This year has included a lot of large-scale events linked with security of the Russian Federation. The character and geography of challenges for our country has been extended, the role of the military force in international relations has been raised.

Instead of joining efforts to fight the common evil – international terrorism, the NATO claimed Russia to be the main threat and continues building up its military potential near our borders.

Under this pretext, the military budget of the NATO countries has been increased by $26 billion in comparison with the previous year and now it has reached $918 billion.

The NATO’s leadership has made a decision to deploy 4 reinforced battalion tactical groups in the Baltic area in 2017 as well as deploy and supply an armored brigade of the US Land Forces in the territory of several countries in East Europe.

Intelligence activity of the NATO countries has been intensified along the Russian borders.

Within last 10 years, total number of reconnaissance aviation flights near the Russian borders has been increased by almost 3 times, in the south-west of Russia – by 8 times. In comparison, 107 such flights were carried out in the 90s, in the 2000s – 298, and in 2016 – 852 ones. We have to increase the number of flights of the fighter aviation by 61% in order to prevent breaching the Russian airspace over the Baltic Sea, the Black Sea, and the Arctic region.

Naval intelligence has been increased by 1.5 times near the Russian territorial waters. We monitor this activity and stop all efforts to breach the Russian sea borders.

The NATO has doubled the number of military exercise, most of which had anti-Russian character. For example, the Armed Forces of the Great Britain started using Russia-made tanks and uniform of the Russian army at the Salisbury Plain Training Area to designate the enemy. It the Nazi Germany which used such methods of troops training during the Great Patriotic War. Not a single foreign exercise was ignored; especially it refers to ones held closely to the Russian borders. Results of the each have been analyzed and taken into account during the the combat training of the troops.

The missile defence system of the United States in Europe has been put on a level of initial operational readiness. Its elements are being deployed in Japan and South Korea.

MK-41 Vertical Launching Systems can be easily and stealthy adapted to fire the Tomahawk missiles. The number of such missiles deployed near the Russian borders can reach 150-300. Their operation range is up to 2,400 km. Their fly-in time to the Russian western borders will constitute up to 10 minutes.
The decisions of the President of the Russian Federation Vladimir Putin on neutralization of this threat have been implemented.

The United States of America has been modernizing nuclear aviation bombs and their storages in Europe. This refers to approximately 200 American munitions stored in Belgium, Italy, Netherlands, Germany and Turkey.

All these activities are the risks for Russia. And we have to respond them. It is to be noted that the Russian Armed Forces are not involved in the arms race. Army and Navy are being equipped in accordance to the schedule of the rearmament program, which had been approved in 2012.

The building-up of the Russian Armed Forces has been continued in accordance to the schedule, their condition has been improved.

Staffing rate of the troops has reached 93%. Number of contract servicemen has reached 384,000 people. The sergeant staff has become professional for the first time in the Russian history.

Training has been leveled up. In total, 84% of flight personnel of the Russian Aerospace Forces have received combat experience in Syria.

Strategic nuclear forces are maintained in condition allowing to perform nuclear deterrence tasks.

Approximately 99% launch systems of the Strategic Missile Forces are in combat condition. More than 96% of the systems are in permanent readiness for immediate missile launch.

Four missile regiments have been put on combat duty. The regiments have been armed with the Yars stationary and mobile complexes.

Strategic nuclear air force have received 4 modernized aircraft: 2 Tu-160 and 2 Tu-95MS.

The grouping of the naval strategic nuclear forces of the Pacific Fleet has been reinforced with the Vladimir Monomakh strategic missile submarine.

The Armed Forces have received 41 ballistic missiles. The nuclear triad has been equipped with modern armament by 60%.

Combat potential of general-purpose forces has been increased. Nine formations, including four motorized rifle divisions and one tank one, have been formed in the Land Forces.

In total, 2,930 pieces of new and modernized armament have been introduced into troops. It helped to reequip another 2 missile brigades, 2 air defence missile brigades, 1 special brigade, 12 motorized rifle and tank battalions, and 3 artillery battalions.

As a result, the rate of modern equipment in the Land Forces is 42%.

The Aerospace Forces have received 139 modern aerial vehicles. Four air defence regiments have been armed with S-400 Triumph air defence missile system.

Moreover, 25 anti-aircraft artillery weapon systems Pantsir-S and 74 radar stations have been introduced into the troops.

The rate of modern hardware in the Aerospace Forces has reached 66%. 62% of the aviation hardware is functioning properly.
State trials of the three Voronezh prefabricated radar stations have been successfully completed in Orsk, Barnaul and Yeniseysk. The stations will be introduced in troops in 2017.

Three current-operating radar stations in Baranovichi, Murmansk and Pechora have been improved by the use of high operational readiness technologies.

That allowed, for the first time in the new history of Russia, to establish radar field of the missile defence alarm system all round borders of Russia in all strategic aerospace directions and all types of the missile flight trajectory.

The Russian Armed Forces have received 105 complexes with 260 unmanned aerial vehicles. Thirty-six military formations and units of unmanned aviation have been formed.

In total, the Armed Forces are equipped with more than 600 complexes with 2,000 unmanned aerial vehicles. In 2011, the troops had only 180 outdated systems.

The unmanned aviation flight intensity has been increased by 1.5 times in comparison with the results of the previous year.

The Navy has received 24 surface ships and auxiliary vessels as well as 2 multipurpose submarines.

The Navy has been equipped with modern armament and hardware by 47%.

This year, 3 reconnaissance battalions and 6 tank companies with 2 electronic warfare and UAV companies in each have been formed in the Airborne troops.

The Airborne troops have received 188 new and modernized combat armored vehicles. The percentage of modern armament and hardware has reached 47%.

Technical basis of the control system has acquired new development dimension. The troops have received 22,000 modern communication means. This exceeds the results of 2015 by 6%.

The Armed Forces have been equipped with modern communication means by 49%.

The Russian Defence Ministry pays special attention to issues concerning armament and hardware, which have not delivered to the troops. The number of such samples has reached 49 this year.

Decisions, which had been made by the President of the Russian Federation at the sessions in Sochi, influenced the situation and allowed to meet requirements of the State Defence Order for 2016.

Therefore, the rate of modern armament and hardware in permanent readiness units of the Russian Armed Forces has reached 58.3%. 94% of the hardware and armament are in good state.

State Defence Order funding control system, which had been created by the order of the President of the Russian Federation, promoted reaching these results.

Adoption of the system has changed the level of information awareness of the Defence Ministry as a contracting authority.

Today, when we receive data from the authorized banks, we see how every ruble is spent.

Implementing the system allowed us to carry out more effective advance payment policy by turning to quarterly advance payment for implementation of the State Defence Order in accordance to the engineering and manufacturing cycle.
Therefore, we managed to reduce risks of overpaying the manufacturers and decrease outdated accounts receivable by 3 times: from 363 billion rubles to 120 billion rubles.

Due to the Law about the State Defence Order, debiting 63 billion rubles from the account for aims not referring to implementation of the State Defence Order has been prevented.

In Syria, 162 samples of modern and modernized armament have been tested in course of warfare in Syria and demonstrated their high efficiency.

Su-30SM and Su-34 newest aviation complexes as well as Mi-28N and Ka-52 helicopters are among them. High-precision munitions and sea-based cruise missiles, which had been used in course of warfare for the first time, have confirmed the announced specifications.

Drawbacks, which had not been shown up during the range trials, have been identified. Delivering of 10 samples of armament has been stopped until the defects are removed.

Quality of hardware has been significantly improved. This fact guarantees the hardware operational reliability in combat.

The main tasks, which had been assigned to the Armed Forces before the start of the operation in Syria, have been completed.

Activities of the Russian Aerospace Forces have turned the tide of fight against terrorism in this country.

Large illegal armed formations have been eliminated in the Hama and Homs areas. Insurgents have been dislodged from Latakia and from territories located to the south and north of Damascus. Main traffic artery, which connects the capital and the northern part of the country, has been unblocked. Aleppo and al-Qaryatayn, key cities, have been liberated.

In total, 12,360 square kilometers of the Syrian territory and 499 inhabited areas have been liberated from insurgents.

The Russian aviation has performed 18,800 flights and carried out 71,000 strikes on terrorists’ infrastructure.

It caused elimination of 725 training camps, 405 plants which produced munitions, 1,500 military vehicles of terrorists, 35,000 insurgents including 204 field commanders.

Militants have lost 448 tanks and other armored vehicles, 57 multiple launch rocket systems and 418 improvised MLRS, 410 mortars, and more than 28,000 small arms.

Specialists of the International Mine Action Centre of the Russian Armed Forces have defused 26, 853 explosive devices in the territory of 1,420 hectares. They have detected and defused 66 thousand tons of explosive devices in the liberated Aleppo.

The United Nations, Armenia, Belarus, Serbia, India, China, and Kazakhstan have joined the Russian humanitarian operation in Syria. Citizens of Deir ez-Zor, which had been blocked by terrorists, have received 2,500 tons of humanitarian cargos, including ones from the UN dropped on Russian parachute platforms.

The operation promoted solving a number of geopolitical tasks.
International terrorist organizations have suffered significant damage. Their spread through the region has been stopped.

Financial support and resource supply systems of terrorists have been disrupted.

Dissipation of Syria has been prevented.

Chain of the colored revolutions replicated in the Middle Eastern and African countries has been interrupted.

Process of political settlement and reconciliation of the opposing sides has been launched.

1,074 inhabited areas with total population of about 3 million people have joined the ceasefire regime; 108,000 refugees have returned back to their villages; 9,000 insurgents have laid down their arms.

Aviation group of the Russian Aerospace Forces at the Hmeymim airbase and logistics support post of the Russian Navy in Tartus are effectively functioning in Syria. Modern military and social infrastructure has been created at the bases.

International agreements, which created the law basis for long exploitation of these objects, have been signed. Multilevel control system with newest equipment has been deployed in Syria to supervise actions in Syria. The Russian party has been controlling the situation on the ground and in the air permanently and has precise data about locations of insurgents and their facilities.

Division set of the tactic troops and armament control system has been updated in accordance to the experience gained in Syria. This has reduced the decision-making time and combat planning by a commander or a staff.

Operation of the National Centre for State Defence Control has reached a new quality level.

Round-the-clock monitoring and coordination is carried out over 6,500 events of the Plan of activities of the Armed Forces. Efficiency of decision-making on crucial issues has been improved in three times.

Characteristics of the data processing systems have been improved. For comparison: the National Centre for State Defence Control exceeds the total volume of stored data and computing power of the Balar, the combined control center of the armed forces of France in 19 times and 3 times respectively.

By the way, complex of buildings of the Russian Defence Ministry was constructed 3 times faster and 2.6 times cheaper than the French control center.

Information platform of the National Centre allowed to unite 73 federal bodies of executive power, authorities of all 85 subjects of the Russian Federation, 1,320 state corporations and enterprises of the defence industry complex into the joint system of interdepartmental cooperation.

For the first time created a single secure information space at the federal, regional and local levels.

Armed Forces successfully resolve tasks of military presence in the strategically important regions of the world.

Long-range aircraft have performed 17 flights for the air patrolling in the waters of the Norwegian, North, Black, Japan and the Yellow Seas, in the western part of
the Pacific Ocean and the north-eastern part of the Atlantic Ocean, as well as in the Arctic zone.

The number of cruises of ships and vessels of the Russian Navy has grown. In total 121 cruises were made in the Arctic region, the Central and North Atlantic, the Caribbean Sea. Regular combat service in pirate dangerous areas of the Gulf of Aden has been ensured.

Within four years, the forces of the Operational Command in the far sea zone resolves the problem of the protection of national interests of Russia and its allies in the Mediterranean region. On average, it is up to 15 surface ships and vessels of various classes.

Russian ships have been actively involved in joint exercises in Southeast Asia and the Indian Ocean.

Level of personnel training and formation coherence has risen due to five unannounced complex combat readiness inspections.

All military districts and units, branches and services of the Armed Forces, with the active participation of the federal authorities and administrations of the subjects of the Russian Federation took part in these activities.

As a result, troops are ready to get resources from the economic complex of the country in war time and to complete tasks in close interdepartmental cooperation.

Strategic command-and-staff exercise Caucasus-2016 has become the most significant event of operational training of this year. Military units of four armies were projected at a distance of up to 2,500 thousand kilometers during this exercise. Full deployment of army control systems realized on new theater of military operations.

In total military control bodies are ready to command created troops formations in case of threats to the national security in the South of Russia.

The operational and combat training has been intensified. In total 3,630 exercises, including 1,250 interservice ones, have been held.

Field training level has been raised due to intense combat training, Army Games, the combat experience in Syria.

As a result, time spent in the air has increased about 21%. Crew of surface ships and submarines have risen time spent at sea by 1.7 times. In addition the number of prepared tactical groups of ship formations has been augmented. The number of jumps in the Airborne Troops has been increased by 5%.

In total, 130 ranges with a workload from 89% to 98% are used on a daily basis to hold trainings and exercises.

This year the Opuk range in Crimea has joined this number. It allows to organize bilateral exercises with interservice grouping.

The number of competitions of the International Army Games has reached 23. In total, 82,000 servicemen, including 3,500 ones from foreign countries, took part in the Games.

3,000 foreign representatives, including 24 observing groups from 13 countries, as well as 350,000 spectators visited the military contests.
Within the preparation process for the Games, 114 military ranges have been reconstructed, 308 facilities have been built and used for the combat training of troops.

Next year, half of competitions will take place in Azerbaijan, Belarus, Kazakhstan and China.

Improved system of military education has contributed to the growth of servicemen’s professionalism.

This year, educational institutions of the Russian Defence Ministry have received highly qualified teaching personnel with combat experience.

On September 1, the preparation of cadets and students has started its work on the basis of electronic textbooks with multimedia support. All the military educational institutions of the Russian Defence Ministry are connected to the main electronic databases of the country.

The network of pre-university educational institutions is being developed.

The Suvorov Military School of Tula has been opened. There has also been created the management “hierarchy” of the Nakhimov Naval School, which now includes Presidential Cadets Schools of Sevastopol and Vladivostok transformed into its branches. Next year, the system will be reinforced by a branch in the city of Murmansk. A Presidential Cadet School will be opened in Petrozavodsk.

This year, the all-Russian military patriotic movement “Yunarmia” has been created under the aegis of the Russian Defence Ministry.

Today the movement covers nearly all the subjects of the Russian Federation gaining in strength and attracting more and more young people.

The priority of the year was resolving of questions connected with the social protection of servicemen.

Since the beginning of the year, we have passed to the scheduled provision of servicemen with permanent housing.

High rates of service housing provision are kept up. This year 28,500 people have received apartments. Additionally, 12,100 living units have been included in the housing resources of the Russian Defence Ministry. Taking into account the growth of the compensation amount to servicemen, the problem of service housing is considered to be resolved.

Development of the savings and mortgage system is continued.

In 2016, the average increase in the number of participants constitutes 21,000 people.

The average area of the bought living units is 60 square meters that is 20% more than the expected rate.

This year, the availability and quality of the medical treatment have been considerably increased.

Equipment of military medical organizations and institutions with modern medical hardware has allowed to provide 83 types of high-tech medical assistance, to perform unique surgeries in the leading military clinics of the Russian Defence Ministry.

The number of servicemen who have pneumonia has reduced by 22%, the number for cardiovascular diseases – 20%.
The increased capabilities of resort facilities have raised by 3 times the number of servicemen who have passed medical and psychological rehabilitation – that means that nearly all of them had received the needed care.

Next year, let us invite you, Mr. President, to the opening ceremony of the multipurpose clinic of the Kirov Military Medical Academy. This health care institution will be unique in the country. It will re-establish the historical and professional importance of the Military Medical Academy and will allow to achieve new levels of education and medicine.

Measures taken for the development of the military construction complex have allowed to achieve synchronization in creation of the infrastructure with deliveries of armament and military equipment.

Today the total requirements of the Russian Armed Forces in infrastructural facilities taking into consideration the worn-out state of the funds constitutes 30 million square meters.

In 2016, 2550 buildings have been erected the total area of which constitute 2.7 million sq. m. that is 18% more that in the previous year. It is to mentioned that today the pace of construction exceed the total rate of the period 2010-2012 by more than 10 times. That time only 210 objects were built.

Usage of modern quick building technologies has allowed to reduce the construction time limits by 2 times during the erection of shelters for the military hardware and barracks and to reach the average price of a square meter which does not exceed 30 thousand rubles that is lower than the national average.

Particular attention was paid to the liquidation of reasons for failures to stay within the time limits of construction and commissioning of special facilities, reduction of accounts receivable and liquidation of above-limit financing.

For that purpose, the military construction complex is undergoing a serious reform. The Spetsstroy Rossii is liquidated. The Armed Forces receive 8 federal state unitary enterprises. They will build only special facilities for the Russian Defence Ministry.

This will exclude intermediates during fulfillment of state contracts; will allow the military enterprises to perform the most part of all works within the contracts using their own resources as well as to cut in half the quantity of management personnel.

This year, the Russian Defence Ministry has received great output from the programme “Effective army”.

Automated filing system “Passport” is being introduced within it. It includes the usage of special personal electronic cards by servicemen. In 2016, all the 276 thousand conscripts of the Russian Armed Forces received such cards.

The system includes all the period of a citizen’s military service – conscription, the service itself and the subsequent period in reserve.

Next year, the “Passport” electronic cards will be integrated into the control and management system used for reservation of food allowance for servicemen.

That will allow planning the expenses effectively, taking into consideration the allowance and financing rates within a military unit, an army or a military district.
The control and management system is used in 729 canteens and has already saved 700 million rubles.

118 thousand metering devices installed at the Russian Defence Ministry facilities have already saved 3.5 billion rubles.

Transition of 28 boiler houses from solid and liquid fuel to natural gas has reduced the expenses of heating by 108 million rubles.

After re-equipment of 410 boiler houses by 2020, the annual costs will have been cut in half, this will effect a saving of 3.7 billion rubles.

This year, 16 arsenals have developed workshops to carry out repairing of munitions that had not been performed for 15 years. Over a million munitions have been repaired this year. That has saved 69 billion rubles.

Moreover, the works aimed at munition life extension have saved over a billion rubles.

This year, about 60 thousand modern storage containers made of polymer materials have been delivered to arsenals.

Taking into consideration its extended life time, since 2020 the storage of missiles and munitions will save up to 900 million roubles a year.

Within sapper training courses, the Engineer Troops have conducted tactical exercises and demolished 785 written-off buildings at 54 objects of the Russian Defence Ministry that has saved 8 billion roubles. Earlier, such works were outsourced.

The Russian Defence Ministry has opened eight fuel complexes jointly with the Russian fuel companies. Four others are about to be finished and in 2017 another 11 are to be erected.

The total amount of investments from oil companies in all the 23 complexes will constitute 18 billion roubles, 12 billion roubles are already invested.

In 2016, the Russian Defence Ministry has conducted 14 congress and exhibition events at the “Patriot” park.

The International military and technical forum Army-2016 has become the most important one. It was participated by delegations from 70 countries and representatives from over a thousand enterprises. The forum dispelled the myth of international isolation of Russia and demonstrated the power of the Russian armament.

The Russian Defence Ministry undertakes complex developing of the Arctic regions.

Works have been finished on the New Siberian Islands, the Franz Josef Land and the Novaya Zemlya archipelagoes.

Technical positions of radar units and aviation targeting centres are being built on Wrangel Island, the Cape Schmidt and Alexandra Land.

Ecological clearing of the Arctic near the Alykel airfield, at the Novaya Zemlya archipelago, Wrangel and Kotelnny Islands has been finished. 165 hectares have been cleaned, 6,500 tons of scrap metal have been removed.

The Railway Troops continue building the way Zhuravka – Millerovo bypassing Ukraine. The ground for the road is prepared. The total volume of works
constituted nine million cubic meters. 23 of 84 kilometers of the railway is laid. The construction is to be finished by September, 2017.

This year, the international cooperation activities have involved 80 countries. Strengthening of military cooperation with CSTO, CIS and SCO partners was a priority.

Eight treaties in different spheres have been signed with the CIS countries. Military and technical cooperation has been fruitfully developed with Asian countries. Particular attention was paid to traditional strategic partners – China and India.

For the first time, a meeting of defence ministers of Russia and ASEAN countries has been held. It laid a foundation for development of interaction among the countries of the region.

In April, the V Moscow Conference on International Security took place. It was participated by over 700 guests from 83 countries. The forum became an important平台 for search of ways to maintain the global and regional security.

The Russian military bases and objects continue their activities in Abkhazia, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Syria, Tajikistan and South Ossetia.

Twenty-four international exercises of different level have been held.

The Unbreakable brotherhood, Naval interaction, Idra and Selenga have become the most important ones.

In total, in 2016, the Russian Armed Forces have ensured the raise of combat capabilities by 14% and maintained the prescribed level of State defence capability. The raise in quantity and quality of the main rates are observed in comparison with the year 2015.

As a result of fulfillment of the State Defence Order, the growth of deliveries of new armament to the troops has reached 5%.

The percentage of modern hardware in the constant combat readiness units of the Russian Armed Forces has achieved 58,3%.

The level of serviceability of the military hardware is raised by 5% and constitute 94%.

Since the beginning of the year, the number of contract servicemen in positions of a private and a sergeant has increased by 32 thousand people.

The number of acts of violence among servicemen has been reduced by 34%.

A longstanding problem of servicemen at disposal has been resolved. This year there are 2 thousand such service members in the Armed Forces while three years ago there were 49 thousand. Payments to them reached 32 billion rubles every year.

The effectiveness of the military construction complex has raised by 40% in comparison with 2015 (taking into account the main invested funds), in comparison with the year 2012 – by 5 times. The total quantity of invested funds has constituted 115 billion roubles.

In 2017, the Russian Defence Ministry is to deal with a number of priorities. First of all, the growth of combat capabilities of the Russian Armed Forces must be continued.

Measures must be taken to reinforce the groupings of troops in the West, South-West and Arctic strategic directions.
State Defence Orders of the year 2017 must be placed in time and fulfilled properly. The percentage of modern hardware in the constant combat readiness units of the Russian Armed Forces must reach 60%.

In the Strategic Nuclear Forces
Three missile regiments equipped with modern missile complexes must be put on alert in the Strategic Missile Forces.

Five modernized air complexes – one Tu-160 and four Tu-95MS – must be put in service.

The Land Force must receive two brigade missile complexes Iskander-M as well as must re-arm three air defence batteries with the new air defence systems Tor-M2.

905 modern tanks and combat armored vehicles must be delivered to the troops.

The Aerospace Forces and the naval aviation must receive 170 new and modernized aircraft.

Four air defence missile regiments must be re-armed with S-400 air defence complexes.

The Russian Navy must receive eight surface ships and nine combat motor boats. The Coastal Troops must receive four coastal missile systems Bal and Bastion.

Three prefabricated radar stations must be commissioned and put in service in Yeniseysk, Orsk and Barnaul.

The second spacecraft of the Unified Space System must be launched.

Military and patriotic work with the youth must be intensified. For that purpose, in 2017, the “Yunarmia” military patriotic movement must organize an all-Russian meeting.

The modernization of the basing system of the Russian Armed Forces must be continued. 3,290 buildings and objects are to be put in service.

By the start of drafting procedure of the budget for the year 2018, the main expenditure rates must be defined on the basis of the standard cost accounting method.

The method is to be used within the realization of the “State defence capability” programme.

The ways of solution of the problem issues are taken into account in the Activity plans of the Russian Defence Ministry for the year 2017.

They are to be discussed during the closed part of the session.