

# Comparative Connections

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## China-Russia Relations: Between Crisis and Cooperation

Yu Bin  
Wittenberg University

The year of 2009, which marks the 60<sup>th</sup> anniversary of diplomatic ties between China and Russia, unfolded with a series of high-profile interactions. The “Year of Russian Language” in China was launched, which is to be reciprocated by Russia’s “Year of Chinese language” in 2010. An oil pipeline is finally to be built from Skovorodino to northeast China 15 years after its initial conception. The two militaries were engaged in the first round of talks for joint exercises to be held in July-August. The Shanghai Cooperation Organization held its first special session on Afghanistan as it officially reached out to NATO. Meanwhile, top leaders and senior diplomats were busy coordinating policies regarding the financial crisis and growing tensions on the Korean Peninsula. All of this, however, could hardly conceal a sense of uneasiness, particularly from the Chinese side, about the sinking in mid-February of a Chinese cargo ship by the Russian Coast Guard near Vladivostok. While Beijing requested a thorough and timely investigation, Moscow seemed more interested in a weapons smuggling case allegedly involving top Russian naval officers.

### One step toward the “deal of the century”

On Feb. 17, China and Russia held their third energy dialogue in Beijing. Vice Premier Wang Qishan and visiting Deputy Prime Minister Igor Sechin presided over the signing of seven documents on oil pipelines, loans, and long-term crude oil trade, collectively known as the “loan-for-oil deal.” The China Development Bank signed the \$25 billion loan agreements with Rosneft and Transneft. Rosneft and China National Petroleum Corporation (CNPC) signed documents on Russian oil deliveries of 300 million tons of crude oil to China between 2011 and 2030 (15 million tons annually). The deputy premiers also signed an agreement on construction of a spur of the Eastern Siberia-Pacific Ocean pipeline (ESPO) to China, and CNPC and Transneft signed a corresponding contract on construction and operation of the pipeline spur.

These agreements were follow-on steps from “a memorandum of understanding on oil cooperation” signed in Moscow on Oct. 28, 2008. The memorandum, which would expire in March, only spells out intentions and broad parameters for this “deal of the century.” Two rounds of negotiations were held after the October 2008 memorandum, but stalemated in late 2008 over the price of the oil and the interest rate on the loans.

At least three factors seemed to get the sides to the February agreements. One was the deepening financial crisis that hit Russian oil companies especially hard. Rosneft, for example, had net debt of \$19.338 billion as of the end of 2008. Much of Rosneft’s debt, like that of many Russian companies, was accumulated during the period of easy credit prior to the financial crisis. Russian

energy giants have incurred huge losses as energy prices nosedived from their peak of \$174 per barrel in July 2008 to below \$40 in January 2009. As a result, investors withdrew more than \$300 billion from Russia while the *ruble* lost some 35 percent against the U.S. dollar between August 2009 and January 2009. Low energy prices and excessive supply considerably weakened Russia's bargaining ability. These problems in the Russian economy were perhaps the central issues in Prime Minister Vladimir Putin's telephone conversation with his Chinese counterpart Wen Jiabao on Feb. 12.

The huge oil deal between China and Saudi Arabia reached during President Hu Jintao's Feb. 11-12 state visit to the oil kingdom also had significant psychological impact on the Russian side. As the largest oil supplier to China, Saudi Arabia exported 36 million tons of crude to China in 2008, a 40 percent increase over the previous year and 20 percent of China's total import of oil. Hu and his Saudi host reached several long-term energy supply agreements.

Thus, it took nearly 15 years from the inception of ideas initiated by former President Boris Yeltsin in 1994, almost 10 years of negotiations, a worldwide economic crisis, and a final "Saudi kick" to get the sides to sign the deal. The longest soap opera in the world's pipeline business seems near its curtain call. In his meeting with Premier Wen after the signing ceremony, Vice-Premier Igor Sechin delivered a message from President Dmitry Medvedev to Hu. After some congratulatory words, the Russian president turned to the future: "It is necessary to step up consultations between Gazprom and CNPC on the possible supplies of Russian natural gas and electricity to China," and "the construction of the second unit of the Tianwan nuclear power plant is important. Our main goal is to preserve the positive dynamics of Russia-China economic cooperation ..." which "will help minimize negative effects of the world crisis on our economies."

Indeed, the breakthrough in the pipeline and oil business was seen particularly by Moscow as an anti-recession mechanism against a rapid downturn of bilateral economic relations. In January 2009, Sino-Russian trade plunged by 42 percent. This trend is likely to continue for most of 2009 as energy prices remain low during the global economic crisis.

### ***New Star sinking***

While the Chinese and Russian officials were putting final touches on the landmark oil and pipeline deal, a small crisis was brewing near Vladivostok. On Feb. 15, the *Russian Information Agency (RIA) Novosti* reported that a cargo ship sank in the Sea of Japan 50 nautical miles from the Russian port city of Nakhodka and a Russian rescue vessel was sent out for emergency assistance. The news did not draw much attention until the following day when the *Vladivostok Daily News (VDN)*, reported that 10 Chinese sailors were on the sunken ship. There were also rumors in Vladivostok that the ship was fired upon. Russian officials, however, denied that border guards had fired on the ship and insisted that bad weather caused the sinking. On Feb. 18, *VDN's* web page carried a video clip showing two Russian Coast Guard ships firing on the cargo ship. The video was immediately shown on Russia's more independent *NTV's* evening news. On the same day, the Russian Federal Security Service admitted it had fired on the ship.

The incident started with a commercial dispute on Jan. 29. The *New Star* – a cargo ship flying the flag of Sierra Leone, owned by Shanghai-based J-Rui Lucky Shipping Company, and operated by a Hong Kong company – had almost finished unloading its 5,000 tons of Thai rice when the Russian recipient company suddenly refused to accept the rice for its “poor quality.” On Feb. 7, the Russian company sued the owner of the cargo ship \$300,000 for the “loss.”

According to the Russian account, the Chinese vessel, upon instruction from its owner, allegedly left Nakhodka on Feb. 12 without permission from the Russian port authorities and did not obey orders to return when two armed Russian Coast Guard ships tried to intercept it on Feb. 13. The Coast Guard ships first fired warning shots but failed to stop it. At 10:51, Russian ships started to fire at the bow, damaging at least three pieces below the ship’s water line. Nevertheless, the Chinese ship was still afloat and leaving Russia’s exclusive economic zone. Upon receiving an order from the Border Department of Russia’s Primorye Federal Security Bureau office, the Russian patrol boats opened fire at the propeller and mechanical parts of the Chinese ship at 16:15 until it lost its main power at 18:00 local time. The two sets of AK-230 30-mm guns on the Coast Guard ships fired all of their 515 rounds of ammo during their 8-hour chase. The damaged ship finally stopped and headed back to the Russian port. It sunk during a storm, and 7 out of the 16 Chinese sailors were missing and presumably died.

### **Chinese media erupted**

While Russian and Chinese diplomats were publicly trading remarks – a situation rarely seen since Gorbachev’s historical visit to China in 1989 – Chinese media erupted with coverage of the incident. Numerous news outlets carried VDN’s video clip showing how the Chinese ship was being intercepted and fired upon by the Russian ships. Although there were plenty of sober analyses, anger, disbelief, and criticism dominated the Chinese media. The opinions of Chinese “netizens,” many of which were posted on official Chinese media’s web pages, were even more passionate. Later, the web page of the Russian Consulate in Shanghai was reportedly damaged by hackers.

For many in China, there was too much unpleasant historical baggage regarding Russia’s use of excessive force against an unarmed Chinese civilian ship. Some commentators compared the sinking of the *New Star* with the Soviet shoot-down of Korean Air Flight 007 in 1983, leading to the death of all 269 passengers and crew aboard. Others expressed disbelief that Russia would do such a thing to its strategic partner. On Feb. 19, when diplomatic interactions seemed going nowhere, the web page of China’s *Xinhua News Agency* posted a photo of Russian city of Vladivostok with the caption: “Vladivostok is situated in Russia’s eastern coastal region. It is used to be part of the Bohai Shuabin region of China. In the Jin Dynasty (1115-1234 AD), it was under the rule of “xie bin lu.” In the Qing Dynasty, it was administered by the Hui Chun County, Jilin Prefecture. In 1860, Czarist Russia forced the Qing government to sign the unequal Treaty of Peking. Vladivostok was taken by the Czarist Russia and Russia built a naval port and fortifications there. Vladivostok is the largest naval port in the Far East and plays an important role in both history and today.”

On the same day, the influential *Guangming Daily*, which covers cultural and intellectual stories, also ran a story about the publication of the first two volumes of the four-volume *History of Czarist Russia’s China Invasion* compiled by the Institute of Modern History of the Chinese

Academy of Social Sciences and published by the People's Press. The title of the article is "History of Western Powers' China Invasion: Czarist Russia was the crudest and greediest."

On Feb. 20, *Zhongguo Xinwen She* [*China News*], an official news service, carried a long investigative and rather objective story, tracing every step of the incident. The title of the story, however, read: "Russia's barbarian law enforcement forced *New Star* to the death path."

By early March, the attention of the Chinese media began to shift away to other issues. Discussion of the incident also assumed some broader and deeper dimension, such as comparing cultural, social, economic, and racial differences between Chinese and Russian societies. The fast growing number of Russian skinheads and their organized and brutal attacks on foreigners and ethnic minorities drew a lot of attention of the Chinese media. On March 15, the *People's Daily* ran a story contrasting the good and comfortable life for Russians living in China and rather difficult life for Chinese in Russia, particularly in Russia's Far Eastern regions.

Later, the *South China Weekend* [*Nanfang zhoumo*], a popular periodical, described the sinking of the Chinese ship as the tip of the iceberg. Chinese working in and traveling to Russia were said to have been harassed frequently by both the Russian mafia and law enforcement agencies. The incident particularly exposed the so-called "gray customs clearance procedure" [*huise qingguan*] that subjects Chinese export business to third Russian parties/companies for customs clearance. The process is full of bribery and corruption. Many Chinese business transactions have been interrupted, seized, and fined at will. In the current hard times, things could get even worse before better.

### **Diplomatic tug-of-words**

The highly sensitive nature of the *New Star* incident and instantaneous news dissemination put tremendous pressure on the diplomatic corps of the two strategic partners, particularly on the eve of the 60<sup>th</sup> anniversary of their diplomatic ties. Chinese Consul General Sun Lijie traveled from Khabarovsk to Nakhodka to discuss the incident with local authorities and to visit the rescued sailors shortly after the incident. Sun also asked that the Chinese side be informed as soon as possible about the cause of the incident after a serious probe is carried out. On Feb. 19, Chinese Deputy Foreign Minister Li Hui summoned Russian Ambassador Sergei Razov and told him that China was shocked at and seriously concerned with the incident. He expressed China's strong dissatisfaction with Russian warship's firing at the civilian cargo ship, Russia's insufficient efforts to save drowning sailors, and its failure to provide prompt investigation results to China. Li urged Russian authorities to complete investigations into the incident as soon as possible and try its best to search for the missing crewmembers.

In response, the Russian Foreign Ministry on Feb. 20 expressed regret over the incident, but insisted that the captain of the Chinese ship bore all responsibility for the tragedy. It also insisted that Russia's rescue operation was seriously complicated by the stormy weather, which made it impossible to "moor to the ship in distress." Russian Foreign Ministry official Andrey Nesterenko went so far as to remind China that on Feb. 15 the Chinese Foreign Ministry's consular protection center, through the Russian embassy in China, had thanked the Russian side for its efforts to save Chinese nationals who were members of the *New Star* crew.

On Feb. 21, the Russian side declared the end of the search and rescue operation. Chinese Foreign Ministry officials, however, continued to request that the Russian authorities share the results of an investigation into the sinking. The result of Russia's investigation released a few days later found that no crewmembers were injured as a result of Russia's shots, and that Russian border guards took "all possible measures in good time to rescue seamen, including Chinese crewmembers." Furthermore, "The illegal actions by the captain were provoked by overt pressure by the Chinese ship owner, trying now to distort the real situation of the incident."

For Beijing, Russia's explanation and attitude were "unacceptable." Zhang Xiyun, director general of the Department of European-Central Asian Affairs, lodged representations on the afternoon of Feb. 20 to Russian Minister Counselor to China Morgulov Igor saying that the Russian attitude regarding the incident is "hard to understand and unacceptable" for China.

On Feb. 24, the prosecutor's office of the Primorsky Territory of Russia filed criminal proceedings against Nazwir Adi, the ship's Indonesian captain, for "crimes" including illegal crossing of Russian territories, failure to heed prolonged persuasions of his own team, ignoring legitimate demands of Russian border guards, failure to reply to signals and warning shots, and unprofessional handling of the ship and evacuation of its crew.

The two sides appear to have entered a diplomatic dead end, at least publicly. On Feb. 25, the tug of words took a new twist when the Russian side suddenly publicized a case of smuggling weapons to China. The Main Military Prosecutor Sergei Fridinsky informed a session of the Prosecutor General Office Board about a suspected theft of antisubmarine missiles by some high-ranking Russian naval officials, including several admirals. According to Fridinsky, his office opened a criminal case a few days before against officials and a group of businessmen for smuggling 30 antisubmarine missiles and 200 aerial bombs into Tajikistan and planning to sell them to China for \$18 million. Tajik officials, however, quickly disclaimed any knowledge of the smuggling of Russian weapons to China through Tajik territory.

It is unclear how and why Russia chose to publicize the scandal at this point since weapons smuggling by Russian military personnel has been very common in the post-Soviet era. Even Fridinsky acknowledged that in 2008 alone, "over 500 officers, including 370 senior officers, 117 military unit commanders and 20 generals among them, were brought to justice for such crimes." Fridinsky, however, did not detail the names, ranks, and activities of those involved in this particular case. Although China has not officially responded to the story, China's *Global Times*, a subsidiary of the official *People's Daily*, cited Chinese military experts who dismissed it. China actually had both types of weapons and there was no need to smuggle them from Russia, remarked Wang Haiyun, a Russia expert in the China Strategic Society in Beijing. Besides, even if China tried to smuggle these weapons, there was no need to get so many of them, according to Wang. Transporting so many heavy weapons systems on a long land journey and through many foreign territories (first through either Kazakhstan or Turkmenistan, then via Uzbekistan before reaching Tajikistan) was highly dangerous and more likely to be detected. There were simply too many "irrational" elements in the alleged case.

The relationship between the weapons case and the sinking of the *New Star* is unclear. On Feb. 26, the day after publicizing the alleged smuggling case, Deputy Secretary of the Russian Security Council Vladimir Nazarov traveled to Beijing and held talks with Deputy Foreign Minister Li Hui, secretary general of the *Sino-Russian Strategic Security Talks mechanism*. Although the meeting was said to be “within the framework of the preparation for 4<sup>th</sup> round of the Sino-Russian Strategic Security Talks,” the two also “exchanged views on *urgent issues of Chinese-Russian relations* [emphasis added].” The 3<sup>rd</sup> round of the talks was held in November 2008. What exactly was discussed between the two remains largely unknown as the two sides appeared to prefer behind-the-scene consultations after a deadlock in open communication.

On March 18, *Xinhua* reported that 32 people, all family members and relatives of the victims, protested in front of the Russian Embassy in Beijing, demanding compensation for the victims of the cargo ship. The Chinese police persuaded them to disperse shortly after they gathered.

### **Moscow, Beijing, and their “March madness”**

Regardless of the substance of the Li-Nazarov meeting, both sides seemed to have realized that the infrastructure of their strategic partnership should not be jeopardized, particularly on the 60<sup>th</sup> anniversary of their diplomatic ties and when the ongoing global economic crisis requires more cooperation between the two.

China took the first step. On Feb. 23, Chinese Ambassador to Moscow Liu Guchang made a speech at the Moscow Intellectual and Industrial Club. This “elite club” is comprised of 82 members and most of them are diplomats, politicians, and cultural and art celebrities. Strategic cooperation partnership was the key part in China-Russian relations, said Liu, particularly against the background of the international financial crisis.

In early March, when China’s National People’s Congress met for its annual session, Foreign Minister Yang Jiechi, in his press conference, also pointed to the importance of developing Chinese-Russian cooperation particularly in high-level contact, pragmatic cooperation in all fields, humanitarian exchanges, and global issues. He did not mention the *New Star* incident.

Apparently, a growing list of global and regional issues deserved serious attention and required cooperation between Moscow and Beijing. On March 10, Russian and Chinese Foreign Ministers Lavrov and Yang held a telephone conversation and called on relevant states to exercise restraint and composure, and for all countries concerned to refrain from steps that could undermine stability on the Korean Peninsula.

While the situation in Korea required immediate attention, Central Asia, particularly the deteriorating situation in Afghanistan, posed another challenge. With the Taliban taking about 80 percent of Afghan territory, neither the Afghan government nor the international coalition forces are able to ensure security in the country. While NATO, including the U.S., may have the choice of packing up and leaving the war-torn nation, Shanghai Cooperation Organization (SCO) member states would have to live with an Afghanistan ruled by any one or no one. Some SCO members and observers, particularly Russia, Iran, and India, strongly oppose the prospect of a deal, presumably by the U.S. and Pakistan, with “moderate” Taliban forces in Afghanistan. This

prospect may well be behind Russia's offer in early February to handle NATO's supplies to Afghanistan through Russian territory in anticipation of the closure of the Manas Air Base in Kyrgyzstan, a key logistics center for U.S.-led operations in Afghanistan.

For Beijing, the U.S. departure from Manas may ease China's concerns regarding the U.S. use of the base for surveillance missions on China. Russia's "new thinking," however, would affect China's calculations in Central Asia. Neither Russia nor China wants U.S. operations in Manas to be transferred to any other SCO member state. Beyond Central Asia, the proposed supply route through Russia may well be used as a bargaining chip over the U.S. missile defense system in Europe. Coordinating policies with Moscow over Central Asia, therefore, was paramount for Beijing. On March 21-22, the Chinese International Strategic Society and the Society on Russian Foreign Affairs and National Defense Policy held a two-day symposium in Moscow focusing on issues of security and stability in Central Asia. On Mar. 23-24, the China Foundation of International Studies and Academic Exchanges hosted the first academic conference in Beijing with the theme: "The Present and Future of Regional Cooperation Mechanism for Central Asia." Deputy Foreign Minister Li Hui and Russian Ambassador Sergei Razov joined the conference, together with more than 50 participants. The two conferences in Moscow and Beijing were held just a few days before the SCO's special conference on Afghanistan in Moscow. For the stability of Afghanistan, China had already given over \$180 million to the Kabul government, has completely written off its debts, and would give another \$75 million in non-repayable financial aid over the next five years.

It was against this backdrop that the SCO took several steps in March. On March 18, SCO Secretary General Bolat Nurgaliyev stated that SCO was open to cooperation with NATO. On March 27, SCO held a special conference on Afghanistan in Moscow. Participants of the one-day conference included all the SCO members and observer states, UN Secretary General Ban Ki-moon, and representatives from the European Union, NATO, the Collective Security Treaty Organization (CSTO), and the Organization for Security Cooperation in Europe (OSCE). The conference ended with a joint statement and an action plan on Afghanistan for SCO joint efforts in fighting terrorism, drug trafficking, and cross-border organized crime originating in the territory of Afghanistan. Conference participants agreed that it was impossible to resolve Afghanistan's problems only with the aid of methods and means of warfare. Other approaches, such as developing Afghanistan's civil society and its social and economic development, must be pursued.

While external developments may be beyond the control of Moscow and Beijing, their militaries held the first round of consultations on a joint antiterrorist exercise in July-August, code-named *Peace-mission 2009*. On March 23-28, Russian ground forces' Deputy Chief of Staff Lt. Gen. Sergei Antonov led a military delegation to China for a six-day consultation with the PLA's Deputy Chief of General Staff Lt. Gen. Ma Xiaotian. The sides discussed the exercise's code name, theme, general concept, and phases. The joint exercise, which would be the second since August 2005, is to be held in July-August in three phases: the first one will be in Russia, and the other two, in the Chinese city of Baicheng. The exercise would be one of the events scheduled for the celebration of the 60<sup>th</sup> anniversary of the establishment of diplomatic relations between the two states. The consultation was a follow-up to the agreement reached at a meeting of Defense Ministers Anatoly Serdyukov and Liang Guanglie in December 2008.

## **Year of Russian language in China**

By the end of the first quarter, the fallout from the *New Star* seemed to be subsiding. It was also time for the official opening ceremony for China's Year of Russian Language. On March 27 in Beijing, State Councilor Liu Yandong and Russian Vice Premier Alexander Zhukov presided over the gathering of 6,000 people in the Great Hall of the People. This was among the 260 cultural exchange activities across China including language and singing contests, art performances, literature and arts exhibitions, education exchanges, and the launch of a Russian language TV channel. Premier Wen and Prime Minister Putin exchanged congratulatory letters.

The Language Year celebrations are the extension of China's Russian Year (2006) and Russia's China Year (2007) and for the same goal: to bridge the gap between the relatively high-level of political-diplomatic relations and low-level of social and cultural contacts. The fact that the Russians and Chinese are simply more interested in their respective relations with others, particularly the West, is not conducive to the stability of a long-term relationship.

In contrast to the rather high-sounding Sino-Russian strategic partnership relations, Russian language teaching and learning in China have been marginalized. There are about 40,000 Chinese college students and 80,000 middle school students learning Russian. In contrast, more than 200 million Chinese are learning English. This is the opposite of 60 years ago when Russian was the primary foreign language for educated Chinese. During the 1960s and 1970s when relations between the two communist nations deteriorated to the brink of war, Russian language learning was among the first "casualties." When Gorbachev and Deng finally patched up this unpleasant part of bilateral history, China's attention focused on the English-speaking world dominated by the West. Although the third generation of China's leaders (Jiang Zemin and Li Peng) were "made," or educated, in Russia, their successors do not have such a background. It seems that Russian language teaching and learning in China are similar to Russian-China trade, which requires a lot of government input and is still not doing well.

Because of these challenges, the two sides tried to make the best use of the language years. Russian Vice Premier Alexander Zhukov went so far as to give an exclusive one-hour interview to China's *People's Daily* online on March 19 before his travel to China. Once in Beijing, Zhukov also joined the Fifth China-Russia Investment Forum that led to the signing of several investment documents. He also told his Chinese host that "Russia is fully capable of becoming the biggest energy supplier for China in upcoming 15 years."

### **Sixty years in retrospect: a bottle half empty?**

On the eve of the 60<sup>th</sup> anniversary of Sino-Russian diplomatic ties, relations between the two largest powers on the Eurasian continent couldn't be broader or deeper, albeit problems remain. The two seemed to have developed the capabilities and willingness to manage the relationship so that pragmatism and interest prevail over emotions and ideologies. Developments during the first quarter of 2009 seemed to demonstrate both the strength and weakness of their "strategic partnership," now in its 13<sup>th</sup> year. It remains to be seen how the two powers will weather the current global financial and economic crises.

The past decades may be a reliable guide. Sixty years of diplomacy is a historical landmark, but it also a moment to see what it has been and what it should be. Moscow and Beijing have barely passed the “threshold” between “good” and “bad” times: 30 “good years” (10 years of Sino-Soviet “honeymoon” of 1949-59 and the longest stability of 20 years of 1989-2009) vs. 30 “bad years” (between 1960 when Moscow withdrew experts and aid from China and 1989 when Gorbachev visited Beijing for normalization).

The *New Star* incident indicates that seemingly strong or normal relations can be easily and quickly disrupted and/or damaged by a relatively minor issue, intentionally or not may take much longer time and more effort.

### **Chronology of China-Russia Relations January-March 2009**

**Jan. 1, 2009:** The Years of the Chinese and Russian Languages (2009-10) are officially launched. The arrangement is that 2009 is Year of Russian Language in China and 2010 will be the Year of Chinese Language in Russia.

**Jan. 14, 2009:** The Shanghai Cooperation Organization (SCO) holds a deputy foreign ministerial meeting in Moscow to discuss Afghanistan.

**Jan. 20, 2009:** The third Russian-Chinese financial dialogue opens in Beijing. Finance Minister Alexei Kudrin and Chinese counterpart Xie Xuren and the Chairman of the People’s Bank of China Zhou Xiaochuan discuss steps to strengthening bilateral cooperation, the world financial crisis, and prospects for expanding the use of national currencies in trade operations.

**Jan. 28, 2009:** Foreign Minister Sergey Lavrov states that Moscow is ready to consider the possibility of a pastoral visit by the Dalai Lama to Russia.

**Feb. 12, 2009:** Premier Wen Jiabao and Russian counterpart Vladimir Putin hold an “in depth” exchange of views over the phone on bilateral relations and issues of common concern, such as financial crisis, cooperation in trade, energy, science, technology, and activities for the 60<sup>th</sup> anniversary of diplomatic ties.

**Feb. 14, 2009:** Chinese cargo ship *New Star* is shelled by Russian Coast Guard vessels and sunk in seas near Nakhodka.

**Feb. 17, 2009:** China and Russia sign seven energy cooperation agreements including the construction of a 67-km oil pipeline, a long-term crude oil deal (15 million tons of oil each year for 20 years), and a \$25-billion financing for Russian oil and pipeline companies.

**Feb. 22, 2009:** President Dmitry Medvedev sends a telegram to President Hu Jintao extending condolences to the families of the miners, who perished in north China’s Shanxi Province coalmine blast, and sending wishes of recovery to the injured.

**Feb. 26, 2009:** State Councilor Meng Jianzhu, Chairman of the National Narcotics Control Commission and Minister of Public Security, meets Director Ivanov of the Federal Russian Narcotics Control Administration in Shanghai. Meng calls for stronger Sino-Russian cooperation in drug-trafficking crackdown.

**Feb. 26, 2009:** Chinese and Russian border defense forces hold the first joint border blockading and controlling military exercise between China's Heihe City and Russia's Blagoveschensk City.

**March 10, 2009:** Foreign Ministers Sergei Lavrov and Yang Jiechi call on relevant states to exercise restraint and composure, and for all countries concerned to refrain from steps that could undermine stability on the Korean Peninsula.

**March 18, 2009:** Secretary General Bolat Nurgaliyev of the Shanghai Cooperation Organization (SCO) says the SCO is open to cooperation with NATO.

**March 21-22, 2009:** The Chinese International Strategic Society and the Society on Russian Foreign Affairs and National Defense Policy hold a two-day symposium in Moscow on global economic and political development, Central Asia, the Middle East, the SCO, and the global

**March 23-28, 2009:** Russian and Chinese militaries hold the first round of consultations on holding a joint antiterrorism exercise due in July-August.

**March 25-28, 2009:** Vice Premier Alexander Zhukov visits China to co-chair with State Councilor Liu Yandong a ceremony of opening the "Year of the Russian Language" in China.

**March 27, 2009:** The 14<sup>th</sup> session of the Council of the SCO's Regional Antiterrorist Structure (RATS) meet in Tashkent and approve a draft program of cooperation in the fight against terrorism, separatism, and extremism in 2010-2012.

**March 27, 2009:** Wu Bangguo, chairman of the Standing Committee of the National People's Congress, meets Dmitry Mezentsev, deputy chairman of the Russian Federation Council.

**March 27, 2009:** SCO member states hold a conference on Afghanistan in Moscow and issue a joint statement and an action plan to deal with terrorism and drug trafficking in Afghanistan.