become “archaic, undemocratic and unwieldy”.

His apparent challenge to western dominance of the world economic order came at a forum in St Petersburg designed to showcase the country's economic recovery. Among 6,000 delegates at the biggest business forum ever held in post-Soviet Russia were scores of international chief executives including heads of Deutsche Bank, BP, Royal Dutch Shell, Nestlé, Chevron, Siemens and Coca-Cola.

Business deals worth more than \$4bn were signed at the conference – including an order by Aeroflot for Boeing jets – as executives **said they were continuing to invest in Russia despite deteriorating relations with the west.**

Mr Putin's hosting of the forum capped a week in which he dominated the international stage. He warned last Monday that Russia might target nuclear missiles at Europe if the US built a missile shield in Poland and the Czech Republic, then offered a compromise at the G8 summit involving switching part of the US system to Azerbaijan.

His speech on financial institutions suggested that, along with an aggressive recent campaign against US “unilateralism” in foreign policy, he was also seeking to challenge western dominance of the world economic order.

Mr Putin said 50 years ago, 60 per cent of world gross domestic product came from the Group of Seven industrial nations. Today, 60 per cent of world GDP came from outside the G7.

“The interests of stable economic development would be best served by a new architecture of international economic relations based on trust and mutually beneficial integration,” Mr Putin said.

The Russian president said there was increasing evidence that existing organisations were “not doing a good job regulating global economic relations”.

“Institutions created with a focus on a small number of active players sometimes look archaic, undemocratic and unwieldy. They are a far cry from recognising the existing balance of power,” he said.

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