

Putin allays fears over foreign investment bill

Russia's State Duma, the lower house of parliament, Wednesday passed a bill limiting foreign investment in key sectors such as oil and gas, media and telecommunications even as President Vladimir Putin met with top foreign investors in Moscow.

Presidential aide Sergei Yastrzhembsky said Putin had gathered the heads of Italian and German business, such as Siemens, Italian energy giants Eni and Enel as well as key financial groups, to appease business concerns over the new legislation.

'We intend to lead a politics of encouragement and simplification for foreign investors, with respect to administrative regulation and investment legislation,' Putin told the business leaders Wednesday, news agency Interfax reported.

The law restricting foreign investment in one of 42 sectors defined as 'strategic' was passed 384-55 by Russia's lower house in its third and final reading. It will now go before the upper house and likely rubber stamped for Putin's signature.

Under the bill, foreigners are barred from buying more than 50 percent in companies without government approval, provoking concern among investors who fear more state bureaucracy and the hot breath of its security services blocking business deals.

Putin, however, promised the business elite gathered at his Novo- Ogarevo residence outside of Moscow that there would not be 'any restrictions on foreign capital in the near future and foreseeable future,' Yastrzhembsky said.

Russian newspapers listed the nuclear, aerospace and arms industry, as well as oil and gas, media and fishing among the wide-ranging industries defined as 'crucial to national security'.

The bill provides for Putin, who has promised to become prime minister in May, to be the first to head the new commission deciding on foreign investment requests.

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