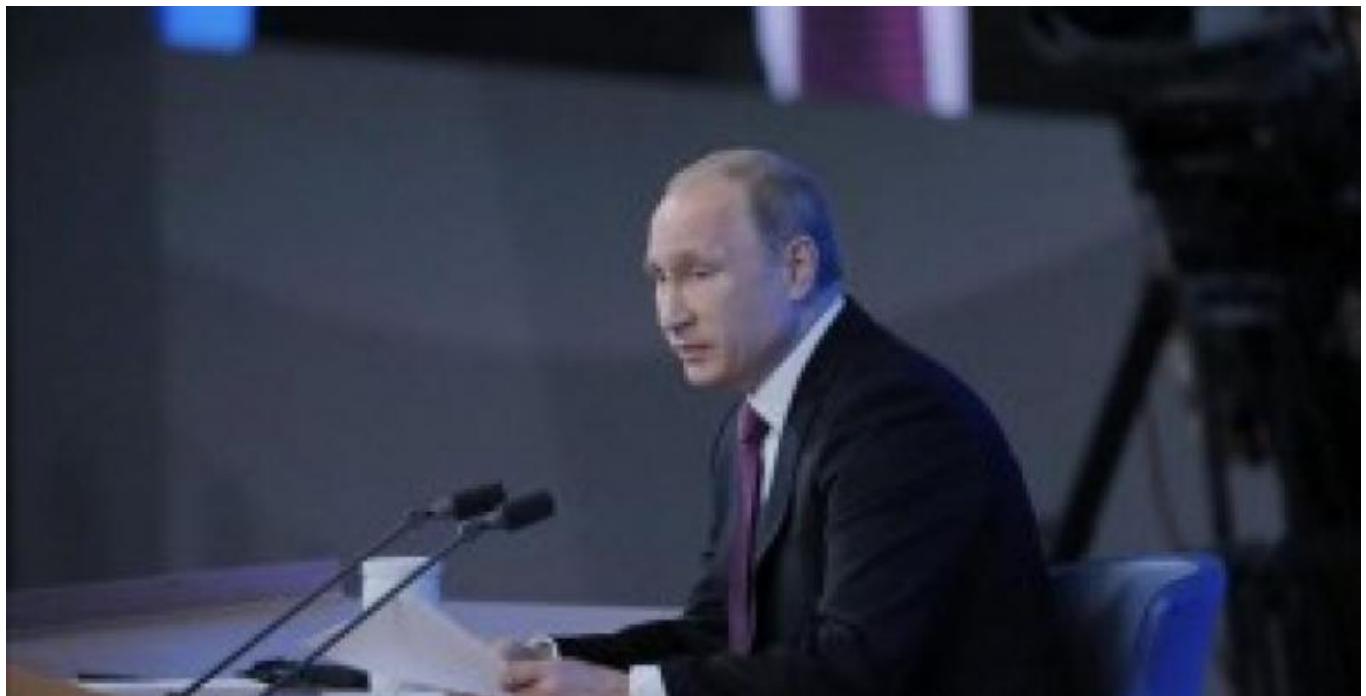

Putin: Russia Will Emerge from Crisis in Two Years in Worst Case Scenario

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“Our economy will emerge from its current situation. How long would that take? In the most unfavorable circumstances, I think, two years,” Putin said during his annual news conference before several hundred Russian and foreign journalists.

The Kremlin chief said that the emergence from the crisis and subsequent growth of the Russian economy were inevitable and could occur even within two years.

He argued that in spite of the slow growth rate of the world economy, “the (Russian) economy will grow. And (it) will get out of the current situation,” according to Russia Today.

The economic situation will change and the growth of the world economy will require additional energy resources, Putin added.

Putin pinned the collapse of the ruble and the Russian stock market on external factors, particularly the fall in oil prices.

But he also acknowledged that, “the economic situation will force us to diversify our economy,” which has been highly dependent on exports of hydrocarbons.

He noted that the recent measures taken by the government and the Central Bank of Russia to stabilize the situation in the market have been appropriate, but felt that some actions could have been taken more quickly.

Putin also defended the governor of the Central Bank, Elvira Nabiulina, from rising criticism, noting that she is not solely responsible for the economic situation.

According to analysts, the collapse of Russian finances is a mirror reflecting the crisis undermining the country's entire economy, which has been devastated by the plunge in oil prices as well as by international sanctions and the absence of structural reforms.

While the government of Prime Minister Dmitri Medvedev blamed it all on the ruble, which has lost half of its value, and external factors; other causes exist as well, such as failure of the economic model and poor management by the government.
