

Medvedev in China to Discuss Gas and Geopolitics

By [The Moscow Times](#)

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Medvedev meeting Chinese and Russian war veterans after visiting a World War II memorial in Dalian on Sunday. **Dmitry Astakhov**

BEIJING — President Dmitry Medvedev arrived in China on Sunday for talks with leaders, amid growing energy cooperation between the neighbors.

He landed in Dalian, a northeastern port city controlled and developed by imperial Russia at the turn of the 20th century and governed by the Soviet Union for five years after World War II. He also visited a war memorial and met with Chinese and Russian war veterans as well as local leaders.

Medvedev landed in Beijing later Sunday ahead of meetings with Premier Wen Jiabao and Wu Bangguo, chairman of China's National People's Congress, on Monday.

No agenda has been provided for Medvedev's three-day visit, but China and Russia have

expanded energy cooperation in recent months.

Russia wants to pin down a deal to supply gas to its huge neighbor that is hungry for energy but has expanding import options.

Monday's talks with Chinese President Hu Jintao are likely to touch on Korean Peninsula tension and Iran's nuclear program, in addition to trade and energy.

A Russian diplomat warned last week that conflict between North and South Korea could erupt soon amid "extreme" tension.

Medvedev, whose country has joined forces with China in the past to lower Western pressure on Iran, added punch to calls on Tehran to end defiance over its nuclear activity by this week banning a range of weapons supplies to its longtime customer.

He will wrap up his trip with a look into the future at Shanghai's World Expo — a showcase of the economic boom that has stoked China's appetite for energy supplies from its larger but far less populous and slower-growing northern neighbor.

Deputy Prime Minister Igor Sechin laid the cornerstone on Tuesday for a 13-million-ton-per-year oil refinery in the city Tianjin. A spokesman for Sechin said Russia would supply 70 percent of the oil for the \$5 billion refinery, which is to be built in two years.

Transneft and China National Petroleum Corp., or CNPC, are expected to sign an agreement on transporting oil from Skovorodino, where a pipeline from Siberia to the Pacific region ends, to the Chinese border city of Mohe. But prospects for gas exports to China are clouded after years of price talks, and Russia's position has weakened as world prices have fallen and China's import options have grown. China also has potential domestic reserves of shale gas, whose increasing development worldwide has been watched with chagrin by the Kremlin.

After talks in China last week, Gazprom said it planned to sign documents with CNPC this month that would "form the basis of a future contract." The sides agreed on conditions for future shipments that are scheduled to begin in 2015, it said. But Medvedev said the price, for years the main hurdle to a final deal, would not be determined until next year, Interfax reported.

The volume of trade between Russia and China increased sharply in the first half of the year to \$25.5 billion and was on pace to return to the \$55.9 billion recorded in 2008, before the economic crisis, according to the Kremlin. But Russia is eager for broader inflows of Chinese cash to help fuel growth.

Medvedev "will try to get a commitment from the government to encourage its major corporations to increase investment in the Russian economy, especially outside extractive industries," Uralsib chief economist Chris Weafer said in a note.

Russia and China have long struck close positions on international issues, opposing U.S. global dominance and warily eyeing both U.S. influence and unrest in their ex-Soviet Central Asian neighborhood.

Talks may touch on Kyrgyzstan, which holds parliamentary elections in October after months

of political turmoil and ethnic clashes that killed at least 400 people in June. Kyrgyzstan borders China and hosts U.S. and Russian air bases.

(Reuters, AP)

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