

# Dmitry Medvedev's news conference following the 31st ASEAN Summit and the 12th East Asia Summit

**Excerpts from the transcript:**

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**Question:** What are the prospects of cooperation between the SCO and ASEAN?

**Dmitry Medvedev:** The Shanghai Cooperation Organisation is developing. New members, specifically India and Pakistan, have recently joined. As a result, the SCO now comprises countries that account for 44 percent of the world population and approximately one quarter of the global GDP. For now, this organisation is not an integration association in its pure form. However, the SCO coordinates the policies of large and very important states.

Above all, these are issues of security, maintaining peace and conflict resolution. These are issues of economic development. This is why we discuss economic development in formats like the SCO Heads of Government Council Meeting. The next meeting of the SCO heads of government will take place in late November and early December, in Sochi.

Clearly, there are some issues in our cooperation with ASEAN that can be described as overlapping, which means that we can use both SCO and ASEAN tools to address them. This is because our regions are close neighbours with virtually the same set of economic, political and security threats and challenges.

As for the economic agenda, we can take the path of integration to create various trade and investment conditions, starting with bilateral agreements and proceeding to potentially full-scale agreements on the establishment of a common economic space for the SCO and ASEAN nations.

**Question:** What do you think about the possibility of building trade and economic cooperation with the Philippines, primarily regarding Russian agricultural exports to this country?

**Dmitry Medvedev:** I believe we have a good potential here.

Our talks with the Philippines or more precisely with President Duterte have moved to a fundamentally new level. We are cooperating in nearly all spheres, including security as well as military and technical cooperation.

We have created a comprehensive legal framework for these relations. Yesterday we signed nine agreements on diverse subjects, including

intergovernmental, interdepartmental and corporate documents.

As regards agrarian cooperation, the Philippines is indeed a huge market with more than 100 million people. We have barely started working, but our trade has already grown considerably due to the distribution of Philippine goods and agricultural products to our market. We need to strengthen our foothold on the Philippine market, which we can do in the next few years.

**Question:** I have a question about the EAEU-Vietnam agreement. What result has it produced as of today? Are other [free trade area] agreements planned to be signed with other countries in the near future? Did you discuss the possibility of signing such an agreement between the EAEU and ASEAN at the summit?

**Dmitry Medvedev:** Despite existing negative trends, our trade has increased by some 20 percent thanks to this agreement. It is clear that this agreement has helped us increase our trade by 20 or 25 percent. We have not yet implemented some of our plans. There are several more projects that are awaiting implementation, in particular, those related to the automobile industry. It is an effective, important and interesting tool that has spurred our trade and investment ties and can be used in relations with other parties, including the ASEAN economies. We are discussing the use of this tool with other countries as well.

During this visit, I discussed the preparation of another free trade agreement with Prime Minister of Singapore Lee Hsien Loong. We have agreed to step up this work, because the agreement is in its final stages. We are also discussing this possibility with Cambodia and several other ASEAN countries. In principle, it is possible that at some point we will launch negotiations on a free trade agreement between ASEAN and the Eurasian Economic Union.

**Question:** The European Commission is currently considering imposing new restrictions with respect to our Nord Stream project. How might this affect the implementation of the project and what can Russia do in this case?

**Dmitry Medvedev:** Lately we have heard (and only heard) the opinion out of Brussels that the criteria for the so-called Third Energy Package to take effect have to be reevaluated, and this package should apply not only to gas pipelines and pipeline transport on the territory of the European Union but also to facilities in neutral zones, including neutral waters – that is, to offshore gas pipelines. From a legal viewpoint this position is rather dubious, if not absurd. Most probably, this is a way to impose pressure on our country and certain EU member states to induce them to refuse to build the second leg of the pipeline or to complicate this work in some way.

Our approach to the implementation of this project remains unchanged. This is not a political tool, not a means to influence European countries. This is a regular commercial project designed to support Europe's energy security, and it is, of course, beneficial to Russia as well, as it brings us significant foreign exchange earnings.

**Question:** Did you have an opportunity to interact with US President Donald

Trump during the summit these past few days? If you did, how would you characterise these interactions?

And the second question. How do you view the tightening of sanctions by the US, which it plans to tighten even further? How will Russia minimise the damage caused by these sanctions?

**Dmitry Medvedev:** It was the first time I met the incumbent President of the United States of America at an event like this. We spoke during the dinner in honour of the 50<sup>th</sup> anniversary of ASEAN. As President Donald Trump was seated virtually right next to me, we were able to talk. My general impression coincides with what Vladimir Putin said recently: that he is an open, friendly person with whom it is easy to talk on various topics.

What is bad is that despite these interactions and the opportunity to discuss certain issues, our relations are deteriorating every day. They are currently at their lowest point in decades. At the same time, the United States is urging us to cooperate on a number of the most complicated problems in the world, for example, the fight against terrorism or the situation on the Korean Peninsula. But on the other hand, it is making decisions that quite unambiguously declare us not just its opponent, but, in fact, its enemy. This is an inconsistent position, to say the least.

The new round of sanctions does not, in itself, create any new rules. Rather, it codifies the executive orders of the US Administration. Prior to that law, all those decisions, all those sanctions could have been rescinded by presidential order, but now this requires Congress's approval. This means that our relations will essentially be undermined for decades ahead.

As regards economic consequences, this is, to a considerable extent, within the purview of the same US Administration. Let us wait and see what decisions they make. Anyway, we are prepared for various kinds of restrictions. First, because they are nothing new and, second, because our economy has adapted both to the general economic crisis and the restrictions imposed on our economy by the United States and a whole range of other Western countries. So, nothing fundamentally new can happen. But we are able to influence the situation. Our economy has adapted itself. The Government has the necessary arsenal of tools that may be used in case something unexpected occurs.

Anyway, the economy is stronger than a bunch of political decisions. As for our trade with America, it has been growing in spite of the sanctions. Our trade with the European Union has been growing too. Hydrocarbons are part of that, but nevertheless, there has been growth.

Eventually, if certain instruments of that law are put in place, this will be a blow, above all, to European businesses and the interests of EU citizens. It will create tension on the markets of those countries as new projects will fail to be implemented or some new changes might emerge, including in terms of prices. This law is becoming, to a certain extent, a competition tool intended to promote US liquefied natural gas on European markets actually in breach of competition rules. This really rankles many business people in the European Union, as well as some EU politicians, who made pretty unambiguous

statements in that regard.