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# Direct Investments

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The Russian petrochemical industry is rapidly gaining strength providing products of high depth of processing instead of that of low value added. The tendency was repeatedly noted by Vladimir Putin. Albert Shigaboutdinov, General Director of PSC «TAIF», the largest investment company in Tatarstan, having the budget forming petrochemical companies in TAIF GROUP, gave interview to the «Vesti» magazine about the current situation and the outlook of the Russian petrochemical industry, the role of small business in it, as well as the problem of high local prices.

# European standards of TAIF

## Gas attack

*– Media reports say that the Sibur management plans to buy out the company. The General Director of Sibur made an official statement to the press. How will it affect the agreements previously reached by the managements of Sibur and Kazanorgsintez (KOS is a part of TAIF holding)?*

– Let's put everything right. The issues of the cooperation of Gazprom and Tatarstan were discussed on the negotiations between President of the company Alexey Miller and President of Tatarstan Mintimer Shaimiev. The cooperation of Gazprom group of companies and TAIF GROUP on the whole and of Kazanorgsintez in particular was under discussion. Gazprom is ready to settle many issues including the supply of feedstock to Kazanorgsintez (it is not a problem any more). Gazprom also showed its willingness to finance investment projects. A decision was made that TAIF GROUP started the Gazprom integration into Kazanorgsintez. The main condition was as follows: we complete the second stage of the Kazanorgsintez modernization (the first stage is to be completed this year by the 50th anniversary of the company), and then we proceed to the company's further development together. When investments reach the planned amount, which is about USD 3 billion, then the Gazprom share in the issued share capital of Kazanorgsintez will become a controlling one (50% of common stock plus 1). I can't say yet whether Sibur will represent Gazprom group of companies when acting as our potential partner considering the latest statements of its General Director Dmitry Konov or the structure will have another form. The Gazprom management has laid down one essential condition where TAIF remains the shareholder of Kazanorgsintez and continues its work even after Kazanorgsintez was under the Gazprom control. We have already developed a project providing the increase of marketable products output capacity up to 120 billion rubles per year within next few years, and started its implementation.

*– What does such a dynamically developing company as yours need Gazprom for?*

– There is plenty of work to do in chemicals and petrochemicals, a great number of projects. We fall behind the world leaders in on many points. Each program we have developed for Kazanorgsintez, Nizhnekamskneftekhim and other companies covers a number of new plants. And if the agreements reached by Shaimiev and Miller are realized, our projects will get more intensive implementation in less time allowing us to turn to the third stage of the pet-

KOS and Sibur Holding (controlled by Gazprom) agreed to process ethane in 2Q 2008 on the same conditions unfavorable for the Tatarstan producer and opposed by the Federal Antimonopoly Service (FAS). KOS has to agree to that as Sibur supplies over 70% of ethane to the Kazan company (or about 30% of the total volume of raw materials and feedstock). They believe KOS will face the «threat of a large feedstock gap» until Gazprom becomes its shareholder.

rochemical industry development and not only in Tatarstan. Gazprom will bring new people, new business lines, financial resources, and new ways of the problem settlement. We have always said and are stating now that a 100% holding of any company is not the ultimate aim of TAIF. Our goal is to develop the petrochemical industry still concentrated by significant part in Tatarstan.

***– Is it better to share a part of property and get new knowledge, money, technologies instead of operating available resources again and again providing the highest profit possible and then close down?***

– The principle is as follows: we have a ruble, and they have a ruble. And if we put them together, we shall gain ten rubles because of the industry potential. We needed the controlling stakes of the companies forming TAIF GROUP to inspire confidence among the people employed, to upgrade the production facilities, applied technologies, and to show the companies' management that we had long-term and reliable plans. Based on experience of world market leaders, as well as of Russian companies, operating the knowledge we had gained, we intended to develop new long-term programs and make them a reality. I suppose, in the course of time, when the companies reach the peak of their development and rank with world leaders in petrochemicals, the controlling stake will be of less interest for us then.

For example, we were not anxious for getting involved into oil, gas and petrochemical sector as an end in itself. A government program was approved stipulating TAIF as a part of it. We had to slow down in some our business lines then. And now we are at the point when people believe in what they are doing: we can work along with the world leaders applying the latest technologies. For the last nine years, we have started the production of the latest polystyrene, polypropylene, rubbers grades for the first time, we produce modern grades of fuels equal to Euro-4 and Euro-5 standards. We are close to completing the polycarbonates plant construction. We have put into operation the first in Russia linear and bimodal polyethylene productions, etc. All these are quite new products for the local industry. The high quality products meet a long-term demand on the market including Russian middle and small business. In other words, a great deal of work has been done. Now people know what power, what perspectives they have, specialists develop programs that still amaze me with the magnitude of the plans. If Gazprom, the Republic of Tatarstan and TAIF join their efforts, each party will benefit from that, as well as TAIF Group of Companies, Tatarstan and Russia as a whole.

***– It looked like you started the joining after the last year troubles with feedstock supplies at Kazanorgsintez, as it was a kind of amicable agreement.***

– I think it was the human element that plaid the role last year.

**Albert Shigaboutdinov** was born on November 12, 1952. He graduated from Kazan Aviation Institute in 1976, and then worked as an engineer at the Special Construction Department SKB-5. Since 1979, had worked as the Deputy General Director of the state owned farm «Narmonskij». In 1983 had become the Head of department and later (in 1984) on as the Deputy General Director of the Regional Food Trade Association of Baumanskij District of Kazan («Baumanskij Raipishchetorg»). Since 1986 had worked as the Head of the machine and vehicle station of «Tatrybprom» (Tatar fish production sector), and then, from 1987 till 1991, as the Deputy General Director for building, sales and supply. In 1991 he was appointed as the General Director of the Foreign Trade Research and Production Association «Kazan» (VTNPO «Kazan»). Since 1995, has been the General Director of PSC «TAIF». From 2006 has been the Chairman of the Boards of Directors of two big petrochemical companies – OJSC «Nizhnekamskneftekhim» and OJSC «Kazanorgsintez».

Someone made a decision and suggested that ethane supplies had been suspended. Unfortunately, I was on a business trip for that moment. The situation required immediate decisions because part of the plants halted. As a matter of fact, the halted facilities were under reconstruction at the time and were planned to be stopped for maintenance works in terms agreed with Gazprom. So, we took the advantage of the situation and held the start-up and adjustment works earlier. This is why it took three months to complete the works, and the plants were commissioned in early June only. The uncoordinated halt in operations brought more trouble to Gazprom representatives, ransportation companies, polymers processing companies, banks and so on. Probably it was a hasty decision to start maintenance works, but it was a forced one for that moment.

***– Top management always find a common ground and pursue a strategy of regular market relations, but conflicts usually arise on some lower levels…***

– This particular situation should be considered more carefully. To my mind, the human effect was crucial here. Gazprom is a very big enterprise. It is said to care nothing about, if someone doesn't work. But I think it is not that way. Gazprom cares a lot about all companies included into the holding, even about small ones. I would like to put it like that: if you pinch your finger, the whole body will feel pain.

***– Is the construction of ethane processing plant in Orenburg to be realized despite the agreements reached? You will not be left without feedstock, will you?***

– One can do everything if he has technologies, money. The project is quite implementable in Orenburg. But it requires three or four times more funds and time than the same project imple-

mented at Kazanorgsintez. The main constraint here is a lack of specialists. Today, the most experienced petrochemical industry specialists, that are operators, engineers, shop managers, plant managers, are concentrated in the Republic of Tatarstan. In spite of that we are in growing shortage of employees, as well. It is hard to organize such a team in Orenburg for instance. Transportation of employees may cost dozens of times more. People may come for a shift job, but this requires the construction of a new city to allow them to have a common life with a theatre, cinema, museum, conservatory, restaurant available, with a school for their children, a park to have a walk in. They'll need specialized colleges, scientific and research institutes, higher education establishments in the field of petrochemicals. And this for its turn will require more new specialists in other spheres of life, i.e. culture, science, education. So, there will be a need in infrastructure that has been formed in our Republic for ages. Our predecessors made a wise and well-weighted decision to establish Orgsintez in Kazan and not close to raw materials production centers. It was easier and cheaper to build an ethane pipeline instead of establishing a new infrastructure. And today it is still more advantageous to further develop the petrochemical industry in Tatarstan and then, as far as the existing social, humanitarian, scientific and technical matters are settled, gradually move the development concentration point towards Orenburg or Tomsk.

By the way, Kazanorgsintez itself has a 50-year history already. On August the 1st this year, the celebration events will take place in Kazan devoted to the 50th anniversary of the company's establishment and the beginning of its construction, and to the 45th anniversary of the first output of OJSC «Kazanorgsintez». The events will include the commissioning of the Polycarbonates Plant identifying the completion of the first stage of the OJSC «Kazanorgsintez» development program. The safe and environment friendly production of the Plant based on the innovation phosgene-free technology is new to the Russian industry. Before that, on July 24-25, an international scientific conference «International forum of advanced technologies and development outlook of OJSC «Kazanorgsintez» will be held. And we may see the perspectives even today: the output has increased by 301.5%, net income – by 377.7% for the last five years.

We are working according to the government economic policy. Last year, in his annual message to the Federal Meeting, President Vladimir Putin paid special attention to the acceleration of the development of the national refining industry leaving behind the country's dependence on raw materials exports. It is also important to minimize the dependence of our economy on other countries in order not to allow international conflicts affect the Russian economy. And the agreements with Gazprom have been made considering this idea.

Not everyone in Russia believes that we have climbed up to the level of the world prices in petrochemicals. We have done a great deal of work to reach the world prices. When buying raw materials, we provide extractive companies with income equal to that they gain from export sales and even higher. We haven't had that in Russia before. We have very favorable conditions now, and one should just extract raw materials without a need to export them to America or England. People still don't believe it has happened, but it is the real fact already.

### At world prices

***– Do you think it is all right when the local market prices for gasoline in an oil producing country catch up with the world prices and even have left behind the American prices?***

– It depends on the market situation, as well as on the government policy because the prices are adjusted mostly by taxes. And the market is becoming a key factor. For example, why is diesel fuel more expensive than gasoline in our country while the excise on diesel fuel is much lower than that on gasoline? At the same time gasoline production needs more funds than diesel fuel manufacture. It is the market that controls the situation; we buy oil at world

prices. The price for oil reduces, so does the price for diesel fuel and gasoline.

***– Let's take Saudi Arabia for instance. Prices for AI-95 gasoline there make around 6 rubles per liter. At the same time petrochemical plants are actively constructed in the same Middle East. So, will they buy raw materials at world prices? May it turn out that you are too week to compete? I was speaking about the plants reconstruction and the production capacity increase. May it happen that it is cheaper to buy the same goods abroad than here?***

– Arab states will never export goods at local market prices. We are very careful with forecasting on what is needed to be produced, constructed, sold and how, what is to happen in ten, fifteen, twenty years. We realize that Arab states the top second region or on the same level with Russia. But the Russian oil processing and petrochemical industry is the leader having highly skilled and experienced specialists concentrated in Russia who are not planning to move anywhere else. It will take a long time for the same Saudi Arabia to have a similar team of specialists of all levels, scientists and production engineers of their own. Our company employs 55,000 people who are hard to be transferred anywhere else, and I'm not sure they would like to.

Frankly speaking, I have no idea of gasoline prices in Saudi Arabia, and it is rather complicated to compare Russia to Arab states by the prices for gasoline. Even if a price is lower there, it will mean nothing.

***– It will mean what pricing policy the government has.***

– They have another economy there. What we have here is a market economy, integrated with the world economy. The economy of that region is different, closed, but it is not a market economy.

***– But our economy is of oligopoly type where every business sector is controlled by two or three «monsters».***

– Every product manufactured has its world price and you can't overpass it. It is hard to say that someone controls the market. If the controlling party could say, for instance, «Today, the price for gasoline is 100 rubles», that would be a control. But no one can sell at prices higher than the world prices because Russia is an open country now, and you can buy goods wherever you want. If it is more profitable to buy abroad, so you are welcome.

It is normal when only five or six companies may operate in one and the same business sector. The government is very keen on controlling how the laws are observed including the antimonopoly law. Some regulating mechanisms may still work improperly, some infringements take place, but the government provides strict law observance. And the laws we have now are rather strict and powerful, influencing the economy, leaving no chance for misuse even to monopoly companies. For example, Gazprom is one of the largest companies in the world, a monopolist working according to the laws of the Russian Federation, and its tariffs are being regulated by the government. That is why we can't say Gazprom controls everything, neither do other Russian companies.

*– If we speak about the Russia's economy dependence on raw materials export, what would you as one of the program participants propose to the government?*

– First off, we are very grateful to the Ex-President of Russia and the current Prime Minister Vladimir Putin who has made a great contribution through introducing new laws and developing the current legislation, concerning especially the economic issues, doing it practically on the most developed countries' level. The more the laws interfere into our life and start working, the easier and faster our country is developing. It is well known that we all suffered from the weakness of the legislation and from the abuse of incompetent officials in particular. And though not all the laws are working properly today, we are sure the situation will improve in the nearest future. This confidence is supported by the activity of new President of Russia Dmitry Medvedev and by the fact that Prime Minister Vladimir Putin is still in politics paying special attention to economic issues and heading the ruling political party.

Today, more and more market mechanisms are being implemented and strengthened. One of the basic market economy mechanisms is a full-scale commodity exchange existing not only on the paper but actively operating providing sales of oil, gas, wheat, sugar, petrochemicals, oil products and so on. Many decisions were taken on this point in Russia, but none was fully realized. But this issue would settle many problems. What is more important for us is that the exchange will develop the relations between financial institutions and manufacturers.

We hope that in the nearest future we shall have financial resources available by more civilized world rates to implement long-term prospective projects in oil refining and petrochemical industry. We are ready first of all to refinance our long-term credits raised in foreign banks for multi-billion dollar projects already completed and working efficiently for the moment.

***– The Russian business today is not interested in participating in scientific research because science doesn't gain profits at once. It takes not less than half a century to implement an invention in commodity production as it happened, for example, with scientific developments of a famous physicist Zhores Alferov whose inventions are actively applied in fiber-optic communications, the laser player and other devices. What do you think the cooperation between business and science will look like? And how is it being developed within TAIF?***

– TAIF is an investment company working in many business spheres which may be replaced from time to time. This is why it would be inefficient to carry out scientific research in one particular or few directions. On the other hand, we do care that research works are carried out by our companies. For example, Nizhnekamskneftekhim and Kazanorgsintez have organized scientific and engineering development centers working out new products, new technologies, evaluating the possibilities of upgrading and reconstruction at operating plants. Owing to their achievements, within the last five or six years, our products mix had been replaced by 40% and products cost had been cut down. As a result, we apply technologies developed by our companies along with the ones acquired abroad. Our specialists are always in search for those achievements of abstract sciences which may find their long-term application in our operations today. Of course, we can't afford organizing abstract sciences research, but we are ready to cooperate with scientists, jointly perform experiments especially in physics and chemistry. I would like to note that we have practice of cooperation with many Russian scientific and research institutes and centers specializing in oil refining, petrochemicals, organic and inorganic chemistry.

Of course, our wishes and dreams are huge. But to increase the work of the scientific and research centers we have to make enormous financial investments. Unfortunately, the resources available are enough to implement the respective developments only. We quite realize that we are behind the leading foreign companies in this matter. Oil refining and petrochemical companies were also negatively affected financially by tolling schemes of raw materials suppliers. We hope that the problems will be settled in the nearest future, and not only in our region but in Russia as a whole.

***– Your subsidiary company «TAIF-NK» produces gasoline of high quality of Euro-4 standard. Why don't you have consumers?***

– The number of consumers is big. The existing sales system buys gasoline from us in a small amount to blend it with low quality fuels and get momentary profits. Unfortunately, they care more about that than of consumers' opinion. We have studied the situation and come to the conclusion that it is better to build a sales network of our own for high quality fuels. Of course, it will cost us a lot; we are to face some material losses. But we won't move forward until people start to believe in economic efficiency of high quality fuels. Consumers will never pay for quality, if they are not sure that the sales network provides them with expected high quality goods. Not to mention the improvement of global environmental conditions we are all anxious for. In the long run consumers should accept the idea that if you save on the quality of fuels today, you will lose a lot tomorrow. You will lose through paying for car repair works, and what is more important, for medical services, not to speak about people health protection one can't estimate in cash.

Let me give you an example. In 1997-1998, we started the project of introducing and developing the GSM cellular system in Tatarstan. We had built up a subscriber base of 8 or 10 thousand subscribers by 1999-2000, and then it stopped increasing. We studied the situation and found out that both in films and press the cell phone is shown as a luxury which only the rich may afford. Our prices were low though. Then we bought cell phones for USD 10 million and distributed them for free. By 2001, we had had 300 thousand subscribers. Today this number exceeds 2 million in Tatarstan. The subscriber base of «MTS-Kazan», the owner of our GSM mobile company, includes 1.5 million subscribers. Success comes with out of the ordinary and prescient undertakings.

***– And what is the price for your gasoline?***

– The price for AI-95 is RUB 21.50, for diesel fuel – RUB 20.50 (the price for the same AI-95 around the city makes RUB 24.00, for diesel fuel – 23.00).

## Financial romance

***– Is there any need in funds with your group of companies?***

– The more money you have, the better! (smiles). But it is not

**PSC «TAIF»** was established in 1995. The implementation of investment programs of priority for Tatarstan is the key business line of the company. The company was not only growing along with the market, but made a certain influence on its formation and development.

TAIF Group of Companies employs 55,000 people. Today, TAIF is a diversified structure including companies working in oil and gas refining, petrochemicals production, telecommunications, building and construction, companies providing stock exchange, banking, customs and insurance services. The total number of TAIF GROUP associated and subsidiary companies is about 90. All the business units are closely connected financially, technically, technologically and in management.

In 2007, the TAIF GROUP sales revenue increased from RUB 153 billion to RUB 192 billion. Net income equaled RUB 21.4 billion. Capital investments excluding VAT exceeded RUB 27.8 billion. Taxes and duties paid into the budgets of all the levels were over RUB 17 billion, including more than RUB 6 billion forwarded into the consolidated budget of Tatarstan. Own products shipped and own services provided totaled to about RUB 156 billion and made 21% of the total shipped products in the Republic. The monthly average salary of TAIF GROUP employees in 2007 vs 2006 increased by 20% and made RUB 18 thousand.

The implementation of the program of the TAIF petrochemical sector and power supply facilities development by 2015will cost about USD 12 billion and will provide production up to USD 20 billion. By 2015, the market capitalization of its three companies only – Nizhnekamskneftekhim, Kazanorgsintez and TAIF-NK – is to exceed USD 30 billion.

the point for today. The problem is that the development program we are implementing now is to result in sharp raise in production capacities, and any failure in power supply may be dangerous. It is a mega-vital aspect. At our plants, pressure makes up to 2,000 atm, temperature – up to 1,500 oC. In this case a failure in power supply for only 0.1-0.3 seconds may result in a halt in production for 5-6 days, if not in any accident. By 2012-2014, we are to reach the output of minimum RUB 400 billion. Any minor halt means possible losses of RUB 1.5 billion per day. If that happens, we may paralyze the work of railway, pipeline, and sea transportation companies, as well of companies we supply our products to, what, in its turn, may negatively affect the operations of Russian sea ports. It's hard to imagine and estimate the total losses the Russian economy may incur. And the losses have to be refunded then. That is why we have left a number of projects unrealized for a certain period of time and are active with providing stable power supply.

In Tatarstan, our companies consume up to 40% of produced power which makes about 60% of yield of the Tatarstan energy sector. Our yearly consumption of electric and heat power exceeds RUB 20 billion. Power expenses makes more than 30% of the cost of our products. And now we follow two directions: the first one is connected with the opportunity to participate in upgrading of the Tatarstan power production facilities. The other one is the construction of power plants of our own as they have done at «Nizhnekamskneftekhim». The cost of power produced on the own power plants is RUB 0.35-0.45 per kW\h. Not only TAIF, but the Republic itself needs the operating power production facilities to be reconstructed.

The problem may be worked out. All big world companies have their own power production plants. The trouble is we have to have the situation improved in two or three years, not more.

***– Has the world financial crisis anyhow affected your business?***

– Still haven't affected directly. We have signed many agreements, and I have no feeling of the crisis. Long-term credit facilities of TAIF GROUP total to RUB 55 billion. Last year, our company raised long-term and short-term financing for RUB 172 billion with RUB 162 billion repaid.

This year we expect higher volumes of borrowings and repayments. The current year is quite favorable though it seemed to be the other way at the beginning. The sharp rise in prices for heat power by 33%, electric power – by 21%, gas – by 20%, transportation services including railway, pipelines – by 16-17%, resulted in the raise in expenses by more than RUB 8 billion on one and the same day on the 1st of January. The whole TAIF GROUP was put under «martial law». There was no New Year vacations, no celebrations besides family events till the noon of January 1. We had to get through this. So, five months have passed. The production output made 150% vs the last year results. We keep the estimated results on revenue, profits and taxes on the level of 118-120%.

We have invested over RUB 130 billion. It is a great amount for our company. To make the investments work efficiently our specialists, particularly the top-management, had to work the day and the night, to study the world economy, the world industry, the external and internal markets, make forecasts until 2020-2030, to invite the leading Russian and world companies for cooperation. Economic analysis, of course, has become a daily wants and is carried out every day. We have to pay back the money borrowed! The estimated revenues for the current year equal to RUB 280 billion. This is the result of the investments, already working, giving the expected returns, plus the favorable situation on the market. So this makes us feel sure in the future and makes us stronger. We always know what we are doing.

***– What do you have to say to Sberbank?***

– The success of TAIF investment company was closely connected with Sberbank as well. Our first long-term facility was credited by Sberbank. Due to the Sberbank support we managed a large-scale reconstruction and upgrade of the existing plants and construction of new ones at Kazanorgsintez, TAIF-NK and other companies. That is why I express my personal gratitude and thanks on behalf of TAIF GROUP for the work we have done with the results favorable not only for Sberbank, TAIF and the Republic of Tatarstan, but for the whole Russia. The projects we are implementing are the largest in the Russian oil refining and petrochemical industry. I would like to wish Mr. German Oskarovich and the team of Sberbank prosperity, good health and mutually fruitful cooperation. Sberbank may hope for an assistance, a little one though very trustworthy, here in Tatarstan provided by our company. When opening the motor gasoline plant I pointed out specialists of Sberbank of Russia in my speech who gave a high appreciation to the potential of our country, and worked for the future of our motherland showing sincere love and professionalism.

## Middle class against poverty

***– Last year, TAIF spent a great amount of money for charity, which was over 1 billion rubles. Is charity a patronage tradition or your principles of work?***

– We are in a big development process, and if we have an opportunity, we try to provide assistance. We help orphanages, boarding schools, schools, public organizations. The quarter of our charity expenses goes to the Tatarstan football team «Rubin». Almost every employee in the company has a need to provide help, and this is not an overstatement. There was no a single case when my requests to provide a support were met with disagreements. When I see that the work of my companions, partners, «brother soldiers» brings happiness to those who needs it, I feel very pleased; the shareholders usually have no objections, at least as far as possible.

***– There is a huge gap between the rich and the poor in Russia. Theoretically, it is a revolutionary factor. And it is abnormal. How can the situation be changed?***

– The situation should be carefully studied. One should study the history of the Western Europe, the USA, collect statistics on the situation in Russia, give a detailed analysis of them. Figures announced are usually conflicting. Sometimes they arouse pity towards the country for a small number of the rich here. Sometimes they say that we have a lot of poor people. So, one should get the right idea of all these. For example, the situation even as it is now may be changed by the governments of Russia and the Republic of Tatarstan through the development of entrepreneurship, well-paid new jobs with all respective social responsibilities, based on support and the development of small and middle-size businesses. Reaching this goal which requires hard work is not an easy task. Of course, small and middle businesses face many difficulties. But our company which is considered to be a large production enterprise forwarding to the budget taxes of RUB 20 billion, has the same problems, not less. Little-experienced small and middle businesses which are in the process of learning how to plan and work today and in the long run, feel very unconfident. But they will pass through it very soon. The main point here is that people have gained trust into the government of the country and have become more active in business. Big companies with TAIF included are vitally interested in that. If not to go into details, for it going to be too long, I may say that companies have been doing everything possible. Otherwise, big companies including TAIF in their development may be give up for lost.

We are already in consideration and are always ready to consider any project connected with further processing of our products. It provides vast opportunities for small and middle businesses. We are ready to provide financing and respective guarantees if necessary, participate in the shareholders equity up to 26%, make agreements for raw materials supplies for 20-30 years, and provide stable operations. Let's join our efforts here.

***– Perhaps there are not enough skilled personnel to implement the programs, aren't there?***

– Personnel have always been and will be the complicated issue. But there is nothing dramatic here. I recall my school and college years, my first steps in career building. All people I studied and worked with were working hard to have a better life, to reach success, with very little exceptions – one or two people out of a hundred.

The young generation today meets negative abuse. The same was with us when we were young. We had street fighting as well, and had a lot of fun as all the young usually do. But this generation of the youth is even better than we used to be. They want to work. It would be better, of course, if they were supported more on their first steps in career. In addition to their parents and close relatives, the government is very active in this field today. I find the proof of that in Tatarstan. We definitely can't establish communism in one particular village as they say. But we may see that what President Medvedev is doing now yields good results. The development of small and middle businesses will encourages the development of our country and of large-scale industry in particular. A graduate student is dreaming of having its own business. He is provided a support but may be not that efficiently. The situation is not bad as may seem and may be improved. Those who work hard today have a good chance for a better life than in the Soviet Union. But we want to live even better, and have to work harder.