



## Speech by Director General of Rosoboronexport Anatoly Isaykin

Good afternoon, ladies and gentlemen!

It's nice to see many familiar faces here. It's true we usually meet at public events such as exhibitions and conferences. It's great to see you especially in this hall, within the walls of Rosoboronexport.

First of all, I would like to announce Rosoboronexport's results for 15 years. This is precisely the time that has passed since the foundation of our organization and to the present day.

What are the results?

Perhaps the most important result is that today, amid difficult market conditions and unfair competition from some Western countries, I mean, first of all, the sanctions against not only Rosoboronexport, but defense industry as well, we are not lowering our annual targets. The targets for 2015 will be fully met.

In November 2013, Rosoboronexport's Board of Directors approved the development strategy through 2020. Of course, we did not think then about all the negative manifestations we are seeing now, including sanctions, the depreciation of the ruble, and inflation. Nevertheless, as it turned out, we had correctly identified the general trends in the global arms market in general, which helped us meet the priority goal for these years: to maintain the pace of arms deliveries at a level reached in 2012-2014. I recall that the arms supplies through Rosoboronexport amounted to \$12.9 billion in 2012 and \$13.2 billion in 2013 and 2014.

Let's remember where we started: this figure was a mere \$2.9 billion in 2000. That is, we have achieved a more than four-fold increase in export sales for the past 15 years: Rosoboronexport has delivered Russian defense and dual-use products worth over \$115 billion to 116 countries over this period.

As you will appreciate, this is quite a large-scale work undertaken by not only Rosoboronexport's team, but also the Russian defense industry as a whole.

I'd like to point out also the following: today, Rosoboronexport alone, which accounts for about 80% of all Russian arms exports, reviews annually about a 1,500 requests from foreign customers for the supply of Russian defense products.

Over 15 years, Rosoboronexport has provided the activities of more than 5,000 foreign delegations in Russia, headed by defense ministers, their deputies, chiefs of the general staff, service commanders-in-chief. Rosoboronexport's marketing efforts have resulted in almost 20,000 various contractual documents signed.

Rosoboronexport's export order book stands currently at \$45 billion. In general, the annual



portfolio of orders for Russian defense products has grown 5 times over 15 years that have passed since the establishment of the Company.

Rosoboronexport's portfolio of orders has become more stable and balanced across the services of the armed forces. I think that you all remember well the early years of Rosoboronexport's operations when Air Force equipment accounted for almost 81% of all deliveries. Now, the order book is more or less balanced across all the services of the armed forces.

The share of Air Force equipment is 41% of total shipments. Army equipment and weapons account for 27%: it's a quite noticeable change, meaning a more than ten-fold increase in army equipment and weapon supplies over the 15 years. Fifteen percent is for air defense equipment and 13% is for naval equipment. Other exports, including space-related and special technical facilities, account for 4%.

In the regional dimension, the Asia-Pacific region is now the biggest recipient of Russian arms (42%) followed by the Middle East and North Africa (36%), Latin American and the CIS countries (about 9% each). The other markets account for about 4%.

What are we pinning Russia's arms exports prospects on?

I recall that Russia has been the world's second biggest arms exporter for many years. And we aim to further strengthen Russia's position on the world arms market and maintain high export performance indicators.

High competitiveness of Russian arms gives us reason for optimism. We're pinning the greatest prospects on Sukhoi and MiG fighters, Yak-130 combat training aircraft, Mil and Kamov helicopters, S-400 and Antey-2500 air defense missile systems, Buk-M2E and Tor-M2E SAM systems, Pantsir-S1 SPAAGM system, Project 22356 and 20382 surface combatants, Amur-1650 submarine, modernized T-90SM MBTs, BMP-3 infantry fighting vehicles, new Typhoon and Tigr armored motor vehicles, Iskander-E tactical missile systems, and other weapon models.

I think that Rosoboronexport's project for the Integrated Safety and Security System for Major Administrative Entities, Critical Facilities and Frontiers of States will also be in demand around the world. It is arousing fairly keen interest among our customers. Ten type detailed integrated security system projects (for protecting borders, ports and coastal areas, providing security of cities and critical industrial facilities, holding mass sports events, etc) have been developed based on an assessment of existing threats. Such a system generates a single information space in order to coordinate and control the actions of law enforcement agencies, thereby greatly improving the efficiency of the fight against criminals and terrorists, riots, illegal migration, which is relevant in today's world.

In general, we are promoting thousands of unique products to the external markets. In parallel, the whole range of spare parts, materials, tools, support and training equipment, which are



supplied to maintain the exported military hardware, are being tallied and cataloged. The supply list encompasses more than 3 million items, including those cataloged in line with the international rules and NATO standards.

While previously we sold military hardware proper, now a package of services is provided to support the entire life cycle of military equipment supplied: maintenance, modernization, repair and disposal of time-expired weapons. Repair depots and service centers are established by Russian specialists, modernization is provided, and training of combat and maintenance personnel is held in many partner states. All these are the vital components of Rosoboronexport's comprehensive approach to military-technical cooperation, an approach that our MTC partners highly appreciate.

As you can see, the last 15 years have been significant and interesting for both Russia and for us. Of course, we relied on the vast experience of our predecessors, working closely with the veterans of military-technical cooperation.

Nineteen Rosoboronexport employees have been awarded state decorations, 286 employees – Russian Ministry of Defense's decorations, 845 employees – FSMTC of Russia's decorations, 62 employees – Rostec State Corporation's decorations, 27 employees – the decorations of other ministries and agencies for the results achieved since 2010, that is, over the past four-plus years.

It is important also to emphasize that, acting as a conductor of the state policy in the sphere of military-technical cooperation, Rosoboronexport does not forget to actively participate in charitable and sponsorship activities. Hundreds of such events have been carried out by us for 15 years. We have implemented more than 40 charity and sponsorship projects this year alone.

That's what I wanted to briefly highlight in the opening remarks.



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