

China Gas Talks Progress Ahead of St. Pete Summit

By [The Moscow Times](#)

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BEIJING — Talks between China and Russia on a huge gas export deal are developing well, with only some specific issues mainly related to the price structure remaining to be resolved, a senior Chinese diplomat said Tuesday.

"At the moment, relevant companies from both sides are having working-level discussions on the important consensus reached on the gas deal during [Prime Minister Vladimir] Putin's visit," Chinese Vice Foreign Minister Cheng Guoping told a news briefing.

"Both sides are working hard. The gas cooperation issue is developing in the direction of reaching agreement," Cheng added. "As Prime Minister Putin said, the natural gas negotiations are in their final stages."

Putin said during a visit to Beijing last month that Russia and China were near a deal to supply the world's second biggest economy with up to 68 billion cubic meters of Russian gas a year

over 30 years in what would be a landmark trade agreement between the long-wary neighbors.

An agreement on Russia's gas deliveries to China, the world's largest energy consumer according to the International Energy Agency, would boost Moscow's efforts to reduce its export dependency on the European market.

But Moscow and Beijing have haggled for five years over the commercial terms for any deal.

The firms involved in the talks are Gazprom and PetroChina, China's second-biggest refiner.

PetroChina chairman Jiang Jiemin said last month that China and Russia had "basically agreed" on the route and technological issues for the western section of a cross-border natural gas pipeline project, but the two sides were still unable to agree on a price.

Premier Wen Jiabao will discuss the global economic crisis and his vision for the Shanghai Cooperation Organization when he meets next week with his counterparts from the regional grouping, seen by Beijing as a vehicle for extending Chinese influence in Central Asia.

He said the SCO, which also includes Russia and the Central Asian countries of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, would discuss greater economic integration and strengthening the SCO's institutions.

The meeting should "inject vitality into regional development, stability and prosperity," Cheng said.

Cheng didn't say what specific proposals Wen would make, although China has sought to promote the use of its currency in regional trade and has been a keen participant in SCO anti-terrorism exercises.

Wen is also due to hold a series of bilateral meetings in St. Petersburg with Putin and other leaders. Cheng did not rule out gas deal discussions on the sidelines of the meeting.

Dominated by China and Russia, the SCO has provided a forum for China to display its rising diplomatic influence, as well as its concept of governing combining authoritarian politics and rapid economic development, in contrast to the U.S.-style multiparty democracy that has slowly made inroads among the former Soviet republics.

(Reuters, AP)

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