

**Foreign Minister Yoriko Kawaguchi's Visit to the Far Eastern region
of the Russian Federation (Overview)**

June 29, 2003

1. Significance of Visit

The visit to Vladivostok this time by Minister for Foreign Affairs Yoriko Kawaguchi had been under consideration following a proposal by Vice-Chairman of the Russian Government Viktor Borisovich Khristenko at a meeting of the Japan-Russia Intergovernmental Commission on Trade and Economic Issues in October last year. The visit was timely and significant for the following reasons:

(1) As a follow-up to the visit by Prime Minister Junichiro Koizumi to Khabarovsk in January this year, the visit by Foreign Minister Kawaguchi served to clarify again the importance that Japan places on the Far Eastern region of the Russian Federation.

(2) The visit served to give a further impetus to the trend toward the strengthening of economic relations between Japan and the Russian Far East, through the holding of a Subcommittee meeting on the Economic Relations with Russian Far East Regions Intergovernmental Commission on Trade and Economic Issues, participated in by representatives of private companies as well, at a time when energy projects in the Russian Far East are making progress.

(3) Regarding cooperation between Japan and Russia on the dismantlement of decommissioned nuclear-powered submarines, which is

making progress especially at the Zvezda Shipyard, located in the suburbs of Vladivostok, Japan was able again to send a clear message to the Russian side that it places importance on this cooperation.

(4) Foreign Minister Kawaguchi and Vice-Chairman Khristenko signed Memorandum on the activities of the Japan Centers and the former confirmed that Japan's support for economic reforms through the Japan Centers would be continued and developed.

2. Visit to Japan by Prime Minister Kasyanov

As a result of the cochair persons' meeting, Foreign Minister Kawaguchi and Vice-Chairman Khristenko agreed that Russian Prime Minister Mikhail Kasyanov would visit Japan by the end of this year.

3. The Cochair persons' meeting of the Japan-Russia Intergovernmental Commission on Trade and Economic Issues

(1) Sakhalin Projects

(a) Foreign Minister Kawaguchi:

Regarding Sakhalin 2, the project owners recently decided on investment totaling about \$10 billion (of which \$4.5 billion is investment from Japanese companies). This decision was made possible because Japanese gas and electric power companies have committed to accept large-scale LNG (Liquefied Natural Gas) supplies for more than 20 years. The development of these projects will have a great beneficial effect on the Russian Far East region, including Sakhalin, through the increase of fiscal revenue on the Russian side, the creation of employment, infrastructure

construction, expanded orders for local companies, and so on. In order to facilitate the smooth implementation of these projects, Japan looks forward to the continued cooperation of the Russian government, such as the implementation of speedy certification procedures.

(b) Vice-Chairman Khristenko:

The Russian government welcomes the decision to newly invest \$10 billion in the Sakhalin 2 project. The Sakhalin projects are priority projects. Efforts will be made to speed up certification procedures.

(2) Pacific Pipeline

(a) Foreign Minister Kawaguchi:

In consideration of its strategic and geopolitical significance, Japan and Russia should cooperate toward the realization of the Pacific pipeline. I thank the governors of the Russian Far Eastern region for their support for the Nakhodka route and request the further support. Japan is ready to hold consultations with the Russian side on cooperation for oil field development in East Siberia on the premise that the construction of the Nakhodka route comes first. The Japanese government wants to hold full-scale discussions, including such cooperation, for the realization of the Nakhodka route and will shortly dispatch a mission for this purpose, headed by Director-General Iwao Okamoto of the Agency for Natural Resources and Energy.

(b) Vice-Chairman Khristenko:

Energy demand is expected to increase in the Asia-Pacific region, and the energy issue is a strategic one for Russia and for the development of the Russian Far East, too. Through the realization of this strategic issue, the Russian Far East can be incorporated into the Asia-Pacific region. We are

grateful to Japan for showing a strong interest and enthusiasm for this project. For Russia, supplying oil to the East is a strategic decision. At present we are examining the possibilities of specific routes. In doing so, it is necessary for us to consider upstream deposits and environmental matters. But the most important factor to be taken into consideration is the securing of economic rationality. We welcome the visit to Russia by a mission to discuss this project.

(3) ITER

(a) Foreign Minister Kawaguchi:

The ITER project was taken up in the summit meeting at the time of Prime Minister Koizumi's visit to Russia in January. I highly evaluate the fact that the strengthening of cooperation between Japan and Russia for the project has been confirmed at a high level.

Regarding the selection of a site for the ITER, I wish to ask for Russia's support for Japan's candidate site of Rokkasho-Village in Aomori Prefecture.

(b) Vice-Chairman Khristenko:

The ITER is an interesting theme, and the Japanese proposal has a lot of merits on various points.

(4) Kyoto Protocol

(a) Foreign Minister Kawaguchi:

Russia holds the key for entry into force of the Kyoto Protocol. If Russia ratifies the protocol, it will go into effect. I strongly hope that Russia will ratify the protocol as early as possible.

I highly evaluate Russia's leading efforts on the issue of climate

change, such as the holding this September of the World Conference on Climate Change. I strongly hope that the Russian government will display leadership and decide to conclude the Kyoto Protocol.

(b) Vice-Chairman Khristenko:

The Russian government will carry out an economic evaluation of the results of ratification of the Kyoto Protocol bearing in mind Russia's medium-term socioeconomic program and energy strategy until 2020.

(5) Trade and Investment Promotion Organization

(a) Foreign Minister Kawaguchi:

I look forward to coordination between Japan and Russia toward the establishment of this organization. The establishment of such an organization will create a network among individual efforts and enhance mutual trust through the expansion of information exchange. The accumulation of solid success stories, however small they might be, is the shortcut to the activation of economic exchange.

(b) Vice-Chairman Khristenko:

I hope for the early establishment of the organization.

(6) Other Matters

Foreign Minister Kawaguchi cited two problems on which there have been requests from Japanese private-sector business circles and asked for remedies: (a) the problem of the time taken for the examination to issue letters of invitation for the issue of visas and (b) the problem of the nonrecovery of advanced credit by Japanese companies to the UTRF Group, a fisheries company in Kamchatka. Vice-Chairman Khristenko replied that he would have these matters properly investigated.

4. Cooperation for Denuclearization

(1) On June 28 Foreign Minister Kawaguchi inspected the Zvezda Shipyard at Bolshoi Kamen in the suburbs of Vladivostok. In the presence of Foreign Minister Kawaguchi at the shipyard, Japanese Ambassador to Russia Issei Nomura and Deputy Minister of Atomic Energy Sergei Antipov, who are the representatives of The Committee on Cooperation to Assist the Destruction Nuclear Weapons Reduced in the Russian Federation, signed an Implementing Arrangement on dismantling a Victor III-class nuclear submarine No. 304, which is the first project in the “Star of Hope” (a program for dismantling nuclear submarines in the Russian Far East.)

(2) Pacific Fleet Commander Viktor Fyodorov said that the realization of support for denuclearization was an important issue and described the signing of the above-mentioned agreement as a “goal to the victory” in this field.

(3) In the co-chair persons’ meeting of the Japan-Russia Intergovernmental Commission on Trade and Economic Issues, Vice-Chairman Khristenko said that Japan-Russia cooperation for denuclearization was important as a global cooperation and formed a part of the G8 Global Partnership. He praised the cooperation from Japan for proceeding at a more rapid pace than in the case of other G8 countries.

5. Visit to the Japan Center and the Far Eastern State University

(1) In the cochair persons’ meeting of the Japan-Russia Intergovernmental Commission on Trade and Economic Issues, Vice-Chairman Khristenko

expressed gratitude for Japan's contribution to the Program on Training Managers as Executions for the Enterprises of National Economy of the Russian Federation through Japan Center, which serves as a focal point of such training. He requested Japan's continued cooperation in the Program, which will be extended until 2007. In response, Foreign Minister Kawaguchi expressed Japan's intention on continued cooperation and stated that Japan wanted to promote exchange among the enterprises of Japan and Russia by utilizing the network of former trainees at the Center.

(2) Visit to Japan Center and Signing of Memorandum

In the afternoon of June 29 Foreign Minister Kawaguchi visited Japan Center in the Far Eastern State University and, together with Vice-Chairman Khristenko, signed Memorandum on the activities of the Center between the Government of Japan and Russia. The Memorandum confirms that even after the elimination of the Cooperation Committee, Japan will continue and develop support for economic reforms undertaken in Russia under new scheme through the Japan Center.

(3) Furthermore, Foreign Minister Kawaguchi presented to Vladimir Ivanovich Kurilov, the president of the university, a catalog of the Japan Foundation's cooperation program for Japanese students at the Far Eastern State Institute of the University.

After the presentation of this catalog, Foreign Minister Kawaguchi, together with Vice-Chairman Khristenko, held talks with former trainees of Japan Center and students of the Far Eastern State University on such topics as Japan-Russia economic relations and cultural exchange.

6. North Korea

(1) In talks with Mr. Konstantin Borisovich Pulikovskii, Presidential Plenipotentiary Representative to the Far Eastern Federal District of the Russian Federation, Foreign Minister Kawaguchi explained, as Japan's position, the aim of achieving a peaceful and diplomatic solution, the refusal to allow the development of nuclear weapons by North Korea, and the seriousness of the abduction issue and asked for Russia's cooperation.

(2) Presidential Plenipotentiary Representative Pulikovskii:

We understand the gravity of the abduction issue, and we emphasize the necessity of cooperation especially among surrounding countries toward a solution. We support the three-party talks among the United States, China, and North Korea in March of this year, and we support the development of these talks into six-party talks including Japan and Russia. It is important to prevent North Korea's ambition toward nuclear development. International organizations, especially the United Nations, have a major role to play toward a solution.

7. Speech on the Far East

On June 29 Foreign Minister Kawaguchi gave a speech on cooperation between Japan and the Russian Far East at the regional government office of the Primorskii Krai. Touching on the historical ties between Japan and the Russian Far East, the North Korea problem, cooperation for denuclearization, defense exchange, and the present state of and prospects for cooperation in the economic field between Japan and the Russian Far East, Foreign Minister Kawaguchi made a direct appeal to residents of the

Russian Far East about the need to conclude a peace treaty between Japan and Russia. The speech was delivered in the presence of Deputy Prime Minister Khristenko, Governor of the Primorskii Krai Sergei Darkin, and Deputy Foreign Minister Alexander Losyukov. It was extremely well-attended with standing audience. (the auditorium's capacity was 650 persons)