

Vladimir Putin's annual news conference

The President's news conference was broadcast live by Rossiya 1, Rossiya 24 and Channel One, as well as Mayak, Vesti FM and Radio Rossii radio stations.

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President of Russia Vladimir Putin: Good afternoon.

I have brought some notes with me, mostly the main socioeconomic development indicators. If I get a chance, which is very likely (somebody thoughtfully provided me with more data here), I will use your questions to speak once again about what I believe is very important. Very close to what is going to happen in the near future.

Like last time, I suggest I do not embark on a long monologue. Instead, we can go straight to your pressing questions. This is a news conference and it must completely focus on your professional duty, which is to ask the questions that, in your opinion, are of concern to our people and society.

Please, let's start.

Presidential Press Secretary Dmitry Peskov: We have a tradition to give the opportunity to ask the first question to the veteran members of the Kremlin pool. But I would like to go against the tradition this time and to give the floor to the Govorit Moskva radio station. The reason is that, first, they represent a new generation of journalists, and second, Govorit Moskva is one of the most active media outlets in our daily work; they ask the largest number of questions.

Please.

Darya Knorre: Thank you, Mr Peskov. Quite a surprise.

Darya Knorre, Govorit Moskva [This is Moscow Speaking] radio station.

Mr President, why have you decided to run for re-election? What is your goal and mission? What do you want to do for Russia? How should Russia change by the end of your next term, provided you win the election?

Thank you.

Vladimir Putin: You know I have spoken many times about a Russia I would like to see. I have done this at large events and at low-key events. I will say it again: Russia must be spearheaded into the future. It must become a modern country with a flexible political

system, its economy must be based on high technology, and labour efficiency must increase manifold.

I would prefer not to talk about my election programme at this point. Just like any other candidate I will certainly have one. In fact, my programme is almost ready.

Let me repeat that this is probably not the right format for presenting it, but I can share with you some of its highlights that should be the focus of attention for the authorities and society in general.

Specifically, this has to do with infrastructure development, healthcare and education. This is also about high technology, as I have already said, and improving labour efficiency.

There is no doubt that the ultimate goal of all these initiatives should be to increase household incomes in our country. This is what I can say about my programme in the most general terms. I think that during today's conversation we will come back to these matters.

Dmitry Peskov: Life News.

Alexander Yunashev: Good afternoon, Mr President.

While we were waiting for your announcement that you will run for president, a number of other candidates for this office came forward. However, their approval ratings are in the single digits, if not closer to the margin of error.

In your opinion, why is it that a normal, influential opposition candidate has not emerged in almost 20 years of your rule? Why is there no No. 2 politician? How come? Don't you feel bored? Is it interesting for you to compete in the election without any major opponents?

Vladimir Putin: In order to make your question a bit more poignant, I saw a young lady holding up a poster saying "Putin, bye-bye."

Remark: Putin, babay.

Vladimir Putin: Ah, babay. My vision does not seem to be getting any better with age. I am sorry.

Dmitry Peskov: Pass the microphone, please.

Question: Good afternoon.

This is about translation problems. Everyone is afraid of me today. My poster says "Putin, babay," which in the Tatar language means "Grandfather Putin." This is how children call you in our republic.

My question is about children and language. I can ask it right now or after my colleague.

Vladimir Putin: To save you the bother of standing up twice, you can go ahead and ask it right away.

Question: You know that the language issue turned up the heat in a number of regions, including our republic, this year. Of course, we are afraid of things becoming worse than they are now. A decision was adopted by the Education Ministry.

However, we would like to hear from you whether in one, two or three years you will raise the ethnic issue again. Do you have any plans to merge regions, as people are saying right now? This is a matter of grave concern for many people.

Vladimir Putin: First, I think there are no serious problems with the ethnic issue, as you put it.

Second, we have only one goal regarding language: to provide the same starting conditions for all children, no matter where they live in Russia.

We are talking about Tatarstan now, which I love and where I have many friends. But Tatars live not only in Tatarstan. About half of them live in other Russian regions. And all of them must have equal starting conditions.

When people know their national language, which is very important, and I will talk about this later, but have a poor knowledge of the dominant spoken language, the Russian language, which is the tuition language at our universities, this is not good for the children who live in Tatarstan. This is how I see it.

What we definitely must do is guarantee an opportunity to study the national language, not only the Tatar language, but also the Mari, Chechen, Yakut or any other language.

Thankfully, we have a huge variety of national languages. They constitute our cultural and language diversity and are our pride and our wealth. We must certainly support this.

This is all.

Remark: What about merging the regions?

Vladimir Putin: Merging regions, yes.

No, we do not have plans like this, but it should be said that following the developments of the early 1990s, when the Soviet Union fell, the new federation entities were created based on old principles, which is why many of them are unsound economically.

Overall, enlarging regions could be good in terms of economic expediency. However, I want to say this now so that people in Tatarstan and other national republics and autonomous regions will hear me: We will not impose our views on the regions.

I believe this would be very harmful and dangerous to the unity of the Russian Federation. Any people, big or small, must be free to choose an acceptable and the best possible way to coexist with the other Russian peoples.

So, there are no and cannot be any state plans to enlarge or merge regions, at least not while I hold office.

As for the opposition and why there is no competitive opposition in the country, the simplest answer would be that nurturing rivals is not what I need to do.

However, you might be surprised but I do believe that we should have not only economic but also political competition.

Of course, I would be happy if we had a balanced political system. I want this, and I will work towards this. And a balanced political system is unthinkable without competition.

Why do we seem to have vocal and proactive opposition members in this country but they do not really provide any serious competition to the incumbent authorities? You know, Russia's path in the past decades has been quite remarkable, to put it mildly. Why is that? Of course, some younger people do not remember or do not even know what was happening here in the 1990s and the early 2000s. So they cannot really compare it to the present situation.

We have many problems. We are here today primarily to discuss those problems, without any whitewashing. However, Russia's GDP has increased by 75 percent since 2000, industrial production by 60 percent. Processing industries have grown at increased rates, 70 percent accordingly. Actual wages have somewhat declined as a result of the crisis developments of the past three years, and we will discuss this today, too. Still, since the early 2000s, real incomes have gone up by 250 percent, and real pensions by 260 percent. Infant mortality has decreased 2.6-fold and maternal mortality by 75 percent. Population decline in Russia used to be almost one million a year. We have reversed the demographic situation. There are still some issues and we will most likely mention them today. However, we have reversed it. We are now facing two declines, a 'demographic pit.' Additional measures will be taken, which I will mention today. I am certain we can cope with these challenges. Life expectancy used to be 65 or 65.3 years and now it is almost 73. We lived in conditions of civil war for a long time, for several years, almost six years if not more. More, almost ten years. The country was forced to send 18- and 19-year-old boys, unprepared and untrained, to face bullets because there was no other choice. Now look at our army. Our debt has decreased three-fold and the national reserves have increased 30 times. This is something.

When we talk about the opposition, it is important to not just make noise out there on public squares or behind the scenes, and talk about a regime that is against the people. It is important to offer something, some improvement. Of course, people are dissatisfied with many things today and it is their right to be dissatisfied because our results could have been better. But when they look at what the leaders of the so-called opposition offer, both official and especially unofficial opposition, they start to question it.

This is, I think, the biggest problem of those who want to become a competitive opposition. They need to offer a tangible agenda, not something imaginary, not just loudmouthing. An agenda that people would believe in. I hope it happens eventually, and the sooner, the better.

Dmitry Peskov: I cannot help but give the floor to Andrei Kolesnikov. He has been covering the President's activities for 18 years now.

Andrei Kolesnikov: Strictly speaking, 15, but that's also a lot.

Andrei Kolesnikov, Kommersant newspaper.

Mr President, I have a simple and straightforward question: in what capacity are you going to run for presidential office?

Let me clarify. You can run as a self-nominated candidate, a representative of a public organisation, or a party candidate. So, who will you be running as?

As a follow-up to this question, it is rumoured that there are disagreements in your Executive Office as to who will be heading the campaign office. If there are no such disagreements, then, perhaps, you can name this person now? Does it matter to you anyway?

Thank you.

Vladimir Putin: It will be a self-nomination. Of course, I very much count on the support of the political forces regardless of their organisation form – parties or public organisations – that share my views on the country's development and have faith in me. Of course, I am counting on it. In general, I am looking forward to receiving broad support of our citizens.

As for the campaign office, we talked about this just yesterday. So far, the final solution has yet to be reached. With regard to disagreements, which are always there since we operate in a lively environment: there is discussion and disagreement, but only until we reach a common solution. With regard to this issue – it is technical, but still important – I would like, of course, to see people of authority who are well known across the country, who, I reiterate, sincerely support the policy pursued over the past few years.

Maria Kravtsova: Good afternoon,

Maria Kravtsova, Klops.Ru news website, Kaliningrad.

Mr President, a lot of people come to your annual news conference and the Direct Line event. They ask you to help them resolve their problems, including personal problems, like the gravely ill young lady from the town of Apatity who was hospitalised only after you gave the instruction.

Why, do you think, so many people believe that asking you, the President, for help is the only way to resolve their problems? How much time would it take to resolve all the problems in Russia using this hands-on management approach?

If I may, a brief second question that directly concerns Kaliningrad. Not long ago you were in Kaliningrad, and the issue of the construction of the Maritime Ring highway – the continuation of the Svetlogorsk-Baltiysk road – was effectively resolved. But there is also the last stretch from Baltiysk to Kaliningrad. This is also very important. The financial issues regarding the first issue have been resolved, which is not the case with the second. Can the federal authorities participate in the construction of the Maritime Ring from Baltiysk to Kaliningrad in any way?

Thank you.

Vladimir Putin: I think when I answered the first question I said that one of the priorities for the Government and the state in general for the years to come was infrastructure development.

This primarily concerns road networks, airports, ports, communications, etc. In this context, it is clear that any road construction project, especially within an enclave territory like Kaliningrad, will be a priority for us.

You have already mentioned the decisions that were adopted. I think that all the undertakings should be brought to fruition. This means that we need both the circular road, and the road branching off it. Otherwise, Kaliningrad would be unable to develop as it deserves to.

For this reason, I cannot tell you right now for certain that tomorrow this decision will be approved, since we must take into consideration the needs of other regions and the resources we can obtain.

When I answered this question, I said that we have a number of priorities, including infrastructure, healthcare, education, high technology, as I have already said, and of course increasing household incomes. But there must be growth drivers.

There is no concealing the fact that we have been holding weekly meetings with Government members and experts for quite a while, maybe even all-year around, and especially over the last twelve months, to discuss the growth drivers. Where can they be found?

By the way, when you go into detail and become specific, even many experts who are quite liberal in their views agree that the growth drivers they have been talking about were not real or should not be relied upon.

All this becomes clear once you look at the details instead of perorating that “we will come and do this and that so that everything will be great.” But when you get specific and ask what will be the outcome if we do this, that and the other, you get the answer that there will be nothing or very little.

For this reason, I cannot answer your question at this point. That said, we will obviously think about it, work on it and implement these programmes.

What was the first part of your question?

Oh yes, so-called hands-on management.

You know, the hands-on management myth is strongly exaggerated. Both in the regions and at the federal level, in the current mode – I am saying this as someone who headed the Government for four and a half years: [first] in 1999 and I completed the full four-year term not long ago – you can’t imagine what a huge amount of work flows through the Government.

This is the hardest and most difficult job within the administrative system. Considering each particular issue... you can’t even look at it long enough, let alone study it. And it’s the same in the regions. In the regions, we often can’t even reach out to them; we sometimes don’t even know what is going on there. This is bad of course; we should be aware of everything.

But this is why we are holding this event, and annual news conferences, and Direct Lines, no matter how some people criticise them or say that they are too formal. This is not so.

This is the feedback we need, when people can directly reach national leaders. And yes, when this comes up, so-called hands-on management is needed, which is designed to systematize this work.

You must have noticed that after the last Direct Line, during my regular meetings with regional governors, I always roll out the problems which their citizens address to the president. I mean that this has a continuation and, in this sense, I don’t see anything wrong with it. This only adds to the general system of our work.

Dmitry Peskov: Thank you. Let us turn here. Our chief government newspaper, Rossiyskaya Gazeta. You, please.

Kira Latukhina: Kira Latukhina, Rossiyskaya Gazeta.

Mr Putin, what is the source of our economic growth that the Government, the ministers, Mr Oreshkin and others, constantly talk about? They say the trends show economic recovery, but what is the source?

Is this growth based on just adding figures or are there some actual increases? Have we, perhaps, begun producing more tractors, machines or computers?

Vladimir Putin: Let us see if there are any questions that are close to yours that I could add. Are there any more questions on the economy? “What has been done to incentivise the fish processing industry?” This specific question deals with fish processing, and we will discuss it separately.

Remark: Yes, there are some questions.

Vladimir Putin: Go ahead. What is your question?

Maxim Rumyantsev: Maxim Rumyantsev, Freepressa.

Mr President, I have a question about economic development. Over the past decade, non-profit organisations that supposedly promote solving environmental problems have blocked 48 projects. In reality, construction has been blocked, and tens of billions of rubles, as well as hundreds of thousands of jobs, have been lost. How can the country develop in such conditions? Economic development is being blocked even at this stage.

Vladimir Putin: I see.

Maxim Rumyantsev: And thank you for the road to Serebryanka, which has now been completed. A Vesti-24 television channel team went there ahead of the news conference and said, “This is the Putin-Rumyantsev road.” Thank you very much, Mr President.

Vladimir Putin: Your question is mostly linked with the environment. Therefore, I will first start replying to the first question, and then I will try and reply to yours. In any event, I will do my best.

Regarding economic growth, the economy is growing, and this is an obvious fact. There are no exaggerations here. The GDP has grown by 1.6 percent, with industrial output also growing by 1.6 percent. At the same time, the automotive industry, the chemical industry, the pharmaceutical sector and, of course, agriculture are posting very impressive growth rates. We will have about three percent at the end of the year. We had a record-breaking harvest.

Alexander Tkachev said yesterday that the harvest will be around 130.5 million tonnes, or maybe even more. This is an all-time high in our entire history. To the best of my knowledge,

the RSFSR posted about 127 million tonnes in 1978. In effect, such a harvest has never been recorded in the past.

Exports continue to grow, and they have reached a very impressive scale. We are now first in the world in terms of grain exports. This is a brilliant indicator. We are therefore posing growth.

What is this growth based on? Firstly, it is based on the fact that we have overcome two shocks in mid-2014 and in 2015. What shocks am I talking about? This includes plunging fuel and energy prices. It is common knowledge that fuel and energy exports have been and largely remain our main source of budget revenue.

On the second matter, there were external restrictions, the so-called sanctions. I strongly believe and can say with all confidence that even if we did feel some impact from the sanctions, it was in no way comparable to the drop in the price of oil. We can discuss this in detail later on. This is my first point.

My second point is that economic development is increasingly being driven by domestic demand, which is extremely important for any economy.

What else shows that not only have we overcome the recession, but we have also moved into the steady development phase? And I really mean steady development.

Fixed investment is at 4.2 percent in Russia, while, as I said, GDP growth is at 1.6 percent. And fixed investment is 4.2 percent. What does this mean? This means that investment in development is growing at more than double the pace of the overall economy. This means that economic development is guaranteed in the short and even in the medium-term. Funds have already been invested in these projects.

As of today, foreign direct investment has reached \$23 billion since the beginning of the year, which is double 2016 and the best result over the last four years. We have record-low inflation in Russia's recent history. As of today, the inflation rate is at 2.5 percent year-on-year. The budget deficit is at 2.2 percent. I think the final figure will actually be even lower.

The Finance Ministry always wants to understate these figures in order to show that no money can be spent. Maybe they are right. All this goes to say that the economy is clearly improving and growing. In this regard, I think that the Economic Development Ministry and Maxim Oreshkin were unbiased.

As for environmental issues, you see, this happens all the time. You and I know that this issue is omnipresent. I am talking about the balance between environmental protection, nature and development. You always have to aim for the middle ground. We have already adopted decisions in this connection. For example, if any trees are cut down as part of an industrial or infrastructure project, compensatory planting is required. In this sense, the

number of newly planted forests and trees should be equal to the number of trees that were cut down to make way for an industrial or infrastructure project. If we apply the same principle to other problems, development and nature protection initiatives, I think we will be moving in the right direction.

Stas Natanzon: Stas Natanzon, Rossiya 24.

Good afternoon, Mr President.

Next year will be the 10th anniversary of the slogan “Stop rattling business.” However, even today businesspeople continue to say that, if an official, a security officer or a semi-official goes after their company, they do not stand a chance, be it small or large business. I also hear that under sanctions and during the economic difficulties, a corporate raid is basically a crime against the state. In your opinion, are these officials and security officers the notorious fifth column, traitors?

Vladimir Putin: I think you are overdramatising. “Traitors,” “fifth column.” “Oh no! Grab the suitcases, the train is leaving!” Does anybody else have a question about excessive control or the work of law enforcement agencies?

Chess, that is interesting. We will come back to it.

Natalya Nikitina: The Central Bank and the Prosecutor’s Office.

Vladimir Putin: The Prosecutor’s Office? What about it?

Natalya Nikitina: Activity of the Central Bank and the Prosecutor General’s Office.

Vladimir Putin: What about it?

Natalya Nikitina: Oversight over the Central Bank’s activity.

Vladimir Putin: Oversight over the Central Bank? Give her a microphone, please.

Natalya Nikitina: Good afternoon, Mr President.

My name is Natalya Nikitina. I am an economic observer from the Federal Press agency.

The banking industry is currently going through a ‘purge’ on a very large scale. The Central Bank is watching both state-owned and private banks very closely. But why do we hardly ever hear about inspections of the Central Bank itself by law enforcement agencies and oversight bodies? After all, the Central Bank and its employees have exceptional powers. Have there been any corruption cases involving the regulator itself?

Vladimir Putin: Indeed, according to law and global practice, the Central Bank is an independent institution that is beyond the Government's control in its main activity and has complete autonomy. It makes perfect sense in terms of financial regulation and oversight of the banking system.

A bit later, I can elaborate further on what I think about this. As concerns the Central Bank's compliance with law, it is controlled by the Prosecutor General's Office and other bodies. I admit that sometimes certain reports come in but none of them have been confirmed.

Therefore, firstly, I want to assure you that there is control. Secondly, I want to stress once again that to this date, we have not found any serious wrongdoings or violations of the law by the Central Bank.

As for inspections in general, you know that we have two- and three-year grace periods for routine inspections of new businesses. This measure seems to be effective. Second, supervision agencies are adopting a risk-based system of inspections, where the focus is on companies that are concerned with human health and the operations of vital structural organisations. We are reducing the number of inspections. Since the woman mentioned the prosecutor's offices, it should be said that the majority of inspections are coordinated with these offices. The number of planned inspections has been reduced. And the number of snap inspections should not exceed 30 percent of the planned inspections; a decision has been taken on this. And lastly, we will introduce a register of inspections, which should include information about the inspection agency, the timeframe and number of inspections, and the results. I believe that a gradual introduction of these principles should greatly improve the situation in this area. In general, I believe that the situation is improving despite some side effects.

Your other question concerned the operations of law enforcement agencies rather than inspection agencies. I fully agree with you on this. We see no improvements so far. The reasons for this include corruption at all levels, of course, the poor quality of managing the work, and the lack of proper control in this area. This is a complicated issue, let's face it. I cannot say that I am satisfied with it.

About a year ago, I invited Mr Bortnikov, the FSB Director, if someone here does not know the name, to give him the materials I had received from a source regarding a certain organisation. He looked through them, and – I am sorry to say – told me: “Mr President, we conducted an investigation at this organisation six months ago, following which we initiated proceedings and forwarded the relevant documents to the court. The entire department staff was arrested, and all of them are serving prison terms. New personnel were hired six months ago, and everything began anew there.”

Frankly, I don't know sometimes what we can do about this. However, there is an obvious solution. I believe we are unable so far to do this for financial, organisational or housing reasons, but this solution is similar to what we do in the army. It is the rotation principle,

which has been applied for decades. It is a component of military service, and one of the hardships that come along with military service. Officers are transferred to a new deployment site every three to five years. Maybe we should use this approach in law enforcement. As I said, this also implies the provision of service housing, as well as considerable financial outlay. We need to consider everything very thoroughly. The rotation principle could probably be useful and effective also in law enforcement.

Dmitry Peskov: Let us continue. Channel One, please.

Vladimir Putin: Channel One, Vesti-24... just look at him handing out the microphone to his buddies.

Anton Vernitsky: I am just sitting close to him. Anton Vernitsky, Channel One.

Mr Putin, having entered the current presidential cycle six years ago, or rather, five and a half years ago, you issued a package of executive orders, which we all know as the May Executive Orders. They touched on practically every aspect of life in Russia, its foreign and defence policy, but, above all, the social sphere. We, journalists, covered them a lot, and the governors shuddered every time you gave them a dressing down for incomplete compliance with some of these executive orders, such as resettling residents of structurally unsafe housing. What do you think now, at the end of the current presidential term, about the level of compliance with the May Executive Orders? Thank you.

Vladimir Putin: As you may remember, when the May Executive Orders were issued, everybody started complaining that they are unworkable and that they represent too big a load on the budgets of all levels, and that this would drag the economy down, that this is not how wage increases should be planned, and that this is unacceptable, primarily, with regard to salaries in the public sector, because wage increases in the public sector will inevitably trigger wage increases in the economy, and labour productivity in the economy is not keeping up with wage increases. In fact, there is some truth to this. Nonetheless, I thought it was the right and necessary thing to do.

By the way, when taking previous questions, I mentioned that our economy is increasingly relying on domestic demand. Even amid declining individual real incomes, domestic demand and domestic trade are gradually picking up. Domestic trade is up by 3 percent. I think that the real income figures will also be improving. If it were not for the benchmarks set in those Executive Orders in 2012 about the need to ensure growth of salaries in the public sector for schoolteachers, doctors, university lecturers, preschool teachers, and so on, then this would not have happened. It would have been much worse. Therefore, I believe that my colleagues and I did the right thing back then when we outlined these targets.

How are these orders being complied with in general? Approximately 93–94 percent of the stated goals have been achieved. This applies to the level of salaries in the public sector as

well. I am sure that everything will be brought to its logical conclusion in 2018 as planned. These targets will be met.

You mentioned dilapidated housing. The goal was to get rid of housing that is not safe for its residents. These are slightly different categories. With regard to unsafe housing, the issue has been almost resolved. To reiterate, I am referring to unsafe structures. However, dilapidated buildings are often not that different from the structurally unsafe housing stock. However, we are now talking about benchmarks. Almost all regions have achieved the targets regarding hazardous housing.

Now, there was another goal, which is to meet in full the demand for kindergartens. It has also been achieved by 98.96 percent. When we started out, more than half a million children were on the waiting lists. Now, this goal has been achieved in full in the overwhelming majority of Russia's regions. There are several regions where this work is still underway. There are 63,000 children on the waiting list now. To put this in perspective, we started out with half a million, and now have 63,000 left. I am confident that we will close this matter shortly. So, in general, the May Executive Orders are being carried out in a satisfactory manner.

Dmitry Peskov: Pskov, please.

Remark: What about the Arctic then?

Vladimir Putin: Since Pskov is closer to the Arctic, we will now take the Arctic too...

Alina Chaban: Good afternoon, Mr President.

GTRK Pskov correspondent Alina Chaban.

The problem is that over the past eighteen months, the cadastral value of land has increased sharply across Russia, which entailed an increase in land taxes.

This affects primarily ordinary people – owners of dachas, garden plots, and those who live in villages. For example, in the Pskov Region, the land tax has increased more than tenfold.

Even dacha owners in Pskov held rallies. The regional authorities advised the municipalities to reduce the rates, but the problem itself has not been resolved.

Mr President, is it possible to resolve this issue once and for all?

Vladimir Putin: Yes, this is a real issue.

But I still promised to hear about the Arctic. What do we have in the Arctic? What problems?

Darya Shuchalina: Good afternoon, Mr President.

Darya Shuchalina, local newspaper Komi mu, Republic of Komi.

This is our question about the Arctic. In your opinion, what priorities should the regions have for their project work – I mean the northern territories – to support Russia in developing the Arctic? That is, which specific priority projects look promising as support for the Arctic development strategy?

Vladimir Putin: Let us start with this. We have a whole programme for the development of the Arctic. What is important here is the industrial development of the Arctic, including mineral production, all kinds of commodities, I already mentioned this but I would like to repeat – rephrasing the great Lomonosov who said that Russia will expand through Siberia. Now Russia should expand through the Arctic.

That soil contains our main mineral reserves. But this resource development should go hand in hand with care for nature, meeting all the requirements on economic activity in this very sensitive region. This is the first point.

Second, we must ensure security, both environmental security and military security in this region. I remember when I was on Franz Josef Land, where a few years ago guides told foreign tourists: these are the islands that only recently belonged to Russia. They somehow forgot that those are actually Russian islands, but we have reminded them, so everything is in order there now. We should not forget this either.

Finally, there is one more important thing. We must always be mindful of the interests of the indigenous peoples of the North. This is extremely important. Interfering with their traditional economic activity and so forth is unacceptable. If there are unsurmountable contradictions with major national projects, compensation and substitution measures are needed. This is a crosscutting objective. I hope that we will always follow this approach.

I would like to turn to the first question, since I believe that it is highly relevant not just for Pskov but for other, if not all, Russian regions.

Of course, just as in any part of the world, it is natural that property owners ensure its maintenance and pay taxes. This is a natural thing. The cadastral value is the market value, which is also natural and correct.

What is wrong are the rates calculated based on cadastral value. These rates should be based on some real indicators, such as real household income. They should not be out of touch with reality. Shock treatment of the kind we had in the 1990s is unacceptable.

At this point, let us not blame those who took the relevant decisions. People highlighted this issue from the outset, but those who initiated this reform promised a balanced approach. What you said shows that these decisions were not well balanced.

There are welfare beneficiaries who are entitled to subsidies on the 10,000 rubles. However, the tax on the land plots that you have mentioned, the so-called 600 square metres, is higher than these 10,000 rubles in most regions.

You mentioned Pskov, but what about Moscow and Lenigrad regions, and other regions across the Russian Federation surrounding million-plus cities? For this reason, I will think about issuing instructions to the Government on this matter. Thank you for this question.

The Government, together with members of the State Duma, needs to take a decision whereby all welfare beneficiaries entitled to the 10,000 ruble subsidy receive a benefit in kind and are freed from the obligation to pay any tax on their 600-square-metre land plots. I am talking specifically about the people entitled to the 10,000 ruble subsidy.

But I believe that this is not enough. In addition, we need to expand the list by adding all old-age pensioners to it. Because first, these people already receive benefits linked with flats and homes. Therefore, it would be logical and fair to add old-age pensioners to this list. This will not hurt the state in any way.

Dmitry Peskov: Mr President, please do not criticise me, but I must give the floor to Sergei Brilyov.

Sergei Brilyov: Good afternoon, Mr President. Sergei Brilyov from Rossiya 1 television channel.

For obvious reasons, most issues deal with domestic policy today. Mr Peskov is holding the green folder that you used during your meetings with governors. And I, nevertheless, would like to ask some short questions about foreign affairs.

The foundation of what we had been accustomed to in international relations started crumbling long before the current aggravation of the geopolitical situation. The United States withdrew from the Anti-Ballistic Missile Treaty. Then we failed to reach agreement on the Treaty on Conventional Armed Forces in Europe. To our dismay, the Treaty on the Elimination of Intermediate-Range and Shorter-Range Missiles also started swaying from side to side. Speaking of long-term prospects, it is unclear whether the START III Treaty will survive. Supposing that it also becomes destabilised, will this lead to a new arms race, which will require Russia to increase its defence spending? Will this affect current customary social payments, which is a frequent subject of discussion today?

Thank you.

Vladimir Putin: We did not withdraw from fundamental treaties that formed and still form the cornerstone of international security. We did not withdraw from the Anti-Ballistic Missile Treaty; the United States did that unilaterally. We are now hearing talk about problems with the Treaty on the Elimination of Intermediate-Range and Shorter-Range Missiles. It appears that conditions are being created, and the appropriate information is being promoted for a possible US withdrawal from this Treaty, as well, all the more so as Washington has already withdrawn from it de facto. The United States is trying to reproach and accuse us of something, but what exactly has it accomplished? It has deployed systems, allegedly ABM systems, in Romania.

And how did it deploy them? It has removed sea-launched Aegis launchers from warships and deployed them on the ground. But these ABM systems' missiles can be easily replaced with ordinary medium-range missiles. In effect, this process is already de facto underway. Nothing good will come of this trend if it persists. We have no intention of withdrawing from any document.

The same is true of the START III Treaty. We can hear the United States say that it allegedly considers this treaty unprofitable and inappropriate. There is such talk. If this happens, and if the United States once again unilaterally withdraws from this treaty, then this would spell dire consequences in the context of preserving international stability and security.

And now, I would like to say a few words about our defence spending. We know about these processes, we can see them, and we realise the possible consequences of specific actions. We will ensure our security without getting involved in an arms race.

Dmitry Peskov: There was a second part.

Let him have the microphone, please.

Sergei Brilyov: Would not the growth of military spending lead to cuts in social funding?

Vladimir Putin: You know, our military spending is balanced by several substantive criteria.

First, we must ensure our security.

And, second, do this in a way that will not lead to an economic collapse. We take this approach.

Just look: next year, for example we plan to spend 1.4 trillion rubles on purchases and 1.4 trillion rubles on maintenance, which makes 2.8 trillion rubles. This is slightly over 2.8 percent of the GDP. I named the absolute figures – 2.8 trillion. At the current exchange rate, that is slightly over \$46 billion.

The United States has signed into law a military spending bill for \$700 billion. Compare \$46 plus to \$700 and feel the difference. Can our country afford that kind of spending? No, it cannot. But the \$46 plus is enough for us. You could say that even this amount is too much.

I am sure you know this popular adage: those who do not want to feed their own army will feed someone else's. It is an old one. But there are newer jokes. I occasionally tell you all sorts of jokes about this. I can tell you another one; it also has a beard, as we say, but it is more modern. A former military officer asks his son, "Son, I had a dagger here. Have you seen my dagger?" The boy replies, "Dad, don't be mad. I swapped it for a watch with the kid next door." The officer says, "Let me see the watch." He looks at it and says, "A good watch, good for you. You know, gangsters and robbers will come to our house tomorrow. They will kill me and your mother and will rape your elder sister, but you will come out to them and say: 'Good evening, Moscow time is 12.30.'" We do not want anything like that to happen, do we? So we will pay due attention to developing the army and the navy without getting involved in an arms race or ruining our budget.

Dmitry Peskov: Mr President, I suggest we do it both ways. There are the Children about the Future, and we also have TeleDetki in the central sector. Both have taken part in many of these news conferences.

Let them speak in turns. Please.

Marina Volynkina: Marina Volynkina, the Odarennye Deti (Gifted Children) online resource.

Mr President, I would like to follow your example and tell a joke: three years ago, you and I had a child, a clever and talented child.

Vladimir Putin: Thank God for that. It's a gift from God.

Marina Volynkina: This was a joke, of course. The truth is that during the 2014 news conference you supported the idea of a Gifted Children national online resource, which is growing very fast with your assistance. We have held very good PatriUm (PatriBrain) events. The children from all over Russia, from all 85 Russian regions, are sending their best regards.

On September 1, you announced a competition for the best composition titled Russia Focused on the Future. The same day, we posted information on seven award categories for the best compositions. We have received 2,500 absolutely unique compositions about the future of Russia. We have awarded prizes to 115. The awards ceremony will be held at the Federation Council on January 19, with support from the Agency for Strategic Initiatives (ASI).

You have asked the question. Do you want to know how these talented, unique children see Russia of the future? They have incredible answers. What do you say?

Vladimir Putin: Let's do this. Will you bring all of them here?

Marina Volynkina: No, come to the awards ceremony on January 19 at the Federation Council, the ASI will attend it as well. The children will tell you how they see Russia. This is something incredible.

Vladimir Putin: Good, I will do my best. Thank you for your work and for the invitation.

Dmitry Peskov: TeleDetki, go ahead.

Arina Zhukova: Good afternoon. I am Arina Zhukova and this is my colleague, Kirill Sennik. We represent the TeleDetki online resource from St Petersburg.

What is the state doing and what will it do in the future to support gifted children? Do you work with people in culture and the arts, as well as researchers in this area? Do you have a vision of what will become of these children in the future if so much effort and money are being invested in them now?

We also know about the Sirius educational centre for gifted children, which was established at your initiative. Many gifted children from all over Russia are invited there. What should children from other regions who have not been selected for this centre do? What is being done to help them?

Vladimir Putin: As for working with gifted children, with children in general, I would like to say the following. I have already said it and would like to say again that I believe all children have talents. The trick is to bring these talents out, and this is the job of teachers, of parents.

By the way, this is not a common phrase. Today our specialists, who work both in Russia and abroad, are carrying out research in the area of cognitive science.

You have mentioned Sirius. It is not just a camp; it is an educational centre for gifted children. We would like to build contemporary world-class scientific laboratories working in several areas (this is also my initiative) next to Sirius, where the media centre once was (many of you probably worked there during the Olympics). It is a large site, I believe it is the size of about four Red Squares.

These areas include information technology, biology and genetics as well as cognitive science, primarily to study ways and methods of working with gifted children and bringing out their talents. An entire new field is being organised now.

That is why we will continue to do this, both in science and in practice. However, there are other camps developing now: Artek, Okean and Orlyonok in the Caucasus.

But this is not all. Right now, quantoriums – children’s technology parks – are being established and school Olympiads are held all over Russia. What is the point and the ultimate

goal? To lead children from school to higher education, and then to employment, of course, preferably around the country.

Incidentally, if we go back to what you began with, to Sirius, we have already found an area of 30 ha next to it, and, in addition to world-class laboratories, I would also like to build technology parks, which will work together.

Sirius, world-class laboratories and technology parks that will bring to the market what scientists have developed.

But the best schoolteachers and university instructors are already working with them. There is also a re-training course for school teachers.

I would like to see a number of such institutions across the country. We have already begun establishing such a network in the regions of Russia. That is what we are going to do.

Who had a question about the retirement age? Please, go ahead.

By all means. We will not forget about the army.

Zulfiya Sultanova: Good afternoon, Mr President. Zulfiya Sultanova, Chelninskiye Izvestia.

A lot has been said over the past year about increasing the retirement age. Everyone understands that it is only a matter of time. When will the decision be made, and how much do you think the retirement age for men and women should be raised by?

Vladimir Putin: You touched upon a sensitive and important matter. I am not going to tell you now about the final decisions, because they are not ready yet. You have framed your question as if the decision has already been made.

Indeed, those who advocate raising the retirement age are saying that the retirement age was set in the 1930s. When they set it at 55 years for women and 60 for men, life expectancy was about the same, oddly enough. Approximately the same.

All European countries, all the countries around us, including Belarus, Kazakhstan, and Ukraine, have already decided to raise the retirement age. We are the only ones who have not done so.

The proponents of raising the retirement age are saying that if we do not do so then, taking into account the increase in life expectancy, the number of workers will decrease, and the number of retired people will increase, which will not allow us to properly balance the pension system.

This does not mean, though, that the state will not be able to pay pensions. It will, and there will be no disaster in which payments stop, but rather the incomes of pensioners will be frozen and fall due to inflation. This is what the proponents of raising the retirement age are saying.

They are also saying that if we decide to raise the retirement age, it should be raised equally for men and women. Women give birth at 55 years of age now, God bless them.

However, there are those who warn about problems associated with raising the retirement age. They say that they want our economy to be driven by innovations and digital technology to play the key role in it.

This means that what can be achieved in the economy and at enterprises, in the sphere of real production, by, say, a thousand workers now, tomorrow will be achieved by not more than a hundred, plus we will increase the retirement age to 63 or 65, as some suggest.

What are we going to do with the people who will be thus freed from work? What will happen to the labour market? There are other considerations as well. In order to make a final decision, we need to crunch the numbers. I am not saying this to avoid answering your question, but to crunch the numbers for each position and see where it leads.

Of course, no matter what the final decision will be, this will not affect those who have already retired. This is my first point. Second, of course, this should not come as a shock. This should not be done in one stroke, but, as in many countries, gradually and smoothly either in the course of six months or a year.

To reiterate, no final decision has been made yet. There is another extremely important consideration. Such decisions cannot be taken behind closed doors, even at the level of the Government.

This should be done openly, with the involvement of the public and, of course, as part of an open discussion in representative bodies, including the parliament.

Dmitry Peskov: Mr. Putin, how about questions on sports. I suggest combining questions. I saw Sovetsky Sport, Match TV, and a poster with a sort of anti-sports slogan “Rodchenkov and his life in Russia” that one journalist was holding. Let us start with Match TV. Please, be very brief.

Olga Bogoslovskaya: Olga Bogoslovskaya, Match TV.

Mr. Putin, I obviously have a question on sports, specifically, on the situation with the International Olympic Committee and the World Anti-Doping Agency. How do you see Russia’s relations with these organisations? In addition, the current situation is really very tense and complicated. Can you think of a solution?

Vladimir Putin: Both some of my colleagues and I have said this before, this whole scandal was whipped up in the run-up to Russian domestic political events. No matter what anybody says – I am sure that is the way it is. No matter what they say, I know that this is so.

But at the same time, and we have said this before, as well – we have ourselves to blame; we gave them a reason for this to start, since there actually were recorded cases of using performance enhancing drugs.

In other countries, however, there have been similar cases, except there was no such political frenzy. There is no doubt that this whole situation is politically motivated.

There are other systemic issues in world sport. For example, some are permitted to take drugs for health reasons – the same drugs that are prohibited for other athletes – that were allegedly prescribed to them after surgery or due to medical conditions they have had since childhood.

However, this is very odd, because this gives some athletes a competitive edge over others. But maybe these athletes that take drugs that others cannot should perform outside the competition or something like that, I don't know.

I do not want to offend anyone or hurt anyone's feelings, because all athletes work hard, do their best and deserve respect. Nevertheless, there are rules in competition, and they must be respected, too.

How are we going to manage our relations with the IOC and WADA? In a constructive way, I hope. We are going to continue working with them, to address the issues that we have, but, of course, defending the interests of our athletes at the same time, and in courts, too.

I know that some international officials do not want this, but what can we do? We have to help our athletes defend their honour and dignity in the civil courts.

Dmitry Peskov: Yes, do you have a question?

Microphone over there, please.

Oleg Lurie: Good afternoon. Oleg Lurye, Mir i Politika magazine.

Grigory Rodchenkov, WADA's main witness, whose testimony led to the suspension of the Russian team, was under criminal investigation in 2011 for illicit trade in doping substances and guaranteeing to mid-level athletes that they would not be caught.

After the charges were filed against him, he made a suicide attempt: he stabbed himself with a knife, while under the influence of alcohol. After that he underwent a medical examination and was found to suffer from a mental disorder, a schizotypal disorder to be more precise.

From that point on things got very strange. All of a sudden, his status was changed to that of a witness, and only one count out of 12 was maintained. And then he came back as the head of RUSADA.

Will there be an investigation into how this criminal case was conducted and why his status was changed from a defendant to a witness? By the way, the criminal investigation has been reopened.

How can a suicidal individual who used to sell performance enhancing drugs return as the head of the Russian Anti-Doping Agency? Who was behind this move? Will we ever find out the names, passwords and other secrets? Will people who covered up for Rodchenkov be punished?

Vladimir Putin: This is a highly relevant question. It is really strange that an individual who had lived in North America for several years then came to Russia, but there is nothing strange in that he headed the agency. But the fact that he was suspected of selling performance enhancing drugs, and I think that his sister was convicted for that...

Remark: Got an eighteen-month prison term.

Vladimir Putin: Yes, eighteen months. You see, you know this case even better than I do. What is even more strange to me is that a person who had worked for secret services for a long time brought all this bad stuff from North America, from the US and Canada. Who helped him get customs clearance despite the strict control? He was doing it for years.

Of course, many things come to mind in this respect. Yes, this was a mistake of the people and agencies that brought him there. You cannot work with people who try to commit suicide for whatever reason. This means that they have a psychological problem. This goes to say that you cannot make decisions based exclusively on the testimony of people like that.

Look what the reasoning for the decision by the International Olympic Committee says: first, that he is an honest person, second that he is protected by the FBI, and third that everything is in his diary.

I am sorry, but that's just nonsense. First, who said that he is an honest person? After all, he faced charges and was involved in fraudulent activity. Even more importantly, he blatantly admitted that what mattered the most to him was money.

Regarding him being protected by the FBI, this is not an advantage but rather a disadvantage for us, since this means that his actions are controlled by the US intelligence services. What are they doing with him? What drugs are they giving him to make him say what they want him to say? This is just ridiculous.

And finally, regarding the idea that everything is in his diaries. So what? When was it all written? Where? How did he do it? Nobody knows. That is it, and nothing more.

They mention scratches on bottles. But they were duly handed over and we signed a statement to this effect. Where did these scratches appear? When? They simply do not have anything else.

We respect international sports organisations, including WADA and even more so the IOC, and we have a lot of friends there. But we realise that it is not easy for them. They are under pressure all the time and are even intimidated. No matter what they say after hearing my words, this is the way it is.

In any case, even if they have to take any action, their findings have to be based on something. This is what I am talking about. How did it happen that this person headed the Russian anti-doping agency? Of course, the people who put him there made a mistake. I know who it was. But what is the point talking about it now?

Dmitry Peskov: Sovetsky Sport, go ahead please, but be very brief.

Nikolai Yaremenko: I will.

Nikolai Yaremenko, Sovetsky Sport.

I will not speak at length about our publication, which is one of the oldest because we saw on TV that Mr Putin subscribes to Sovetsky Sport.

We all know that Russia can host large sport competitions really well. The Sochi Olympics were a brilliant example. There is no doubt that even when we are short of time we will finish it off, clean it up and complete the construction.

Next year we will host the coolest event – the FIFA World Cup. We are all looking forward to it. It will be a real festival, a holiday. I am sure everything will be done at the highest level.

We know that large cities like Moscow, St Petersburg, Kazan and Sochi are used to hosting such events and know how to do it. But there are many cities where foreign guests still seem exotic. Are there any reasons to doubt that they will successfully deal with this?

Vladimir Putin: No doubt. You were correct in saying that we have extensive experience in successfully hosting major international competitions. I will not quote examples to save time.

The Confederations Cup was held at the highest level. It is very important for us that FIFA inspectors are monitoring the preparations. Everything is being done on schedule.

I must admit for the sake of objectivity that of the 12 stadiums being built in 11 cities, including the two in Moscow, there is a two-month delay with the construction of one. But this will be fixed and I am sure everything will be done well and on time.

I would like to emphasise that less than half of all the expenses come from the budget and more than half from private sources. Indicatively, government funds are being used in the same way as for preparations for the Olympics in Sochi: for building the infrastructure – roads, access ways, airports, railway stations and the like. I am sure everything will be done well and on time.

Dmitry Peskov: Thank you. Mr President, you haven't had any questions from foreign journalists today. I suggest a question from ABC News.

Terry Moran: Thank you, Mr President. Terry Moran with ABC News.

First, in the United States investigations by Congress, the Department of Justice and the media have uncovered a very large number of contacts between Russian citizens associated with your government and high officials of the Trump campaign. And some of those officials are now being prosecuted for lying about those contacts. All this is not normal. And many Americans are saying where there is that much smoke there must be fire. How would you explain to Americans the sheer number of contact between the Trump campaign and your government?

And second, if I may. It has almost been a year since Donald Trump has been elected president. You praised Donald Trump during the campaign. What is your assessment of Donald Trump as president after one year? Spasibo.

Vladimir Putin: Let us begin with the second part of your question. It is not for me to evaluate Donald Trump's work. This should be done by his electorate, the American people. But we do see some major achievements, even over the short period he has been in office. Look at the markets, which have grown. This is evidence of investors' trust in the US economy. This means they trust what President Trump is doing in this area. With all due respect to President Trump's opposition in the United States, these are objective factors.

There are also things he would probably like to do but has not been able to do so far, such as a healthcare reform and several other areas. By the way, he said his intentions in foreign policy included improving relations with Russia. It is clear that he has been unable to do this because of the obvious constraints, even if he wanted to. In fact, I do not know if he still wants to or has exhausted the desire to do this; you should ask him. I hope that he does and that we will eventually normalise our relations to the benefit of the American and Russian people, and that we will continue to develop and will overcome the common and well-known threats, such as terrorism, environmental problems, weapons of mass destruction, crises around the world, including in the Middle East, the North Korean problem, etc. There are

many things we can do much more effectively together in the interests of our people than we are doing them now. Actually, we can do everything more effectively together.

Terry Moran: How would you explain the connection between the government, your government, and the Trump campaign? How would you explain it to Americans?

Vladimir Putin: (In English.) I see, I see. (In Russian.) You know that all this was invented by the people who stand in opposition to Mr Trump to present his work as illegitimate. It seems strange to me, and I mean it, that the people who are doing this do not seem to realise that they are damaging the internal political climate in the country, that they are decimating the possibilities of the elected head of state. This means that they do not respect the people who voted for him.

How do you see any election process worldwide? Do we need to ban any contacts at all? Our ambassador has been accused of meeting with someone. But this is standard international practice when a diplomatic representative and even Government members meet with all the candidates, their teams, when they discuss various issues and development prospects, when they want to understand what certain people will do after assuming power and how to respond to this. What kind of extraordinary things did anyone see in this? And why should all this take on the nature of spy mania?

You have watched the investigation on social media. The share of Russian corporate advertising makes up less than 0.01 percent, with that of American companies totaling 100, 200 and 300 percent. It is simply incomparable. But, for some reason, even this is seen as excessive. This is some kind of gibberish.

The same can be said about the situation with our media outlets, including RT and Sputnik. But their share in the overall information volume is negligible, as compared to the share of global US media outlets all over the world and in Russia. And this is seen as a threat. Then what about freedom of the media? This is actually a cornerstone, on which American democracy itself is based.

All of us should realise that someone succeeds and someone does not. We need to draw conclusions from this and move on, instead of pouncing on one another like animals. We need to think about this and draw conclusions.

Dmitry Peskov: Let us go to that sector. TVC, you have the floor.

Lilia Akinshina: Lilia Akinshina from TV Centre.

Mr President, I have a question about the economy, as you requested, and it deals with the Central Bank's monetary policies.

You have already spoken about the record-low inflation, and the benchmark rate continues to decrease slowly but surely. Nevertheless, people continue to criticise the Central Bank, although inflation targeting was among this year's main trends. Earlier, many people were skeptical that it would be possible to reduce inflation, but the Central Bank has accomplished this. Nevertheless, the discussion continues. Some economists are saying that what is good for ordinary consumers, including reduced price hikes on the previous period, amounts to a not very healthy situation, if not death, in terms of the national economy's scale and prospects.

How optimal do you think is the inflation targeting policy? Has it yielded results? How justified are the business community's complaints that the country does not have enough available funding and affordable loans for expanding production and facilitating economic development? Thank you.

Vladimir Putin: Targeting inflation is the right thing to do. If we want the economy to be healthy, so that it inspires confidence in investors, this should be an indispensable part of our policy. I mean a balanced budget and monetary policy, which is the responsibility of the Central Bank.

Is the criticism coming from businesses understandable? Yes, it is. Of course, they want more loans at a lower rate. The point is that this should be done carefully and not overdone, otherwise the economy fills with bubbles – they borrow a lot of cheap money, invest in low-potential enterprises rolling out goods and services that are not in demand. That's the main thing, that is what matters.

What has happened over the past few years? While last year, the Central Bank cut its rate twice, from eleven to ten percent, this year, the regulator cut the key rate five times. Now it is 8.25 percent.

The Central Bank has announced the targets of its further work. Around 2020, if I remember correctly, the key rate will be 6 to 7 percent. Interest rates on commercial loans decline following the key rate (this is one of the important factors, but not the only one). Now it is a weighted average – 10.08 percent for non-financial institutions, I think, but naturally higher for small and medium-sized businesses – 13–14 percent on average. There are higher and lower examples of course.

What else does the Central Bank do? A decision was made to restructure banking institutions. Holders of some form of general license to work with large clients, with large businesses, will be required to have an authorized capital of at least one billion. Holders of a basic license – at least three hundred million. It is assumed that they will serve small and medium-sized businesses, including in the regions. In my opinion, we have too many banks for our economy, for its level of development – 521 banks or so. I am not saying they have to be choked, because this would do harm. Still, we need to improve the financial system primarily for the benefit of its clients. It is extremely important, especially amid fluctuations in world

markets and the difficulties inside the country, to make sure that clients do not face insoluble problems.

We have two agencies that are working to improve the banking system: the DIA (Deposit Insurance Agency) and the recently established fund. I think this is very important, I mean this new fund. Why? Because when banks are rehabilitated through this fund, it is already decided that the money, the credit resources received from the bank by the bank owners or executives, are factored out. That is, those people who have brought their financial institutions to the brink do not get any money. This, in my opinion, is extremely important.

There is something else I need to point out, because I have often heard this criticism of the Central Bank – that the Central Bank policies are aimed at state control of the banking system. This is not true. First, I repeat, there are 521 banks or more, 521, I think, let alone other credit institutions, because not all credit institutions are banks. This is my first point.

Second, the Central Bank tells us all, and, again, it is a good thing: if it takes something under control and even pays for it – it does so for the purpose of subsequent privatisation. We will assume that this process will develop in this way.

(Noise in the room.) Keep it down, please.

Dmitry Peskov: Let's not shout.

Vladimir Putin: Just a moment, I have seen a sign saying Agriculture. What do you want to ask? Please give her a microphone.

Yelena Agamyran: Mr Putin, I am Yelena Agamyran from the Novosibirsk State TV and Radio Broadcasting Company.

Siberians had a record harvest this year but regrettably, it turned out that nobody needs it because the state decided not to announce interventions this year since elevators are still full of grain from the 2008 harvest. It is very difficult to ship this harvest outside the region because we are located in the centre of the country. It is very expensive to get this grain either to Novorossiysk or to Vladivostok. As a result, our farmers are sustaining huge losses. They are selling the grain for half the price because they have nowhere to store it. Indeed, they are ready to diversify and sow something different, but being in their fields, they find it very hard to understand what the country needs today and what it will need tomorrow.

Maybe, it would make sense to return to the system of State Planning? Maybe there are some other options that will allow farmers not to sustain record losses after collecting a record harvest? Thank you.

Vladimir Putin: You said for “half the price.” It is important to understand what price you are talking about. Is this the price that the producer wants to get or is this the market price? And what is the market price?

There is no doubt that grain producers need support. It may be provided in different ways, for instance by state purchases – I do not think this is ruled out although the Government does not consider them expedient. It is necessary to think about this.

However, I am absolutely certain that it is essential to subsidise railway shipments, as we agreed with the Government. I simply cannot say now whether the final decision has been made or not but it will be adopted and it will work. This applies to shipments in general and exports in particular.

Dmitry Peskov: Gazeta.ru.

Rustam Falyakhov: My name is Rustam Falyakhov. I also have an economic question.

Mr Putin, to be honest, your answers create the impression that sometimes you are not properly informed about the state of affairs, at least in the economy.

I have a question about taxes and would like to hear a more realistic answer. Will taxes increase in 2018 and beyond? Today both business people and citizens are absolutely sure that the authorities have taken time out before the elections – it is clear why – and then there will be large-scale tax hikes.

They are already going up on the sly anyway, indirectly affecting both business people and the citizens. What is reported to you on this issue? What will happen with taxes after the elections?

Vladimir Putin: I cannot agree with you that there are efforts to mislead anyone on taxes. It is true, and unfortunate, that the burden, including non-tax, is increasing. As you know, I have issued a related instruction to conduct a thorough analysis of what is taking place in the regions. And this is mostly occurring in the regions of the Russian Federation. This is the first thing, and we will address it.

Undoubtedly, conditions should be created in the future to prevent this often unlimited and uncontrolled growth of the non-tax fiscal burden.

And you are absolutely right that the type of payment makes no difference to businesses – the main thing is that it comes out of their pocket, out of their business. That is my first point.

Second, as regards taxes, we agreed that taxes will not increase by the end of 2018, and overall, we are following this course. Certain points can be argued, but overall this holds true for the main categories of taxes.

As for what will happen starting 2019, I have already said in my answer to a question that we have outlined the main areas for development: infrastructure, healthcare, education, high technology, reinforcing the army and navy, and so on. But resources have to be found.

And, of course, we are thinking hard on these resources and what could be adjusted in the taxation system and how it could be done in order to promote the general, key goals of national economic development; what steps can be taken for the taxation system to ease the burden on the sectors where we plan to accelerate growth.

I think it is still too early to speak about it, because this discussion is of a sort that first must be implemented at an expert level and after that proposed for consideration together with the business community. We are not going to do this in back rooms, and this applies to certain other issues, such as the retirement age and others.

But what must be the focus of attention now is certain taxes that are a heavy burden on citizens and business and do not meet the interests of either citizens themselves or businesses, or the country overall.

Remark: Major housing repairs...

Vladimir Putin: Yes, for example, major housing repairs.

Or back taxes accumulated over several previous years due to the shortcomings of our tax system, even if it is not the taxpayer's fault.

If I am not mistaken, as many as 42 million people have this kind of tax debt, which amounts to 41 billion. Maybe some of my liberal opponents will criticise me for what I will say, but I believe that we should grant relief to these people. Moreover, this should be done with minimal red tape, without people having to come to the tax authorities. This is my first point.

Second, the same should apply to individual entrepreneurs. This is another 15 billion rubles and about three million people, 2.9 million in fact. For example, someone starts a business, and something goes wrong, but this does not stop tax liabilities from piling up. These people should be relieved from liabilities of this kind.

Third, we need to design the system in a way that creates incentives for taxpayers, so that they are not afraid to come to the tax authorities even when they miss a deadline. Of course, tax discipline is important. But it should not be excessive.

Finally, there is another situation that requires special attention. I am referring to the so-called notional income. Let me explain for those who do not know what this means. For example, someone is dispensed from paying back loans or telephone bills. Under the current

laws, this is viewed as a notional income, which is taxable. This is the case for another three million people, and their tax liabilities are also in the billions.

These liabilities should be written off. They make absolutely no sense, undermine economic development and create an unjustified tax burden. I think that we will do this very soon.

Dmitry Peskov: Ufa, please. Give the microphone to Ufa, please.

Stanislav Shakhov: Good afternoon. Stanislav Shakhov, Ufa, Obshchestvennaya Elektonnaya Gazeta newspaper.

I would like to follow up on taxes. Getting federal funds is a headache for any region. For example, Bashkiria collects 100 billion in taxes, transfers 50 billion to the federal budget, and after that, it has to send numerous delegations to Moscow to get 30 billion worth of subsidies.

Do you believe a tax reform is necessary to make it possible for the regions to keep a larger portion of the funds they collect? For example, until 2010 the regions were entitled to five percent of the minerals extraction tax.

This would enable regions to better manage their funds, including launching road renovation on time, and not in December, when the federal money finally arrives and has to be put to use.

Vladimir Putin: Yes, but I will not tell you about the solutions that are on the table. Let me be honest, we are discussing these solutions. We raised this issue as recently as last week. We discussed road construction and revenues generated by regions.

Incidentally, you may know that we resolved to restructure regional debt. Are there any other questions on regional debt? Go ahead. This way I will answer all these questions together.

Ulyana Gatina: Good afternoon. Veliky Novgorod.

My name is Ulyana Gatina. Vashi Novosti [Your News] online newspaper.

My question is also about the regions' debts. My region is no exception. Like many others, it is a heavily subsidised region. Unfortunately, we lack funding for the social sector, education, healthcare and other areas. Veliky Novgorod alone has a debt of around two billion rubles, which almost equals its revenue.

My question is: how are regions like mine supposed to survive? We want to survive and, instead of approving a budget of hopelessness every year, approve a budget of opportunities. And there are many regions like ours. What can be done to balance the poor regions with the so-called donors so that neither would feel deprived and people had equal quality of life across the country? Perhaps debt restructuring is a solution to this problem.

Mr President, let me hand this over to you. It is my civic duty. I have been looking at the problem of low funding for pre-schools and schools for three years. Let me give you a visual presentation of what kind of kindergartens we have in the country.

Vladimir Putin: I will take a look. My assistants will pass it to me.

Dmitry Peskov: We will take it after the news conference. Thank you.

Vladimir Putin: One moment, I need to answer the question. These two questions from Ufa and Veliky Novgorod about donor and recipient regions are indeed related.

We believe that, as you rightly noted, people, wherever they live in Russia, must have a similar quality of life. Understandably, it is very difficult to achieve. We know that regions just developed differently for various reasons.

But it is not the people's fault that they live in regions that are not self-sufficient. And so what have we been doing for years? Levelling out their budget revenues with the revenues of the regions in which the country has invested huge resources over decades and maybe even a hundred years. These investment and resources may have also come from the regions which are today qualified as not self-sufficient.

Therefore, it is fair to re-distribute the resources from the 12 donor regions to the others. And we will be doing it carefully, without undermining the donor regions' willingness to develop their economy further.

As for refinancing, I have spoken about this today, and I believe the Government has made its views on this public as well. What decisions have been taken? It has been decided that the debts of nearly all Russian regions will be restructured for seven years at 5 percent.

The regions that increase their tax base by at least the inflation rate will be allowed to repay their debt in 12 rather than seven years. This will give them an aggregate sum of 430 billion rubles, which they must invest in their financial improvement and in development, including both social and economic development.

I believe that this is extremely important. All regions are extremely enthusiastic about this, including Novgorod Region. Such regions as Novgorod Region will receive additional assistance. I would like to stress that it will be additional assistance, besides the one I spoke about.

Few regions need such additional assistance. There are only three or four of them. Novgorod is one of them. This assistance will amount to billions of rubles as well.

There is one more important thing. No decision has been taken regarding it yet. I have not even discussed it with the Government so far. We must cut short the uncontrolled growth of unsubstantiated loans the regions take out from commercial banks at an economically unsubstantiated interest rate over and above their ability to repay debts.

Look at what is happening. There is often an opportunity to refinance loans at a lower interest rate at state banks. They do not do this. Why? Are we talking about collusion between local authorities and commercial banks? There are also conditions under which commercial banks do not lend money to businesses but they give money to regions even if they already have debts and are living over and above their means. Why are they doing this?

They are doing this because they know that these regions have state guarantees. This is why regions take out loans from commercial banks without considering the consequences. We will have to restrict this practice. As I said, I have not yet discussed this with anyone. You are the first to hear this. I do believe that we need to do this. Something like this.

Dmitry Peskov: Associated Press, you have the floor.

Kate De Pury: Kate De Pury, Associated Press.

(In Russian): If I may, I will also ask my question in English.

(In English): The US wants Russia to do more to persuade North Korea to halt its missile programmes. Would Russia support tougher sanctions against North Korea? And do you think that cooperation on North Korea could warm up US-Russia relations? Or have you lost hope of mending them under Mr Trump? Thank you.

Vladimir Putin: You are such interesting people. Have you noticed that members of US Congress and Senate are so nice-looking and beautifully dressed in fancy suits and shirts? They seem to be intelligent people. They have put us on the same level with North Korea and Iran, and at the same time, they continue to prod the President to talk us into addressing the issues of North Korea and the Iranian nuclear programme together with your country.

What is the matter with you? You must agree that this sounds strange, and that it somehow goes beyond common sense. However, unlike some countries, our policy mostly lacks political time-serving considerations.

We are trying to work constructively with everyone on the most topical issues in the area of international security. We are trying not to sulk and not to take offence with someone in response to decisions that we sometimes fail to understand.

Regarding North Korea, our position is well known: we do not recognise North Korea's nuclear status. We believe that everything taking place there is counterproductive.

I have already said this, and I would like to tell you once again that in 2005 the concerned parties came to an agreement with North Korea that it would terminate its nuclear weapons programme. North Korea assumed certain obligations. Everyone agreed and signed these agreements.

Only several months later, the United States decided that these agreements were not enough. The US side promptly froze the accounts of North Korean banks and said that North Korea had to do something else outside the framework of these agreements.

But North Korea decided not to bother and withdrew from all those agreements, and started developing its nuclear programme once again. Why did you do that? Did you think this was not enough? Then why did you sign the agreements if you thought it was not enough? In reality, you provoked North Korea to withdraw. Later, the situation became aggravated even further with Libya and Iraq. I have spoken about this many times.

North Korea sees no other means of self-preservation but to develop weapons of mass destruction and missile technology. As you can see, their upgraded missiles are now capable of hitting the United States. Is there anything good in this situation?

We believe that both sides need to stop ramping up tensions. At one point, we heard from our American partners that they would stop military exercises. Well, they have conducted another exercise, and the North Koreans have launched their missiles yet again. This spiral has to end because it is an extremely dangerous thing.

We have talked with our American partners. Supposing that the United States launches some strikes with high-precision non-nuclear weapons, what targets will be attacked? Do the CIA or the Defence Intelligence Agency know exactly what targets, and where, must be hit with one single strike?

Of course, they do not because North Korea is a walled-in country. You know some things, and you have no idea about others. And even one North Korean missile launch would have disastrous consequences. I repeat, the consequences would be disastrous.

Yes, the United States has already used nuclear weapons against Japan. I do not believe it was justified. Now there is absolutely no need for this. It is important to be very careful.

Mr Tillerson has recently said that the United States is prepared to establish direct contacts. This is a very good message showing that some changes are taking place among US leaders and at the Department of State, and that they are coming to recognise certain facts, hopefully together with the US intelligence community and the Pentagon.

If we proceed on the basis of common sense, then we will, of course, cooperate with the United States on all such issues, including North Korea.

Dmitry Peskov: Let us take this question.

Vladimir Putin: Bashkiria is nearby, but in my mind, in my understanding, Ukraine is also not far from there. Here comes Ukraine, please go ahead.

Roman Tsymbalyuk: Thank you very much for the opportunity to ask a question.

However, I will correct you, Ukraine and Bashkiria are far from each other. We are only closely familiar with your Buryat people.

This is not the first time I am asking you a question. The problem is that you do not answer all the questions. Earlier, you said that you never concealed the fact that you are sending people to Donbass to address military issues. In real life, this is called killing Ukrainian citizens. As a matter of fact, everything is clear here, and our army knows what to do with these people. But some of them are taken prisoners and end up in Ukrainian prisons. They get sentenced, sometimes to life in prison.

Your third term is coming to an end. What if you do not get re-elected? Don't you want to exchange your citizens? This is not so difficult, because Ukrainians do not leave their people behind. We want to return 65 hostages, of whom you are well aware, not just Sentsov and Sushchenko, but dozens of Crimean Tatars from Crimea as well.

(Noise in the audience)

Vladimir Putin: Keep it down, please.

Roman Tsymbalyuk: If you do win the election, will you stick to such an absurd position on Donbass and peacekeepers? In fact, your people who are addressing issues there engage in carnage of the people of Donbass, and you should not be afraid of it, because liberated Ukrainian cities such as Slavyansk and Mariupol are enjoying a wonderful peaceful life. Thank you.

Dmitry Peskov: There is more. RIA Novosti also wants to ask a question.

Vladimir Putin: Please, go ahead.

Yelena Glushakova: Lena Glushakova, RIA Novosti. I also wanted to ask a question about Ukraine, since we are asking questions in blocks.

The situation with implementing the Minsk agreements seems disastrous. Do you think they are still working to settle this conflict?

There is another related question. The United States constantly holds meetings with Russian representatives on Ukraine. However, it is not part of the Normandy Four. Is it perhaps time

to make the US a formal participant of the Normandy format so that it becomes its fifth member?

If I may, one more question about the Ukrainian politician Saakashvili. What do you think about his future in Ukraine and what are the prospects of that country in general? Thank you.

Vladimir Putin: As for the Minsk format, it has not been very effective, primarily because of the unconstructive position of representatives of the current Kiev authorities. There is no desire whatsoever to carry out the Minsk Agreements. There is no desire whatsoever to start a real political process that can secure the implementation of an agreement on the special status of Donbass, which has been established in a Ukrainian law passed by the Rada, but which has not become valid for different pretexts. The agreement on it exists and the parameters of this law are well known.

As for the United States, it is a fully-fledged participant of the settlement processes in its own right, regardless of whether it is in the Normandy framework or not. In any case, it is very deeply involved and is well aware of all the events there.

I do not know whether it should be formally included in the Normandy format. In any event, this does not depend on us. Believe me, I have never been against this.

Now I will answer the question of your colleague. In fact, he did not ask a question but rather stated his position. This is what I would like to say on this score.

First, about the location of Ukraine and Bashkiria. Judging by the lack of any accent in your Russian, I believe mentally Bashkiria is not as far from Ukraine as you think in terms of geography.

As for the tragedy that is taking place there today – and this is definitely a tragedy – I must agree. It is always necessary to look at the primary source of the tragedy. The primary source is a coup d'état, the armed unconstitutional seizure of power. And, as is known, part of the people did not agree and started resisting. Despite Ukraine's alleged desire to become part of European civilization, those who objected were fought against not by democratic methods but at first with the use of secret services and then with the full-scale use of the armed forces.

There is no Russian army on the territory of Donbass but there are certain militia formations that are self-sufficient and ready to repel any large-scale actions against Donbass.

We believe this meets the interests of the people who live on that territory because if they do not have such an opportunity, the massacre you mentioned, carried out by so-called nationalist battalions, will be even worse than in Srebrenica. And nothing will stop them, including appeals to international human rights organisations that I was advised to make by my Western colleagues if events take such a turn. We are fully aware of this.

Regarding the peacekeeping mission. It was Petro Poroshenko who spoke about the need to arm OSCE employees at first, and I agreed immediately. The OSCE turned down this idea right away saying that they have neither the experience nor the people and they do not want to give their employees weapons because they will immediately become targets for radicals on both sides.

Then Mr Poroshenko said that it is necessary to ensure security of the OSCE officers using UN forces. I agreed to that as well and, to dispel any doubts, we submitted a respective draft resolution, according to which UN forces would protect the OSCE employees.

After that, in a telephone conversation, Ms Merkel asked me, “Why only at the border, at the contact line? OSCE staff move all over Donbass. Please agree to them always traveling with security, wherever they go, including the border between Russia and Donbass, Russia and Ukraine.”

I thought about that and replied, “Yes, you are right. We will agree to that.” We immediately amended the resolution. But now it turns out that that was not enough. Basically, it all comes down to establishing international control over that territory.

We are not against that but Kiev would have to negotiate with Donbass. And, since we are talking about this, no other similar conflict in the world has ever been resolved only through mediators. Their resolution always required direct contacts between the parties to the conflict. Unfortunately, the current government in Kiev is evading direct contacts with Donbass.

Now, exchanges. I agree with you. Innocent people are suffering. Do you think it is the fault of Donbass? No. Yesterday there was another shelling by the Ukrainian army. Sometimes even we cannot tell if it is the army or the nationalist battalions.

As far as I know, the regular Ukrainian army and these nationalist battalions are not always on good terms. Honestly, I understand why. Because true soldiers are there to protect their people and the country from external aggression, not from domestic conflicts, even a tough and complicated conflict like the one in Donbass.

Now on exchanges. President Poroshenko instructed Viktor Medvedchuk to deal with this. Mr Medvedchuk was invited by the Russian Patriarchate to the New Jerusalem Monastery. As there had not been any exchanges for a long time, he asked us to use our influence with the leadership of the two unrecognised republics, the LPR and DPR, to get them to agree to this exchange.

We worked on that, as you probably know. In fact, it was the first time I had ever spoken to those leaders. They agreed. With the approval of Ukraine (it was their proposal, after all), Medvedchuk brought us the list of 67 people from one side in exchange for around 300 people from the other side. It was Ukraine’s list. It was approved.

I want you to understand that this is what actually happened. I am not distorting facts. Then, out of the blue, they said no, this is not right, we need to change the list. They stalled the process again. Look, can we do it already? Then we can move forward. We should really do this act of kindness since it is the holiday season.

Now about Saakashvili. I think that what Saakashvili is doing is a slap in the face to both the Georgian and Ukrainian people. How can you still tolerate this? Here is a man who was the president of the independent Georgian state, and now he is running from square to square yelling for the whole world to hear: I am a Ukrainian! Are there no genuine Ukrainians in Ukraine? And Ukraine puts up with all this. It is such a pity to see. My heart bleeds.

Now about us being far removed or close. I know that you will probably not agree with this but each person has his own position. The development of the Slavic world was complicated. Russia's development was also difficult. It was formed by many Slavic tribes – 16 or 32. Eventually ancient Rus emerged, and Kiev became part of it and the centre of it. In this sense our historical, spiritual and other roots entitle me to say that basically we are one and the same people. But, of course, you may not agree with me.

One more thing is clear. Being close to Russia's western border, Ukraine developed accordingly and has many wonderful unique features in its language and culture – in everything. They are all cherished in Russia and considered to be part of our own culture.

In the 19th century some people started saying that Ukraine ought to be independent and self-sufficient. Did they have the right to say this? Yes, they did, especially considering that they lived in an empire where there was probably some forced Russification. But for Ukraine this was the least important thing because after all it is an Orthodox country. This was important at that time. Let me recall that passports identified religion rather than ethnic origin. There was no difference at all between a Russian and a Ukrainian.

Ukraine became part of the Russian empire in 1645. Russia incorporated three of its regions. Speaking in today's language this was around Kiev, Chernigov and today's Zhitomir – the latter had a different name. As part of the Russian empire, Ukraine received more territory as a result of different events, such as Russian-Turkish wars and later on World War II.

But in 1922, 1923, and 1924 the Bolsheviks decided for some reason that all territories adjacent to Ukraine's historical part should become a new republic – Ukraine. All Black Sea regions became part of it. After WWII it incorporated Western regions. This is how it all worked out.

But in 1954 Crimea was transferred there in violation of the Soviet Union law in force at the time, according to which such decision had to be approved by the Supreme Soviet of the Russian Soviet Federative Socialist Republic (RSFSR). The decision was made by the Presidium of the Supreme Soviet.

I will not say anything further. The people of Crimea made their own decision, I am sure we will get over this. Some people believe that it is better for Ukraine to develop as an independent state. So be it. If people believe so, this should be done and supported. It is absolutely pointless and counterproductive to try and suppress this opinion.

But let me emphasise that the entire world is taking a different path. People of different ethnic origin and religion are increasingly drawing closer to each other. This is happening both in Europe and Asia and also in North America – everywhere in the world.

As I said once, we were divided and then set against each other. We must come to understand what benefits both Ukraine and Russia and what is counterproductive. Let us ponder this together.

Dmitry Peskov: I saw "Ryazan: Housing and Utilities" – just to bring things back down to earth.

Alexei Kochetkov: Thank you for giving me the floor. Alexei Kochetkov, TKR television channel, Ryazan.

Mr President, good afternoon,

I would like to begin with a small request, just a couple of words. Currently, a programme for improving cities and towns is really gaining momentum in our region. People themselves are picking what should be done under these programmes, I am speaking of the municipal initiatives programme and a comfortable urban environment. Despite the lack of prerequisites for it, I would very much like to ask to continue financing such programmes as people need them very much.

And my question is rather simple regarding housing and utilities. Recently, in the past few years, people have often complained about utility rates going up, the lack of quality in the services they are provided. The question is: what should be done in this sector today to eliminate such complaints tomorrow?

Thank you very much.

Vladimir Putin: Thank you.

I can see another banner "Housing and Utilities." Give him a microphone, please.

Vladislav Sakharchuk: My name is Vladislav Sakharchuk, I am a correspondent with the website Kaluga 24.

Mr President, despite the objective positive things in the housing and utilities sector, there is a massive "black hole" – unscrupulous managing companies that collect money from residents but do not pay to the utility providers. Instead, they go bankrupt and disappear.

Even here, in the Kaluga Region, efforts are being made to get things under control, but the situation is becoming quite negative. We are objectively failing to cope with it at the local or even regional level; there needs to be some kind of federal response.

Thank you very much, I know a decision will be made to switch to direct payments between customers and utility providers. But this is only the first step in this very corrupt sphere. It should be put into order.

Thank you very much.

Vladimir Putin: There was someone talking about the housing and utilities sector as well. Was it you? Go ahead.

Viktor Smirnov: I am Viktor Smirnov, a correspondent with the website 47news.ru, Leningrad Region.

In November and December, officers and contract soldiers living in garrison towns all across the country received utility bills that were beyond high. Just imagine: in the Leningrad Region, a monthly bill amounted to 50,000 rubles per family.

This all was connected with another change of the company managing the Ministry of Defence's housing stock. That said, the military towns are in a state of neglect. They are becoming filled with garbage and experience constant supply interruptions. They just do not show this to you. But we have everything – photos and bills.

So, here's my question: Is it possible to do anything to stop this 'bloodletting' of the army? This is another company of the Ministry of Defence which is leaving people with 50,000 ruble bills on their hands.

Vladimir Putin: Your concern about military towns is understandable. And I share it, by the way. This deserves special attention, because it is arguably the most acute issue in the entire housing and utilities system.

If the army leaves a place, it does not mean that the people should be left behind. A formal transfer to municipalities is not enough. It is necessary to ensure that such transfers actually go through.

Nevertheless, what you just said is part of the overall housing and utilities problem. What can we say about this? Our colleague on this side said that, despite some positive trends in the

housing and utilities sector, there are still a lot of problems. And the second or the third speaker also spoke about these problems. What are they about, in general?

First, what I think about this matter. I do not think that the situation is developing positively, unfortunately. There are more problems than solutions. Indeed, decisions were made in recent years and, yes, certain things have changed. But it is absolutely not enough. I think that both the regional and the federal authorities in charge of this, primarily, the Ministry of Construction, which has an entire unit that must deal with housing and utilities, are clearly not doing enough. This is absolutely clear.

What is the gist of the issue? The problem is that these so-called management companies collect money paid for utilities and the housing tariff payments. What is the difference?

Utility payments are payments to suppliers for gas, electricity, water and so on, maybe for sewerage as well. The housing tariffs, or housing payments, cover everything that happens inside a house.

So, the management companies first collect money for everything, and then make payments, including those to resource organisations. They do not always pay on time and in full. These activities mostly go unsupervised.

What do we need to do in this regard? It is necessary to cut off these management companies from the cash flow. Such a draft law is already in place and, I believe, it passed the first reading. In any case, it is being studied there. This must be done in soon.

There is another decision that was adopted. They are charging fees, often unsubstantiated, which the customers dispute. Now, the management companies, in connection with the upcoming decisions, will not only have to recalculate the amounts due, but to pay an additional 50 percent for the incorrectly issued bill as a fine, so to say. These decisions must be seen to completion by all means.

With regard to tariff regulation, I said that there are two types of payments: utilities and housing.

Utility payments are governed by federal regulations. The maximum tariff increase was set at 4 percent over the past couple of years. First, it is not complied with, and the utilities bills have grown on average not by 4 percent, but, according to the most recent data, as I checked yesterday, by 8.8 percent. This is unacceptable. There is a cap of 4 percent. Where does 8.8 come from?

The second component, the so-called housing payments, is even worse. This is something the management companies and the regions are directly responsible for. It is not regulated whatsoever, and there is no cap. So, payments here are off the charts. On average, at this point in time, extra payments amount to 23-odd percent, and occasionally even over 30. It is

not good at all. What needs to be done? It is necessary to impose restrictions, of course. Similar to utility payments, it is imperative to introduce regulations on housing payments, and this must be done immediately.

Of course, most importantly, it is necessary to ensure timely construction of new facilities and the overhaul of existing ones in order to enhance the utilities system itself.

Dmitry Peskov: Let us continue. I can see Chinese colleagues here. I believe it says “Russia and China: Main things.” Please.

Sun Juan: Good afternoon, Mr President. Sun Juan, China Radio International (CRI) and the mobile application “China – Russia: Main things.” I have a question. Next March, the presidential election will take place in Russia. How do you think the result of the election will impact Russia-China relations? Or does our strategic partnership stand above short-term political circumstances in our countries? Thank you very much.

Vladimir Putin: Thank you for the question. And Xinhua now, please.

Luan Hai: Thank you, Mr President! My name is Luan Hai, Xinhua News. As we know, Russia and China have announced that they are linking the belt strategy with the Eurasian Economic Union. How do you see the results and prospects of Russian-Chinese relations?

And the second question. The Chinese Communist Party set the task of building new international relations and communities of common destiny based on the principles of equality and mutual benefit. Do you think that Russia is ready to work towards this goal together with China? Thank you.

Vladimir Putin: First of all, concerning the decisions adopted at the last congress of the Chinese Communist Party, I rate them highly and see them positively. It had a positive agenda for developing China and building international relations. It is identical or similar to what we propose for developing Russia and international relations, as well as Russia’s place in the world. When I speak about the first element, I mean the economy above all. The Chinese economy is developing, and very rapidly, thanks to the policies of Xi Jinping and his predecessors. And the Party’s Charter, as well as amendments to it, show that China wants: a) stability and b) development. And by developing, make the life of its people better.

It is vital for us, because China is our largest trade, economic and strategic partner in the broadest sense of the word. It is China with whom we trade most: over 63 billion. The trade has decreased a bit as a result of crises in the global economy, but we are quickly expanding, going back to the former level and, I am sure, will surpass it very soon.

Now, as far as the idea of the Silk Road is concerned, I have repeatedly said that it is absolutely compatible with and matches the development of the Eurasian Economic Union

and the broad partnership in Asia that we have proposed. Already now (you asked about the results) it is possible to speak about what we have done.

But I have already answered a question here asked by your colleague, who is on my left, on the development of the Arctic. China, for example, is showing great interest in the Northern Sea Route. This is natural, because if we ensure year-round use of the Northern Sea Route, something that we will, I hope, eventually manage to achieve fairly quickly, then shipping goods from Asia to Europe and back will begin to make better economic sense than the other currently existing routes. That is the first thing. And we will encourage China in every possible way to benefit from these advantages. Both Russia and China are interested in this.

China has joined our biggest projects, including in the Arctic. For example, we have recently launched phase one of the Yamal LNG plant. The design capacity of phase one is 5.5 million tonnes of liquefied gas. Quite soon, in 2018, two more phases will be put into operation. Their overall capacity will reach 16.5 million tonnes. China is one of the key investors in this project. And there is a good reason, I believe, as this meets China's interests, its economic interests. We will do our best to encourage this for other projects as well.

I said, and we all know well, that with regard to pipeline gas, we are carrying out and will continue to carry out these projects. We have a wonderful high-speed rail project. That is what the Silk Road is actually about. We will gladly support high-speed traffic from China to Western Europe through Russia. We will thus increase the speed of railway freight carriage many times over. Both freight and passenger carriage. We have large-scale projects in high-tech sectors, space, aviation and so on. By and large, we are confident that we are moving absolutely in the right direction and we are determined to keep moving forward along this path.

As for the elections in Russia, I am completely sure that there is a nationwide consensus in Russia concerning the development of relations with China. Whatever the outcome of the elections, Russia and China will remain strategic partners for the long-term historical perspective.

Dmitry Peskov: Let us move over here. Vladimir Kondratyev, also a master journalist.

Vladimir Kondratyev: Thank you.

Mr President, our society is highly interested in your next presidential term if you win the election. Everyone wants to know in what respects this term will differ from the previous ones and with what team you will run the country in the next six years.

In this context, I would like to ask you what you think about the new government. Will the current Government survive until the election? And what socioeconomic strategy that now, as we know, is elaborated by different expert teams, will you rely on? Thank you.

Vladimir Putin: As for the current Government, I generally believe it is doing satisfactory work despite certain problems.

I have just spoken about housing and utilities. This is one of the problems to be resolved. There are still many problems that require special attention. But on the whole, the Government is fairly confident and its performance is satisfactory. Incidentally, this is demonstrated by the return to steady economic growth, the resolution of certain problems and sustainable macroeconomic development, which certainly form the foundation for future economic advancement.

Had this not been the case, there would be no direct foreign investment because all this is a result of the growing confidence in the policy conducted by the Government of the Russian Federation.

As for the future configuration, do not be cross with me but it is too early to speak about it. It should probably be discussed after the election, although naturally I do have some tentative ideas. Thank you.

Ukraine's neighbour – Poland. Go ahead please.

Andrzej Zaucha: Andrzej Zaucha, TVN TV company from Poland.

Last year I asked you about the remnants of the presidential aircraft. I understand nothing has changed. But I would like you to clarify when we can expect the return of these remnants to Poland.

My second question is closely linked with this. They promise us in Poland to publish a new report about this disaster in the near future. The Defence Ministry's commission is working on it. The new government is considering this.

There are reports that there were explosions on board the aircraft, and the defence minister says he has evidence. His commission is working. And, of course, there are hints that not you personally but your people provoked or staged this disaster.

Vladimir Putin: Listen, we are tired of this bluffing, just sick and tired. They have been giving us this nonsense, just blowing hot air. Let me remind you that at that time I was Prime Minister and as such, had very little to do with foreign political activities or any law enforcement and special services. Do not forget about this. That is my first point.

Second, if there were explosions on board, where did the plane take off? Moscow or Warsaw? So, that is where the bombs were planted. Are they saying that Russian agents infiltrated the place to put explosives in there? They had better look in their own place.

Finally, there were no explosions there. Both Polish and Russian experts have investigated the case thoroughly. They have studied in the most careful way all that was happening inside the cockpit: someone entered, and the pilot told them, “We cannot land.” And that person replied, “No, I am not even reporting this to him.” To whom? To the President, apparently. He ordered the plane to land. So they landed. An awful tragedy, and we grieved together with them. And now they have to wind everyone up, inventing things out of a clear blue sky. The same story was with the remains of that airplane.

They do not have to invent anything. If there is a problem and a tragedy, one must treat this as a tragedy and not search for any far-fetched political motives. What for? Do you want to further complicate Russian-Polish relations? Why? To raise someone’s domestic popularity?

It seems to me that Russian-Polish relations are more important than the current internal political struggle in Poland between various forces that are quick to use any anti-Russian factor in this struggle. Turn this page, finally, and grow up. Become mature, meet the requirements of today and the interests of the Polish nation and the Polish people.

Clinging to these problems and further degradation of Russian-Polish relations does not benefit Poland at all. Count your losses from the various sanctions that Poland has joined, the jobs lost, and the businesses that could have developed targeting the Russian market. We do not need anything from Poland. We want to develop relations with Poland. I hope this approach will prevail in Poland as well.

Dmitry Peskov: Mr President, we have not yet given the floor to Interfax. Kseniya, please.

Kseniya Golovanova: Good afternoon, Mr President. Kseniya Golovanova, Interfax. I would like to ask you about Syria. Mr Peskov, I will try to speak short.

Taking into account the enormous number of contacts you have held lately on the Syrian settlement, what, in your opinion, are the main obstacles or hidden agendas preventing normalisation in the country? Who should assume responsibility for restoring the infrastructure? Should or can?

About our bases and what you have said about the defeat of ISIS in Syria, how do you see the role of these bases? Are you not worried that Western partners may see their presence as a tool to support Bashar al-Assad?

And the last question: about your trip to Syria. It looked really cool. Please, tell us, when you decided to do it, did our Aerospace Forces play any role in making this trip happen? Or Syrian soldiers, maybe? And when will the withdrawal of our troops from Syria be completed? Thank you.

Dmitry Peskov: If I may add, over there they have a Syrian flag with “Our Victory” written on it.

Magomed Magomedov: Thank you. Magomed Magomedov, Daghestan Republican Information Agency.

In 1999, you were in Daghestan, where we defeated international terrorists that invaded the republic. Today almost the same thing happened in Syria. But I think that terrorism has not been defeated yet. Today the world sees you as a leader, a head of state who fights terrorism.

Unfortunately, the experience the Americans demonstrate doesn't lead to anything. What are the chances of finding and taking out the people pulling the strings of these terrorist groups? This time it was ISIS, will there not be a new group tomorrow and so on? Thank you.

Arslan Khasavov: Mr President, of course, it is good to be Andrei Kolesnikov or Sergei Brilyov, because it would be easier to attract attention, but also about Syria, shortly. I represent Uchitelskaya Gazeta, but I work in education and international journalism, in particular, I also visited Khmeimim Air Base this February...

Vladimir Putin: You mentioned Kolesnikov. It is not difficult to be Kolesnikov, because everybody talks about him all the time. Say your name.

Arslan Khasavov: Arslan Khasavov, Uchitelskaya Gazeta. Yes, I was the first Russian who came to Khmeimim Air Base on foot, as the staff told me...

Vladimir Putin: Where from?

Arslan Khasavov: I was made to get off a bus when trying to reach the Russians on my journey from Latakia to Tartus, to Homs and Damascus – such a detour. I wrote a series of articles about it.

Vladimir Putin: That was dangerous. Where are you from, Daghestan?

Arslan Khasavov: I was born in Chechnya, but that is another story.

Vladimir Putin: Only Chechen people can travel there on foot.

Arslan Khasavov: Mr Putin, I have visited the refugee camp in Homs. There are so many orphans there now. I was also in Istanbul, where I saw Syrian children virtually barefoot outside, begging and so on. And there are Syrian children in these refugee camps. However, there are no educational programs for them. I saw this with my own eyes. Humanitarian aid is being supplied.

What is to become of these children in 10–15 years, no one knows. Maybe, now that you have declared victory over terrorism in Syria, is it time to think of organising a truly humanitarian intervention, an educational one? I remember in Damascus, a Russian cultural

centre was working for many years, but now it is closed. And since I am also a graduate of the Institute of Asian and African Studies, just like your Press Secretary ... Maybe you need someone like me, from Chechnya, if you ordered me to start and lead this work in Damascus, I would be prepared to live and work there for this purpose.

Vladimir Putin: As far as I know, there is already a man from Chechnya who largely organises this work, a Kadyrov, I think. He is now evacuating children from there, which is the right thing to do.

But you are actually right, and I am not joking now. You are absolutely right – this is a problem, and Turkey certainly suffers the most, because most of the refugees are there, the largest camps are there. Yet, there are such camps in Jordan, and in other countries. We also know about the problem of migrants Europe is facing, and so on.

Therefore, it is absolutely necessary to deal with this problem, and Syria will hardly be able to cope with it on its own. But I am not afraid of using these clichés: all people of goodwill around the world should understand that if we do not resolve this together, it will be their problem as well.

You are absolutely right to raise concerns about these children and what will happen to them in a few years, if they do not receive proper education and grow up in a normal human environment. One of the main sources of terrorism is a low level of education and living standards. This is such an injustice, and one of the main sources of terrorism to date, and of course, we need to do something about it, we need to solve this problem.

But Syria cannot cope with this alone. You know that Russia cannot cope with this alone either. Therefore, we are ready to participate, but only as one of the components of a common international effort. Thank you for your question and for your initiative.

Really, joking aside, I do not rule out the possibility of your working there at some point. Just like our military police from the North Caucasus are working there now. I believe I already mentioned that it was my initiative to send people from the North Caucasus as policemen there, because they are mostly Sunni, and the local Sunni population trusts them.

The authorities trust them too, because they are Russian servicemen, and the local people, regardless of their political affiliations, also trust them, because they are Sunnis. It is a win-win situation. First, the guys were very brave and disciplined, which is important. They were aware of their responsibility, and fulfilled their duty with dignity as they represented Russia's interests. However, this part is extremely important. So, the participation of our experts like you will be sought after.

Now, about the trip. The need for such a trip was clear to me for a long time. The question was whether proper conditions would be in place. When will we be done getting rid of these

terrorist gangs? And what will the situation be like there? Well, the situation is there, these bandit groups are being mostly dealt with, and such a decision was made.

With regard to security, it was provided by our servicemen on the ground, too, because the specialists know that the most dangerous moments of such events include landing and take-off, when an airplane may be targeted by a MANPADS.

However, the pilots, I looked, did not just fly side by side, they went below our plane during landing. The nozzles of combat aircraft warm up much more than the engines of a civilian aircraft, and they, in fact, were covering our aircraft. Then, we parted ways. Of course, I am grateful to them for that and I want them to know about it, to hear it. Although, I think, there was no need for that but, nevertheless they did what they did.

What is the main obstacle that stands in the way of a final solution to the problem in Syria and fighting terrorism in general? Fighting terrorism in general is all about improving the level of education and well-being. And rectifying historical injustices in the Middle East and the world in general.

In Syria and elsewhere, it is critical that all the participants in these processes, the global players, do not succumb to a desire or temptation to use various terrorist, quasi-terrorist, or radical groups to achieve their fleeting political goals.

Al-Qaeda was created at some point to fight the Soviet Union in Afghanistan, and it ultimately struck New York on September 11. We can see it with our own eyes, our pilots can see it, and drones also show us the militants leaving, say, for Iraq. Our military tell their American partners: the militants went to a particular area. There is no reaction whatsoever. They are leaving, end of story. Why? Because they think that they could use them, probably, in fighting al-Assad. This is the simplest, but also the most dangerous thing to do, including for those who do it.

Dmitry Peskov: Alexander Gamov, Komsomolskaya Pravda. There is no way we do not give him the floor.

Alexander Gamov: Alexander Gamov, Komsomolskaya Pravda – the website, radio station and newspaper.

Mr President, I believe that the main political issue today is the nation's health, don't you agree? I know and everybody knows that both the President and the government are giving the issue close attention and hardly anyone will disagree that we have made significant progress in this area over the previous 10 to 15 years. Medical centres of which we have never even dreamt before have appeared in Russia, even in the remotest parts of the country – you and I attended the opening ceremonies for these centres.

You see, I mean – I believe you also know about this as you have all this information in your green folders – that this progress was accompanied by a so-called optimisation drive and the result is terrible because they started to consolidate medical centres and close rural medical assistance centres all across Russia – they did it yesterday and they are doing this right now. I understand that a sick person or a woman in labour can be driven in the areas where there are roads or medical air service. But it is disastrous in the areas without roads or medical air service. I am a man from a provincial town. You know, even in Moscow after the optimisation, it is difficult to book an appointment with a specialist.

Incidentally, today, material about journalist Lyudmila Yanina and her fellows in misfortune was posted on the Komsomolskaya Pravda website, which I already advertised. As far as I know, there are two dialysis centres in Orenburg Region, but the region occupies a vast area and it is so difficult for people to brave the frost or a blizzard... I mean that everything is geared to money or economic sense. Now, on behalf of our readers, I would like to ask you...

Dmitry Peskov: I would like to ask you to ask your question.

Alexander Gamov: I understand. Don't you think that they have pushed too hard and the reverse side of it is horrible?

I would also like to make a proposal, now that I was given the microphone.

Vladimir Putin: To all appearances, nobody else will have the chance to get it. (Laughter).

Alexander Gamov: You used to stop by at Komsomolskaya Pravda quite often: you have been there three times. Now we have not seen you for 11 years and 7 months, according to my count. I am inviting you over.

Vladimir Putin: Thank you.

Alexander Gamov: Maybe soon then. We will be waiting for you. Perhaps, Mr Peskov could help to organise this?

Vladimir Putin: Thank you.

Alexander Gamov: Thank you very much.

Vladimir Putin: Thank you for this invitation.

(Noise in the audience.)

May I answer the question? If everyone keeps asking questions without letting me answer, there is no reason for us to be here.

Regarding healthcare. In the beginning of this meeting I said that healthcare is one of the most important areas, a priority area for the future.

Denis Volf: May I add something?

Vladimir Putin: Add to what?

Denis Volf: To the question on healthcare.

Vladimir Putin: Go on.

Denis Volf: Hello, Mr President. I apologise for interrupting you, but the issue is very important. I am Denis Volf, Guberniya TV channel, Voronezh, Voronezh Region.

We see on the news one famous person leave Russia to get medical treatment abroad, then another one, a politician, for example, leaves, too. So we start investigating. Does this mean that Russia cannot provide proper treatment (I am talking about cancer, too), so that people have to leave to get treatment abroad? And as we investigate, we find out that we do have proper treatment, we have universities, qualified staff, everything is in order. But there must be something missing. What is it? Capacity or equipment, perhaps. In Voronezh, and in other major Russian cities as well, the issue of cancer and the construction of cancer treatment centres is a pressing one.

It is not enough to build a centre, it needs to be equipped, too. It is rather expensive, we are talking about serious technologies, including foreign ones, not Russian. Is it possible to introduce co-financing for cancer treatment centres as part of some federal targeted programme? Maybe even the Zdorovye programme, which, as far as I know, covers cancer treatment as well. It is a big problem, for the whole of Russia too, I believe.

Thank you.

Vladimir Putin: I will answer two questions at once.

Concerning healthcare development programmes in general. You have rightly said that a great deal has been done to make high-tech medical assistance more accessible. We have set up centres in many Russian cities, we set up perinatal centres and we will be working on this programme for the rest of the year. I think it should be continued further. I have already mentioned the drop in infant and maternal mortality in this connection. We have similar indicators, I mean basically good indicators, of mortality due to external factors, road accidents, cardiovascular disease, tuberculosis. Some progress has been made on oncology, but it is still short of what is needed to solve the problem, which is still severe. So, there is a need for co-financing by the state and we will certainly do that.

You have also mentioned the shrinking of the network. I agree with you that in many cases this is unwarranted and unacceptable. For all the need to modernise the system, and the fairness of the remark that hospital beds are used not to treat patients, but for prevention and wellness, and although the technical equipment should be such as to reduce the time a patient spends in a hospital bed and the number of people passing through this bed should increase, still considering the huge territory of our country reducing the number of medical facilities is not always justified. What should be done? First of all, funding of course should be increased. It will be increased for next year. This year it is, I think, about 3.8 of the GDP, according to Finance Ministry data. Perhaps these data may not tally with those of some other agencies. According to the Finance Ministry – I talked about it with Siluanov just yesterday, and he told me that next year the total spending on health care nationwide will be 4.1 percent of the GDP.

But I would like to flag a particular problem. It is the preservation (wherever possible) and creation of new forms of medical care in small communities of between 100 and 2,000 people. New modern nursing and midwifing centres should be set up, what has been lost should be restored and new facilities created. That's number one.

Number two. In communities with less than 100 people, mobile medical assistance centres should be set up. This is a must.

Some issues are crying out for a solution, you have mentioned them. They include providing additional assistance to seriously ill persons and helping them to buy a large amount of the drugs they need. Look what happened. Life expectancy has increased significantly, from 65 to almost 73 years. People who are gravely ill, thank God, are not passing away, but their numbers are growing and the amount of money allocated is insufficient. So I instructed the Government: we will increase allocations for the corresponding medicines, including pain-killers, and we will increase allocations for buying the necessary equipment, including for those who need it to be used at home.

Dmitry Peskov: Ekho Moskvyy. I see Tatyana Felgengauer, who is back in the ranks.

Tatyana Felgengauer: Tatyana Felgengauer, Ekho Moskvyy radio station.

Vladimir Putin: God bless you. I hope you are doing well.

Tatyana Felgengauer: I have a question about the situation with the rule of law in the Russian Federation. We can see two different legal realities. In one, there is a true repressive machine working, where criminal cases are being initiated for social media reposts and text messages, and people are thrown in jail on groundless charges, which has been confirmed by the ECHR, Oleg Navalny, and Alexei Malobrodsky, who is kept in pre-trial detention facility, while Kirill Serebrennikov's case is being heard.

There is another legal reality. The one where Boris Nemtsov was killed, and Ruslan Geremeyev never questioned, because the investigator was not allowed to see him. Andrei Turchak was not interrogated either in the case of the attempted assassination of journalist Oleg Kashin. Igor Sechin, the head of Rosneft, is not in court for the most important trial of Alexei Ulyukayev, ignoring the summons. Any other citizen would certainly be forcibly brought to court, because this is contempt of court, but Igor Sechin gets away with it.

Therefore, here is my question: what kind of rule of law is this, if there are two different legal realities in our country?

Vladimir Putin: I agree with you that there are problems. But I cannot agree with the fact that we have different legal realities.

As for Sechin and his failure to appear in court – if that was a violation of the law, then there must be an appropriate response under the law. But, as far as I understand, and I was certainly interested because I saw the public reaction to this case, the law was not violated in any way. The investigators agreed they have enough evidence collected, including the testimony of Sechin himself. But I cannot disagree with you that Sechin should have come to court, what is the problem anyway? He could show up and repeat what he said during the preliminary investigation and interrogations.

As for someone being in jail and you thinking it is unreasonable, that is your opinion, while the investigative authorities consider it justified. Such disputes can only be resolved by court. We need to further consolidate the judicial and legal systems.

Mikhail Zub: Good afternoon, Mr Putin. My name is Mikhail Zub. Potrebitel publishing house.

I have a question about the development of fisheries. We are very grateful to you for the historic conference of 2015, which adopted the idea that fish are part of the national heritage that should reach the population, and so on.

We also appreciate your systemic approach to the analysis of export, about 87 percent. We also appreciate that you have said today that the industry is underdeveloped: no processing, no coastal infrastructure, no logistics.

But some contradictions have arisen, which brings me to my question. The State Council proposed Federal Law 349 that “circumcises” your ideology by 75 percent.

Second, along comes Executive Order 633...

Vladimir Putin: What’s the “circumcision” ?

Mikhail Zub: Let me explain. You moved from sale to processing to fishing, as a single whole. You proceeded from the consumer. What does law 349 do? It says: guys, divide 20 percent of the investment quota into four parts, 75 percent for fishing and 25 percent for processing.

Second, as if this were not enough: under resolution 633 an investment object, for example a factory, if it is to work at full capacity, needs twenty-five thousand tonnes of raw material. And then there is the game they are playing with resolution 648 which says that 70 percent of the quota is needed for the factory to function.

The size of the quota is nine thousand tonnes. Out of the nine thousand tonnes, six thousand tonnes is fish without heads, so it is really four thousand tonnes. So what happens? Suppose company X starts building a factory, and it practically destroys the infrastructure for four thousand tonnes of fish.

The plight of the processing industry is still worse. In fact, it is up against Federal Law 39. In fact, financial support is needed to build a factory and to take part in the construction. But the processor has no fishing operation. He has no quota.

I have to ask you for something very important. This is my question really. Today you are the umpire. The extractive side and the processing side are in the ring. The processing side “by the skin of its teeth” managed to reach the investment quota.

The processing facilities that cleared this bar have submitted their documents to Rosrybolovstvo [Federal Agency for Fishery], there are a few, I am talking about processing as a whole, not about specific cases, we should be allowed to take part in obtaining an investment quota, sign resolution 632, get a quota and build factories.

And most importantly...

Vladimir Putin: You brought the fish...

Mikhail Zub: Mr Putin, it is about China, the Northern Sea Route, connections, and supplies. There are 400 pages of printed text. This is my personal gift to you. You can toss it or go over it briefly. However, I want this to develop. We want to connect the Northern Sea Route, we want to connect the Russian Far East. We know what needs to be done. We are walking in circles.

I tricked you. I am not a journalist, rather an accidental journalist. I am the chairman of the board of directors of the Murmansk fish processing plant.

(Applause)

Dmitry Peskov: That's bad.

Mikhail Zub: I agree, it is.

Dmitry Peskov: You were accredited for a news conference.

Mikhail Zub: I agree, it is a bad thing to do. Because we have been fighting for three and a half years in order to survive, and we know how to survive. We know how to catch Far Eastern fish; the fish will be sold for 52 rubles, 80 rubles for fish from the Far East, not 300 rubles. Fish in our stores is priced at 300 rubles [a kilo].

We should be selling fish like it is chicken. What did Artemyev say? He said cod used to cost 60 kopecks, and chicken 2 rubles. Now, a chicken costs 100 rubles, and cod costs 300 rubles. Are we making fun of our customers? Do what you want with me. Yes, I came here illegally: I pretended to be a journalist, etc. Please hand it over from us.

Dmitry Peskov: Thank you for coming clean with us.

Vladimir Putin: Look, if we go into details now, hardly anyone will know what we are talking about.

I recently invited Ilya Shestakov to join me for a discussion of all these issues. In general, I share your concerns. If we do not create proper conditions for the development of processing capacities, then all of that will go abroad for processing. Jobs will be created there and added value will be created there as well, and the price for fish will remain as high as it is today. We need to provide logistics and redistribute these capabilities using quotas.

The 20 percent that you mentioned, I had exactly the same questions. The only thing that we heard here in response was that a rapid change in these percentages can undermine the catch in general. And the so-called grandfather rule, which took shape in the industry a long time ago, cannot be changed abruptly, otherwise we will simply undermine fisheries.

We are not going to discuss it now, since it is not a work-related meeting, but I will invite you to one such meeting where both processors and producers will have the chance to speak. I just want to let you know that the issue is clear, we are dealing with it, and will continue to do so in conjunction with you.

You have my sympathies, and I think that now I will not get too far ahead of myself, but you are right, and we need to pay attention to the concerns that you have articulated. We will use your papers to prepare for these meetings.

Just a moment, Kseniya would like to say something against everybody. Please.

Kseniya Sobchak: Yes, Mr Putin.

Vladimir Putin: Are you against everyone present or everyone in general?

Kseniya Sobchak: No, I am for Russians and against power never changing hands. I have a question about competition.

Vladimir Putin: I knew it.

Kseniya Sobchak: I have a question about competition in this election. As you may know, I am also going to run for President of Russia.

Vladimir Putin: Are you here as a journalist or did you also trick everyone, like the man before, and you really came here as a presidential candidate?

Kseniya Sobchak: No, I have not tricked anyone and I have come here as a journalist from Dozhd TV channel, because, at the moment, this is the only chance to ask you a question, because you do not participate in debates.

Vladimir Putin: Please.

Kseniya Sobchak: My question is related to the competitiveness of the election. Your press secretary, Dmitry Peskov, has already said that there is no opposition today; you have said today that you cannot nurture rivals, there are no people.

I think that everyone is quite ready and there is no need to nurture anyone. The problem is that today opposition candidates are not allowed to take part in elections, or they run into problems. I can feel it myself.

For example, there is a candidate, Alexei Navalny, who has been campaigning for over a year now. Fake criminal cases were begun against him. Alexei Navalny proved that they are fake at the European Court. You know that the Russian Federation recognises rulings of the European Court. Nevertheless, he is not allowed to stand in the election, although it is known that the Constitutional Court has a special opinion on this issue and so on.

The same goes for my activities since my announcement. It is very difficult to rent a hall in Russia, and people refuse to cooperate, even on a commercial basis. It is difficult to deliver any advertising materials. All of it is simply connected with fear. People understand that to be an opposition member in Russia means that you will either get killed, or go to jail, or something like that.

My question is: why is this happening? Is the government afraid of honest competition?

Vladimir Putin: As for competition and whether we have a capable opposition, I have already answered in enough detail. The message was not that anyone is not mature enough, but that the opposition must emerge with a clear, understandable programme of positive action.

Suppose your slogan is “Against everyone.” Is this a positive action programme? What are you proposing to resolve the problems we are discussing today? (Applause.)

About the figures you mentioned. A question about Ukraine was already asked. Do you want dozens of people like Saakashvili running around here? Those you named are a Russian version of Saakashvilis. Do you want such Saakashvilis to destabilise your country? Do you want us to live from one Maidan to the next? To survive attempted coups? We have been through this already. Do you want all this to return? I am sure that the absolute, overwhelming majority of Russian citizens does not want this and will not allow this. (Applause.)

There certainly should be competition, and there will be competition of course – the only question is radicalism. Look what happened to the Occupy Wall Street movement in the United States. Where is it now? The thing is, it was comprised of people like Saakashvili or those you named. Where are they now? Nobody knows.

Is this democracy or not? We should ask ourselves: what is democracy? This is a subject for a serious and deep discussion.

I assure you that the government has never been afraid and is not afraid of anyone. But the government should not act like a bearded peasant idly picking at cabbage pieces in his beard and watching the state turn into a muddy puddle where oligarchs fish out goldfish for themselves, like it was in the 1990s or in Ukraine today. Do we want a replica of today's Ukraine in Russia? No, we do not want it and will not allow it.

Ilya Koshlyunov: Hello, my name is Ilya Koshlyunov, I represent the Buryatia State Television and Radio Company, city of Ulan-Ude.

I would like to ask about a problem. This is not a question; I just want to raise it at the federal level. On October 1, a ban on catching omul was imposed, so all businesses that operated on the shores of Lake Baikal were closed and people lost their jobs. Imagine, Siberia, the north of Siberia, this was what everyone did for a living, and they became unemployed. The only type of state support is unemployment benefits. I just ask you to make a note. When you do, the machinery will spring into action and there will be answers to the questions about how to help these people.

Vladimir Putin: All right. You are right, and without waiting for the second part of the question, I want to say that you are absolutely right. If this is going on, it is unacceptable. Naturally, we must fight for the environment. Say, we have a ban on black caviar, how is it enforced? Badly, because the market is full of black caviar. The same is true for omul: if it is being exterminated, it must be protected, a moratorium should be introduced for a period of time, but we should have thought about the people who are engaged in this business and have to feed their families. I will look into this without fail.

The second part of the question on Lake Baikal, please.

Yulia Permyakova: Hello, Mr President. My name is Yulia Permyakova, I represent the Tivikom television and radio company of Ulan-Ude, Republic of Buryatia.

I have two questions, I will be brief. As for Lake Baikal, the boundaries of the water protection zone have been expanded from 200 metres to 80 and sometimes up to 100 kilometres, so people have now automatically become violators, they cannot privatise land, houses, they must drive on asphalt roads. They have been asserting their rights for a long time, for four years, if I am not mistaken. Recently, Natural Resources Minister Sergei Donskoi received an activist. Nothing came of it, it has been impossible to solve this problem so far. It concerns 130,000 people, these are four districts. Is it possible to solve this problem somehow, to deal with it?

And the second question concerns the city of Ulan-Ude. Ulan-Ude is considered a tourist centre of Buryatia; nevertheless, we have been awaiting the construction of the third bridge across the Uda River for 10 years already. Its cost is 4.5 billion rubles. Now we have a new head of the region, Alexei Tsydenov, as you know. He is also doing a great job, trying to find these funds somewhere. Of course, we are a subsidised republic, so we cannot come up with the money from the budget of the republic or the budget of the city.

So, can the federal centre somehow finance the construction of the bridge? And if this is possible, can we designate a time frame?

Thank you.

Vladimir Putin: Facilities of this kind are always built with the participation of the federal centre, with allocations from the federal budget. It is simply necessary (and I will talk with the new head and with the Minister of Transport) to make applications in a timely manner and to get them included in the plan for the overall development of transport infrastructure, including bridge crossings. I will consider this question.

Now about the expansion of protected zones. When we held a meeting on Lake Baikal, I said that we need to fight for the environment, our colleague also spoke about this, for the preservation of nature. Everything must be done with common sense and so as not to disturb the normal life of the people who live in these territories. We will definitely return to this issue.

Dmitry Peskov: Mr President, you know, I have received a text message accusing me of behaving towards Russia Today like the US Department of State by not giving them the floor. Russia Today, ask your question.

Vladimir Putin: You are working for the US Department of State. Outrageous! You will be punished.

Ilya Petrenko: Mr Peskov, thank you very much.

Good afternoon. My name is Ilya Petrenko. As Mr Peskov has already said, I represent the Russia Today TV channel.

Mr President, I was initially planning to ask you about your personal contacts with Donald Trump, but you spoke twice on that already. A little clarification: if the English language had a familiar and formal 'you', would you be using the familiar one by now?

In response to one of the questions concerning the Americans, you mentioned the pressure on RT and Sputnik in America. The pressure continues. Russia is retaliating. First, how far is Russia prepared to go in its retaliatory measures. And second, but also very important, what effect can it have on freedom of speech in our country?

And very shortly, one more topic. Today, a farmer in the Kurgan Region, a father of many children, was sentenced for illegal trafficking of special devices, for a GPS tracker that he attached to his cow. The case was returned to the prosecutor's office. He is now watching this news conference, his name is Yevgeny. Despite the fact that his case is still being considered. According to my data, more than 200 persons were sentenced on similar charges last year. What do you think about that?

Vladimir Putin: I did not quite understand. Do you mean that he was using GPS without paying for it?

Ilya Petrenko: He ordered the device from China and attached it to his cow because it strayed away from the herd.

Vladimir Putin: Is this prohibited? This has to be paid for and he failed to pay, right?

Ilya Petrenko: There is a statute under which criminal charges can be brought against a person.

Vladimir Putin: I do not even know that such an article exists. I will, by all means, take a look at the statute and the cases involving the persons you have mentioned, on what cannot be attached to a cow. This is the first time I am hearing about this. I know that GPS and GLONASS devices are attached to cats to prevent a cat from getting lost. I do not see why this should be a problem with a cow. Or else there is something he has to pay but has not done so, or he could have gone about it in a somewhat illegal fashion. This needs to be settled in some way, I will try to.

As for the first part, Mr Trump and I are on a first-name basis but I do not know if that means we would use the informal 'you'. Most likely, we would. Because even though do we not know each other very well – we met in passing only twice, and I believe we spoke on the telephone twice – generally speaking, people who do what our voters have entrusted us to do should have a good working relationship. I hope that step by step, he will also have an opportunity to establish contacts with Russia as a whole, and in doing so he will also keep his election pledges and follow his intentions.

Question: Thank you very much.

I have a very brief question. I would like you to say a few words regarding Russia's attitude toward Iraqi Kurdistan at this stage. Also, how Russia intends to maintain relations with Iraqi Kurdistan.

Thank you very much.

Vladimir Putin: Look, what has happened in your case? You had an independence referendum. Then the leader of Kurdistan announced that the implementation of the decision made at the referendum should be postponed. This was not our decision, either. It is your decision. Then he resigned but the decision that implementation should be put on hold is still in effect. How should we respond to this? Our response should be that everything should proceed without any abrupt moves and within the bounds of existing law, with due respect for Iraq's territorial integrity, since Kurdistan's leadership has acted in the same way. What other options are there?

Our companies, including Rosneft, are working in Iraq and in particular, in Iraqi Kurdistan. We believe that cooperation will benefit Iraq as a whole, Iraqi Kurdistan and the Russian economy. Generally, by tradition, we have very good, trust-based relations with both Kurdistan and the Kurds (I mean overall). I am aware of the entire complexity of this issue in the region, as well as of the wide-ranging nature of this complexity. However, taking all these delicate aspects into account, we act on the assumption that there is nothing to prevent us from developing our relations with the Kurdish people. This is what we will be doing.

Natalya Menshchikova: Mr President, my name is Natalya Menshchikova. Nizhnevartovsk District Television. This is Yugra, the capital of Samotlor, the oil region.

Vladimir Putin: Yes.

Natalya Menshchikova: You spoke much today (I will change my question a bit) on how to unite the nation. We need unity, need an idea. In the 1960s, people of more than 100 various nationalities, various religions, came to Nizhnevartovsk District. They had a common idea – to produce oil for the country. A big goal united people. And the north yielded to them. Perhaps, we should study this experience today. History cannot be repeated, but it is possible

to try to consolidate us all by a great, significant cause. Our modern society needs consolidation. This is an objective reality.

And back to the theme, in 2018...

Vladimir Putin: Mind you, this is supposed to be a question about oil. That's very devious of you!

Natalya Menshchikova: Everything has turned around. Everyone is being devious today. So, why should not I?

Vladimir Putin: I see.

Natalya Menshchikova: In 2018, Nizhnevartovsk District will mark its 90th anniversary. Its residents are people who committed a heroic feat – produced oil. Perhaps, we should consider encouraging our heroes, pioneers of oil extraction, as a consolidating idea.

Vladimir Putin: You are right.

Natalya Menshchikova: A district of labour glory. Why not? And other regions that also have something to be proud of can be granted some other status (both individuals and municipalities).

And the last thing. Veteran oil workers are hoping to receive your autograph on the occasion of the 90th anniversary of Nizhnevartovsk District. And a couple of warm wishes.

Vladimir Putin: And where do you expect me to write this? On the table?

Natalya Menshchikova: There are sheets of paper over there. Perhaps, you can use them. Please, Mr President.

Vladimir Putin: You know, let's do it this way. We will arrange this matter. Mr Peskov is here. I will do it by all means. I will write. And later, you will meet with him and he will pass it on to you. Agreed?

I am now going to answer your question. Back the oil theme: pass the microphone, please.

Dmitry Peskov: You have the floor. Please, introduce yourself.

Margarita Papchenkova: This is about Samotlor, in fact. I will never deceive you. Thank you for granting an exemption on watered fields, but it was somehow granted only to Samotlor, although many companies applied for it. It is well-known that not just Samotlor, but many small watered deposits need this exemption. Some selective approach prevailed here, and we all know its name – Igor Sechin, who is simultaneously engaged in a lawsuit with Sistema.

These legal proceedings are damaging to the investment climate. That is why I have this question.

Vladimir Putin: Do not worry. I am not going to run away.

M. Papchenkova: I am just concerned about cutting into everybody's time. Here is the selective approach that is used everywhere: The one who comes first, is the most influential and the strongest and who has known you for a long time; that person takes it all, gets to develop all the projects, but everyone else gets nothing. You see, this is such a personal question.

Dmitry Peskov: Your question please.

Vladimir Putin: This is what the representatives say...

M. Papchenkova: Do you think such a problem exists? Or do you think everything is absolutely fair and Samotlor has only been granted an exemption on the flooded fields?

Vladimir Putin: Is it the oil producers who think they get nothing?

M. Papchenkova: Not just them – everybody thinks so.

Vladimir Putin: Okay. Look – please take your seat.

Look, as a matter of fact, this decision is not called Sechin, it is Aleksandr Novak, because these kinds of decisions are not plucked out of thin air – they are made after a discussion in the Government and a feasibility study on specific oil wells. The Energy Ministry prepares these decisions. They are based on objective data with regard to water encroachment, profitability, etc. This is what they proceed from.

Maybe, I am not sure, maybe both you and the others are right, but then this needs to be substantiated at the Ministry as well. There is no need to go to the Administration. We have an economic directorate there, which is headed by Andrei [Belousov], and it is efficient; very professional people work there, and we try to oversee this. However, not in terms of who has not been given enough, but in terms of whether those that the Government believes should get something, get a fair deal.

With regard to Samotlor and Rosneft, the Administration believes that this is a fair proposal. As for others, they should look into this matter with the Government, the Energy Ministry and the Economic Development Ministry. Okay? We are willing to support this.

Afghanistan, I promised.

Question: Not long ago, you had a telephone conversation with Donald Trump in the course of which you discussed the situation in Afghanistan, including the growing terrorist and drug-trafficking threats. In this context, I would like know how you assess the prospects for cooperation with the United States in meeting these challenges in Afghanistan. Thank you.

Vladimir Putin: This is one area of work where we could really join efforts with the United States. If we could work together here, these efforts could really be more effective.

We see the growing threat in Afghanistan from international terrorists and we see that radical armed groups are taking control over more and more sections of the Afghan border in the north, bordering former Soviet republics. This applies to Tajikistan, Uzbekistan and Turkmenistan. Naturally, we are greatly concerned by this, considering, among other things, the presence of Russia's 201st Military Base in Tajikistan and an airbase in Kyrgyzstan. We are closely watching these developments. We see that the central government in Kabul needs support from the international community and we are ready to provide this support, as we did in previous years, including training national law enforcement and military personnel and supplying essential weapon systems and military equipment.

Without economic aid, Afghanistan is unlikely to resolve all its problems, including combating drugs, drug production. As you know, unfortunately, it has to be said that Afghanistan is the world's biggest producer of drugs, including hard drugs. Some of them get to the Russian market and this is definitely a cause for concern. Together with the Afghan government and the United States, as well as other governments concerned, we are ready to work to meet these challenges.

Let's have a question about children, over there.

Dmitry Peskov: Who had a question on children from this flank?

Vladimir Putin: "Save the Children", go ahead.

Sergei Chesnokov: Let me introduce myself. Sergei Chesnokov, the Ivan-Chai news agency.

I was wondering, Mr President, if you are aware that 1 million signatures were recently brought to your Executive Office in defence of children before birth.

Vladimir Putin: Children before birth?

Sergei Chesnokov: Before birth. Because we have discrimination on grounds of age: children before birth are not protected by law. However, this is not what my question is about. I find this interesting but my question is different. The question is that the Pro Life movement, which has collected 1 million signatures of Russian citizens in all regions, since all regions are represented here...

Vladimir Putin: Is this about banning abortions?

Sergei Chesnokov: Yes, it is. This movement provides assistance to pregnant women. We asked them and estimated the cost of a child's life in Russia. The figure is shocking: the cost of a child's life is between 7,000 and 20,000 rubles depending on the region – that is, the cost of saving a child's life, if mothers get help.

Your wonderful initiative is to pay 10,000 every month, but here we have a one-time payment, which is significantly cheaper, it is the cost of life. So I have a question: will the state help such a non-profit organisation, because this movement, "For Life," includes more than 300 non-profit organisations from all over Russia: 69 regions and about 400 cities and towns? Will the state support this work by the non-profit sector in any way?

Vladimir Putin: I will try to answer in as much detail as I can, without losing too much time. I thank you for this question, it means that it is a good thing I brought my notes. I believe it is very important, I have already spoken about it at a meeting in the Kremlin, but I would like to repeat what I have said word for word.

First of all, about prohibiting abortion. You know, most countries leave it to the woman to decide in the modern world.

Why? Because there is a danger that if we prohibit it, the number of illegal abortions will go through the roof. This is not a discussion, it is a Q&A, but I am prepared to discuss it with you, have no doubt. But the experience of many other countries shows us that women go abroad to get abortions, there is a huge spike in back alley abortions and so on; the health of women is also greatly harmed, as well as their ability to bear children in the future, the mortality rate increases sharply and so on.

That is why we have to act in a careful and balanced way here, taking into account the general mood in society as well as the values this society holds. We should not act impulsively; you see what I mean?

What you do in terms of supporting pregnant women who are making this decision to have a child or not – this is absolutely the right thing to do. So we need to understand how to support such organisations, yours included. I am ready to do everything to support you, of course, in this area of your work.

As for supporting the institution of the family, childhood and motherhood, I will now repeat: I specifically waited for this question and I will use it to once again say what is proposed to support demographics.

First, families will be entitled to a monthly child benefit from the birth of their first child until the age of 18 months, in the amount of the child's minimum subsistence, which will be paid to families with an average per capita income below 150% of the minimum subsistence level

for employable population. What does this mean? In 2018, this would be 10,523 rubles, in 2019, 10,836 rubles, and in 2020, 11,143 rubles.

Second, we will extend the maternity capital programme and expand the opportunities for its use, namely, and most importantly, maternity capital can now be cashed and spent in the form of a monthly cash payment from the birth of a second child until the age of 18 months, and used to pay for preschool education from the age of two months. Why are we doing this? To enable women to return to work as quickly as possible, and not lose her professional skills.

Third, as you know, in 50 regions of the Russian Federation, people receive monthly child benefits for their third and subsequent children until children are three years old. We will increase the number of these regions from 50 to 60 through redistribution within the system of norms.

Fourth, we will subsidise the interest rate on mortgage loans. What is the rate now? About ten percent, and anything over six percent will be subsidised by the state. This norm will be introduced from January 1, 2018 through December 31, 2022. After the birth of the second child, the mortgage interest will be subsidised for three years from the date the loan is issued, and in the case of the third child, for five years. According to our estimates, this will cover 500,000 Russian families in the coming years.

Fifth, the programme to create additional places at nurseries for children from two months to three years of age. Our goal is to ensure 100% availability of preschool education for these children by 2018–2019. Plans call for enrolling more than 326,000 children additionally to support low-income families and to improve the demographics.

Dmitry Peskov: Mr President, we've been on air for three and a half hours ...

Vladimir Putin: "Save the children," I promised them. Please, give her the microphone. It says, "Save the children."

Zalina Atayeva: Zalina Atayeva, Grozny TV.

Mr President, first I would like to thank you on behalf of the relatives of our compatriots, who have been released from conflict zones on your instructions. Hence, my question.

As you said earlier, Head of the Chechen Republic Ramzan Kadyrov is carrying out this huge amount of work on your instructions. The release of some 100 people, including Russian and Kazakhstani nationals, has already been secured.

There are some experts, though, who have been warning against doing this. What is your position on this issue? Should children and their mothers be given the chance to return to a normal life? Generally, how important is this for our country?

Thank you.

Vladimir Putin: This is the right thing to do, this is very important, no doubt about it. What Kadyrov is doing is a very noble thing and the right thing.

The children who were taken to conflict zones did not make the decision to go there. We cannot, we have no right to leave them there. Ramzan is doing the right thing and should continue doing it. We will be supporting him.

Let us move on to Vladivostok.

Sergei Milvit: Mr President,

Sergei Milvit, PrimaMedia, Vladivostok.

We all have respect for you and we like you. You often come to Vladivostok. It is a favourite city of yours. It is clear. We know this only too well.

I will speak briefly. The Year of the Environment is almost over. Mr President, I want to draw your attention to the fact that it never began in Vladivostok, what with trees being cut down in public gardens, minerals illegally mined, the seacoast polluted and forests cut down. Most importantly, children's camps in the city's suburbs are being transferred to private ownership. Half of them have already been privatised.

So, my question is:

Mr President, I would like to ask you to help preserve the 19,788 hectares of land that they have failed to preserve for many years now.

Vladimir Putin: What hectares you are talking about?

Sergei Milvit: This is a forest belt around the city. This is the Sakharny Klyuch conservation area, Sadgorod territory. There is a new urban development plan for Vladivostok. It is to be approved. The situation is as follows: we arrive at Sadgorod, as I am also involved in public activism, to find that the entire forest and Red Book tree species are fenced off. Do you see? There are plans to build country homes there. But look, the country homes have already been built there and Red Book tree species have been cut down and now they want to legalise this by revoking the area's status as a recreation zone. Do you understand what is going on? We ask you to help us preserve these forests and 400 public gardens in the city, which they also promised to protect.

And there is another big problem in the Snegovaya Pad. Only military servicemen live there.

Vladimir Putin: I know. I have been there.

Sergei Milvit: Thirty thousand children. Mr President, three districts, 30,000 children. They are suffocating. Our waste incineration plant is not equipped to deal with the problem. They installed filters, yes; they brought them from Norway or wherever, and they installed them, but there is smoke. You see, our people are suffocating, really.

Excuse me, colleagues, that is it, the last request. Please help us, Mr President, with these 19,788 hectares, and to deal with the incineration plant, the Snegovaya Pad neighbourhood in general, but most importantly, they have failed to build a sports facility for children over the past five years; they have simply put it on hold.

I am president of City Resident and Citizen, the Vladivostok City Development Foundation. I am asking you to help us deal with these problems. Civil society has been working on this for many years and has been unable to solve the problems. Thank you very much.

Vladimir Putin (Noise in the audience): Hold on. Listen, our colleague has asked a question. I have to respond to it, really. Please, I am asking you.

As President to president I would like to tell you the following. (Laughter.)

First, generally, the Far Eastern Hectare programme is working quite well. There are already about 110,000 applications; 33,000 contracts have been signed. There is a proposal to give this opportunity – to acquire a hectare of land in the Far East – even to our fellow citizens living abroad.

Second, we have allowed not only Far Eastern residents but also people living in other parts of Russia to acquire this hectare. And we will continue to develop this programme. Vladivostok has really made great headway in its development over the past seven or 10 years, simply amazing. It is a different city.

Of course, this is not enough. We will continue to develop [it]. When I talk about amazing progress I also mean the new airport, the new road, Far Eastern University on Russky Island and the two great bridges that residents in the Russian Far East dreamed about for as long as 100 years ago. And now we have built all of this. One of the bridges (or two) has even appeared on our banknotes.

As for the problem you have mentioned, from all indications, it does exist because under the guise of carrying out this project, land plots are provided that are part of the forest stock, and the land plots that are provided are actually part of the specially protected environmental zones. This is absolutely unacceptable and must definitely be dealt with.

Vladivostok is far away from the capital but, as they have always said in Russia, “it is too high to the Lord and too far to the Tsar.” There is a problem there that has not been solved

yet. I hate to have to say this, but I have to: The region is deeply criminalised. This applies to fishing, forests and other areas of economic activity. However, step by step, we will fix these problems and enforce order, which is necessary for people to live a normal life.

I will look into Snegovaya Pad and this plant without fail. This is the first time I have heard this. However, things need to be sorted out. The same goes for the sports centre, okay?

Right, Kazakhstan.

Aider Kurtmulayev: Good afternoon, Mr President. My name is Aider. I am the editor-in-chief of the Parntyor EAES [EAEU Partner] journal. Mr President, not so long ago, during the conference, you spoke highly of the EAEU's development pace and its indicators.

A few days ago, I interviewed the head of a research institute and I would like to say that all is not as well as you have been led to believe lately. The situation is a little more modest, more down to earth and I believe I can say why. Large companies – yes, there are state projects there and everything, but as for small and medium-sized businesses, unfortunately, they are not aware of the opportunities provided by the EAEU. They do not know about them because there are no sources, no special state support programmes, no TV channels, no radio stations. The journal that I have founded is making a difference, but unfortunately, not in the form [that is required]. Mr President, will there be a programme to support EAEU development or is this being done deliberately, contrary to the European sanctions?

Vladimir Putin: No, this has absolutely nothing to do with the European sanctions. The idea of establishing the Eurasian Economic Union belongs to President of Kazakhstan Nursultan Nazarbayev and it emerged long before our economic difficulties with other countries began, long before any sanctions. This is due to the domestic need to ensure advanced economic and social development in our countries and the wish to use the absolute competitive advantages that we inherited from the past: a shared infrastructure and energy system, an opportunity to communicate in Russian, and so on. Each of our countries has a lot of competitive advantages if we pool our efforts and use these opportunities. So the direction we have taken is absolutely right.

Now, as to whether I am correctly informed or misled. I told you that the gross GDP of the EAEU countries is 1.8 percentage points, higher than in Russia. These are objective data, so I am correctly informed. That is my first point.

Second, I said that trade was up 26 percent – domestic trade. This is what our joint statistics say. What you say has nothing to do with the data at my disposal. You say small and medium-sized businesses do not have sufficient information. I should tell you that you are absolutely right and that this is in fact the case.

Now, what needs to be done to overcome these difficulties, and to allow people to look more broadly at the opportunities provided by our mutual integration. First of all, I already said this

too, we need to adopt modern technologies, to exchange information, and we certainly need to support media like yours. We will think about what we can do to support you. We have the MIR TV channel, but this is probably not enough, although I think it has been doing interesting projects lately. We need to create unified information technologies: IT is one of the areas for our future joint work. We are now developing common algorithms not only in oil and gas trade, not only in the transport sector, but also general algorithms for digital technologies – an extremely important area. I have talked with all my colleagues about this, and I think that in the near future, at the end of this month, we will once again get together and discuss this, this time informally. We will meet, I hope we will have an informal meeting within the CIS, but we will also talk with our colleagues from the Eurasian Economic Union. This is how we will overcome the difficulties you brought up today.

Dmitry Peskov: Mr President, the Heroes of Russia are waiting for you at the Kremlin at 4 pm.

Vladimir Putin: Right. Please do not be angry with me. I would like to give you my greetings for the coming New Year. We really must wrap this up. No matter how much I would like to talk to you further, I really want to, but do not be angry. I will try to meet with you again in other formats.

Happy New Year! I wish you all the best! To all of you, your families, and Merry Christmas to those who celebrate it.

All the best to our country, and to the entire journalist corps. I want to assure you that we have heard you. I want to emphasize once again that we very much appreciate the role and importance of the press in today's Russian life. Let me express hope that we will work constructively in the coming year.

Thank you. Good luck.

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