

Russia, China seal trade ties with 3.5b USD in deals

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BEIJING — China and Russia on Tuesday cemented their burgeoning trade relationship with billions of dollars in new deals as Prime Minister Vladimir Putin was to meet his Chinese counterpart Wen Jiabao.

Putin, who arrived late Monday, was also due to meet President Hu Jintao as the two countries seek closer ties, and attend a summit of the Shanghai Cooperation Organisation, a regional security grouping, during his visit.

It is the Russian leader's first trip to China as prime minister, although he visited four times previously as president.

The Russian government said the official agreements due to be signed by the leaders included one committing each country to notifying the other of the launch of ballistic missiles from its territory.

About 40 economic deals worth around 3.5 billion dollars were signed early Tuesday ahead of the leaders' meeting, Russian Deputy Prime Minister Alexander Zhukov told reporters.

Zhukov gave few details but said the deals included financing arrangements between Russian and Chinese banks, adding that more agreements would be sealed between Putin and Wen.

"I think a meeting between the two premiers will be successful. A whole number of very serious intergovernmental agreements will be signed," he said, without offering specifics on those deals.

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He said talks on energy issues led by Putin's powerful deputy Igor Sechin were still ongoing.

"The talks are continuing," he said, declining further comment.

Sechin later refused to comment on a possible gas deal, but told reporters: "Work is going on all the time. China is a colossal market."

The Russian government said earlier that other agreements to be struck include a memorandum of understanding on developing high-speed train travel on Russian territory.

Despite a rocky Cold War relationship, Sino-Russian ties have grown markedly since the collapse of the former Soviet Union, with Russian energy and military sales driving the relationship.

Bilateral trade between the giants grew to nearly 48 billion dollars in 2008, nearly double the volume in 2004, according to Chinese figures.

"Besides deepening the strategic political partnership, Putin's visit will certainly advance bilateral cooperation in energy," Shi Yajun, an expert on Sino-Russian relations at the East China Normal University told AFP.

"Progress is likely to be made in a natural gas pipeline project as well as in nuclear energy."

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The two sides in 2006 signed an initial agreement on a pipeline to supply China with up to 80 billion cubic metres of natural gas annually, earlier press reports said.

But negotiations over the pricing of the gas have reportedly remained a major obstacle to a final deal.

Moscow and Beijing have a complicated history, and Russia has been watching China's growing economic and political might with a mixture of awe and unease.

However, in a message on communist China's 60th birthday on October 1, Putin and Russian President Dmitry Medvedev hailed Moscow's "strategic partnership" with Beijing, a term usually reserved for its closest allies and friends.

During Putin's visit, the two nations -- both permanent members of the UN Security Council -- are also expected to coordinate international diplomacy, especially how to respond over the Iranian and North Korean nuclear programmes.

On Wednesday, Putin will attend a heads of government meeting of the Shanghai Cooperation Organisation, a group dominated by China and Russia that has been touted as a counterweight to Western-led institutions.

Moscow has said an "important document" could be adopted at the meeting on joint efforts to combat the effects of the global financial crisis.

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The SCO also includes four ex-Soviet Central Asian countries -- Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan -- while India, Iran, Mongolia and Pakistan have observer status.