

Elayne Jude, Great North News Services, reports

Russian Prime Minister Putin signed a clutch of energy deals with Japan during a 24 hour stopover Wednesday 13th May. On the same day President Medvedev announced Russia's new security strategy, a keystone of which is Russia's reiteration of her claims to Arctic territory thought to contain vast oil resources, and her right to use military means as necessary in support of those claims.

Japan Oil, Gas and Metals National Corporation will develop two major oil fields in Eastern Siberia in partnership with Irkutsk Oil Company. Gazprom meanwhile announced the construction of a pipeline between Sakhalin, Khabarovsk and Vladivostok, to be operational by 2011. Gazprom signed a memorandum with the Japanese government, Itochu Corporation and Japex, to investigate natural gas production and shipping from Vladivostok to Asian customers, including Japan.

Mitsui and J Power will partner Russia in building a wind power plant in Primorye, Russia's most south-easterly region. (Primorye, or Primorsky Krai, is a mountainous wilderness, the preserve of ancient plant species, and home to most of the dwindling population of Siberian tigers.)

An agreement was signed which will double Russian uranium exports to Japan. Japanese corporations will supply technologies and high-tech equipment to Russia. Russia is hopeful of Japanese investment and expertise with energy projects such as the Eastern Siberia-Pacific Ocean pipeline. Japan is poor in natural energy resources.

Trade turnover between the two countries is now estimated at \$30bn, a six-fold increase since 2000, the first year of the Putin presidency.

The Times reported: "The strategy document predicted that the struggle over energy resources would increasingly dominate international relations"...

In April Gazprom lost out to the China Natural Petroleum Corporation in a bid to buy Kazakhstan's fourth largest gas company, MangistauMunaiGaz .

When Vladimir Putin visited Japan in 2000, he was unable to settle the territorial dispute which has prevented Russia and Japan from formally concluding hostilities after the end of World War II.

Putin and the then Japanese Prime Minister Yoshiro Mori agreed to continue talks over the future of the Kurile Islands. Known in Japan as the Northern Territories, these lie south of the Kamchatka Peninsula amid rich fishing grounds. They have been in Soviet/Russian hands since 19th August 1945, their (forcible) occupation having been agreed at Yalta as part of the price of

the Soviet Union declaring war on Japan and invading Manchuria. Russian retention of the islands has prevented the formal ceasing of hostilities between Russia and Japan for the last 64 years. It will be discussed again at the G8 in July. But the ongoing stalemate does not disrupt business as usual.

Putin's 2000 visit included a visit by the then President to a judo gymnasium, and trade talks. Russian press reported then that the Japanese voiced concerns over investing in Russia, citing Tokyo's past allegations of corruption, a rickety legal system and the notoriously labyrinthine Russian tax laws.

Putin's progress this week can be seen as a reflection of the imperatives of co-dependence, and an example of Russia's seizing the initiative in seeking energy outlets away from the European markets, and, equally, from over-reliance on China as a partner (and rival) in developing the energy networks of the region . The very different Japanese attitude of the last few years to investing in Russia can also be seen as part of the Putin legacy.

This time round, he took with him a DVD of judo instruction which he had co-authored.

For further details of Russia's security strategy and interests in the Arctic, see:

<http://www.timesonline.co.uk/tol/news/environment/article6283130.ece>

and more on the Russo-Japanese energy deals:

<http://www.russiaprofile.org/page.php?pageid=International&articleid=a1242235067>