Between June 14-18 Russian and Chinese heads of state interacted on a daily basis at three summits: the Ninth annual SCO summit and the first ever Brazil, Russia, India, and China (BRIC) summit (both in Yekaterinburg), and their own annual bilateral meeting in Moscow. The locus of Russian-China relations was, therefore, “relocated” to Russia. Economic issues dominated these meetings as the global financial crisis deepened. Mounting danger on the Korean Peninsula and instability in Iran were also recurring themes. President Hu Jintao’s five-day stay in Russia ended when he joined President Dmitry Medvedev to watch a spectacular performance by Chinese and Russian artists in Moscow’s Bolshoi Theatre for the 60th anniversary of Russian-China diplomatic relations.

All roads lead to Yekaterinburg …

Situated on the east side of Russia’s Urals Mountain, the city of Yekaterinburg, the third largest in economic status and fifth in population in Russia, played host to two international summits: the ninth Shanghai Cooperation Organization (SCO) Heads of State Council meeting and the first summit for BRIC, the acronym coined in 2001 by Goldman Sachs chief economist Jim O’Neill for the four “emerging economies” of Brazil, Russia, India, and China.

Yekaterinburg certainly represents Russia’s past. Founded in 1723 and named after Empress Catherine I (Yekaterina), the wife of Tsar Peter the Great, the city was also where the last tsar, Nicholas II, his wife Alexandra, and five children were executed by the Bolsheviks. In World War II, Yekaterinburg, which was renamed Sverdlovsk after the Bolshevik party leader Yakov Sverdlov from 1924 to 1991, became the center of Soviet heavy machinery and arms industries and was instrumental in sustaining Soviet resistance against the Germans. The same industrial base formed the core of Soviet military power during the Cold War.

Medvedev’s choice to host two international conferences in Yekaterinburg, however, went beyond the city’s past glory and ghosts. Perhaps more than any other Russian city, Yekaterinburg represents an enduring geopolitical fact of life: it cuts Russia’s vast landmass into European and Asian halves with the Euro-Asian demarcation line running through the city. This time, Medvedev seems to hope that Russia’s future, particularly its external relations, would be launched from Russia’s geostrategic and cultural center.

Whether such a choice by Medvedev – who is widely seen as being more “pro-West” than his predecessor – was strategic or tactical is anybody’s guess. One may recall, however, Vladimir
Putin chose St. Petersburg, the most Westernized Russian city, to host the SCO’s annual summit in June 2002. After seven years and with a much stronger power base (though somewhat softened by financial crisis) Russia appeared to be moving away from the West. Coincidentally, Medvedev picked Russia’s Far Eastern city of Khabarovsk to hold the Russia-EU summit on May 22. For this, European participants had to fly across nine time zones (from Brussels). In addition to making “the European leaders feel the greatness of Russia,” as Medvedev stated to VestTV, Khabarovsk was probably used to remind Russia’s European partners that Russia has the vast Chinese market as an alternative to exporting energy to Europe. Moscow and Beijing finalized in April, after more than a decade of hard bargaining, oil deals worth a total of $100 billion, including China’s $25-billion loan to finance Russia’s construction of an oil pipeline to China and an annual supply of 15 million tons of oil for 20 years.

Moscow’s game of geopolitics, however, was not only applied to Europe. Less than a month before the EU-Russian summit in Khabarovsk, Chinese Defense Minister Liang Guanglie and his military delegation, while attending the SCO defense ministers’ meeting in Moscow, were invited to travel to Russia’s North Caucasus Military District to discuss regional security with Medvedev. Two days later (April 30), Russia signed five-year defense agreements with Abkhazia and South Ossetia, Georgia’s two breakaway regions, allowing Russian forces to guard their borders.

The Yekaterinburg summits, therefore, represented both symbolism and the substance of Russian foreign policy under Medvedev and Putin. This time, Chinese President Hu Jintao was in town and ready to reciprocate.

SC0 comes of age: Medvedev style

For 10 months as SCO’s rotating chair, Russia had been working hard for the annual summit at Yekaterinburg. This was partially to regain trust from as well as influence among the Central Asian states within the “post-Soviet space” after Russia’s brief war with Georgia in August 2008. Since the last gathering of SCO leaders in Dushanbe, Tajikistan, two powerful external trends were descending on the SCO member states. One was the global financial crisis, which left no SCO nation behind. The other was the redirection of U.S. military operations from Iraq to Afghanistan and Pakistan under the Obama administration. Both were considered destabilizing for the region and a challenge to the regional security group.

Russia started the ball rolling at the end of the first quarter. On March 27, Moscow hosted a special conference on Afghanistan for the SCO member states. Participants included UN Secretary General Ban Ki-moon, U.S. Deputy Assistant Secretary for South and Central Asian Affairs Patrick Moon, NATO Deputy Secretary General Martin Howard, and Secretary General of the Organization for Security and Cooperation in Europe Mark Perrin de Brichambaut. Their presence signaled a new outreach by the SCO to the West, whose powerful military alliance was deeply entangled in the war in Afghanistan. President Medvedev joined and spoke at the conference, which ended with a joint statement and an action plan to deal with terrorism and drug trafficking in Afghanistan. On the same day, SCO’s Regional Anti-terrorist Structure (RATS) held its 14th session in Tashkent and approved a draft program of cooperation in the fight against terrorism, separatism, and extremism in 2010-2012. The session also accepted a
Russian proposal to hold a joint session of special and law enforcement service chiefs of the SCO member-states at the headquarters of the Russian Federal Security Service’s (FSB’s) special operations center in May.

With this “Afghan kickoff,” Russia played host for the seventh session of the SCO prosecutor generals in Moscow on April 13. This was followed by a three-day antiterror drill involving 1,000 SCO military personnel in Tajikistan on April 17-19. Russia was believed to have provided the bulk of the force. By the end of April, preparations for the Yekaterinburg summit quickened with the seventh SCO defense ministers meeting in Moscow on April 29 where the defense chiefs discussed the possibility of expanding exercises with SCO observer states (Iran, India, Pakistan, and Mongolia). May was the most hectic month for Russia’s SCO operation as it held the annual foreign ministerial meeting in Moscow (May 15), the first SCO interior ministers meeting in Yekaterinburg (May 18), a meeting of SCO officials in charge of anti-drug operations in Moscow (May 19), the fourth session of SCO Security Council secretaries in Moscow (May 20), and an economic forum jointly hosted by the SCO Business Council, the SCO Interbank Consortium, and the city of Saint Petersburg (June 5). Although the fourth session of the SCO emergencies ministers was held in Aktau, Kazakhstan on June 5, this was preceded by a SCO disaster relief drill in Noginsk in the Moscow Region on May 19-22 with search-and-rescue teams from Kazakhstan, China, Russia, and Tajikistan. The SCO member and observer states and other states including Belarus, Bulgaria, and Lithuania sent observer delegations. While most SCO activities were routine and prescheduled, and should occur in Russia since it is the rotating chair, President Medvedev’s presence at the special Afghan session and annual foreign and defense ministers meetings, however, was quite unusual.

By the time the SCO heads of state convened in Yekaterinburg, the key documents – the Joint Communiqué and the Yekaterinburg Declaration – were ready to be inked. While the former is devoted to SCO internal affairs, the latter focuses on broader and more global issues. Several other documents were also signed:

- SCO Counter-Terrorism Convention, which cements the legal base for counter-terrorism interaction in the SCO framework and could take cooperation in this field to a new level.

- SCO Regulations on Political Diplomatic Measures and Mechanisms of Response to Events Jeopardizing Regional Peace, Security and Stability, which offer a mechanism for consultations, consolidate positions, and improve interaction in international affairs.

- Agreement among the Governments of the SCO Member States on Cooperation in the Field of Ensuring International Information Security.

- Agreement on Training Officers for Counter-terrorism Agencies of SCO Member States.

- Decision to offer Belarus and Sri Lanka partner status in SCO dialogue.

Judging from the items and activities before and during the Yekaterinburg summit, the regional organization was broadening and deepening its institution building (for disaster relief, personnel
training, etc.) and operational outreach (adding dialogue partners, American and NATO connections, etc.).

Several new elements were noticeable at the SCO’s Yekaterinburg summit. One was new faces among the heads of state. For the first time, India was represented at the annual summit by the prime minister. As one of the two newly defined “dialogue partners” for the SCO, Sri Lanka President Mahinda Rajapaksa joined the regional group for the first time. The other new partner, Belarus, was not represented at Yekaterinburg due to a trade dispute with Russia. With these two “fringe” members, the SCO reaches to the Indian Ocean region and Eastern Europe. Already, the SCO has working ties with the 10-member Association of Southeast Asian Nations (ASEAN).

Beyond its expanded scope, the SCO’s Yekaterinburg summit put more emphasis on combating drug and cross-border criminal activities, as much as antiterrorism. This was part of the March 27 Afghan conference in Moscow when the SCO signed a “Plan of Action” with Afghan government for combating terrorism, drug, and cross-border crimes. It was obvious that the situation in Afghanistan is deteriorating and starting to destabilize its neighbors, most of which are either SCO member or observer states. It was against this backdrop that the SCO became increasingly concerned about the situation in Afghanistan, directly or indirectly expanding its influence in Afghanistan through the establishment of its “Afghan Contact Group,” offering economic assistance, and reaching out to NATO. In his meeting with Afghan President Hamid Karzai in Yekaterinburg, President Medvedev even offered to help Afghanistan set up an “effective political system.” Meanwhile, Moscow has signaled to both Washington and Brussels its willingness to allow arms shipments through Russia to Afghanistan, which may not be a mere bargaining chip regarding Manas Air Base or U.S. missile defense in Eastern Europe. In a way, Russian and Chinese concern over Afghanistan may not be U.S. power but potential mismanagement of the Afghan and Pakistani wars.

**Power of China’s purse**

Russia’s highly active and effective SCO chairmanship reflected its strength in the military-security areas as well as its limitations in other issues such as trade and economic development. It was quite a surprise that Moscow’s relationship with Belarus, once the closet ally among the CIS states, would be allowed to decline to the point that its president (Alexander Lukashenko) boycotted the SCO summit. In contrast, China’s interests and influence within the SCO were precisely what Moscow lacks. In his speech at the SCO summit, President Hu focused on economics. After addressing the need for more “political mutual trust,” Hu called on the SCO members to deepen economic cooperation. “The SCO members need to hold hands to jointly cope with the impact of the international financial crisis, and to push for the recovery of the world economy,” said the Chinese president. To realize this goal, Hu suggested SCO member states enhance coordination in macroeconomic and financial policies, expedite the implementation of energy, transportation, and telecommunication network programs, actively promote cooperation in new industries, push for more convenient trade, and protect an open and free environment for trade and investment. Hu also urged establishment of a financial dialogue mechanism, and called for the strengthening of multilateral cooperation in science and technology to improve productivity through technological innovation. To operationalize these
policies, Hu offered a $10-billion credit loan to the SCO member states to shore up their economies amid the global financial crisis.

For years, China had hoped that the SCO would move with the “two legs” of security and economics. While its security mechanism was taken for granted, the economic mechanism had been a “bottleneck.” For China, the two are actually interrelated and complementary in that economic development would boost stability and development along its volatile borders with Central Asia. Moreover, additional investment would allow China to convert its massive foreign currency reserves into concrete assets as the U.S. dollar is increasingly deemed unreliable. The global financial crisis, therefore, was both a challenge and opportunity for the SCO to enhance and expand economic cooperation among member states and with the outside world. China’s $10 billion credit loan offer came at a time when many projects in SCO member states were deeply affected by a lack of funding and when there was an increasing need for a SCO fund as a cushion for an economic crisis.

China’s credit for SCO members is only the tip of the iceberg. China is rapidly moving to work out deals with individual SCO states. As China was finalizing its $25 billion loan to Russia for delivering 300 million tons of oil over 20 years, Beijing also offered $15 billion in loans to oil and gas-rich Kazakhstan. Part of the loan would be used to acquire a 50 percent stake in MangistauMunaiGaz, increasing China’s share of oil production in Kazakhstan to 22 percent. On June 5, China announced that its companies will invest more than $1 billion in Tajikistan to build power stations, roads, and factories over the next two years. The next day (June 6), China offered Turkmenistan $3 billion to develop its vast South Yolotan natural gas field.

“The cooperation of China with partners in the Central Asian region is of great interest to the Russian side,” said Russian Deputy Foreign Minister Sergey Ryabkov at a press briefing in Yekaterinburg on June 16. Russian reporters noted that “Moscow calmly accepts the possible strengthening of China’s positions in the financial sphere in Central Asian countries.” Ryabkov’s remarks reflected a complex mood as Russia itself hugely benefited from China’s $25 billion loan, the largest among all SCO states so far, which some Russians described as the “deal of the century.” Still, it may be difficult for Moscow to see that the SCO is increasingly driven by Beijing’s monetary power and economic vitality. However, with 40 percent of its GDP generated by raw material exports, Moscow was not in a position to match Beijing’s offer, particularly when Russia is deeply affected by the low price of energy products.

At a more philosophical level, Moscow and Beijing seemed to have quite different ways to use their economic power. While China is more motivated by and for geoeconomic outcomes, Russia seems more concerned with the geostrategic gains. A recent case was Manas Air Base near Bishkek, Kyrgyzstan. Three and half years after the SCO called for the U.S. to close its military operation at Manas, the Kyrgyz Parliament finally voted in February 2009 to close the base by August 18. For this, Russia offered a $2 billion loan, a $180 million grant, canceled $180 million in debt, and promised to build a $1.7 billion hydropower station. On June 23, however, the Kyrgyz and U.S. governments reached a tentative agreement to allow the continued use of the base as a “cargo hub” with a $60 million annual fee (from $17.4 million), plus $1.18 million for various purposes. Russia’s reaction to this about-face? “An extremely unpleasant surprise,” remarked a Russian official.
BRIC’s debut

From its conception by Goldman Sachs chief economist Jim O’Neill in 2001, BRIC remained an academic concept outside the four “implicated” nations. They held informal meetings at ministerial levels mostly on the sidelines of other multilateral forums such as the UN. The financial crisis provided new impetus for the summit at this time.

For some, particularly the Russians, the first BRIC summit was seen as a way to facilitate the creation of a multi-polar world. President Medvedev remarked that BRIC nations “should take part in shaping the new global financial architecture.” There were plenty of reasons for such optimistic thinking. In 2008, the BRICs represented 25.9 percent of the globe’s dry land, 42 percent of the world’s population (2.7 billion people), 14.6 percent of global GDP (25 percent by the purchasing power parity), 12.8 percent of global trade volume, 42 percent of the world’s gold and foreign reserves, and contributed 50 percent of global economic growth. Despite the financial crisis, most of their economies are still showing significant growth albeit at a lower rate and are expected to get out of the recession ahead of most developed economies.

BRIC’s Yekaterinburg declaration, however, indicates a moderate and balanced posture toward the world’s various economic problems. The first two articles “stress that the G20 summit has played the central role in dealing with the financial crisis,” and that BRIC nations are willing and ready to cooperate with G20 participants and relevant international organizations to implement various consensus and decisions from the past and future G20 meetings. This “within-the-system” approach does call for some “reforms of the existing financial infrastructure (articles 3 and 4),” but also for its stability, transparency, predictability, more regulatory and crisis-management mechanism, and more decision making power for emerging economies.

Beyond the immediate concerns regarding the global finance fiasco, the BRIC declaration also called for improving global trade climate and opposing protectionism (Article 5), more attention to the world’s poor nations (Article 6), sustained development (Article 7), energy cooperation (Article 8), cooperation regarding climate change (Article 9), and disaster relief and food security (Article 10). In the end, the declaration promises that BRIC dialogue and cooperation will be conducted “in a gradual, orderly, active, pragmatic, open, and transparent manner” (Article 15). It is worth noting that most of these ideas overlap with the G20 communiqué released in London a month and half before.

The non-confrontational BRIC declaration was not surprising, given the fact that all the BRIC states are part of the G20 and Russia has been part of the G8 since 1997. Despite their collective clout in physical, economic, and human resources, their economic wellbeing in the foreseeable future depends more upon their interactions with the developed West than with one another. Chinese observers even cautioned that the BRIC’s “sudden ascendance” has more to do with the abrupt economic slowdown in the developed world. The reality is that BRIC economies have a long way to go before they will rival those of the West. A realistic assessment of itself and low-profile posture, therefore, should be the BRIC’s strategy.
Most Russian analysts would agree with this assessment. Some, however, tended to see the bottle as half full. A few days after the summit, Vyacheslav Nikonov, president of the Politika Foundation, argued that the BRIC’s current limitations should not be treated as permanent barriers to cooperation and consolidation. He went so far as to declare the “Birth of a Multipolar World” in his article in the influential Izvestiya, a daily owned by Russia’s largest energy firm Gazprom that usually supports the Kremlin.

The BRIC summit in Yekaterinburg provided a unique opportunity for more substantial dialogue for the heads of state. Both China and Pakistan leaders seized the chance to meet Indian Prime Minister Manmohan Singh, who came to Yekaterinburg only because of the BRIC summit. These meetings led to tangible outcomes at a time of renewed tension in the Sino-Indian border as a result of India’s military buildup. Hu Jintao and Singh agreed to establish a hotline for the two prime ministers.

**Russia-China summit: economics in command**

While Yekaterinburg grabbed the attention and imagination of the outside world, Russian-Chinese summit politics started on April 1 when Presidents Medvedev and Hu met on the sideline of the London G20 meeting. Their brief talks covered broad areas of bilateral relations against the backdrop of global financial crisis, thus paving the way for the rather hectic quarter of bilateral and multilateral interactions.

Perhaps the most significant achievement in bilateral relations in the quarter was the finalization of the Russian-Chinese energy deal on April 21 during the fourth Sino-Russian energy dialogue in Beijing co-chaired by Russian Deputy Prime Minister Igor Sechi and Chinese Vice Premier Wang Qishan. A $25 billion intergovernmental “treaty” on oil cooperation was signed for an annual delivery of 15 million tons of Russian crude to China for 20 years. This appears to be the “final” document after signing seven agreements in February. The two sides also discussed pricing for Russia’s building of the second phase of the Tianwan nuclear power plant. The Chinese described this as a “major breakthrough” while the Russians phrased it as the “deal of the century.” On May 17, Medvedev remarked while meeting Hu in Moscow that “This deal with a value of roughly $100 billion is the largest of any agreement ever signed by our countries.”

It was against this background that the Sino-Russian summit in Moscow took place. It was the first since Russia’s changing of the guard in March 2008 and was on the eve of the 60th anniversary of Sino-Russian diplomatic ties. The Chinese had four expectations for the summit: to enhance political mutual trust on vital issues, to strengthen cooperation in international affairs, to deepen pragmatic cooperation in economic affairs, and to expand humanitarian cooperation.

President Hu began his summit day with a working breakfast with Prime Minister Putin. At noon President Medvedev held a grand welcoming ceremony for Hu at the Kremlin before their two-hour talk in the early afternoon. The two heads of state covered a range of topics although the bulk of their discussion concerned economics and world affairs. The economic focus was particularly pertinent as bilateral trade took a major hit from the global economic crisis, falling 42 percent to $7.3 billion for the first quarter of 2009 compared to the same period last year.
Russia’s GDP for 2009 is expected to drop by 6 percent. President Hu talked about “broadening” energy cooperation (gas, coal, renewable energy, etc.) after the oil breakthrough. Russia seemed more willing to reciprocate with the global gas market saturated. Moscow continued to push for more manufactured components in its exports to China because the “trade structure” continued to worsen from Russia’s perspective. In the first quarter of 2009, China supplied 60 percent more machine building products to Russia than in the first quarter of 2008, despite the fact that the overall volume of bilateral trade had declined by 40 percent. For these reasons, among others, Hu and Medvedev discussed how to improve trade and investment and agreed to expand border trade and cooperation for regional development and apply the oil negotiation mechanism to negotiations in natural gas, nuclear power, and electricity.

Five economic documents were signed during the Moscow summit covering the areas of gas, coal, and gold as well as a $700 million loan between Export-Import Bank of China and Russian Bank of Foreign Trade. The Ministry of Commerce and Russian Federation Economic Development Ministry also signed a memorandum on trade and cooperation in mechanical and electrical products.

The Moscow summit did not produce a separate document for “major international issues,” as in the case in their previous summit in Beijing. However, the international section (Part IV) was the longest in the joint communiqué (2,200 Chinese characters of a total of 5,300). In addition to reiterating their commitment to various international and regional organizations (UN, G8, SCO, BRIC, etc.), the two leaders repeated their opposition to missile defense and commitment to non-proliferation, peaceful use of outer space, inter-civilization dialogue, environment, multipolarity, and development. Regional stability issues, particularly those of Central Asia, the Korean Peninsula, and Iran, were also discussed.

In a remark after the talks, Hu said that the talks were “open, sincere, friendly and rather substantial,” a rather moderate assessment for the summit. Medvedev described the talks as being “held in a friendly, constructive and confidential atmosphere that confirmed the strategic relationship and the mutual intention to develop it on the basis of good-neighborliness, trust and mutual benefit.” In Hu’s meetings with Prime Minister Putin and Russian State Duma Chairman Boris Gryzlov, these words were repeated many times.

**Moscow night and nightmare**

The night of June 17 was the culmination of Hu’s five-day Russian visit. After a hectic day meeting Russian dignitaries and attending various activities, Hu and Medvedev joined more than 900 Chinese and Russians in the resplendent Bolshoi Theater for a gala concert by ballet and opera performers from Russia and China for the 60th anniversary of diplomatic ties between Moscow and Beijing. The Russian Symphony Orchestra, under the Russia-educated Chinese conductor Zhang Guoyong, kicked off the performances with the Chinese “Red Flag” and “Polonaise” from the opera “Eugene Onegin” by Tchaikovsky.

Prior to the concert, both Hu and Medvedev spoke highly of bilateral relations. For Medvedev, “autonomy and equality” were “essential components” of such a relationship, which were “exemplary” for others as well as for “the formation of a new world order.” Neither of them
mentioned the difficult years between 1960 and 1989 when the two communist giants engaged in fierce competition across ideological, economic, and ultimately military-strategic areas. Referring to bilateral ties as “mature, stable, and healthy state-to-state relations,” the Chinese president also framed the previous 60 years as the time of an “extraordinary course of development,” which provided “many important and profound enlightenments,” as follows:

Only when we trust each other and treat each other in sincerity will we be able to constantly deepen political relations between the two countries; only when we respect each other on the basis of equality and mutual benefit are we able to make the maximum gains in cooperation and bring about common development and prosperity; only when we understand and support each other and provide backings for each other on issues that involve each other's core interests are we able to effectively maintain each other's fundamental interest; and only when we seek common ground while reserving minor differences and conduct friendly consultations are we able to guarantee a long-term, healthy, and stable development for bilateral relations.

Hu’s remarks can be considered both an assessment of and warning against the problems in bilateral interactions. The broadening and deepening of bilateral relations has led to more frictions and frustrations, ironically in this major anniversary year. The sinking on February 13-14 of a Chinese cargo ship by Russian Coast Guard ships near Vladivostok caused considerable resentment in China. Clearly, it is much easier to break and destroy things; repairing and recovery take a much longer time.

As Medvedev and Hu were enjoying the gala concert, the Russian authorities were speeding up efforts to confiscate billions of dollars of allegedly “illegal” and “contraband” goods, mostly from China, as part of the effort to close Moscow’s Cherkizovo Market, the largest of its kind in Europe. Prime Minister Putin was reportedly “furious” with Cherkizovo’s owner, Russian oligarch Telman Ismailov, for investing so much abroad and flaunting his riches (building his $1.5 billion Mardan Palace Hotel on Turkey’s Mediterranean coast) when Russia has been hard hit by the credit crunch.

Chinese media reported that by the end of June, some 7,000 containers from China were searched and challenged, $5 billion worth of Chinese commodities were in danger of being destroyed, and up to 400 Chinese enterprises were affected. On June 18, when President Hu was ended his visit, Russian authorities announced the decision to destroy $2 billion worth of these “illegal” cargos. As a result, about 30,000 Chinese business people in Moscow were immediately affected by the action, and many lost everything. Some even committed suicide. The Chinese government had since late 2008 discussed the issue several times with Russia, urging Moscow to handle the issue according to the rule of law, to respect the legal rights of the Chinese business people in Russia, and to safeguard the broad interests of Sino-Russian relations. It seemed that things would only become worse in the near future for those Chinese merchants.

The Chinese pointed out that a large part of these allegedly “illegal” cargos were “processed” through the so-called “gray custom clearance,” which had been in existence for more than 20 years. Official Russian custom procedures are time consuming and equally corrupt. Accordingly, some government-connected “clearance” companies in Russia “facilitate” imported Chinese
goods into the Russian market at a tax rate far lower than the official level. These companies often undertake the whole process for the freight after they depart Chinese ports and deal with all procedures within Russian territory. During the process, many, if not all, Russian custom officials “benefit” by changing and distorting standard custom declaration documents.

The issue received the attention of Chinese and Russian leaders at their Moscow summit, as the last “economic” item in the joint communiqué was about the pending creation of an inter-governmental customs sub-commission within the framework of the joint prime minister commission. This joint inter-governmental group, however, won’t be operational until later this year. For many Chinese doing business in and with Russia, this will too late.

Chronology of China-Russia Relations
April-June 2009

April 1, 2009: Presidents Hu Jintao and Dmitry Medvedev meet during the G20 meeting on the financial crisis in London.

April 5, 2009: Chinese Foreign Minister Yang Jiechi telephones his Russian counterpart Sergei Lavrov about North Korea’s satellite launch.

April 13, 2009: The 7th session of the SCO prosecutor general talks is held in Moscow. Russian Prosecutor General Yuriy Chayka and Chinese Prosecutor General Cao Jianming attend.

April 17-19, 2009: More than 1,000 SCO military personnel conduct a 3-day antiterrorism drill in Tajikistan. Special Forces with heavy armored vehicles, helicopters, and attack aircraft from five SCO member states (Kazakhstan, Kyrgyzstan, China, Russia, and Tajikistan) participate.

April 21, 2009: The fourth Sino-Russian energy dialogue is held in Beijing. A $25 billion intergovernmental oil deal is signed for an annual delivery of 15 million tons of Russian crude to China for 20 years.

April 25-29, 2009: Chinese Defense Minister Liang Guangjie travels to Russia and visits the North Caucasian military district, meets Defense Minister Anatoly Serdyukov and President Medvedev, and attends the SCO annual defense ministers meeting in Moscow.

April 27, 2009: Foreign Minister Yang Jiechi visits Moscow and meets Foreign Minister Sergei Lavrov, President Medvedev, and Russian Federation Council Speaker Sergei Mironov.

April 29, 2009: The seventh SCO defense ministers meeting is held in Moscow. Medvedev joins the meeting.

May 15, 2009: The SCO holds its annual foreign ministerial meeting in Moscow in preparation for SCO summit in June. President Medvedev joins the discussion of the draft declaration and joint communiqué to be adopted at the SCO summit.

May 18, 2009: The first SCO public security and interior ministers meeting is held in Yekaterinburg, Russia. Russian Interior Minister Nurgaliyev and Chinese State Councilor and Public Security Minister Meng Jianzhu participate.

May 18-19, 2009: The SCO holds its fourth session of the SCO Forum in Cholpon Ata, Kyrgyzstan on the issues of global financial and economic crisis, water and energy resources, culture and education cooperation, Afghanistan, and the role of observer states.

May 19, 2009: SCO officials in charge of anti-narcotics operations meet in Moscow and agree to establish a mechanism for coordinating the anti-narcotics activities.


May 19-22, 2009: The SCO conducts a disaster relief drill in Noginsk (Moscow Region). Kazakhstan, China, Russia and Tajikistan send their search and rescue teams. The SCO member and observer states (India, Iran, Mongolia and Pakistan) and other states including Belarus, Bulgaria and Lithuania also send their observation delegations.

May 20, 2009: The fourth session of the SCO Security Council secretaries is held in Moscow under the chairmanship of Russian Interior Minister Rashid Nurgaliyev. Chinese Minister of Public Security Meng Jianzhu joins.

May 21-25, 2009: A delegation of the General Armaments Department of the PLA, led by Director General Chang Wanquan, conducts a four-day visit to Russia at the invitation of the Russian Defense Ministry. Members of the PLA group include Zhang Zhannan, deputy commander of the PLA Navy, Jing Wenchun, deputy commander of the PLA Air Force, Wang Jiurong, deputy commander of the Second Artillery Force. Vladimir Popovkin, deputy minister of defense and chief of armament of Russia, meets the group on May 21.

May 30-June 2, 2009: A United Russia Party delegation, led by Secretary of the Presidium of the Party’s General Council Vyacheslav Volodin and head of the State Duma International Committee Constantine Kosachev, visits China. They meet Wang Jiirui, head of the International Department of the CPC Central Committee and Vice President Xi Jinping.

June 1, 2009: Foreign Minister Yang Jiechi initiates a telephone call to his Russian counterpart Sergei Lavrov on the situation on the Korean Peninsula in connection with the DPRK’s underground nuclear test on May 25.


June 5, 2009: The fourth SCO emergencies ministers meeting is held in Aktau, Kazakhstan. They agree on an Action Plan for 2009-2010 and to establish a SCO emergency relief center.

June 14-16, 2009: President Hu Jintao attends the annual SCO summit and the first meeting of BRIC leaders in Yekaterinburg of Russia.

June 16-18, 2009: President Hu visits Moscow and meets President Medvedev.