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President Vladimir Putin met with the directors of the leading news agencies of the G8 countries, Novo-Ogaryovo, June 2, 2006

Taking part in the meeting were President of the ANSA news agency Boris Bianchieri (Italy), General Director of Reuters Tom Gloser (United Kingdom), General Director of ITAR-TASS Vitaly Ignatenko (Russia), President of Kyodo Tsushin news agency Satoshi Ishikawa (Japan), Chief Editor of Associated Press Thomas Kent (United States), Chief Executive of Agence France Presse Pierre Louette (France) and President of Deutsche Presse-Agentur Malte von Trotha (Germany).

Transcript of Meeting with the Leaders of the News Agencies of G8 Member Countries

Vladimir Putin: Good afternoon dear gentlemen!

I am very glad to meet with you in Moscow. I want to thank you for accepting your Russian colleagues' invitation.

You are the heads of the largest international news agencies and your companies definitely occupy a special place among the international media.

It is through your news reports that the world learns about the majority of events that take place on our planet. The materials and facts that your reporters obtain become the basis of news programmes, radio broadcasts, and editorials in newspapers and magazines.

Independently of your national origin, there are common and truly professional principles that unite you in your work. Principles such as efficiency and the desire to obtain the freshest, most objective and trustworthy information. All of this unites different countries' news agencies and establishes them as partners in international cooperation in the sphere of information. I know that you have been successful in exchanging information and developing joint media projects, including with your Russian colleagues. And I believe that in practice you were convinced of their high level of professionalism.

I shall point out that even in older times national news agencies developed as the world's major suppliers of information. In new democratic Russia they are also assuming their role as information agencies on a global scale. And each year their potential, technical capabilities and network of correspondents, including those in foreign countries, increases.

It is especially important to note that the role and scale of independent agencies continues to increase and develop in today's world.

Soon journalists from your companies will report on the G8 summit St Petersburg. This is

really one of the world's most significant events. Issues on its agenda have truly global implications and are pressing issues for more countries than simply the G8 member states.

We sincerely hope that your work will be successful and interesting, and expect that the leading international news reports will contain full and objective information on all the issues and events that take place in St Petersburg.

For our part we will try to do everything possible to provide the media with the best organizational and technical conditions for going about their work.

Before the summit I would like to quickly go over the fundamental points on the agenda that we are putting forward for discussion.

This is Russia's first G8 presidency and we suggested emphasizing the three themes that you already know. I will just remind you that these themes are international energy security, the fight against infectious diseases and education. We chose these themes as priority ones in part because they can improve the quality of life of millions of people and, as a whole, ensure that humanity develops in a stable and positive way.

Russia's strategy for ensuring international energy security remains as it always was and is well known. We want to form a stable system of legal, political and economic relations that ensures a reliable demand and stable offer of energy resources on the international market. Of course, on the conditions of all necessary measures to ensure technological and environmental safety.

We consider one of the main tasks to be further investing as well as incorporating new technologies into the extraction process, transport and use of traditional energy resources.

Global energy security is impossible without the development of nuclear energy. In connection with this we are putting forward the idea to create an international network of nuclear centres. Their goal is to provide new consumer countries with nuclear energy for peaceful purposes and to simultaneously ensure technical safety and international monitoring over non-proliferation. Because energy resources are limited we consider it essential to develop a programme that oversees energy supply and energy efficiency. And finally, Russia supports improving the quality of protection for the major components of the world's energy infrastructure. This implies protecting them both from technical threats and the threat of international terrorism.

We consider that one of the international community's strategic tasks consists in fighting infectious diseases. Humanity has already achieved impressive successes in this field. Many very dangerous diseases which claimed the lives of hundreds of thousands and sometimes millions of people have disappeared. Today's pharmaceutical industry provides us with an effective means both for preventing and treating diseases. An international system designed to monitor large-scale diseases is developing actively. Along with this developing countries' expenses in the health sector are still far below their real needs and this means that millions of people do not have access to many vaccines and medicines. And along with this even the richest states are not able to lower the levels of some of the most infectious diseases such as AIDS or tuberculosis. Recently the world was faced with an outbreak of avian flu. And we must acknowledge that the international community is not always able to react to epidemics

in a prompt and effective way.

When discussing such serious issues we knowingly refused to make false promises and put forward catchy slogans. We consider it much more important to observe the obligations that the G8 has already taken on concerning the struggle against epidemics and, in particular, attaining the goals we declared at Gleneagles. I am referring to providing those suffering from AIDS with access to necessary treatments and increasing the international community's readiness to fight against new diseases.

Regarding education, we intend to draw attention to several aspects. They include increasing the quality of education and making it easier to receive recognition for degrees obtained from different education systems. In connection with this we are proposing to create an international centre that will evaluate different education systems by comparing the amount of knowledge that students receive. Its main task will be to certify graduates' qualifications and, in practice, provide them with access to the international labour market.

We also greatly value developing cooperation between research establishments, businesses and universities. This will allow to eliminate unnecessary barriers in the innovation process and expand the possibilities for launching joint projects. Russia actively participates in the programme Education For All and will continue to develop principles that help evaluate the quality of primary education. We intend to contribute a significant amount of money to this programme already this year.

The fact that population mobility is increasing requires creating special programmes to facilitate immigrants' social, cultural and professional acculturation. This problem is so topical that your agencies draw attention to it almost every day. We see what is happening in other countries and it gives us cause for concern. Russia is country with a very large immigrant community and Russia needs more immigrants. Of course this is a very important problem for everyone. We shall certainly address this issue in St Petersburg.

In connection with this, we consider it especially important to constantly share our experiences as well as work and educational methods. Practice has shown that these programmes really do help immigrants find their place in a new society and, in general, act as an important instrument within migration policy.

Of course, this is not a full list of all the themes that will be raised during the summit discussions. We will absolutely discuss problems such as the non-proliferation of weapons of mass destruction, the settlement of regional conflicts and the struggle against terrorism.

We will also address the issue of helping the African continent resolve serious social and economic problems, develop health systems and other factors that influence the population's quality of life. In general, at the summit we are prepared to examine any aspect of topical issues and engage in a joint search for answers to these problems.

And as a conclusion to this opening address I would like to say that we consider our G8 presidency as a continuation of what has been done by the G8 so far, including what was done at Gleneagles. We also consider our presidency as the stage that precedes that of our German colleagues who will assume the presidency in 2007.

I think that we have an Italian colleague who is with us today. Today is Italy's national holiday. First of all on my behalf and on behalf of all the Russian people I would like to congratulate you and all Italians on this holiday. Secondly I would like to give you the opportunity to say a few words in connection with this.

Please go ahead.

B.Biancheri: Thank you Mr President for your kind words. They touched me very deeply. I would especially like to thank you for giving news agencies the opportunity to talk to you today.

Mr President, as you just mentioned in addition to the three basic themes several other issues will be discussed in St Petersburg. As we know the UN system is undergoing certain difficulties connected with the lack of trust in this organization and the fact that the UN does not have adequate decision-making capabilities.

Mr President, can the G8 and should the G8 play a special role in resolving international conflicts and global problems including, for example, a necessary UN reform.

Thank you.

Vladimir Putin: Despite Italy's national holiday, I will allow myself to disagree with you.

First of all, I completely disagree with you that the UN is losing its significance. Was there ever a time when the UN was able to easily and simply provide solutions to complex and contentious international problems? Was it easier during the Cuban missile crisis? And I could provide you with other examples.

And the fact that today issues are discussed openly within the UN and that the UN remains a platform for settling international problems rather than serving the foreign policy interests of any one state makes it not only more universal but absolutely necessary for developing acceptable decisions in today's international arena. We do not have any other such universal international organization. We do not have any other such international forums that could replace the UN, including the G8. Along with this the G8 is an important instrument for coordinating positions as well as developing common approaches towards today's most important and perhaps most painful problems.

But it is only a club for coordinating positions, while developing solutions, including obligations for participants in the international dialogue, solutions that constitute an important part of today's international law, takes place under the auspices of the UN.

T.Kent: Yesterday six countries met to discuss the Iranian problem. If possible could you confirm what Russia's position is on this issue – will Russia participate in economic sanctions against Iran if Iran does not agree with the existing offer? And will Russia participate in negotiations concerning Iran?

Thank you.

Vladimir Putin: There is a proverb that says if a grandmother had certain reproductive

organs, she would have been a grandfather. Politics does not accept subjunctive mood. First of all we must develop common approaches with our partners, approaches that would be acceptable to our Iranian partners and that would not restrict their possibilities for using modern technology. At the same time these approaches must completely assuage the international community's concerns about the non-proliferation of nuclear weapons and nuclear technologies that could prove dangerous for international peace.

What form these decisions will take will become clear in the course of discussions with our European and American partners. In any case we welcome the fact that the USA has decided to join the negotiation process. I consider that the American administration has taken a very important step. And this allows the whole process to take on an absolutely new character. In my last conversation with the President of the United States I agreed that Russia should participate in this process. Of course we will also participate in this process.

Our main position is well known. We are against the use force in any circumstances. That is clear.

We also think it is too early to talk about sanctions. We must engage in a detailed and profound discussion with the Iranian leadership. Only after that will it be possible to speak about the process' prospects for development. But in any case Russia is ready to participate actively in this process.

T.Gloser: Mr President, first of all I would like to thank you on behalf of us all for giving us this opportunity. I would like to use this opportunity to thank Mr Ignatenko, with whom we have excellent professional and personal relations, for organizing this meeting. He is an excellent diplomat, even in his official capacity.

My question concerns energy policy. Right now the oil price is very high. These high oil prices enabled you to establish a Stabilization Fund. That is proof of foresight. But my question is as follows: if oil prices fall again and the price of oil goes down to about 30-40 USD, what steps do you think are necessary so that the Russian economy could have sustainable competitive advantages?

Vladimir Putin: You ask about when the oil price goes to 30 or 40 USD. I would like to inform you that the Russian Federation's budget is calculated based on an oil price of 27 USD per barrel. For that reason we are creating a very stable situation both for solving Russia's social problems and developing its economy; here I am referring to the budget's role in this process.

But as a whole one of the most important tasks that faces Russia is the task of diversification. We have a whole list of measures designed to make our economy more innovative. First of all, these measures involve stimulating our economy through the tax regime. We have already taken a number of decisions which involve certain structural changes. I don't want to go into detail but, say, allocating research and development activities to expenses which, as a matter of fact, are exempt from taxation, and a number of other such tax measures have already taken effect and are producing the desired results. And we are planning other means to regulate taxes, for example changing the tax charged for extracting energy resources.

There are other means to regulate taxes that will be used to achieve these goals but, of course, that is not all. The government and the State Duma are taking decisions. We took a number of measures that encourage innovation and first and foremost concerning infrastructure. For example, the Law on Concessions that ensures that investors will receive easier access to infrastructure in Russia.

We made the decision to establish an investment fund which will also be used for attracting private capital towards infrastructure and we hope to create a partnership between the public and private sectors in this field. We plan to create a venture fund. We made the decision to establish high-tech zones with special administrative and tax regimes.

All of this together and also a number of other measures that we are planning will, I hope, allow us to increase innovation within the Russian economy. If this all works out – and I have not doubts that it will – then the changes and fluctuations on the world oil market and the prices of energy resources in general will not be able to affect the Russian economy in any way.

And of course one of the most important and perhaps the most difficult of our problems today concerns the development of small and medium businesses. Their development helps the whole economy develop in a stable way, just as it would in any other economy.

P.Luet: Mr President, I would also like to thank you for giving us the opportunity to meet with you. By doing so you recognize the role that news agencies play in providing news and establishing democracy everywhere in the world.

Just recently a vote was held in Montenegro, following which Montenegro became an independent state. Do you think this constitutes a legitimate precedent for regions such as Abkhazia and South Ossetia to become a part of the Russian Federation?

Thank you.

Vladimir Putin: Russia never raised the issue about joining any territories beyond its borders to the Russian state. And we have no plans to do so.

Yes, Montenegro is a telling example. But it is not everything because there is still the Kosovo problem. Together we must understand and decide what are the priorities when resolving such problems. Whether protecting the territorial integrity of today's states is a fundamental priority or whether our priority consists in defending the concepts of political expediency and historical justice, something that is perhaps more difficult to define.

I consider that we must develop uniform rules, norms and approaches to punctual events in different regions of the world. Otherwise there will be chaos. Since when we hear that in one region of the world or in part of Europe – just a stone's throw away by Russian standards – one approach is possible yet in another place such an approach would be absolutely inappropriate, it is difficult for us to understand why. And I am not even speaking about the difficulty of explaining this approach to one's citizens.

Because if someone considers that it is possible for certain territories that have difficult relations with the state in which they are to become independent, if such precedents arise,

then they will have a negative influence not only in post-Soviet space. These precedents will also carry negative implications for the so-called rich countries of Europe. It will not only be difficult to explain to the inhabitants of South Ossetia or Abkhazia why Kosovar Albanians can separate from the country they are now formally a part of, but that they can't. What will happen in Spain or in France? Or even in Italy where many different groups want to separate?

I am very worried about this. And I would like Russia's concern to be transmitted and shared by all. We must understand that this is not a sports competition in which someone wins something back from someone else. Defining general principles and skillfully protecting those principles will act as an important measure in ensuring the future stability of international relations.

M. Trota: Mr President, many thanks for agreeing to meet with us.

I would like to come back to the energy issue. For over 40 years Russia and Europe's energy relations were harmonious ones. However some partners are now arguing about the reliability of Russian deliveries of energy resources. Europeans look a bit strangely at Gazprom's efforts to start working in the European market. On the other hand, there are many countries who want more liberalization in the Russian energy market and I would say that they are trying to obtain their share of the Russian gas and oil markets. Is this a temporary phenomenon? Or is it the end of harmonious relations between Russia and Europe in the energy sector?

Vladimir Putin: I consider that our business partners, especially European ones, never doubted and today do not doubt that their Russian partners are responsible. And we see such issues and their positions as a means to incite us to make one-sided decisions which would satisfy our partners and but would not be in the interests of the Russian economy. In our opinion this is just competition.

Russia has been delivering energy to Europe for 40 years. There was never a day or any hour that witnessed a failure. And at the beginning of this year Russia provided full, and I want to stress it, the full amount of deliveries to our western European partners and European consumers. To understand why Ukraine, a transit country, illegally siphoned off a significant part of European resources you must not ask us you must ask Ukraine. And let's not complicate things unnecessarily. Let's talk directly and honestly about this problem.

Our western friends supported the 'orange events' in Ukraine in a very active way. We see perfectly well what is happening there the whole time. The country has been faced with a great deal of problems. But if you want to support what happens there in the future, then you will have to pay for it. Why should we pay for that?

Everyone is well aware that over the last 15 years Russia subsidized the Ukrainian economy by a sum that amounted to three to five billion USD each year. I want to emphasize that we did this every year. And each year we raised the issue of whether we should change to the European regime for determining prices.

Let's work out uniform rules together. You, for example, represent a German news agency. Why should German consumers pay 250 USD for a 1000 cubic metres and Ukrainians 50? If

you want to give Ukraine such a gift why don't you pay for it? Why do you want us to give such presents? Take these three to five billion USD, take them from the pockets of German taxpayers, and explain to them why you are doing so. We have nothing against this. Pay up. That's the first thing.

The second concerns access to our energy systems. I want to emphasize that they are our energy systems. The transport systems have been paid for by Russian money and the deposits belong to the Russian people. We have a very responsible energy policy. We are very cooperative during this teamwork. But we will always look for mutually acceptable decisions. Just recently at the Russia-EU summit we discussed these problems in a very frank, companionable and even friendly way, and this was very pleasant for me. I asked our partners a question and I can ask you the same question. What are we talking about when you try to convince us to ratify an energy charter and other agreements? We are talking about access to two types of infrastructure – infrastructure used in extraction and for transportation, which is first and foremost our main pipelines.

It should be a shared, mutual decision. So it is natural that we are asking the question: okay, our partners are allowed to use our infrastructure for extraction and transport but what will you let us do? Where are the deposits that we can help exploit? There are simply none. As a matter of fact it is very one sided. And many of our partners with whom we met recently in Sochi at the Russia-EU summit agreed that together we need to look for methods of cooperation that would satisfy both sides.

With the German company BASF we found such a solution. We allowed them to start extracting in one of the major Russian deposits. We evaluated their transport possibilities in Germany, actually an independent evaluation was made, and BASF allowed us to use its network for distributing gas. We consider that this is a very good example of cooperation and establishes a really new level of trust that joins our economies and establishes the necessary conditions for teamwork and trust. But no one-sided solutions will be accepted.

S.Isikaba: Mr President, thank you very much for meeting with journalists from the G8 countries.

Allow me to ask a question that presents a mutual interest and concerns Russian-Japanese relations.

As you know 50 years have passed since diplomatic relations were established between the Russian Federation and Japan. According to the 1956 declaration, after signing a peace treaty Russia should give two islands, Habomai and Shikotan, to Japan. Nevertheless, Japan demands that all four islands be returned. It is for this reason that even today a peace treaty has not been signed.

In your opinion, is there a third way or a conciliatory solution to this problem? Or it would it be possible to establish a special legal zone to develop joint economic activities in these islands? Do you think that such a possibility exists?

Vladimir Putin: Mr Isikava, I should tell you that Russia never considered that she should give any islands back. But during the negotiating process in 1956 we made a compromise with our Japanese colleagues and agreed to the well-known text that you mentioned just

now. It is true that the declaration mentions giving Japan two islands but the declaration does not state under which conditions or under whose sovereignty. These are all questions that the authors of the texts left open. I draw your attention to the fact that the declaration was ratified by the Supreme Soviet of the USSR and the parliament of Japan. However, as a matter of fact, Japan unilaterally refused to implement this declaration even though Japan had initiated signing this document.

Several years ago, once again at Japanese initiative, we returned to this declaration. I can almost reproduce one of my colleague's questions word for word: 'will Russia agree to come back to the declaration of 1956?' After a certain amount of reflection and a number of consultations within Russia we once again agreed to meet our Japanese partners halfway. We said: 'we are ready'. And somewhat later on we heard that Japan didn't want to. In that case, why did they raise the issue of returning to the declaration?

We do not want to dramatize anything unduly. Japan is one of our very important partners. And I can only regret that I did not mention Japan in my yearly Address. This was my mistake. Besides, Japan is not only an important partner today but a very promising partner for Russia in the future. We would like for all of these problems, all of this historical legacy, to be resolved. And we are going to look for ways to resolve these problems.

V.Ignatenko: We worked together for several days. I think that we still have some questions left and we will still have the opportunity to discuss them.

Vladimir Putin: I would like to invite you all to dinner and we shall continue to talk there. I will talk more concretely and in more detail about energy issues and other ones, all the issues that we consider the most difficult ones.

But I can already add something to what I just said. Undoubtedly we will implement all our agreements and develop our cooperation. I will repeat once again that we only need to find adequate ways to satisfy our mutual interests. It is absolutely necessary that we do this. Without this there is no international cooperation possible nor is with Russia in the energy sector. This was always the case before. And we are not going to change the rules of the game in the future. In fact, our friends in Europe and in other countries are asking today that we allow them into the very heart of our economy. One of the colleagues asked earlier: 'what will happen to Russia's economy if oil prices fall?' True, this is very important for us today. And they ask us: 'will you let us in to the very heart of your economy?'. Of course the answer must be an asymmetrical one. Even today there are some decaying COCOM lists that limit the high-tech products that are allowed to enter the Russian economy. Why? The cold war has been over for a long time, the Soviet Union has also ceased to exist, yet the restrictions remain.

I can now give you the outline of the many issues and problems that we have and that we want you to listen to. We are not imposing anything. We have resources. We are offering them. You require them. Let's search for solutions that would increase the level of trust and would allow us to benefit from long-term stable cooperation for many decades to come. Of course this is possible. And this is what we want.

Please, go ahead.

B.Biancheri: Mr President, I would like to add just a couple of words to what has already been said.

Thank you very much for inviting us to this interesting meeting, thank you very much for your openness and for your frankness in answering all these questions.

And I would just like to add, Mr President, that your idea to bring the news agencies that represent the G8 member states together was very successful. And we hope that our group will permanently work so that the news agencies continue to maintain contacts between them in the future. It will be some kind of Moscow Group, if it is possible to say so. I hope that we will continue this tradition in the future. Of course, provided that you support this idea.

Vladimir Putin: Excellent idea. Thank you very much.