

Russia vows to open up Arctic to energy firms

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Russia's President Vladimir Putin chairs an energy meeting at the Kremlin. Putin has vowed to conquer ever broader expanses of the Arctic for Russia's oil and natural gas giants while inviting foreign majors to take part in the development boom.

President Vladimir Putin vowed on Tuesday to conquer ever broader expanses of the Arctic for Russia's oil and natural gas giants while inviting foreign majors to take part in the development boom.

Russia's dominant leader invited both senior executives and ministers to the first major meeting devoted to energy since his return to the Kremlin for an historic third term in May.

Putin relied on soaring energy prices to ensure record growth during his 2000-2008 presidency and will be keen to maintain that performance

even as world prices wobble and supplies slowly dwindle at old Siberian fields.

The [Kremlin](#) chief said the Arctic now represented Russia's main hope -- and that tie-ups with foreign majors were its best option for exploiting the forbidding environment fast.



Map of the Arctic showing existing territorial waters and possible future territorial claims. President Vladimir Putin has vowed to conquer ever broader expanses of the Arctic for Russia's oil and natural gas giants while inviting foreign majors to take part in the development boom.

"In the coming years, we have to develop the geography... and more actively reach new shelf deposits," Putin said in a [live television](#) transmission of the meeting.

"We must attract foreign capital," Putin added in reference to three major Arctic deals the state firm Rosneft signed in the past year in hope of gaining access to global markets and the technology needed to tap

hard-to-reach sites.

"We have already seen such examples and many of them are of a grand scale. We have to establish stable rules of the game for the market, which in turn will help the foreigners build long-term plans.

Russia is currently the world's largest [oil](#) exporter and biggest natural gas producer.



In 2007, a mini-submarine placed a Russian flag on the Arctic seabed at a depth of 4,261 meters (13,980 feet) beneath the North Pole. President Vladimir Putin has vowed to conquer ever broader expanses of the Arctic for Russia's oil and natural gas giants while inviting foreign majors to take part in the development boom.

But that status has been a double-edge soared that has keep growth dependent on external factors and the government hesitant to invest in other industries during petrodollar-driven booms.

Russian leaders had made economic diversification their mantra throughout Putin's 12 years in power. Putin himself however said on

Tuesday he viewed oil and gas as a high-tech industry that required further help from the state.

"When they say that we remain hooked on oil, this is without question partially true. And we must develop high-end technologies," said Putin.

"But one must not forget that the oil and gas industry is in fact one of those high-tech industries," Putin added.

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