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**OPENING PLENARY SESSION  
EMERGING LEADERSHIP FOR A NEW ERA  
Securing Global Growth**

**ADDRESS BY DMITRY MEDVEDEV, PRESIDENT OF THE RUSSIAN  
FEDERATION  
ADDRESS BY HU JINTAO, PRESIDENT OF THE PEOPLE’S REPUBLIC OF  
CHINA**

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#### **D. Medvedev:**

Good day, my esteemed friends, ladies and gentlemen. I would also like to welcome you to the St. Petersburg International Economic Forum. I want to give special thanks to my colleagues—foreign leaders visiting our beautiful city. Today, for obvious reasons, I will mostly talk about Russia: about the positive changes we have already achieved; about the type of economy our fellow citizens need; about the way I see our country developing in the next few years, and what needs to be done to achieve this. I will talk about the national development project which must become a reality, thanks to the combined efforts of the entire Russian society. Projects of this kind can only be accomplished if they are essential to society as a whole. This project must be implemented regardless of who occupies which official post in Russia in the nearest future. This is my responsibility as the nation's President, and the responsibility of my colleagues who are working on the modernization programme with me. Let me begin by telling you what we have already achieved—both over the entire life of the new Russian state and during the most recent period. This year, the new Russia celebrates its 20th birthday. Since the collapse of the Soviet Union and the failure of its planned economy, our country has achieved great progress in its development. During that period, the private sector's share of the economy was nearly zero. Today, it has already passed the 60% mark. Back then, our national debt—let me remind you of the numbers—was higher than our annual GDP. Today, the national debt has fallen to nearly 10% of GDP. Hyperinflation that raged through the country at hitherto unseen speeds has given way to a reasonably moderate rate of price increases. Russian families have doubled their real consumption. Within a brief historical period, Russia underwent sweeping reforms on a scale few countries have ever experienced. We moved from state-set pricing to traditional market-regulated pricing; from strict foreign exchange control, to one of the world's most liberal market regulation models. The country that was closed to foreign capital has now accumulated USD 300 billion in

foreign investments. We also had to build a taxation system from the ground up. Let me remind you that today, Russia has one of the lowest corporate and income tax rates in the world. This year, in order to stimulate long-term investments, we have abolished the capital gains tax. And the list goes on. It always feels good to talk about our accomplishments. But I think most importantly, we have, to the best of our abilities, continued to consistently and systematically move forward. We know that our path is strewn with problems and obstacles. We understand that without wiping out corruption, without effective public governance, without a strong financial system, we will not be able to overcome our excessive dependence on natural resources and reach a high standard of living. Modernization has provided a solution to many of our problems. This is why we began the nationwide economy modernization project, defined our technological priorities for the immediate future, and focused on transforming Moscow into one of the world's financial centres. Let me be blunt: the modernization process has not been smooth. But we never expected it to be any different. We simply had no right to wait and settle for any other timeframe. So we took action. In any event, our modernization policies have already borne their first fruits, however modest. Just in the last few months, USD 100 million worth of high-priority projects have been put into effect. Virtually every major pharmaceutical and energy company has made strategic investments in Russia. In the last three years, the number of Russian families with access to broadband Internet has doubled, and new Internet providers have begun successful operations. Today, their total capitalization is measured in tens of billions of dollars. Russia has maintained—and even strengthened—the leadership position to which it ascended with the launch of the first satellite and Yuri Gagarin's first space flight 50 years ago. Today, our country is number one in the world in the number of spacecraft we launch every year. We are completing the creation of GLONASS—a national navigation system, which is beginning to be implemented around the world. And finally, Russia's new nuclear power stations are being built

using technologies which comply with the post-Fukushima requirements for increased safety. I consider these projects to be our technological priorities because we have determined that this is where we must develop our economic modernization programme. What we intend to do will not be limited by the Skolkovo Innovation Centre, and by replacing out-dated technologies with cutting-edge ones in a number of priority sectors. It is important to understand this. These projects are just a spark that will light the fire of transformation on a larger scale, and will speed up the course of this transformation. These pilot projects will demonstrate how we must operate in today's world. We have begun to disseminate state-of-the-art practices throughout the country. This involves comprehensive use of the best technologies, support tools and research into innovations, technical regulatory standards, customs documentation procedures and immigration regulations, and many more, including the high quality of regional governance. To help speed up these developments, there have also been some personnel changes. Over the last few years, I have fundamentally revamped Russia's regional leadership. New, hopefully ambitious leaders have become governors. And these changes are already reflected in the business climate. I will give you just one example: Moscow. The city's newly appointed team has already cut by half the number of procedures necessary to begin construction. This used to be a sore point in our capital. Let me repeat that these are only the first results of the modernization process. Reaching its ultimate goal is a difficult, complex task. But I have no doubt that success is within our reach.

Dear colleagues, now I would like to say a few words about how we plan to minimize external risks. The global financial crisis has created considerable financial imbalances in a number of countries, including the countries of Europe and the United States. The need to minimize budget deficits could slow down these countries' economic growth, along with demand for Russian goods. Investors are always looking for ways to diversify their investments. Whether they will choose our country depends in large part on ourselves. Russia must provide

new opportunities: from growing consumer demand, to dozens of infrastructure projects. We must also explore new perspectives in creating an integrated economic area that includes our neighbours. Let me emphasize that this will make Russia one of the world's largest and most appealing markets. Normal development of the global economy is also hindered by the highly volatile nature of natural resource markets. Our own experience has taught us this. We cannot keep banking on high oil prices, and especially on their continuous increase. The growth which is currently taking place in Asia, and which our Minister of Economic Development touched upon; conflicts in the Middle East and Northern Africa; the aftermath of the disaster in Japan—all these factors have led to an increase in the prices of raw materials. But dependence on the pricing situation isn't part of our long-term plans. It might sound rather conventional, but we must live according to our means, putting aside at least some of the revenue we get from the extremely high oil prices. In today's climate of increasing global inflation, it is very risky to overspend this windfall money. Inflation prevents us from lowering interest rates and dramatically increasing investment activity. The Minister of Finance nods vigorously. And there is no other option, than more substantial integration of Russia into the global economy. Business people have a saying: "Markets are like parachutes: they only work when they're open". Without an open economy, we, too, will fall and really hurt ourselves. This is why we will be lowering barriers to foreign investments. We are also planning to complete the process of Russia's entry into the WTO, and then into the Economic Cooperation Organization. As far as the WTO is concerned, I think we can reasonably expect to complete the process before the end of this year. Unless, of course, we are dragged back into political games. We have long been better prepared for entry into the WTO than many other countries, both large and small. Everyone knows this. But there is an attempt to browbeat us into making numerous unreasonable concessions. This is unacceptable. Russia will not submit to plainly unfavourable conditions. It will, of course, be unfortunate if our

partners are not ready for a fair process of entry into international organizations. We must avoid this scenario. One way or another, individual political and economic interests must not prevent our successful development. Russia will continue to successfully use its position in international organizations. As members of the G8, we have the responsibility to solve international security problems and foster development in the world's poorer countries. In addition, Russia is one of the fastest growing BRIC countries, concerned, among other things, with a more stable global financial infrastructure, implementation of modern administrative technologies, and of course, with democratization of the global financial system. A more active circulation of the rouble, yuan, and other growing currencies on the global market will obviously add flexibility to the global currency system, and will make the work of investors easier. I must also note that activity in these two areas immediately gives Russia an opportunity to serve as a bridge of sorts that will serve to balance out certain positions and make operations of the G20—currently the world's most influential economic forum—more effective. Initiatives proposed by Russia are already a big topic of discussion in influential international circles. This is pleasing. This also applies to nuclear safety and the safety of offshore oil production. Due to the evolution of the Internet, we have also laid down proposals for new intellectual property use regulations. The main idea behind them is the new role of copyright holders in defining methods that will protect their works. These are just some examples of our cooperation. I think that today, we must reach new levels of understanding between leading countries in regard to our common development principles and financial policies, and modernize multilateral conventions. I am sure that Russia will play one of the key roles in moderating this process. I also want to stress the positive role our biggest neighbour—the People's Republic of China—plays in global stability and security. Strategic partnership between Russia and China helps make the world more stable, and at the same time promotes more active global development.

Dear colleagues, now I would like to focus on our country's development strategy and its goals. They have already been mentioned several times, so today I would like to concentrate on our actions: on the most important aspects. Steve Jobs, one of the best known innovators of our times, once said that the most important decision is not what to do, but what not to do. I would like to be perfectly clear on this: we are not building state capitalism. Yes, we went through a stage when the role of the state in the country's economy increased. It was unavoidable and, at that time, necessary in many ways. It was important to stabilize the situation after the chaos of the 90s, and to establish basic order. However, this approach has exhausted its potential. The relative effectiveness of this economic model is highly dependent on the state of the market, and often leads to ill-conceived, convulsive steps aimed at one thing, and one thing only: to stay afloat, nearly always regardless of how effective the result proves to be. The state still owns a large share of economic assets, from factories to land resources. But even the remaining assets are still affected by the excessive government regulation system in the fields controlled by the government. Natural monopolies are a prime example. Still, any legislative uncertainty poses a risk to the business owner, not to the government. And the belief that the government is always right manifests itself in corruption or in sweeping preferential treatment of its own companies, regardless of ownership structure. These conditions foster the principles of manual control rather than market institutions. But their efficiency is both highly limited and very selective. In this system, administrative quality, economy, and management are often reminiscent of the famous joke about computer system development: "Yes, we fixed the old mistakes, but added new ones". This results in the domination of government-controlled companies in most industries, low entrepreneurial and investment activity in these areas, and in the end, the danger that Russia's economy will lose its overall competitive edge. And no number of five-year plans, so dear to some experts, will save us. This economic model is dangerous to our country's future. This is not my choice.

My choice lies in a different direction. The Russian economy must be dominated by private enterprise and private investors. The state must protect the choices and property of those who consciously put their money and reputation on the line. It must give them the right to make a mistake and room for drive, for growth. What's more, it must use government-run companies to provide a modern, stable infrastructure for overall economic growth.

The state must also create a social security and public services system that stimulates Russian families in the direction of increased number of children, a healthy lifestyle, continuous education, and finally, many years of productivity. We still have a long road ahead of us before we are completely free of the legacy of the old system, which combined distribution systems for the select few, and minimal risk, with hand-outs which kept everyone else on the same level of poverty and lack of control.

In other words, I choose the path that guarantees the highest potential for economic activity for millions of our citizens who are protected by law and by the entire might of their government. I choose the path that, in the next decade, will help Russia create an economy that fosters a high standard of living; an economy that makes life secure and exciting; an economy that places Russia among the world's leaders. In my opinion, this depends first and foremost on our people; a healthy population; clean energy; intelligent networks; e-services; comfortable transportation; accessible housing and high-quality education; a positive environment for all Russians, especially children, the disabled, and the elderly. Today, we have the luxury of creating a new technological structure instead of trying to catch up with someone else. We are moving towards this type of economy, based on next-generation technologies that rely on large companies competing on global markets, and on a broad stratum of small and mid-sized companies, including companies focused on innovation. If we can become global trendsetters in these vital areas, if we maintain and increase our extensive human intellectual resources, I am convinced that Russia will become one of the



global leaders in economic growth. I choose a comprehensive transformation of out-dated economic tools and of all public institutions. This requires more than case-by-case changes: it requires systemic solutions. We shouldn't waste too much time saying goodbye to many bad habits. We shouldn't make the mistake of focusing simply on orderly and measured growth. This supposed stability may lead to another period of stagnation. That's why we must act faster and more decisively to change everything that stands in the way of ground-breaking development. This is the very basis of strategy I formulated during my three years in the post of President; a strategy that is widely known today as Russia's modernization programme. I am convinced that this is the most up-to-date, most deserving direction for Russia. It is in our power to change the situation in the next few years. To achieve this, our main thrust will be focused on the following goals: drastic improvement of the investment and entrepreneurial climate in order to create high-performance jobs in all regions of the country; meaningful progress in the war on corruption; creation of a state-of-the-art police force and other law enforcement structures; increased efficiency of the legal system; and finally, on the modernization of state management itself, with the implementation of cutting-edge planning approaches and decentralization of power. In late March in Magnitogorsk, I issued directives aimed at increasing the efficacy of market institutions, as well as on lowering business expenses and attracting investments into Russia's economy.

In politics, it is crucial to see decisions through to their practical implementation. The Magnitogorsk initiatives are already being implemented. For example, after a fairly long discussion, we decided that next year, we will be lowering the maximum rate of mandatory premiums from 34% to 30%, and to 20% for small business in manufacturing and social sectors. Of course this is not a radical change—but it is an indicative and advantageous step for a great number of small and medium-sized companies. I consider this to be a fair and balanced decision in the current transitional period. In addition, we have decisions in the

pipeline which will narrow the sphere of control over strategic foreign investments, and will provide minority shareholders with access to information about the activities of public companies. We now have authorized investment representatives in federal districts. A Presidential mobile reception office has already been deployed. The federal law establishing a special procedure to review appeals that contain corruption charges has been drafted. Replacement of high-level officials with independent directors in key government-owned companies is virtually complete. This process will reach completion in all state-controlled corporations by autumn of this year. We have formed a management company for Russia's direct investments fund. Approximately USD 2 billion in the federal budget has been earmarked for the management company's initial capital. Negotiations with key potential partners have been conducted. There is a lot of interest within the country. In the next few months, we will start reviewing specific projects. Discussions of these Magnitogorsk initiatives have revealed a high demand for prompt and objective decisions. This is no coincidence. The objectives of modernization can be attained not by taking one-off measures, no matter how drastic, but by ensuring an incessant, constant process of change. And, of course, we must have the political will to drive this process forward, ensuring that it develops steadily, step by step, and does not deviate.

In this context, I think that the times call for a number of new steps. What are they?

Firstly, the state doesn't need so much property. The government has proposed a schedule of privatization of major companies. It is undoubtedly necessary to implement these plans—but they are too limited. I think we would benefit from removing the majority shareholdings, and in some cases, the blocking shareholdings, in many major companies that currently belong to the state. Infrastructure monopolies and military organizations vital for our national security will undoubtedly require a more careful approach. To solve this issue, the government must update the privatization schedule by August 1. I am convinced

that we will be able to conduct a privatization campaign that will follow the current transparency rules, in order to attract effective private investors and collect significant funds for Russia's federal budget.

Secondly, the federal structure of our state must be the engine that drives the development of our vast and diverse nation, and must advance our competitive edge. In today's world, it's impossible to govern a country from one location—especially when the country in question is Russia. What's more, if everything is implemented or develops based on a signal from the Kremlin—we've been through that already; I know this from my own experience—the system cannot survive; it has to be continuously fine-tuned according to the specific leader. That's no way to function. It means the system must be changed. In the immediate future, I will create a special high-level task force that will prepare recommendations for decentralization of authority between various levels of the government, first and foremost in favour of the municipal level, including issues of corresponding modifications to the national tax system and the principles of interbudgetary relations. I am convinced that these principles will also go further to meet the needs of the potential structure of Russia's economy.

Thirdly, additional steps are required to increase the quality of our judiciary system. This sphere is fraught with problems. They've been well-documented, and we are well aware of them. What's more, we are capable of solving them independently, without outside help. And I believe that the judiciary community itself will be the first to take these steps. These days, many people advocate the creation of a separate court, in effect a separate judiciary system for foreign investors. I think this is a mistake. An impartial, just, and effective judiciary system must be available to all: to our citizens, to any organization, and to every person. That is how we will solve this problem. We will encourage specialization of arbitration judges, develop an arbitration and mediation system, and dramatically update judges' qualifications. I think the judiciary community needs a transfusion of new people with various kinds of specialized legal experience. To

make this process more meaningful, we will be taking all necessary decisions in the nearest future. I will also commission a thorough study which will determine the necessary amendments to the competitive process for judge selection and the process of applying disciplinary action to judges. Currently, these functions are combined in the hands of qualifying expert boards on corresponding levels. I think a more balanced approach is to separate these functions between expert boards and the regional disciplinary tribunal. This is a technical, but crucial issue. Fourthly, we constantly hear talk that corruption is strangling Russia. Our answer is obvious and must be, as they say, symmetrical. The noose around the necks of corrupt officials must be constantly and inexorably tightened. The whole of Russian society, without exceptions, agrees with this. But corruption is very hard to unmask. The process of applying existing criminal prosecution procedures to corrupt officials is extremely difficult and slow. We must preserve it, if for no other reason than to provide well-defined safeguards against groundless accusations, which, unfortunately, are also very common. At the same time, we must act faster and more decisively to flush corrupt officials from the government bodies. To achieve this, we must broaden the grounds for dismissal from government posts of officials suspected of corruption. For example, grounds for dismissal may include information received as a result of an operative investigation, even if they cannot be used in a criminal case in their present form. This will, in effect, trigger a dismissal due to a breach of trust, providing grounds for the termination of employment. At the same time, of course, we must uphold the judicial procedure for appealing these dismissals. I think it's also possible to consider implementing full asset liability for state officials that would compensate the victim for expenses incurred as a result of these officials' illegal actions or failure to act. In general, we must hunt down all those who act in contempt of the law, order, and their own decent and honest colleagues. And unfortunately there are quite a number of these people around. They've even infected the law enforcement system. I speak, in particular, of officers who turn groundless

charges and investigations into a racketeering weapon, a virtual business. We must use the institution of mandatory public prosecutor's verification of criminal cases filed and dismissed without reaching the court. At the first sign of abuse, the public prosecutor will file charges against the officer in question, including criminal charges, if necessary. In the nearest future, I will submit corresponding amendments to the legislation to Parliament.

Fifthly, rather than just pretty plans, what we need is meaningful progress in building a financial centre in Moscow. To accomplish this, we will be making important changes to the legislation before the end of this year. In time for these changes to take effect, the government of Moscow will design a package of fundamental programmes that will transform life in the city. We will also be taking a number of other decisions, such as removing many of the limitations for the sale and circulation of Russian securities abroad.

And lastly, we are working on implementing visa-free travel between Russia and the EU, as well as other countries. But this depends to a large extent on our partners. However, we are ready to extend our goodwill, along with taking concrete action. To this end, we will provide long-term visas for all investors and entrepreneurs who conduct a considerable amount of business in Russia, including, of course, professionals involved in the construction of the Skolkovo Innovation Center and Moscow's financial centre. Finally, in order to improve development of the Moscow metropolis for the purposes of building the financial centre, and in order to simply make the life of a great number of people easier, we might also consider the question of expanding the boundaries of Moscow: in other words, the formation of a Moscow federal district that extends beyond Moscow's traditional borders. This would be accompanied by moving a considerable number of administrative functions on the federal level and, naturally, government organizations, outside these borders.

Dear friends and colleagues, I have outlined a number of specific measures, and I am confident that they will be implemented. But this list is far from exhaustive.

We must work to fine-tune these measures. I am sure that all strategic goals we set for ourselves will be accomplished. I have no doubt in this. This confidence is based on the fact that we strive for development, for a new quality of life, for a victory over injustice and corruption, this drive is uniting the whole of Russian society. We will all act as one. In order to realize the strategy that unites us, we will need to make changes to the structure of government and to other power structures on all levels. We must ensure a high level of governmental transparency and a large scope of opportunities for the private sector. We must fully support modernization on the local level, promote social initiatives, and unite concerned citizens who are trying to build a better life in their city, their village, or their region. Our great historian Nikolay Karamzin said, “Love of personal wellbeing drives us to love our country, and self-respect leads to national pride—the foundation of patriotism.” I think these words accurately capture the challenges of national development that face the present-day Russia. I have no illusions that the entire Russian economy will be completely transformed in a few years. But we must, in a relatively short time, pass the point of no return for the models that are dragging our country backwards. And we will not fail to accomplish all that we have planned. We will move consistently, step by step, and irrevocably forward. And corruption, impediments to investment, excessive government involvement in the economy, and excessive centralization are levies against the future, which we must—and will—abolish. Our citizens will do the rest themselves, for their own good, and by extension, for the good of the country, for the good of Russia. They will create their own success, and will build the success of our nation. Thank you for your attention. Have a successful Forum! Thank you.

**Hu Jintao:**

Dear President Medvedev, dear Forum participants, ladies and gentlemen, and friends. It is a great pleasure to visit Russia’s Northern Capital and speak at the Fifteenth Economic Forum in St. Petersburg. I’d like to sincerely congratulate all

of you with the success of the Forum's opening ceremony. The St. Petersburg International Economic Forum, which began in 1997, is known worldwide as an influential platform, a place for the high-level representatives of various countries of the world to meet every year. The Forum's agenda traditionally covers Russia's economic development and the state of the world economy as a whole. In the 15 years of its existence, the St. Petersburg International Economic Forum has witnessed a fast and steady growth in Russia's economy. What's more, it has, to a large extent, fostered the development of international business relationships and cooperation. Its positive role is highly valued in my home country, China.

Colleagues, we are witnessing sweeping progress, a fundamental transformation of our world. The notions of peace, development, and cooperation are even more deeply rooted in our hearts. Due to the active formation of a multipolar world and economic globalization, economic interdependence between various nations is strengthening. Countries with emerging markets and developing nations are quickly gaining strength. Regional economic cooperation is gathering speed. New breakthroughs in science and cutting-edge innovations are evident all around us. The global economic order is undergoing fundamental changes. However, we cannot ignore the fact that more than two years after the financial crisis swept the world, economic recovery is still slow. The foundations of global economy are still far from perfect. It is still full of uncertainties. And the aftermath of the crisis continues to affect us. Hot spots flare up periodically in various regions of the world. The question of development disparities between the North and the South, and the issue of protectionism in its various forms, have become more critical. Humanity's progress and its very existence are encountering a number of new global challenges, including climate change, and stability in terms of energy and food supply.

Ladies and gentlemen, China is ready to take an active part in discussing and finding solutions to important issues of global economic development. We are ready to meet existing challenges together with the rest of the world. Today, from this high rostrum, I want to use this opportunity to share my thoughts with you.

Firstly, we must strengthen global economic governance and push forward reform of the global financial system. We start from the fact that, in addition to having an impact on the global economy and on the economies of each of our countries, the financial crisis also illuminated just how flawed the current international financial system is, and how ill-equipped existing economic management institutions are to handle a crisis. Today, we can all witness the growing influence countries with emerging markets and developing nations wield in the global economy, playing an increasingly important role in global governance. It is crucial for new international institutions of economic oversight to reflect the changes taking place in the global economic configuration. Principles of mutual respect and collective decision-making are of particular significance. Today, the most pressing task is to increase representation and give a stronger voice in these institutions to countries with emerging markets and developing nations. We must also support the G20, making sure it will continue to play an important role in global economic governance. I think this can greatly benefit universal recovery and global economic growth. Organizations focused on collaboration with countries with emerging markets, such as BRIC, serve as a new model for international economic cooperation and an important practical example of the multilateral approach. We must actively work to improve global economic governance; stimulate creation of a fair, inclusive, and civilized global currency system and balanced multilateral trade mechanisms based on the principles of reciprocity and mutual benefit. We must stand against protectionism in all its forms, and steer the development of a global economic order on a more just and rational course.



Secondly, we must expedite transition to new models of economic development and promote rational reforms to the economic structure. Global economic development is an opportunity for all countries of the world—but it is also a challenge. We all need to be clear about this, and to keep in step with global development while adapting to the changes that are sweeping the global economy. In order to effectively solve various economic problems, we must unflinchingly follow the policies aimed at transition to new economic development models and economic structure reform. We must strive for change in development and for the development of change. By moving to new economic development models and reorganizing economic structures, we can learn from each other and use each other's experience. Together, we can work towards stable and balanced global economic growth.

Thirdly, we must fully implement scientific and technical innovations and resources, and expedite their integration with the economic structure. In the atmosphere of active expansion and intensification of innovative processes, worldwide changes in the scientific and technological strategies are moving faster in the direction of increasing investments into innovative research and training of creative human resources. In this respect, China is no exception. Our country makes every effort to strengthen our scientific and technological potential and build an innovation-based nation. Together, we must promote cooperation in the sphere of innovations, stimulate implementation of scientific achievements in industry, and help science and innovation become the chief engine of global economic development. We must combat factors that thwart global economic development, and actively foster the fusion of scientific innovations with the growing prosperity of our people, so that science and innovations can greatly benefit all nations of the world.

Ladies and gentlemen, as Russia's good neighbour and strategic partner, China always supports it and carefully follows its growth and development. We are happy to note that Russia's response to the crippling aftermath of the global

financial crisis was to take a number of practical and effective measures, which resulted in positive growth of the Russian economy. Today, we see that the reorganization of Russia's economic structure is gathering speed, and great efforts are being applied to implementation of the comprehensive modernization strategy, which is primarily focused on fostering innovation. Your country has made great strides in various directions. The Russian people's standard of living is continuously growing. China and Russia represent the world's most important emerging markets. Stable development in each of our countries creates opportunities for further development in the other country. What's more, it stimulates global economic growth. In recent years, thanks to our combined efforts in the sphere of trade and economic ties between China and Russia, we are witnessing an impressive recovery process. Today, China has already become Russia's biggest trade partner, and vice versa. During my current visit, President Medvedev and I have agreed to increase the volume of bilateral trade to USD 100 billion by 2015, and to reach the USD 200 billion mark by 2020. Both countries are ready to continually broaden our mutually beneficial cooperation in the sphere of investments, energy, nuclear energy, aerospace, science and technology, and finance, and to foster closer regional cooperation, paying special attention to expanding collaborative development of new energy sources, new materials, biotechnologies, and nanotechnologies. We will also be broadening our cooperation in developing new green industries that will breathe a new life into our respective economies.

Ladies and gentlemen, the 12th five-year programme that was recently adopted in China delineates the goals and challenges of our country's social and economic development for the next five years. These challenges await us in such spheres as economic development, economic structure reform, science and education, natural resources and environmental protection, increasing prosperity, social progress, continuing reform, and an open foreign policy. In general terms, this programme outlines the guiding principles of scientifically

sound development, focusing on a faster transition to new economic development models. Our country will pay closer attention to human development, comprehensive, balanced, and stable development, reforms and open foreign policy, as well as social security and the increasing prosperity of our people. We will strive towards stable and dynamic long-term economic growth, social harmony, and stability, laying in China a strong foundation for building a middle class society. China holds high the banner of peace, development, and cooperation. We will continue to be guided by an autonomous, independent foreign policy. We are determined to continue unswervingly on the path of peaceful development and the strategy of mutually beneficial openness. We welcome the active participation of all countries of the world, including Russia, in China's development process. As part of this collaboration, we are eager to share with you all the capabilities created in the course of China's own development. Together with the rest of the world, we are ready to make every effort to build a beautiful future of mutual benefit and cooperative development. Thank you for your attention.