

Analysis: Medvedev To Hawaii For APEC

By The Moscow Times

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Exploiting its huge geographical reach, Russia will try to build energy and investment ties with Asia and forge better relations with the United States at a weekend summit of countries on the Pacific Rim.

Top of President Dmitry Medvedev's agenda is a meeting with U.S. President Barack Obama, who hosts the gathering of leaders of the Asia-Pacific Economic Cooperation, or APEC group, in Hawaii.

Medvedev and Obama have made headway in mending ties strained by Russia's 2008 war with Georgia and signed a nuclear arms control pact in April 2010.

But persisting disputes and presidential elections next year in both countries undermine the chances of progress in the "reset" before Medvedev makes way for Prime Minister Vladimir Putin to return as president.

Kremlin economic adviser Arkady Dvorkovich suggested that there was still wariness on both

sides of the former Cold War divide.

"The reset has already happened at the highest political level, but not in the heads of everyone," Dvorkovich said.

He said Russia was getting negative signals from the U.S. Congress, where Obama's Republican opponents accuse him of not being tough enough on Russia, and indicated that there was similar sentiment about the United States in Russia's parliament.

The meeting of the two presidents will be overshadowed by disagreement over U.S. plans for a European missile shield, which Russia says could threaten its security, and by differences over Arab world unrest from Libya to Syria.

Russia and China, which is also attending the summit, vetoed a U.S.-backed Security Council resolution last month condemning Syria's crackdown on pro-democracy protesters.

The two leaders could also disagree on Iran after a report by the United Nations' nuclear energy watchdog deepened Western suspicions that Tehran is trying to develop atomic weapons. Russia opposes new sanctions on Iran.

With the European Union struggling through a debt crisis, Russia, which is in Europe and Asia, is looking to Pacific Rim nations to buy the oil and gas that drive its economy.

Russia can demonstrate its interest in the region more forcefully next year when it takes the helm of APEC for the first time since joining in 1998 and hosts the annual leaders' meeting on an island off the port city of Vladivostok.

In the first nine months of 2011, Russia's trade with APEC nations was \$142.5 billion — 24 percent of its total trade volume — while its trade with the EU was \$286.4 billion.

The volume of trade with the United States was \$22.5 billion, or 3.8 percent of its total. Russian and U.S. officials want to increase trade and hope Russia's WTO entry will help.

In recent years, Russia has made its presence known on the Pacific Rim through gestures with more splash than substance, but Dvorkovich said it has big plans to develop infrastructure in its far eastern region, particularly ports such as Vladivostok.

It is in talks with Japanese and South Korean companies about such projects.

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