

# Russia, Japan Adopt Partnership Plan

by Rachel Douglas

Following his own year-end state visits to India and China, Russian President Vladimir Putin began the 2003 diplomatic calendar by receiving the leader of another Asian powerhouse, Japan. Prime Minister Junichiro Koizumi came to Moscow Jan. 9-11 for talks, then visited Khabarovsk Province in Russia's Far East on his way home. While attempts to defuse the U.S. showdown with North Korea were, inevitably, high on the Putin-Koizumi agenda, it was the scope of economic cooperation discussed, the commitment to a new "strategic partnership," and the agreement to work around their decades-long territorial dispute, that led the Russian press to characterize the summit as "epoch-making."

According to Russian reports, Japan is working toward \$13 billion of investments into oil and gas projects in Russia, including the already started Sakhalin 1 and 2 projects and a possible pipeline from Eastern Siberia to the Pacific, which would open up the whole East Asia and Pacific market to Russian exports. Another \$20 billion could be directed into other areas of energy cooperation, including nuclear energy. Koizumi was prominently quoted in the Russian press, declaring that Japan is now interested in "large-scale economic projects" in Russia. *Izvestia* cited an unnamed official from the Japanese delegation, who said, "If we could combine the economic power of Japan with the resources of Russia, then fantastic possibilities would be created, that could change the whole world."

The two leaders adopted an Action Plan which Koizumi called a road map for the development of bilateral ties, with regional implications. It lists more than a dozen areas of economic cooperation besides energy, including innovations in credit mechanisms for financing joint projects, fisheries, forestry, atomic energy, space exploration, consultations on the function of the Trans-Siberian Railroad, and economic ties in northeast Asia. The biggest energy project discussed is also the most controversial: construction of a 2,485-mile-long, \$5 billion oil pipeline from Angarsk (Lake Baikal area) to Nakhodka (a Russian Pacific port). The controversy arises because this project is usually seen as mutually exclusive with the Angarsk-Daqing pipeline (1,491 miles, \$1.8 billion), under negotiation between Russia and China. Yukos, Russia's second-largest oil company and the developer of the Angarsk fields, favors the Daqing option. The state-owned Transneft pipeline company advocates the Angarsk-Nakhodka route, as not locking Russia in to just one market.

Transneft spokesmen have said they do not exclude simultaneous implementation of the two projects.

The Angarsk-Nakhodka pipeline would be expected to invite the exploration of new oil deposits along its route, as well as serving as an axis of development through Eastern Siberia and the Russian Far East. The Action Plan commits Russia and Japan to cooperate on pipeline construction, "in order to raise the level of energy security in the Asia-Pacific Region and the world as a whole." It also seeks strengthened ties between Japan and the relevant Russian regions. On Jan. 11, Koizumi became the first Japanese Prime Minister to tour this area, travelling to Khabarovsk to meet, among others, Governor Ishayev—organizer of the famous "Ishayev Plan" for developing the Russian economy, and a major promoter of cooperation with Japan.

A carefully worded section of the Action Plan deals with the territorial dispute over the four southern Kurile Islands, which remains the obstacle to finalization of a peace treaty between Russia and Japan to end World War II. The thrust of this section is that talks on this will continue, on the basis of joint declarations dating back to 1956, but that Japanese-Russian relations are too important to be stalled while waiting for a peace treaty. Putin did raise eyebrows in Russia when, in reply to a journalist, he went beyond the Action Plan's language about "overcoming the difficult heritage of the past," to note that "it must be taken into account, what events and what decisions resulted in these islands being under Russian jurisdiction." Russia has occupied the four islands since the end of World War II. Reflecting sensitivity on both sides to popular anger about possible territorial concessions in the future, the Action Plan calls for "efforts to explain to the public in both countries, the importance of concluding a peace treaty." But no time limits are set. Thus, Prime Minister Koizumi could return home and tell a meeting of his political party that a peace treaty will be signed, after the four islands are returned to Japan, without this being a precondition for any other components of the agreement. A Russian diplomat quoted by Japan's Kyodo news service said about the comprehensive scope of the Action Plan, "Japan has always [before] focused on the territorial issue, and this is the first time the Japanese have become realistic."

Putin and Koizumi stressed their commitment to a peaceful settlement of tensions in the Korean Peninsula, in the wake of North Korea's withdrawal from the Nuclear Non-Proliferation Treaty. After his meeting with Koizumi on Jan. 10, Putin said, "We paid attention to the fact that the North Korean leadership is leaving the door open for negotiations." He pledged Russian help in reestablishing full relations between North Korea and Japan, and hailed Koizumi's recent visit to Pyongyang as "a courageous and very correct, effective step."

Japanese Defense Force chief Sigeru Ishiba arrived in Moscow Jan. 14 on invitation from Defense Minister Sergei Ivanov. He also met with Foreign Minister Igor Ivanov.