

China, Russia Sound Alarm on World Economy

By [The Moscow Times](#)

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VLADIVOSTOK — China and Russia sounded the alarm about the state of the global economy at a summit on Saturday and urged Asian-Pacific countries to protect themselves by forging deeper regional economic ties.

Chinese President Hu Jintao said Beijing would do all it could to strengthen the 21-member Asia-Pacific Economic Cooperation and boost prospects of a global recovery by rebalancing its economy, Asia's biggest.

President Vladimir Putin said trade barriers must be smashed down. He is hosting the event on a small island linked to the Pacific port of Vladivostok by a spectacular new bridge, a symbol of Moscow's pivotal turn to Asia, away from debt-stricken Europe.

"It's important to build bridges, not walls. We must continue to strive for greater integration," Putin told APEC leaders seated at a roundtable in a room with a view of the \$1

billion cable-stayed bridge, the largest of its kind.

"The global economic recovery is faltering. We can overcome the negative trends only by increasing the volume of trade in goods and services and enhancing the flow of capital."

China's Hu told business leaders before the summit that the world economy was being hampered by "destabilizing factors and uncertainties" and the crisis that hit in 2008 to 2009 was far from over. Beijing would play its role, he said, in strengthening the recovery.

"We will work to maintain the balance between keeping steady and robust growth, adjusting the economic structure and managing inflation expectations," he said.

Hu spelled out plans for China, whose economic growth has slowed as Europe's debt crisis worsened, to pump \$157 billion into infrastructure investments in agriculture, energy, railways and roads. Hu, who steps down as China's leader in the autumn after a Communist Party congress, promised continuity and stability for the economy.

Putin said Friday that Russia would be a stable energy supplier and a gateway to Europe for Asian countries, and he also pledged to develop his country's transportation network.

RUSSIA LOOKS EAST

The relative strength of China's economy, by far the largest in Asia and second in the world to the United States, is key to Russia's decision to look to the Pacific Rim as it seeks to develop its economy and Europe battles economic problems.

APEC, which includes the United States, Japan, South Korea, Indonesia and Canada, groups countries that account for 40 percent of the world's population, 54 percent of its economic output and 44 percent of trade.

APEC members are broadly showing relatively strong growth, but boosting trade and growth is vital for the group as it tries to remove the trade barriers that hinder investment.

"It is absolutely clear that the most important region for economic growth this decade — and probably the next decade — will be the Pacific," said Mexican President Felipe Calderon.

The European Union has been at odds with both China and Russia over trade practices it regards as limiting free competition. Cooperation in APEC is also hindered by territorial and other disputes among some of the members.

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