

The Current Situation in Russia and the Russia-Japan Relationship

Lecture by His Excellency Alexander P. Losyukov Ambassador Extraordinary and Plenipotentiary of the Russian Federation to Japan

> ANAHotel June 21, 2004

The Institute for International Policy Studies (IIPS) hosted a lecture by Alexander P. Losyukov, Ambassador of the Russian Federation to Japan, who gave a speech entitled "The Current Situation in Russia and the Russia-Japan Relationship." The event was held at the ANA Hotel, Tokyo, on June 21, 2004 with the support of the Nippon Foundation.

Citing the significant momentum experienced by Russia over the past 13 years, Ambassador Losyukov explained that Russia has achieved a high measure of success in both efforts toward modernization of the market economy and in democratization. He noted that a particularly marked advance has been observed in the recent four years during the presidency of Vladimir Putin due to the continued sweeping reform, which has



helped establish political stability and facilitated high economic growth. The Ambassador continued by reporting that Russia recorded a 6.8% GDP growth rate in the space of four years between 2000 and 2003 and that the country's mining and manufacturing production had similarly shown a near 7% growth. During those years, such factors as a low unemployment rate, a surplus budget of the federal government, foreign currency reserves at the 85 billion dollar level, a 53% increase in real national income, dramatic reduction of population below the poverty line, and a stable ruble contributed to Russia's political and economic stability.



Next, the Ambassador commented that the Asia Pacific region has always been an important one for Russia in the political and military sense. With expansion in both trade and investment in recent years, Japan has become a particularly important partner.

The outlook for the Asia Pacific region is promising. Establishment of a solid peace and stability and strengthening of political and economic interrelationship is possible, although there remain areas of as well as international terrorism

concern, such as North Korea and Taiwan, as well as international terrorism.

Resolutions of such international issues should be based on multilateral discussions; a unilateral approach will not lead to a solution. Russia aspires to building a multi-polar security system in the Asia Pacific region.

Rapid changes in Russia have generated a real transformation in the Russia-Japan relationship. In particular, a qualitative leap has taken place in the past year and a half to two years. We've seen progress in cooperation and exchanges in a variety of fields including top-level dialogue. And it can be said that great potential still exists in this area.

The Ambassador continued by commenting that presently, other than the territorial issue, the two countries have no intrinsic concerns. He said that freeing ourselves from the negative legacy of the past and concluding a peace based on that which will fundamentally improve bilateral relations will make it possible to provide a further and yet stronger momentum to the development of the relationship. Fulfillment of that will markedly solidify security and



stability in Northeast Asia and the Asia Pacific region.

Russia desires to resolve the border issue with Japan. However, mutual compromise and understanding by the people of the two countries will be the prerequisite for a solution.



After pointing out the above, Ambassador Losyukov noted before closing his speech that the two countries have, in the past several years, built a solid basis for continued joint work aimed at forming a genuine partnership and that he expects to see further achievement in the near future. He then answered questions about various subjects posed by the attendees.

