



JAPAN-RUSSIAN ECONOMIC RELATIONSHIP

Present condition & Future possibilities

15th November 2011

Ministry of Economy, Trade and Industry

JAPAN

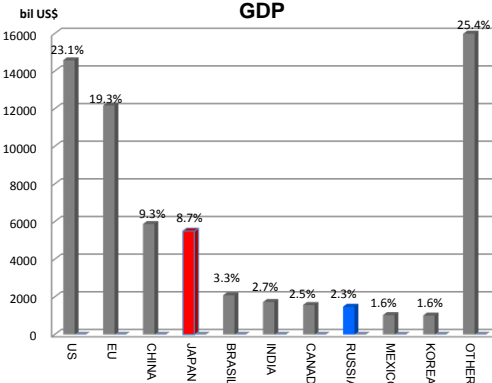
Director for Russia, Central Asia and Caucasus Office

Takayoshi TSUDA

CURRENT POSITION of RUSSIA in the WORLD ECONOMY

- ✓ GDP: No.11 (world share 2.3%)
- ✓ 2010 TRADE PARTNER(Economic Block): EU:49.0%, APEC:23.2%
- ✓ 2010 TRADE PARTNER(Country): CHINA: 9.5% (First time No.1)


GDP



Country/Block	World Share (%)
US	23.1%
EU	19.3%
CHINA	9.3%
JAPAN	8.7%
BRASIL	3.3%
INDIA	2.7%
CANADA	2.5%
RUSSIA	2.3%
MEXICO	1.6%
KOREA	1.6%
OTHERs	25.4%

[REFERENCE] WORLD BANK

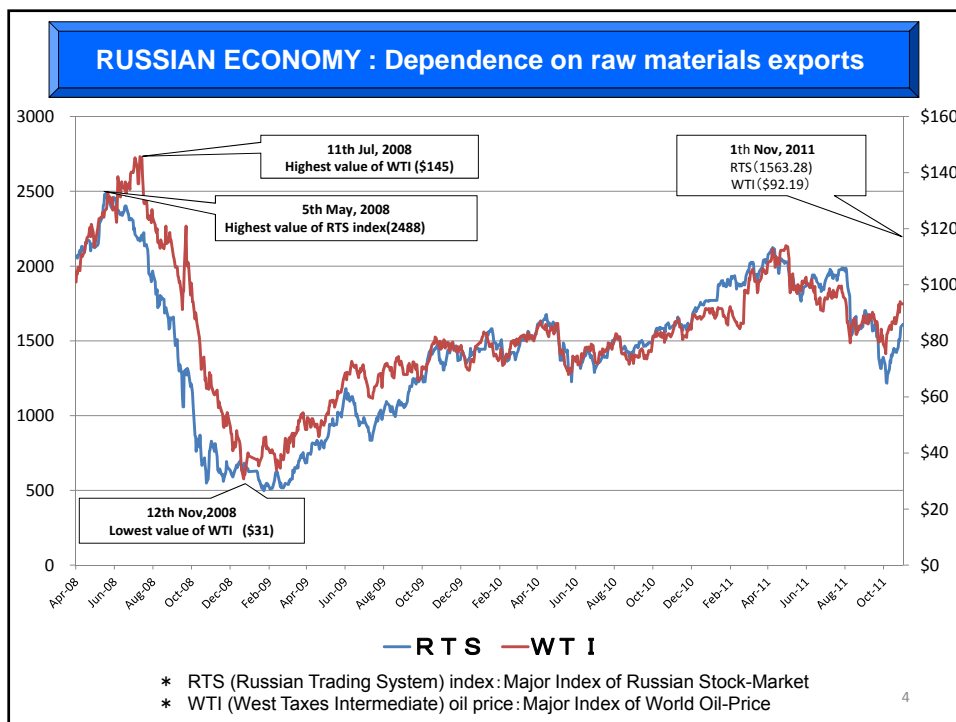
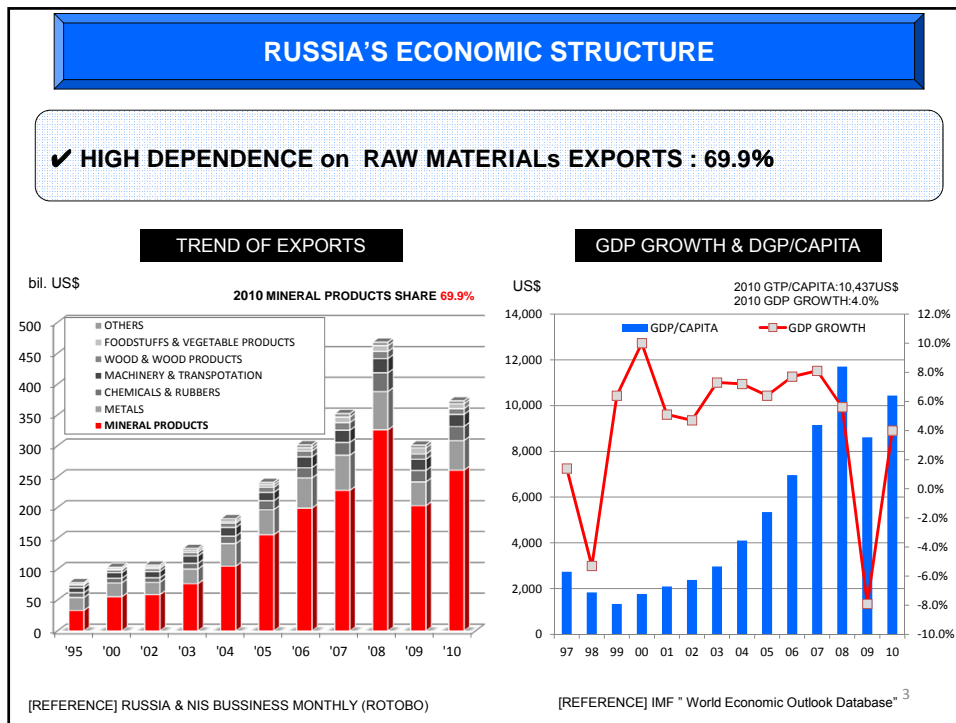
Trade partner of Russia (2010)

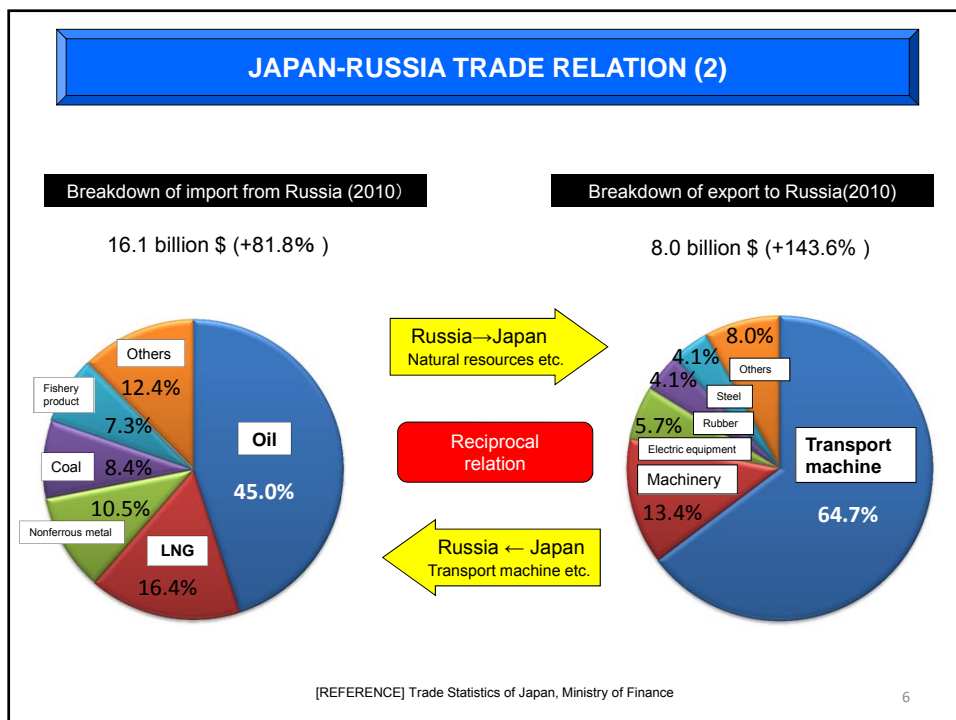
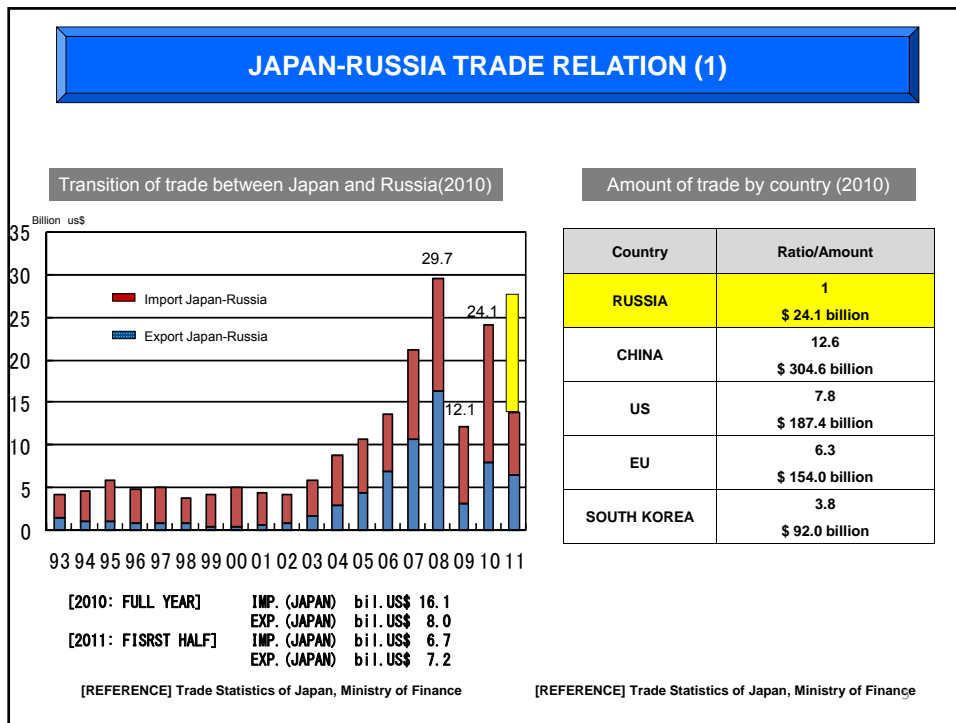


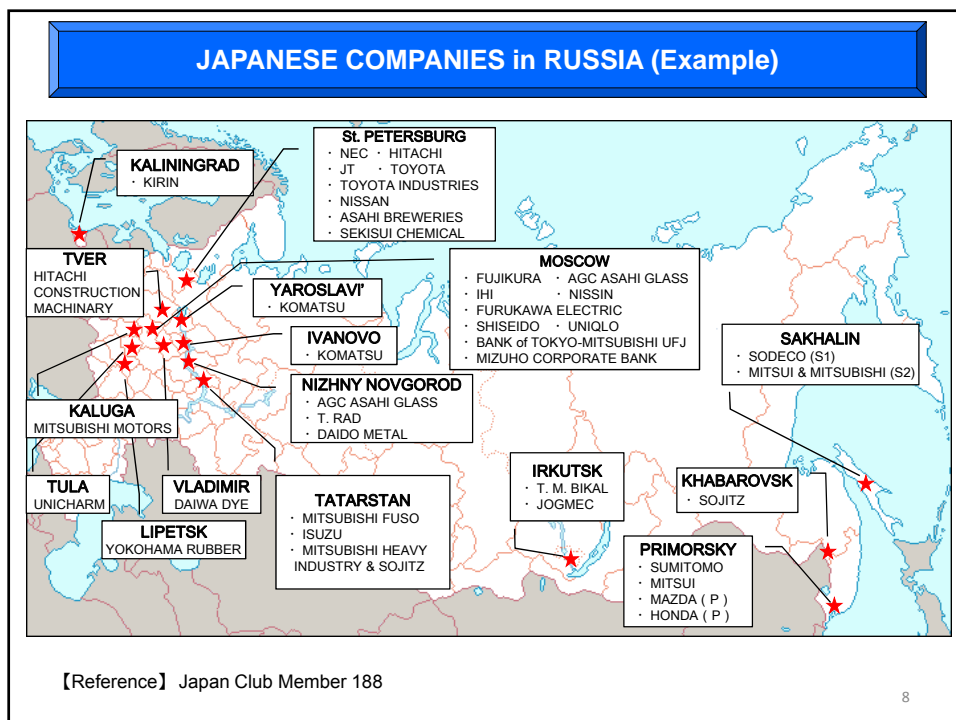
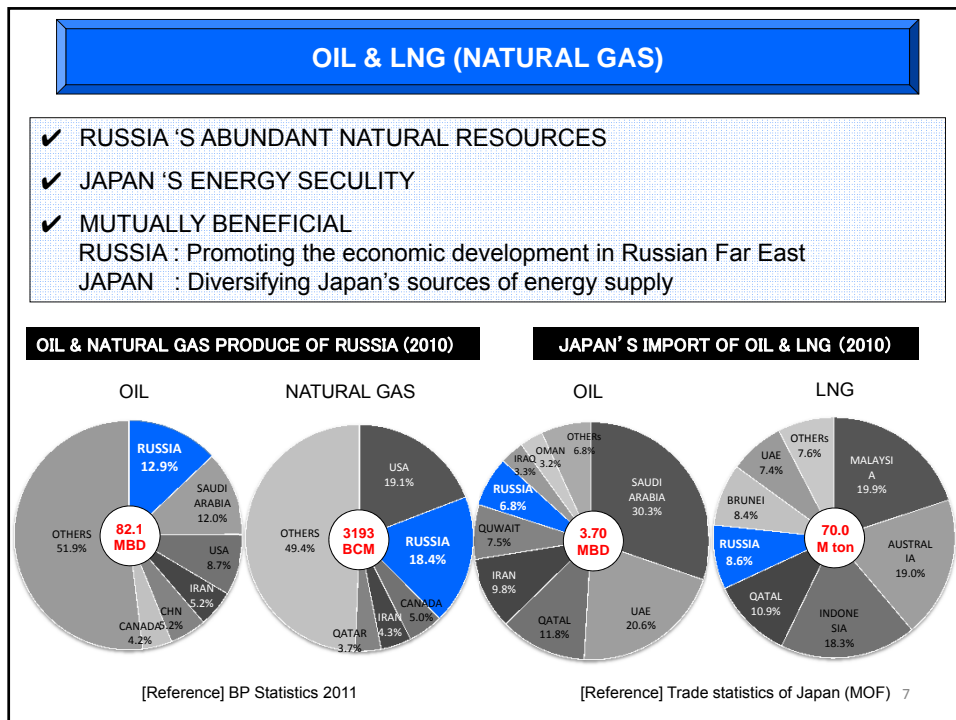
Partner	Share (%)
OTHERs	45.0%
CHINA	9.5%
NETH	9.3%
GERMANY	8.3%
ITALY	6.0%
UKRAINE	5.9%
BELARUS	4.5%
TURKEY	4.0%
US	3.8%
JAPAN	3.7%

Amount of Trade
625.69 bil.US\$

[REFERENCE] RUSSIA & NIS BUSSINESS MONTHLY (ROTOBO)








JAPAN - RUSSIAN ECONOMIC PROJECTS IN FAR EAST AND EAST SIBERIA

✓ **APEC (THE RUSSKY ISLAND)**

- CO-GENERATION PROJECT (KHI, SOJITZ)
- SUBMARINE ELECTRIC CABLE (MARUBENI METAL, JPS)
- TECHNICAL ADVICE FOR THE BRIDGE (IHI, ITOCHU)
- WINDOW POWER GENERATION




✓ **ENERGY**


- VLADIVOSTOK LNG PROJECT
- SAKHALIN 1(SODECO), 2(MITSUI, MITSUBISHI)
- COOPERATIVE MINING IN EAST SIBERIA (JOGMEC, INK)

✓ **CAR ASSEMBLY**


- TOYOTA (SOLLARS, MITSUI)
- MAZDA




BRIDGE TO THE RUSSKY ISLAND




CO-GENERATION SITE
(RUSSKY ISLAND)



THE BRIDGE across Бухта
Золотой Пор



RE-CONSTRUCTION a
BAY of VLADIVOSTOK



LNG TANKS
(SAKHALIN)

RUSSIAN ECONOMIC POLICY : MODERNIZATION

✓ **ECONOMIC MODERNIZATION ≙ INNOVATION**

✓ **5 PRIORITIES:**

①HEALTH CARE, ②ENERGY EFFICIENCY, ③NUCLEAR ENERGY, ④SPACE/COMMUNICATION,
⑤INFORMATION TECHNOLOGY

✓ **KEY POINTS:**

①FOSTERAGE OF DOMESTIC INDUSTRIES, ②TECHNOLOGY TRANSFER

✓ **SKOLKOVO PROJECT**






“In the 21 century, our country once again needs to undergo comprehensive **modernization**.”

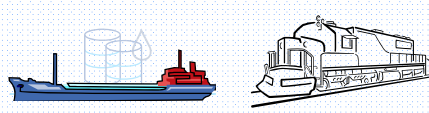
“We have to admit that, in previous years, we ourselves did not do enough to solve the problems inherited from the past. We failed to get rid of the primitive structure of the economy, **from the humiliating dependence on raw materials exports**, to re-orientating production towards people’s real needs.”

November 12, 2009
The Kremlin, Moscow

[REFERENCE] Presidential Address to the Federal Assembly of the Russian Federation

CURRENT ISSUES of JAPANESE COMPANIES in RUSSIA

- **Inadequate Infrastructures**
 - Sea port facility : Shortage of abilities
 - Railway system : Damage to freight by coldness in winter season
High cost of transportation
Unacceptable charge (ex. Protection fee)
- **Inconsistent, Inadequate and Unclear Economic Policy**
 - Inconsistent of promotion-strategy (car parts)
 - Inadequate of PPP (public-private partnership) policy
 - Unclear taxation policy (vehicle, steel, log etc.)
- **Inconsistent and Inefficient Administrative Procedure**
 - Corruption (Bribe)
 - Uncertain & Complex
 - Different interpretation
 - Time consuming
- **Misunderstanding (cold, dark, scary and oppressive)**



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JAPAN-RUSSIAN OFFICIAL FORUMS FOR ECONOMY & ENERGY

- ✓ **The Japan-Russian Federation Intergovernmental Commission on Trade and Economic Issues (since 1995)**

- Mr. GENBA (Minister for Foreign Affairs)
 - Mr. KHRISTENCO (Minister for Industry and Trade)



- ✓ **Japan-Russian Investment Forum (since 2006)**

- Mr. EDANO (Minister for Economy, Trade and Industry)
 - Ms. NABIULLINA (Minister for Economic Development)



- ✓ **Japan-Russian Economic Advisory Council For Russian Economic Modernization (since Nov, 2011)**

- Mr. HARADA (Japan's Ambassador in Russia)
 - Mr. DVORKOVICH (Aides to the President)



- ✓ **Energy -related Frameworks**
 - Coal Round Table (since May, 2010)
 - Joint Committee of Japan-Russia Cooperation in Energy Efficiency and Renewable Energy (since March, 2010)
 - Oil & Natural Gas Working Group (since July, 2011)

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