

Presidential Address to Federal Assembly

Vladimir Putin delivered his Address to the Federal Assembly. The ceremony took place in Gostiny Dvor, Moscow.

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President of Russia Vladimir Putin: Good afternoon,

Members of the Federation Assembly – senators, State Duma deputies,

Citizens of Russia,

This Presidential Address comes, as we all know, at a difficult, watershed period for our country. This is a time of radical, irreversible change in the entire world, of crucial historical events that will determine the future of our country and our people, a time when every one of us bears a colossal responsibility.

One year ago, to protect the people in our historical lands, to ensure the security of our country and to eliminate the threat coming from the neo-Nazi regime that had taken hold in Ukraine after the 2014 coup, it was decided to begin the special military operation. Step by step, carefully and consistently we will deal with the tasks we have at hand.

Since 2014, Donbass has been fighting for the right to live in their land and to speak their native tongue. It fought and never gave up amid the blockade, constant shelling and the Kiev regime's overt hatred. It hoped and waited that Russia would come to help.

In the meantime, as you know well, we were doing everything in our power to solve this problem by peaceful means, and patiently conducted talks on a peaceful solution to this devastating conflict.

Behind our backs, a very different plan was being hatched. As we can see now, the promises of Western leaders, their assurances that they were striving for peace in Donbass turned out to be a sham and outright lies. They were simply marking time, engaged in political chicanery, turning a blind eye to the Kiev regime's political assassinations and reprisals against undesirable people, their mistreatment of believers. They increasingly incited the Ukrainian neo-Nazis to stage terrorist attacks in Donbass. The officers of nationalist battalions trained at Western academies and schools. Weapons were also supplied.

I would like to emphasise that, prior to the special military operation, Kiev held negotiations with the West about the delivery of air-defence systems, warplanes and other heavy equipment to Ukraine. We also recall the Kiev regime's vain attempts to obtain nuclear weapons; they discussed this issue publicly.

The United States and NATO quickly deployed their army bases and secret biological laboratories near Russian borders. They mastered the future theatre of war during war games, and they prepared the Kiev regime which they controlled and Ukraine which they had enslaved for a large-scale war.

Now they admit this publicly and openly, and they feel no shame about it. They seem to be proud and even to be revelling in their own perfidy, while calling the Minsk Agreements and the Normandy Format a diplomatic show and a bluff. It turns out that all this time, while Donbass was ablaze, while blood was being spilled, and while Russia sincerely made every effort to achieve a peaceful solution (I want to emphasise the word "sincerely"), they gambled on people's lives, and in effect, were playing with marked cards, as they say in certain circles.

This appalling method of deception has been tried and tested many times before. They behaved just as shamelessly and duplicitously when destroying Yugoslavia, Iraq, Libya, and Syria. They will never be able to wash off this shame. The concepts of honour, trust, and decency are not for them.

Over the long centuries of colonialism, diktat and hegemony, they got used to being allowed everything, got used to spitting on the whole world. It turned out that they treat people living in their own countries with the same disdain, like a master. After all, they cynically deceived them too, tricked them with tall stories about the search for peace, about adherence to the UN Security Council resolutions on Donbass. Indeed, the Western elites have become a symbol of total, unprincipled lies.

We firmly defend our interests as well as our belief that in today's world there should be no division into so-called civilised countries and all the rest and that there is a need for an honest partnership that rejects any exclusivity, especially an aggressive one.

We were open and sincerely ready for a constructive dialogue with the West; we said and insisted that both Europe and the whole world needed an indivisible security system equal for all countries, and for many years we suggested that our partners discuss this idea together and work on its implementation. But in response, we received either an indistinct or hypocritical reaction, as far as words were concerned. But there were also actions: NATO's expansion to our borders, the creation of new deployment areas for missile defence in Europe and Asia – they decided to take cover from us under an 'umbrella' – deployment of military contingents, and not just near Russia's borders.

I would like to stress –in fact, this is well-known – that no other country has so many military bases abroad as the United States. There are hundreds of them – I want to emphasise this – hundreds of bases all over the world; the planet is covered with them, and one look at the map is enough to see this.

The whole world witnessed how they withdrew from fundamental agreements on weapons, including the treaty on intermediate and shorter-range missiles, unilaterally tearing up the fundamental agreements that maintain world peace. For some reason, they did it. They do not do anything without a reason, as we know.

Finally, in December 2021, we officially submitted draft agreements on security guarantees to the USA and NATO. In essence, all key, fundamental points were rejected. After that it finally became clear that the go-ahead for the implementation of aggressive plans had been given and they were not going to stop.

The threat was growing by the day. Judging by the information we received, there was no doubt that everything would be in place by February 2022 for launching yet another bloody punitive operation in Donbass. Let me remind you that back in 2014, the Kiev regime sent its artillery, tanks and warplanes to fight in Donbass.

We all remember the aerial footage of airstrikes targeting Donetsk. Other cities also suffered from airstrikes. In 2015, they tried to mount a frontal assault against Donbass again, while keeping the blockade in place and continuing to shell and terrorise

civilians. Let me remind you that all of this was completely at odds with the documents and resolutions adopted by the UN Security Council, but everyone pretended that nothing was happening.

Let me reiterate that they were the ones who started this war, while we used force and are using it to stop the war.

Those who plotted a new attack against Donetsk in the Donbass region, and against Lugansk understood that Crimea and Sevastopol would be the next target. We realised this as well. Even today, Kiev is openly discussing far-reaching plans of this kind. They exposed themselves by making public what we knew already.

We are defending human lives and our common home, while the West seeks unlimited power. It has already spent over \$150 billion on helping and arming the Kiev regime. To give you an idea, according to the Organisation for Economic Cooperation and Development, the G7 countries earmarked about \$60 billion in 2020–2021 to help the world's poorest countries. Is this clear? They spent \$150 billion on the war, while giving \$60 billion to the poorest countries, despite pretending to care about them all the time, and also conditioning this support on obedience on behalf of the beneficiary countries. What about all this talk of fighting poverty, sustainable development and protection of the environment? Where did it all go? Has it all vanished? Meanwhile, they keep channelling more money into the war effort. They eagerly invest in sowing unrest and encouraging government coups in other countries around the world.

The recent Munich Conference turned into an endless stream of accusations against Russia. One gets the impression that this was done so that everyone would forget what the so-called West has been doing over the past decades. They were the ones who let the genie out of the bottle, plunging entire regions into chaos.

According to US experts, almost 900,000 people were killed during wars unleashed by the United States after 2001, and over 38 million became refugees. Please note, we did not invent these statistics; it is the Americans who are providing them. They are now simply trying to erase all this from the memory of humankind, and they are pretending that all this never happened. However, no one in the world has forgotten this or will ever forget it.

None of them cares about human casualties and tragedies because many trillions of dollars are at stake, of course. They can also continue to rob everyone under the guise of democracy and freedoms, to impose neoliberal and essentially totalitarian values, to brand entire countries and nations, to publicly insult their leaders, to suppress dissent in their own countries and to divert attention from corruption scandals by creating an enemy image. We continue to see all this on television, which highlights greater domestic economic, social and inter-ethnic problems, contradictions and disagreements.

I would like to recall that, in the 1930s, the West had virtually paved the way to power for the Nazis in Germany. In our time, they started turning Ukraine into an “anti-Russia.” Actually, this project is not new. People who are knowledgeable about history at least to some extent realise that this project dates back to the 19th century. The Austro-Hungarian Empire and Poland had conceived it for one purpose, that is, to deprive Russia of these historical territories that are now called Ukraine. This is their goal. There is nothing new here; they are repeating everything.

The West expedited the implementation of this project today by supporting the 2014 coup. That was a bloody, anti-state and unconstitutional coup. They pretended that nothing happened, and that this is how things should be. They even said how much money they had spent on it. Russophobia and extremely aggressive nationalism formed its ideological foundation.

Quite recently, a brigade of the Armed Forces of Ukraine was named Edelweiss after a Nazi division whose personnel were involved in deporting Jews, executing prisoners of war and conducting punitive operations against partisans in Yugoslavia, Italy, Czechoslovakia and Greece. We are ashamed to talk about this, but they are not. Personnel serving with the Armed Forces of Ukraine and the Ukrainian National Guard are particularly fond of chevrons formerly worn by soldiers from Das Reich, Totenkopf (Death's Head) and Galichina divisions and other SS units. Their hands are also stained with blood. Ukrainian armoured vehicles feature insignia of the Nazi German Wehrmacht.

Neo-Nazis are open about whose heirs they consider themselves to be. Surprisingly, none of the powers that be in the West are seeing it. Why? Because they – pardon my language – could not care less about it. They do not care who they are betting on in their fight against us, against Russia. In fact, anyone will do as long as they fight

against us and our country. Indeed, we saw terrorists and neo-Nazis in their ranks. They would let all kinds of ghouls join their ranks, for God's sake, as long as they act on their will as a weapon against Russia.

In fact, the anti-Russia project is part of the revanchist policy towards our country to create flashpoints of instability and conflicts next to our borders. Back then, in the 1930s, and now the design remains the same and it is to direct aggression to the East, to spark a war in Europe, and to eliminate competitors by using a proxy force.

We are not at war with the people of Ukraine. I have made that clear many times. The people of Ukraine have become hostages of the Kiev regime and its Western handlers, who have in fact occupied that country in the political, military and economic sense and have been destroying Ukrainian industry for decades now as they plundered its natural resources. This led to social degradation and an immeasurable increase in poverty and inequality. Recruiting resources for military operations in these circumstances was easy. Nobody was thinking about people, who were conditioned for slaughter and eventually became expendables. It is a sad and dreadful thing to say, but it is a fact.

Responsibility for inciting and escalating the Ukraine conflict as well as the sheer number of casualties lies entirely with the Western elites and, of course, today's Kiev regime, for which the Ukrainian people are, in fact, not its own people. The current Ukrainian regime is serving not national interests, but the interests of third countries.

The West is using Ukraine as a battering ram against Russia and as a testing range. I am not going to discuss in detail the West's attempts to turn the war around, or their plans to ramp up military supplies, since everyone is well aware of that. However, there is one circumstance that everyone should be clear about: the longer the range of the Western systems that will be supplied to Ukraine, the further we will have to move the threat away from our borders. This is obvious.

The Western elite make no secret of their goal, which is, I quote, "Russia's strategic defeat." What does this mean to us? This means they plan to finish us once and for all. In other words, they plan to grow a local conflict into a global confrontation. This is how we understand it and we will respond accordingly, because this represents an existential threat to our country.

However, they too realise it is impossible to defeat Russia on the battlefield and are conducting increasingly aggressive information attacks against us targeting primarily the younger generation. They never stop lying and distorting historical facts as they attack our culture, the Russian Orthodox Church and other traditional religious organizations in our country.

Look what they are doing to their own people. It is all about the destruction of the family, of cultural and national identity, perversion and abuse of children, including pedophilia, all of which are declared normal in their life. They are forcing the priests to bless same-sex marriages. Bless their hearts, let them do as they please. Here is what I would like to say in this regard. Adult people can do as they please. We in Russia have always seen it that way and always will: no one is going to intrude into other people's private lives, and we are not going to do it, either.

But here is what I would like to tell them: look at the holy scripture and the main books of other world religions. They say it all, including that family is the union of a man and a woman, but these sacred texts are now being questioned. Reportedly, the Anglican Church is planning, just planning, to explore the idea of a gender-neutral god. What is there to say? Father, forgive them, for they know not what they do.

Millions of people in the West realise that they are being led to a spiritual disaster. Frankly, the elite appear to have gone crazy, and it looks like there is no cure for that. But like I said, these are their problems, while we must protect our children, which we will do. We will protect our children from degradation and degeneration.

Clearly, the West will try to undermine and divide our society and to bet on the fifth columnists who, throughout history, and I want to emphasise this, have been using the same poison of contempt for their own Fatherland and the desire to make money by selling this poison to anyone who is willing to pay for it. It has always been that way.

Those who have embarked on the road of outright betrayal, committing terrorist and other crimes against the security of our society and the country's territorial integrity, will be held accountable for this under law. But we will never behave like the Kiev regime and the Western elite, which have been and still are involved in witch hunts. We will not settle scores with those who take a step aside and turn their back on their Motherland. Let this be on their conscience, let them live with this – they will have to live with it. The main point is that our people, the citizens of Russia, have given them a moral assessment.

I am proud, and I think we are all proud that our multi-ethnic nation, the absolute majority of our citizens, have taken a principled stance on the special military operation. They understand the basic idea of what we are doing and support our actions on the defence of Donbass. This support primarily revealed their true patriotism – a feeling that is historically inherent in our nation. It is stunning in its dignity and deep understanding by everyone – I will stress, everyone – of the inseparable link between one's own destiny and the destiny of the Fatherland.

My dear friends, I would like to thank everyone, all the people of Russia for their courage and resolve. I would like to thank our heroes, soldiers and officers in the Army and the Navy, the Russian Guards, the secret services staff, and all structures of authority, the fighters in Donetsk and Lugansk corps, volunteers and patriots who are now fighting in the ranks of the BARS combat army reserve.

I would like to apologise that I will not be able to mention everyone during today's speech. You know, when I was drafting this speech, I wrote a very long list of these heroic units but then removed it from my text because, as I said, it is impossible to mention everyone, and I was afraid to offend anyone I might leave out.

My deepest gratitude to the parents, wives and families of our defenders, the doctors and paramedics, combat medics and medical nurses that are saving the wounded; to the railway workers and drivers that are supplying the front; to the builders that are erecting fortifications and restoring housing, roads and civilian facilities; to the workers and engineers at defence companies, who are now working almost around-the-clock, in several shifts; and to rural workers who reliably ensure food security for the country.

I am grateful to the teachers who sincerely care for the young generations of Russia, especially those that are working in very difficult, almost front-line conditions; the cultural figures that are visiting the zone of hostilities and hospitals to support the soldiers and officers; volunteers that are helping the front and civilians; journalists, primarily war correspondents, that are risking their lives to tell the truth to the world; pastors of Russia's traditional religions and military clergy, whose wise words support and inspire people; government officials and business people – all those who fulfill their professional, civil and simply human duty.

My special words go to the residents of the Donetsk and Lugansk people's republics, and the Zaporozhye and Kherson regions. You, my friends, determined your future at the referendums and made a clear choice despite the neo-Nazis' threats

and violence, amid the close military actions. But there has been nothing stronger than your intent to be with Russia, with your Motherland.

(Applause)

I want to emphasise that this is the reaction of the audience to the residents of the Donetsk and Lugansk people's republics, and the Zaporozhye and Kherson regions. Once again, our deepest respect for them all.

We have already begun and will expand a major socioeconomic recovery and development programme for these new regions within the Federation. It includes restoring production facilities, jobs, and the ports on the Sea of Azov, which again became Russia's landlocked sea, and building new, modern roads like we did in Crimea, which now has a reliable land transport corridor with all of Russia. We will definitely implement all of these plans together.

Russia's regions are currently providing direct assistance to the cities, districts and villages in the Donetsk and Lugansk people's republics and the Zaporozhye and Kherson regions. They are doing it sincerely, like true brothers and sisters. We are together again, which means that we have become even stronger, and we will do everything in our power to bring back the long-awaited peace to our land and ensure the safety of our people. Our soldiers, our heroes are fighting for this, for their ancestors, for the future of their children and grandchildren, for uniting our people.

Friends, I would like to ask you to pay your respects to our fellow soldiers who were killed in the attacks of neo-Nazis and raiders, who gave up their lives for Russia, for civilians, the elderly, women and children.

(A minute of silence)

Thank you.

We all understand, and I understand also how unbearably hard it is for their wives, sons and daughters, for their parents who raised those dignified defenders of the Fatherland – like the Young Guard members from Krasnodon, young men and women who fought against Nazism and for Donbass during the Great Patriotic War. Everyone in Russia remembers their courage, resilience, enormous strength of spirit

and self-sacrifice to this day.

Our duty is to support the families that have lost their loved ones and to help them raise their children and give them an education and a job. The family of each participant in the special military operation must be a priority and treated with care and respect. Their needs must be responded to immediately, without bureaucratic delays.

I suggest establishing a dedicated state fund for bringing targeted, personalised assistance to the families of fallen fighters, as well as veterans of the special military operation. This entity will be tasked with coordinating efforts to offer social, medical support and counselling, and also address matters related to sending them to health resorts and providing rehabilitation services, while also assisting them in education, sports, employment and in acquiring a new profession. This fund will also have an essential mission to ensure long-term home care and high-technology prosthetics for those who need that.

I am asking the Government to work with the State Council Commission on Social Policy and with the regions to resolve the organisational matters as quickly as possible.

The state fund must be transparent in its work, while streamlining assistance and operating as a one-stop-shop, free from red tape or administrative barriers. Every family without exception, and every veteran will have their personal social worker, a coordinator, who will be there for them in person to resolve in real time any issue they might face. Let me emphasise that the fund must open its offices in all regions of the Russian Federation in 2023.

We already have measures in place for supporting Great Patriotic War veterans, combat veterans, as well as participants in local conflicts. I believe these essential elements will be added to the state fund's mission moving forward. We need to explore this possibility, and I am asking the Government to do so.

Make no mistake: the fact that we are establishing a state fund does not mean that other institutions or officials at other levels of government will be relieved of their responsibility. I expect all federal agencies, regions and municipalities to stay focused on veterans, on service personnel and their families. In this context, I would like to thank the senior regional officials, mayors, and governors who routinely meet with

people, including by visiting the line of contact, and support their fellow countrymen.

On a special note, let me say that today, career service personnel, mobilised conscripts, and volunteers all share frontline hardships, including in terms of provisions, supplies and equipment, remuneration, and insurance payments to the wounded, as well as healthcare services. However, there are complaints that make it all the way to my office, as well as to the governors, as they have been telling me, and to the military prosecutor's office and the Human Rights Commissioner, showing that some of these issues have yet to be resolved. We need to get to the bottom of each complaint on a case-by-case basis.

And one more thing: everyone understands that serving in the special military operation zone causes immense physical and mental stress, since people risk their lives and health every day. For this reason, I believe that the mobilised conscripts, as well as all service personnel, and all those taking part in the special military operation, including volunteers, must benefit from a leave of absence of at least 14 days every six months without counting the time it takes them to travel to their destination. This way, every fighter will be able to meet family and spend time with their loved ones.

Colleagues, as you are aware, a 2021–2025 plan for building and developing the Armed Forces was approved by a Presidential Executive Order and is being implemented and adjusted as necessary. Importantly, our next steps to reinforce the Army and the Navy and to secure the current and future development of the Armed Forces must be based on actual combat experience gained during the special military operation, which is extremely important, I would even say absolutely invaluable to us.

For example, the latest systems account for over 91 percent, 91.3 percent, of Russia's nuclear deterrence forces. To reiterate, based on our newly acquired experience, we must access a similarly high quality level for all other components of the Armed Forces.

Officers and sergeants who act as competent, modern and decisive commanders, and they are many, will be promoted to higher positions as a matter of priority, sent to military universities and academies, and will serve as a powerful personnel reserve for the Armed Forces. Without a doubt, they are a valuable resource in civilian life and at governments at all levels. I just want our colleagues to pay attention to that. It is very important. The people must know that the Motherland appreciates their contribution to the defence of the Fatherland.

We will widely introduce the latest technology to ensure high-quality standards in the Army and Navy. We have corresponding pilot projects and samples of weapons and equipment in each area. Many of them are significantly superior to their foreign counterparts. Our goal is to start mass production. This work is underway and is picking up pace. Importantly, this relies on domestic research and the industrial base and involves small- and medium-sized high-tech businesses in implementation of the state defence order.

Today, our plants, design bureaus and research teams employ experienced specialists and increasing numbers of talented and highly skilled young people who are oriented towards breakthrough achievements while remaining true to the tradition of Russian gunsmiths, which is to spare no effort to ensure victory.

We will certainly strengthen the guarantees for our workforce, in part concerning salaries and social security. I propose launching a special programme for low-cost rental housing for defence industry employees. The rental payments for them will be significantly lower than the going market rate, since a significant portion of it will be covered by the state.

The Government reviewed this issue. I instruct you to work through the details of this programme and start building such rental housing without delay, primarily, in the cities that are major defence, industrial and research centres.

Colleagues,

As I have already said, the West has opened not only military and informational warfare against us, but is also seeking to fight us on the economic front. However, they have not succeeded on any of these fronts, and never will. Moreover, those who initiated the sanctions are punishing themselves: they sent prices soaring in their own countries, destroyed jobs, forced companies to close, and caused an energy crisis, while telling their people that the Russians were to blame for all of this. We hear that.

What means did they use against us in their efforts to attack us with sanctions? They tried disrupting economic ties with Russian companies and depriving the financial system of its communication channels to shutter our economy, isolate us from export markets and thus undermine our revenues. They also stole our foreign exchange reserves, to call a spade a spade, tried to depreciate the ruble and drive inflation

to destructive heights.

Let me reiterate that the sanctions against Russia are merely a means, while the aim as declared by the Western leaders, to quote them, is to make us suffer. “Make them suffer” – what a humane attitude. They want to make our people suffer, which is designed to destabilise our society from within.

However, their gamble failed to pay off. The Russian economy, as well as its governance model proved to be much more resilient than the West thought. The Government, parliament, the Bank of Russia, the regions and of course the business community and their employees all worked together to ensure that the economic situation remained stable, offered people protection and preserved jobs, prevented shortages, including of essential goods, and supported the financial system and business owners who invest in their enterprises, which also means investing in national development.

As early as in March 2022, we launched a dedicated assistance package for businesses and the economy worth about a trillion rubles. I would like to draw your attention to the fact that this has nothing to do with printing money. Not at all. Everything we do is solidly rooted in market principles.

In 2022, there was a decline in the gross domestic product. Mr Mishustin called me to say, “I would like to ask you to mention this.” I think that these data were released yesterday, right on schedule.

You may remember that some predicted that the economy would shrink by 20 to 25 percent, or maybe 10 percent. Only recently, we spoke about a 2.9 percent decline, and I was the one who announced this figure. Later it came down to 2.5 percent. However, in 2022, the GDP declined by 2.1 percent, according to the latest data. And we must be mindful of the fact that back in February and March of last year some predicted that the economy would be in free fall.

Russian businesses have restructured their logistics and have strengthened their ties with responsible, predictable partners – there are many of them, they are the majority in the world.

I would like to note that the share of the Russian ruble in our international settlements has doubled as compared to December 2021, reaching one third of the total,

and including the currencies of the friendly countries, it exceeds half of all transactions.

We will continue working with our partners to create a sustainable, safe system of international settlements, which will be independent of the dollar and other Western reserve currencies that are bound to lose their universal appeal with this policy of the Western elite, the Western rulers. They are doing all this to themselves with their own hands. We are not the ones reducing transactions in dollars or other so-called universal currencies – they are doing everything with their own hands.

You know, there is a maxim, cannons versus butter. Of course, national defence is the top priority, but in resolving strategic tasks in this area, we should not repeat the mistakes of the past and should not destroy our own economy. We have everything we need to both ensure our security and create conditions for confident progress in our country. We are acting in line with this logic and we intend to continue doing this.

Thus, many basic, I will stress, civilian industries in the national economy are far from being in decline, they have increased their production last year by a considerable amount. The scale of housing put into service exceeded 100 million square meters for the first time in our modern history.

As for agricultural production, it recorded two-digit growth rates last year. Thank you very much. We are most grateful to our agricultural producers. Russian agrarians harvested a record amount – over 150 million tonnes of grain, including over 100 million tonnes of wheat. By the end of the agricultural season, that is, June 30, 2023, we will bring our grain exports to 55–60 million tonnes.

Just 10 or 15 years ago, this seemed like a fairy tale, an absolutely unfeasible plan. If you remember, and I am sure some people do remember this – the former Deputy Prime Minister and the Minister of Agriculture are here – just recently, agrarians took in 60 million tonnes overall in a year, whereas now 55–60 million is their export potential alone. I am convinced we have every opportunity for a similar breakthrough in other areas as well.

We prevented the labour market from collapsing. On the contrary, we were able to reduce unemployment in the current environment. Today, considering the major challenges coming at us from all sides, the labour market is even better than it used to be. You may remember that the unemployment rate was 4.7 percent before

the pandemic, and now, I believe, it is 3.7 percent. What is the figure, Mr Mishustin? 3.7 percent? This is an all-time low.

Let me reiterate that the Russian economy has prevailed over the risks it faced – it has prevailed. Of course, it was impossible to anticipate many of them, and we had to respond literally on the fly, dealing with issues as they emerged. Both the state and businesses had to move quickly. I will note that private actors, SMEs, played an essential role in these efforts, and we must remember this. We avoided having to apply excessive regulation or distorting the economy by giving the state a more prominent role.

What else there is to say? The recession was limited to the second quarter of 2022, while the economy grew in the third and fourth quarters. In fact, the Russian economy has embarked on a new growth cycle. Experts believe that it will rely on a fundamentally new model and structure. New, promising global markets, including the Asia-Pacific, are taking precedence, as is the domestic market, with its research, technology and workforce no longer geared toward exporting commodities but manufacturing goods with high added value. This will help Russia unleash its immense potential in all spheres and sectors.

We expect to see a solid increase in domestic demand as early as this year. I am convinced that companies will use this opportunity to expand their manufacturing, make new products that are in high demand, and to take over the market niches vacated or about to be vacated by Western companies as they withdraw.

Today, we clearly see what is going on and understand the structural issues we have to address in logistics, technology, finance, and human resources. Over the past years, we have been talking a lot and at length about the need to restructure our economy. Now these changes are a vital necessity, a game changer, and all for the better. We know what needs to be done to enable Russia to make steady progress and to develop independently regardless of any outside pressure or threats, while guaranteeing our national security and interests.

I would like to point out and to emphasise that the essence of our task is not to adapt to circumstances. Our strategic task is to take the economy to a new horizon. Everything is changing now, and changing extremely fast. This is not only a time of challenges but also a time of opportunities. This is really so today. And our future depends on the way we realise these opportunities. We must put an end – and I want

to emphasize this – to all interagency conflicts, red tape, grievances, doublespeak, or any other nonsense. Everything we do must contribute to achieving our goals and delivering results. This is what we must strive to achieve.

Enabling Russian companies and small family-run businesses to successfully tap the market is a victory in itself. Building cutting-edge factories and kilometres of new roads is a victory. Every new school, every new kindergarten we build is a victory. Scientific discoveries and new technologies – these are also victories, of course. What matters is that all of us contribute to our shared success.

What areas should we focus the partnership of the state, the regions and domestic business on?

First, we will expand promising foreign economic ties and build new logistics corridors. A decision has already been made to extend the Moscow-Kazan expressway to Yekaterinburg, Chelyabinsk and Tyumen, and eventually to Irkutsk and Vladivostok with branches to Kazakhstan, Mongolia and China. This will, in part, allow us to considerably expand our ties with Southeast Asian markets.

We will develop Black Sea and Sea of Azov ports. We will pay special attention to the North-South international corridor, as those who work on this every day know. Vessels with a draft of up to 4.5 meters will be able to pass through the Volga-Caspian Sea Canal this year. This will open up new routes for business cooperation with India, Iran, Pakistan, and the Middle Eastern countries. We will continue developing this corridor.

Our plans include expedited modernisation of the eastern railways – the Trans-Siberian Railway and the Baikal-Amur Railway (BAM) – and building up the potential of the Northern Sea Route. This will create not only additional freight traffic but also a foundation for reaching our national goals on developing Siberia, the Arctic and the Far East.

The infrastructure of the regions and the development of infrastructure, including communications, telecommunications and railways will receive a powerful impetus. Next year, 2024, we will bring to a proper condition at least 85 percent of all roads in the country's largest metropolises, as well as over half of all regional and municipal roads. I am sure we will achieve this.

We will also continue our free gas distribution programme. We have already made the decision to extend it to social facilities – kindergartens and schools, outpatient clinics and hospitals, as well as primary healthcare centres. This programme will now be permanent for our citizens – they can always request a connection to the gas distribution system.

This year, we will launch a large programme to build and repair housing and utility systems. Over the next ten years, we plan to invest at least 4.5 trillion rubles in this. We know how important this is for our people and how neglected this area has been. It is necessary to improve this situation, and we will do it. It is important to give the programme a powerful start. So, I would like to ask the Government to ensure stable funding for this.

Second, we will need to significantly expand our economy's production capabilities and to increase domestic industrial capacity.

An industrial mortgage tool has been created, and an easy-term loan can now be taken out not only to purchase production facilities, but also to build or upgrade them. The size of such a loan was discussed many times and there were plans to increase it. It is a decent amount for a first step: up to 500 million rubles. It is available at a rate of 3 or 5 percent for up to seven years. It sounds like a very good programme and should be put to good use.

New terms for industrial clusters took effect this year, including a lower fiscal and administrative burden on resident companies, and long-term state orders and subsidies to support demand for their innovative products, which are just entering the market.

According to estimates, these measures will generate high-demand projects worth over 10 trillion rubles by 2030. Investment is expected to reach about 2 trillion this year alone. Please note that these are not forecasts, but existing benchmarks.

Therefore, I would like the Government to expedite the launch of these projects, give a hand to businesses and come up with systemic support measures, including tax incentives. I am aware that the financial bloc does not like to provide incentives, and I partly share this approach: the taxation system must be consistent and without niches or exemptions, but this particular case calls for a creative approach.

So, starting this year, Russian companies will be able to reduce their revenue taxes if they purchase advanced domestic IT solutions and AI-enhanced products. Moreover, these expenses will be credited at one and a half times the actual cost, meaning that every ruble invested in purchasing such products will result in a tax deduction of 1.5 rubles.

I propose extending these deductions to purchases of all kinds of Russian high-tech equipment. I would like the Government to come up with a list of such equipment by specific industry and with the procedure for granting deductions. This is a good solution to reinvigorate the economy.

Third, a crucial issue on our economic development agenda to do with the new sources of funding investment, which we have been talking about a lot.

Thanks to our strong payments balance, Russia does not need to borrow funds abroad, kowtow and beg for money, and then hold long discussions on what, how much and on what conditions we would pay back. Russian banks are working stably and sustainably and have a solid margin for security.

In 2022, the volume of bank loans for the corporate sector increased, I repeat, increased. There was considerable concern about that, but we have reported growth, an increase of 14 percent, or more than we reported in 2021, before the military operation. In 2021, the figure was 11.7 percent; last year, it was 14 percent. The mortgage portfolio went up by 20.4 percent. We are growing.

Last year, the banking sector as a whole operated at a profit. It was not as large as in the preceding years, but it was considerable nevertheless: 203 billion rubles. This is another indicator of the stability of the Russian financial sector.

According to our estimates, inflation in Russia will approach the target figure of 4 percent in the second quarter this year. I would like to remind you that the inflation rate has reached 12, 17 and 20 percent in some EU countries. Our figure is 4 or 5 percent; the Central Bank and the Finance Ministry are still discussing the figure, but it will be close to the target. Given these positive dynamics and other macroeconomic parameters, we are creating objective conditions for lowering long-term interest rates in the economy, which means that loans for the real economic sector will become more affordable.

Individual long-term savings are a vital source of investment resources around the world, and we must also stimulate their attraction into the investment sphere. I would like the Government to expedite the submission of draft laws to the State Duma to launch the relevant state programme as soon as this April.

It is important to create additional conditions to encourage people to invest and earn at home, in the country. At the same time, it is necessary to guarantee the safety of people's investment in voluntary retirement savings. We should create a mechanism here similar to the one used for insuring bank deposits. I would like to remind you that such savings, worth up to 1.4 million rubles, are insured by the state on guarantee deposits. I propose doubling the sum to 2.8 million rubles for voluntary retirement savings. Likewise, we must protect people's investment in other long-term investment instruments, including against the possible bankruptcy of financial brokers.

Separate decisions must be taken to attract funds to rapidly growing and high-tech businesses. We will approve support for the placement of their shares on the domestic stock market, including tax benefits for both the companies and the buyers of their stock.

Freedom of enterprise is a vital element of economic sovereignty. I will repeat: against the backdrop of external attempts to contain Russia, private businesses have proven their ability to quickly adapt to the changing environment and ensure economic growth in difficult conditions. So, every business initiative aimed at benefiting the country should receive support.

I believe it is necessary to return, in this context, to the revision of a number of norms of criminal law as regards the economic elements of crime. Of course, the state must control what is happening in this area. We should not allow an anything-goes attitude here but we should not go too far, either. It is necessary to move faster towards the decriminalisation I mentioned. I hope the Government will consistently and seriously conduct this work together with Parliament, the law-enforcement bodies and business associations.

At the same time, I would like to ask the Government to suggest, in close cooperation with Parliament, additional measures for speeding up the de-offshorisation of the economy. Businesses, primarily those operating in key sectors and industries should operate in Russian jurisdiction – this is a fundamental principle.

Colleagues, in this context I would like to make a small philosophical digression. This is what I would like to single out.

We remember what problems and imbalances the Soviet economy faced in its later stages. This is why after the collapse of the Soviet Union and its planned system, in the chaos of the 1990s, the country began to create its economy along the lines of market relations and private ownership. Overall, this was the right thing to do. The Western countries were largely an example to follow in this respect. As you know, their advisers were a dime a dozen, and it seemed enough to simply copy their models. True, I remember they still argued with each other – the Europeans argued with the Americans on how the Russian economy should develop.

And what happened as a result? Our national economy was largely oriented to the West and for the most part as a source of raw materials. Naturally, there were different nuances, but overall, we were seen as a source of raw materials. The reasons for this are also clear – naturally, the new Russian businesses that were taking shape were primarily oriented toward generating profit, quick and easy profit in the first place. What could provide this? Of course, the sale of resources – oil, gas, metals and timber.

Few people thought about other alternatives or, probably, they did not have the opportunity to invest long-term. This is the reason other, more complex industries did not make much headway. It took us years – other governments saw this clearly – to break this negative trend. We had to adjust our tax system and make large-scale public investments.

We have achieved real and visible change. Indeed, the results are there, but, again, we should keep in mind the circumstances in which our major businesses developed. Technologies were coming from the West, cheaper sources of financing and lucrative markets were in the West, and capital started flowing to the West as well. Unfortunately, instead of expanding production and buying equipment and technology to create new jobs in Russia, they spent their money on foreign mansions, yachts and luxury real estate.

They began to invest in the economy later, but initially the money flowed rapidly to the West for consumption purposes. And since their money was there, that is where their children were educated, where their life was, their future. It was very difficult and almost impossible for the state to track and prevent these developments, because we lived in a free market paradigm.

Recent events have clearly shown that the image of the West as a safe haven for capital was a mirage. Those who failed to understand this in time, who saw Russia only as a source of income and planned to live mostly abroad, have lost a lot. They just got robbed there and saw even their legitimate money taken away.

At some point I made a joke – many may still remember it – I told Russian businesspeople that they will make themselves sick running from courtroom to courtroom and from office to office in the West trying to save their money. That is exactly how it turned out.

You know, I will say something that is quite simple, but truly important. Trust me, not a single ordinary citizen in our country felt sorry for those who lost their assets in foreign banks, lost their yachts or palaces abroad, and so on. In their conversations around the kitchen table, people have all recalled the privatisation of the 1990s, when enterprises that had been built by our entire nation were sold for next to nothing and the so-called new elites flaunted their lavish lifestyle.

There are other key aspects. During the years that followed the breakup of the Soviet Union, the West never stopped trying to set the post-Soviet states on fire and, most importantly, finish off Russia as the largest surviving portion of the historical reaches of our state. They encouraged international terrorists to assault us, provoked regional conflicts along the perimeter of our borders, ignored our interests and tried to contain and suppress our economy.

I am saying this because big business in Russia controls strategic enterprises with thousands of workers that determine the socioeconomic well-being of many regions and, hence, the overall state of affairs. So, whenever leaders or owners of such businesses become dependent on governments that adopt policies that are unfriendly to Russia, this poses a great threat to us, a danger to our country. This is an untenable situation.

Yes, everyone has a choice. Some may choose to live in a seized mansion with a blocked account, trying to find a place for themselves in a seemingly attractive Western capital, a resort or some other comfortable place abroad. Anyone has the right to do that, and we will never infringe on it. But it is time to see that in the West these people have always been and will always remain second class strangers who can be treated any way, and their money, connections and the acquired titles of counts, peers or mayors will not help at all. They must understand that they are second class people

there.

There is another option: to stay with your Motherland, to work for your compatriots, not only to open new businesses but also to change life around you in cities, towns and throughout your country. We have quite a few businesspeople like this, real fighters in our business community, and we associate the future of our business with them. Everyone must know that the sources of their prosperity and their future can only be here, in their native country Russia.

If they do, we will create a very strong and self-sufficient economy that will not remain aloof in the world but will make use of all its competitive advantages. Russian capital, the money earned here, must be put to work for the country, for our national development. Today, we see huge potential in the development of infrastructure, the manufacturing sector, in domestic tourism and many other industries.

I would like those who have come up against the predatory mores of the West to hear what I have to say: running around with cap in hand, begging for your own money makes no sense, and most importantly, it accomplishes nothing, especially now that you realise who you are dealing with. Stop clinging to the past, resorting to the courts to get at least something back. Change your lives and your jobs, because you are strong people – I am addressing our businesspeople now, many of whom I have known for years, who know what is what in life.

Launch new projects, earn money, work hard for Russia, invest in enterprises and jobs, and help schools and universities, science and healthcare, culture and sports. In this way, you will increase your wealth and will also win the respect and gratitude of the people for a generation ahead. The state and society will certainly support you.

Let us consider this as a message for your business: get moving in the right direction.

Colleagues,

Russia is an open country and at the same time, a distinct civilisation. There is no claim to exclusivity or superiority in this statement, but this civilisation of ours – that's what matters. Our ancestors passed it to us and we must preserve it for our descendants and pass it on to them.

We will develop cooperation with friends, with all those who are ready to work with us. We will adopt the best practices but will primarily rely on our own potential, on the creative energy of Russian society, on our traditions and values.

Here I would like to mention the character of our people who have always been distinguished by their generosity, magnanimity, mercy and compassion, and Russia, as a country, fully reflects these traits. We know how to be good friends, how to stand by one's word. We will never let anyone down and will always support those in a difficult situation without hesitation.

Everyone remembers that during the pandemic we were actually the first to support some European countries, including Italy and other states when they were going through the most difficult weeks of the COVID outbreak, and let's not forget how we are helping Syria and Turkiye after a devastating earthquake.

It is the people of Russia that are the foundation of our national sovereignty and our source of power. The rights and freedoms of our citizens are immutable – they are guaranteed by the Constitution and we will not depart from this despite the external challenges and threats.

I would like to emphasise in this context that elections to local and regional government bodies next September and the presidential elections in 2024 will take place in strict accordance with the law and observance of all democratic, constitutional provisions.

Elections always reveal different approaches to resolving social and economic goals. That said, the leading political forces are consolidated and united in the main idea – the security and wellbeing of the people; our sovereignty and our national interests override everything else for us.

I would like to thank you for this responsible, firm position and recall the words of Pyotr Stolypin, a patriot and a proponent of a strong Russian state. He said this in the State Duma over a hundred years ago, but it is still consonant with our times. He said: “In the cause of defending Russia, all of us must unite and coordinate our efforts, our commitments and our rights for supporting one historical supreme right – the right of Russia to be strong.”

Volunteers at the frontline include deputies of the State Duma and regional parliaments, representatives from different levels of executive government bodies, municipalities, cities, districts and rural areas. All parliamentary parties and leading public associations are taking part in collecting humanitarian aid to help at the front.

Thank you once again – thank you for such a patriotic stand.

Local governments as a public authority closest to the people play a huge role in strengthening civil society and solving everyday problems. People's trust in the state as a whole, social welfare of the country's citizens and their confidence in the successful development of the country depends on how they work.

I would like to ask the Presidential Executive Office and the Government to submit proposals on creating tools of direct support for the best managerial teams and practices in large, medium-sized and small municipalities.

The free development of society means being ready to take responsibility for yourself and your loved ones, for your country. These qualities must be encouraged from a young age in the family. Of course, the system of education and our national culture are extremely important for strengthening our common values and our national identity.

The state will use the resources of the Presidential Grants Foundation, the Foundation for Cultural Initiatives, the Institute for Internet Development and other instruments to support all forms of creative endeavour, such as contemporary and traditional art, realism and avant-garde, classical and innovative works. It is not genres or trends that matter. Culture must serve the good, beauty and harmony, ponder some very complicated and contradictory issues in life, but its main mission is not to tear down society but to nurture the best human qualities.

Cultural development will be a priority of rebuilding peaceful life in Donbass and Novorossiia. We will have to rebuild, repair and provide equipment to hundreds of cultural facilities there, including museum collections and buildings, which help people feel the connection between the past and the present and create a link to the future, to feel their affiliation with the common cultural, historical and educational space of the centuries-old great Russia.

We must work together with our teachers, academics and professionals to seriously improve the quality of school and university textbooks, first of all in the humanities – history, social science, literature and geography – so that our young people learn as much as possible about Russia, its great past, its culture and traditions.

We have brilliant, talented young people who are willing to work for the benefit of our country in areas like scientific research, culture, the social sphere, business and public administration. The Leaders of Russia competition, as well as the Leaders of Revival competition currently taking place in the new constituent entities of the Federation, are opening up new horizons for career growth for these very people.

Notably, a number of winners and finalists in these competitions have voluntarily joined military units. Many of them are now working in the liberated territories helping rebuild economic and social life, and they are acting professionally, decisively and courageously.

Generally speaking, nothing can replace the school of war. People return entirely different, and they are ready to lay down their lives for the Fatherland, wherever they may be working.

Let me stress that it's precisely those who were born and raised in Donbass and Novorossiia, who have fought for them, they will be and should form the foundation of our joint effort to develop these regions. I want them to hear me: Russia is counting on you.

With the ambitious tasks facing our country in mind, we must seriously revise our approaches to the system of professional education, to our science and technology policy.

At the recent meeting of the Council for Science and Education, we discussed the need to prioritise our efforts, to concentrate resources on obtaining specific and fundamentally meaningful scientific results, primarily in areas where we have done a fair amount of work and which are of critical importance to our country, including transport, energy, housing and utilities, public healthcare, agriculture, and the manufacturing industry.

Innovative technology invariably relies on existing fundamental research. Here, just like

in culture – and I want to emphasise this – we must give researchers greater freedom for creativity. We should not have everyone just focused on the results that we will need tomorrow. Fundamental science makes its own rules.

Also, setting and fulfilling ambitious goals is a powerful incentive for young people to choose science as their field and a chance to prove their leadership skills and being the best in the world. Our research teams have much to be proud of.

Last December, I met with some of our young researchers. One of their questions concerned housing. A mundane, but important issue. Housing certificates for young researchers are already available. Last year, an additional one billion rubles was set aside for these purposes. I hereby instruct the Government to identify reserves to expand this programme.

In recent years, the prestige of secondary vocational education has grown significantly. The demand for graduates of technical schools and colleges is just huge, colossal. You see, if our unemployment has fallen to a historic low of 3.7 percent, it means that people are working, new personnel is needed.

I believe that we should significantly expand the Professionalitet project, under which educational and industrial clusters are created, the educational base is updated, and enterprises and employers develop educational programmes based on the needs of the economy in close contact with colleges and technical schools. And of course, it is very important for mentors with experience in real, complex production to join in.

The task is clear: in the next five years we need to train about a million specialists of working professions for the electronics industry, the robotics industry, mechanical engineering, metallurgy, pharmaceuticals, agriculture and the defence industry, construction, transport, nuclear and other industries that are key to ensuring the security, sovereignty and competitiveness of Russia.

Finally, a very important question is about our higher education. Significant changes are also overdue here, considering the new requirements for specialists in the economy, social sectors, and in all spheres of life in our country. What we need here is a synthesis of all the best that was in the Soviet system of education and the experience of recent decades.

In this regard, the following is proposed.

First, to return to the basic training of specialists with higher education, which is traditional for our country. The term of study can be four to six years. At the same time, programmes can be offered that differ in terms of training, depending on the specific profession, industry and labour market demand even within the same specialty and one university.

Second, if a profession requires additional training or niche specialisation, in this case a young person will be able to continue education by doing a master's degree or choosing residency training.

Third, postgraduate studies will be made into a separate level of professional education, the task of which is to train personnel for scientific and teaching professions.

I want to emphasise that the transition to the new system should be smooth. The Government, together with parliamentarians, will need to make numerous amendments to legislation on education, on the labour market, and so on. Here you need to think everything through, work out every detail. Young people, our citizens should have new opportunities for quality education, employment and professional growth. I repeat: opportunities, not problems.

And I would like to specifically note that those students who are studying now will be able to continue their education under existing programmes. And also, the level of training and higher education diplomas of citizens who have already completed studies under current undergraduate, specialist or master's programmes are not subject to revision. They must not lose their rights. I ask the Russian Popular Front to take all issues related to changes in the field of higher education under special control.

This year was declared the Year of the Teacher and Mentor in Russia. Teachers are directly involved in building the country's future, and it is important to raise the social status of their work. Parents should talk to their children more about gratitude for their teachers, and teachers should instil in children respect and love for their parents. Let's always remember this.

I will talk about support for children and Russian families in a minute.

I would like to note that the so-called children's budget, or budget allocations to support families in Russia, has increased manifold rather than by a small percent over the past few years. These expenses are the fastest growing part of the country's main financial document – the budget, the law on the budget. I would like to thank the parliament members and the Government for their uniform, consolidated understanding of our national priorities.

On February 1, the maternity capital in Russia was again adjusted for inflation. As we promised, it was adjusted by last year's inflation rate, that is, by 11.9 percent. Russian citizens – residents of the new regions of the Federation – are also entitled to this support now. I suggest granting maternity capital to families in the Donetsk and Lugansk people's republics and the Zaporozhye and Kherson regions where children were born starting from 2007, that is, when this programme was launched throughout Russia. I will recall that at one time we made a similar decision for the residents of Crimea and Sevastopol.

We will continue implementing large-scale programmes aimed at improving the living standards of Russian families.

I would like to emphasise that the Government and the regions of the Federation have been given a practical goal – to ensure noticeable, tangible growth in real wages in Russia.

As we all know, an important indicator, a starting point here is the minimum wage. We raised it twice last year, almost by 20 percent overall.

We will continue raising the minimum wage, doing it at a rate that is higher than the inflation rate and the real wage growth rate. Since the start of this year, the minimum wage was adjusted by 6.3 percent.

I suggest supplementing the planned increase by an additional 10 percent starting January 1, 2024. Thus, the minimum wage will have grown by 18.5 percent to constitute 19,242 rubles.

Now I would like to mention adjustments to the taxation system for the benefit

of Russian families. Starting last year, families with two or more children have been relieved of paying tax on the sale of housing if they are purchasing a new, bigger flat or house.

It is necessary to make better use of these instruments – they have proven to be in demand. Families should have more money in their family budgets to be able to resolve their most important and urgent problems.

I suggest increasing the amount of social tax deductions: for children's education costs – from current 50,000 rubles to 110,000 rubles per year, and for costs on personal education, medical treatment or purchase of medications – from current 120,000 to 150,000 rubles. The state will reimburse the 13 percent income tax paid on these increased amounts.

Naturally we need not only to increase this deduction, but also to make this benefit easily available to people. This deduction should be granted proactively, quickly and online. This process should be easy for applicants.

Next. The well-being, the quality of life of Russian families, and therefore the demographic situation, depend directly on the state of things in the social sphere.

I know that many regions of the Federation are ready to significantly speed up renovation of social infrastructure, cultural and sports facilities, relocation of people from dilapidated housing, and comprehensive development of rural areas. This attitude will certainly be supported.

We will use the following mechanism here: the regions will be able to receive now and use the funds that have been set aside in the 2024 federal budget for national projects, through interest-free treasury loans – they will be automatically repaid in April of 2024. It is a good tool.

We will keep this issue under constant review, and I ask the State Council Commission On Economy and Finance to become involved in this work.

However, we don't need to rush and chase after numbers, especially to the detriment of the quality of the facilities being built. Additional financial resources must be used efficiently to give a high return.

This is particularly vital for the modernisation of primary health care, a large-scale programme that we launched in 2021. I ask the Government and regional leaders not to forget that the benchmark – I have said this many times – is not the numbers in reports, but concrete, visible, tangible progress in the availability and quality of medical care.

I also instruct the Government to adjust the regulatory framework for organising the procurement of ambulances with diagnostic equipment. They allow for medical check-ups and preventive examinations to be carried out directly at enterprises, schools, offices and in remote communities.

We have launched a large-scale school renovation programme. By the end of this year, a total of almost 3,500 school buildings will have been renovated. I would like to point out that most of them are in rural areas and we have done this on purpose. This year such work is also being carried out in the Donetsk and Lugansk people's republics, in the Kherson and Zaporozhye regions. It is meaningful and visible, people really see what is happening. This is very good.

From 2025 onwards, federal funds will be regularly and systematically allocated to the regions for repairing and renovating kindergartens, schools, vocational schools and colleges so as to avoid situations where buildings are in dilapidated condition.

Next, we have set a major goal, to build more than 1,300 new schools between 2019 and 2024. Of these, 850 are now open. Another 400 will open this year. I want the regions to stay on track to meet these objectives. The amount of federal funding for this 2019–2024 programme is almost 490 billion rubles. We will not cut these costs, we will keep this amount intact.

This year, we increased the amount of infrastructure budget loans. We are sending additional funds, not as previously planned, but an additional 250 billion rubles for expanding transport, utility and other infrastructure in the regions.

I hereby instruct the Government to allocate, in addition to these funds, an additional 50 billion rubles – which will be purposefully used to upgrade public transport in the constituent entities of the Federation this year. This upgrade will be used for the latest technology. Please pay special attention to small towns and rural areas.

We have decided to extend the Clean Air project through 2030. The goal is to improve the environment in major industrial centres. I want industrial companies and regional and local authorities to keep in mind that a significant reduction in harmful emissions remains on the agenda.

In addition, we have accomplished much in reforming the waste management industry. We are building up recycling and sorting capacity which will help us build a closed-loop economy. Further elimination of old landfills and hazardous material sites is our top priority. I want the Government, in conjunction with the regions, to draft a list of harmful sites that will be eliminated upon the completion of this programme.

We will continue to restore unique water bodies, including Lake Baikal and the Volga River. In the medium term, we will extend this work to other rivers such as the Don, Kama, Irtysh, Ural, Terek, Volkhov and Neva rivers, and Lake Ilmen. We must not forget about medium and small rivers. I want all levels of government to pay attention to this.

As part of an earlier instruction, a draft law on promoting tourism in specially protected nature areas has been submitted. It was recently discussed at a meeting with the Government. It should clearly define what can be built and where and what cannot, and generally set forth the principles of the ecotourism industry. This is a critically important issue for our country. I ask the State Duma to speed up consideration of this draft law.

Now I will say a few words about what is happening around us.

Colleagues, I will talk about one more issue.

In early February, the North Atlantic alliance made a statement with actual demand to Russia, as they put it, to return to the implementation of the Strategic Arms Reduction Treaty, including admission of inspections to our nuclear defence facilities. I don't even know what to call this. It is a kind of a theatre of the absurd.

We know that the West is directly involved in the Kiev regime's attempts to strike at our strategic aviation bases. The drones used for this purpose were equipped and updated with the assistance of NATO specialists. And now they also want to inspect our defence facilities? In the current conditions of confrontation, it simply sounds insane.

I would like to draw your attention specifically to the fact that they are not letting us conduct full-scale inspections under this treaty. Our repeated applications to inspect different facilities remain unanswered or are rejected under formal pretexts, and we cannot verify anything on the other side.

I would like to stress that the United States and NATO are openly saying that their goal is to inflict a strategic defeat on Russia. And what, after such statements they are supposed to tour our defence facilities, including the latest ones, as if nothing happened? A week ago, I signed an executive order putting new land-based strategic systems on combat duty. Are they going to poke their nose there as well? Do they think we will let them go there just because?

Having made this collective statement, NATO actually claimed to be a participant in the Treaty on Strategic Offensive Arms. We agree with this, please go ahead. Moreover, we believe this framing of the issue is long overdue. Let me recall that the US is not the only nuclear power in NATO. Britain and France also have nuclear arsenals. They are developing and upgrading them and these arsenals are also directed against us – they are also directed against Russia. The latest statements by their leaders merely confirm it – listen for yourselves.

We cannot just ignore this and have no right to do so especially now. Nor can we forget that the Soviet Union and the United States initially signed the first Treaty on Strategic Offensive Arms in 1991 in a completely different situation – in conditions of abating tensions and growing mutual trust. Subsequently, our relations reached a level that allowed Russia and the US to say they no longer considered each other enemies. Wonderful, everything was going very well.

The Treaty of 2010 that is in force contains critically important provisions about indivisible security and the direct link between strategic offensive and defensive arms. All of that has long been forgotten. The United States withdrew from the ABM Treaty. It is now a thing of the past. Importantly, our relations have degraded which can be credited entirely to the United States.

After the Soviet Union broke up, they began to revise the outcomes of World War II and to build an American-style world ruled by one master. To do this, they began to rudely destroy the foundations of the international order laid down after WWII in order to cross out the legacy of the Yalta and Potsdam conferences. Step by step, they proceeded to revise the existing international order, to dismantle security

and arms control systems, and plotted and carried out a series of wars around the world.

To reiterate, all of that was done for the sole purpose of dismantling the post-WWII architecture of international relations. This is not a figure of speech. This is how it all unfolded in reality. After the Soviet Union collapsed, they sought to perpetuate their global dominance regardless of the interests of modern Russia or other countries for that matter.

Sure enough, the international situation changed after 1945. New centres of growth and influence have been formed and are rapidly expanding. This is a natural and objective process that cannot be ignored. But the United States trying to refashion the international order to suit exclusively its own needs and selfish interests is unacceptable.

Now, they are using NATO to give us signals, which, in fact, is an ultimatum whereby Russia should, no questions asked, implement everything that it agreed to, including the New START Treaty, whereas they will do as they please. As if there is no connection between strategic offensive weapons and, say, the conflict in Ukraine or other hostile Western actions against our country. As if there are no vociferous claims about them seeking to inflict a strategic defeat on us. This is either the height of hypocrisy and cynicism, or the height of stupidity, but they are not idiots. They are not stupid after all. They want to inflict a strategic defeat on us and also to get to our nuclear sites.

In this regard, I am compelled to announce today that Russia is suspending its membership in the New START Treaty. To reiterate, we are not withdrawing from the Treaty, but rather suspending our participation. Before we come back to discussing this issue, we must have a clear idea of what NATO countries such as France or Great Britain have at stake, and how we will account for their strategic arsenals, that is, the Alliance's combined offensive capabilities.

Their statement comes, in fact, as a request to join this process. Well, come onboard, we do not mind. Just try not to lie to everyone this time and present yourselves as champions of peace and detente. We know the truth. We are aware of the fact that certain types of US nuclear weapons are reaching the end of their service life. In this regard, we know for certain that some politicians in Washington are already pondering live nuclear tests, especially since the United States is developing innovative nuclear weapons. There is information to that effect.

Given these circumstances, the Defence Ministry and Rosatom must make everything ready for Russia to conduct nuclear tests. We will not be the first to proceed with these tests, but if the United States goes ahead with them, we will as well. No one should harbour dangerous illusions that global strategic parity can be disrupted.

Colleagues, citizens of Russia,

Today, we are together living through challenging times and overcoming all difficulties together as well. It could not have been otherwise because we have been raised on the example of our great ancestors and must be worthy of their behests that are passed down from generation to generation. We are moving only forward owing to our devotion to our Motherland, our will and our unity.

This cohesion was on display from the first days of the special military operation – hundreds of volunteers, representatives of all ethnicities of our country came to recruitment offices. They decided to stand by the defenders of Donbass, to fight for their native land, for their Fatherland, for the truth and justice. Today, warriors from all regions of our multi-ethnic Motherland are fighting shoulder to shoulder on the frontlines. They pray in different languages, but they all pray for victory, for their fellow soldiers and for the Motherland. (Applause.)

Their difficult military labour, their exploits are finding a powerful response all over Russia. People are supporting our fighters. They don't want to stay on the sidelines. The front is now passing through the hearts of our people in their millions. They are sending medicine, communication devices, transport, warm clothes and camouflage nets, to name a few – everything that helps protect the lives of our fighters.

I know the comfort letters from children and schoolkids give to our soldiers at the front. They take them into battle as a cherished possession because the sincerity and purity of children's wishes bring tears to their eyes. They feel more forcefully for whose sake they are fighting and whom they are defending.

Warriors, their families and civilians greatly appreciate the care with which volunteers are surrounding them. They have been acting boldly and decisively from the very start of the special military operation. Under fire and shelling they are leading children, elders and all those in trouble out of basements; they were and still are bringing food, water and clothes to hot spots; they are setting up humanitarian aid centres

for refugees and helping doctors in field hospitals and on the combat contact line; they continue to risk their lives to save others.

The Russian Popular Front alone raised over five billion rubles as part of the All for Victory initiative. The flow of donations does not stop. Every contribution is important and this applies to those made by large companies and businesspeople. But especially touching and inspiring are the donations of people with modest incomes, which are contributing part of their savings, salaries and pensions. This coming together to help our warriors, civilians in the zone of hostilities and refugees is worth a lot.

Thank you for this sincere support, cohesion and mutual aid. It is impossible to overstate their importance.

Russia will meet any challenges because we are all one country, a big and united nation. We are confident in ourselves and confident in our strength. The truth is on our side. (Applause.)

Thank you.

The Anthem of the Russian Federation plays.

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