

Plenary session of the 9th Eastern Economic Forum

The President of Russia took part in the 9th Eastern Economic Forum plenary session.

September 5, 2024 12:00 Russky Island, Primorye Territory

The forum's slogan this year is 'Far East 2030. Combining Strengths to Create New Potential'.

Vice President of the People's Republic of China Han Zheng and Prime Minister of Malaysia Anwar Ibrahim also participated in the session. The discussion was moderated by Deputy Editor-in-Chief of the Russia 24 news channel Alexandra Suvorova.

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Alexandra Suvorova: Good afternoon.

It is my great honour and privilege to welcome you to the Eastern Economic Forum's plenary session. This year, the main theme is Far East 2030: Combining Strengths to Create New Potential.

Mr President, you have repeatedly emphasised the importance of developing Russia's Far East as a priority for the 21st century. What has been achieved so far and what do we need to accomplish moving forward? How is Russia building relations with its colleagues within the Asia-Pacific Region (APR) and its regional associations?

During this session, we will try to answer these questions together. But before we do that, Mr President, I would like to give you the floor and invite you to address this gathering from

the podium.

President of Russia Vladimir Putin: Mr Anwar Ibrahim,

Mr Han Zheng,

Ladies and gentlemen, friends.

I am delighted to offer warm greetings to all the participants and guests of the 9th Eastern Economic Forum.

It has become a tradition for Russia and the city of Vladivostok to host this event in early September, bringing together businesses, technology providers, research teams, senior executives from major corporations, government officials, specialists, experts and entrepreneurs who are interested in Russia's Far East and recognise the immense opportunities this unique Russian region offers for launching creative undertakings and engaging in mutually beneficial partnerships.

As you know, and as our moderator Aleksandra pointed out, we have designated the development of the Far East as a national priority for the 21st century. The significance and correctness of that decision have been confirmed by life itself, the challenges we have recently encountered and, most importantly, the objective trends that are gaining momentum in the global economy, when the main business ties, trade routes and the overall development are increasingly shifting towards the East and the Global South.

Our Far Eastern regions offer direct access to these growing emerging markets, helping us overcome the barriers which some Western elites are trying to create worldwide. The most important thing, as I have already mentioned, is that the Far East is a huge area for implementing business initiatives, launching complex projects and creating whole new industries.

In fact, the Far East has become a crucial factor for strengthening Russia's standing in the world and our flagship in the new global economic reality. The further development

of the Far East will largely determine the future of our country as a whole.

This subject – the image of our future – is the key focus of nearly 100 events, panel sessions and roundtable discussions at the Eastern Economic Forum. Overall, representatives of more than 75 countries and territories are taking part in the forum's events.

It is extremely important that such discussions are complemented with substantive business dialogues and result in the adoption of investment decisions and trade agreements. I would like to say that over a thousand agreements worth in total more than 10.5 trillion rubles were signed during the previous three forums.

In short, the Eastern Economic Forum has rightfully become a respected venue for establishing reliable business contacts and discussing the strategic development of the Russian Far East and the Asia-Pacific region as a whole.

In my address I will tell you about some of our planned actions in this sphere, our proposals for our foreign partners on strengthening investment, trade, industrial and technological cooperation in the Asia-Pacific region, as well as about our achievements and plans in the economy, infrastructure and social sphere of the Far East, including for improving the quality of life for our citizens in this region.

Let me remind you that back in 2013 we launched a new strategic programme and a governance framework for promoting comprehensive development in Russia's Far East. And this approach has proven its worth. Over the past ten years, over three and a half thousand manufacturing, infrastructure, technology and educational projects have been launched in this region. Over the same period, fixed capital investment has been gathering momentum in Russia's Far East, with the growth rate exceeding the national average by a factor of three.

This investment brought about tangible results. There are about 1,000 new enterprises here, and these efforts helped create over 140,000 jobs. In terms of industrial output growth, the region has been above the national average by 25 percent since 2013.

Let me also remind you that there are currently 16 priority development territories in Russia's Far East. There is also the Free Port of Vladivostok. We introduced a preferential regime for the Kurils, and established a special administrative district on Russky Island – this is where this meeting is taking place. By the way, this district has offered a pathway for re-shoring assets worth over 5.5 trillion rubles back to Russia from offshore and foreign jurisdictions. More than 100 companies are currently registered here.

We will make sure to continue this advancement and will work tirelessly to improve the business environment in Russia in general, as well as in its Far East, including by relying on innovative and effective practices when working with foreign investors.

For example, we announced the initiative to establish international priority development territories in the Far East at the 2023 Eastern Economic Forum. Foreign investors, primarily from the friendly countries, of course, must benefit from a globally competitive environment.

We have plans to establish our first international priority development territory here in the Primorye Territory. Our Chinese partners, as well as the Republic of Belarus, have shown great interest in this undertaking. Belarus could even contribute to building a new deep-water port here. I would like to ask the State Duma and the Government to step up their efforts to draft a law for launching these international priority development territories.

There is another regulatory solution designed to facilitate and expand our ties with our foreign partners. Starting on September 1, 2024, Russian law allows for the use of foreign standards in construction and design. Of course, this applies to countries where quality and safety requirements for permanent structures are just as high as here in Russia. I hope that this approach serves its purpose, including within the Far East's international priority development territories.

Developing Bolshoi Ussuriysky Island in the Khabarovsk Territory should serve as a model for working with our foreign partners, attracting investment in construction projects and creating jobs. This project provides for creating major logistics centres and border checkpoints, as well as expanding its road network.

Last May, during the state visit to the People's Republic of China, we agreed to collaborate with our Chinese colleagues on this project. I am certain that it will provide a good powerful impetus to the development of Khabarovsk and the entire region. I am asking the Government to finalise all the organisational and financial issues in order to begin fulfilling this plan as soon as 2025.

Of course, electricity supply is one of the key issues when it comes to launching business initiatives in the processing industry, in housing construction and in transport network upgrade, across all areas, in fact.

The Russian Far East is experiencing an increase in energy consumption. The current rate is 69 billion kilowatt per hour annually, and by the end of the decade, we expect it to be around 96 billion. Even today, there are areas, residential areas and major Far Eastern investors who face the shortage of power and have to wait for the launch of new stations, which delays construction, the operation of industrial facilities and infrastructure.

I have already instructed the Government, our major energy companies and business circles to develop a long-term development programme for energy capacity in the Far East, and work on respective project financing mechanisms.

This programme aims to eliminate the expected deficit of electric energy in the Far East, primarily by launching new generation facilities like, for example, the Nizhne-Zeiskaya HPP in the Amur Region, which will not only provide electricity to the region and the Eastern Operating Domain but also help protect territories and residential areas from flooding. I am also asking you to consider building nuclear power plants in the Far East. We discussed this with our colleagues yesterday.

I want to emphasise that the power development plan must consider both current and future needs of businesses and the public, as well as the long-term objectives of the constituent entities, cities and smaller residential areas.

This also applies to strengthening transport and logistics capabilities of the Far East and the entire country. The largest and most significant project here is, of course, the expansion of the Eastern Operating Domain.

In the past ten years, more than 2,000 km of railway tracks have been built and more than 5,000 km have been renovated on the Trans-Siberian Railway and the Baikal-Amur Mainline. We have built and renovated more than 100 bridges and tunnels, including those across the Lena, Bureya and Selenga rivers. By the end of this year, the carrying capacity of the Eastern Operating Domain railway network is expected to reach 180 million tonnes.

This year, we launched the third stage of this highly important transport artery, and the works are currently underway.

I want to emphasise that our objective is to eliminate railway bottlenecks and build over 300 facilities, including routes supplementing the Severomuisky, Kuznetsovsky and Kodarsky tunnels, as well as a bridge across the Amur River. This is a much more ambitious goal. It is crucial to start planning for the future today. For example, we will need to lay a second set of tracks along the entire Baikal-Amur Mainline and electrify this railway.

Over the next eight years, we will lay 3,100 kilometres of tracks along the Eastern Operating Domain. To put this into perspective, this is the same volume of tracks that were laid during the first and second stages of expanding BAM and the Trans-Siberian Mainline combined. This is also comparable to the construction of BAM in 1974–1984.

Today, we are implementing a project whose scale exceeds the largest Soviet-era infrastructure investment project completed by all Soviet republics pooling all their resources.

Just like the Trans-Siberian Mainline, the new transport corridor between St Petersburg and Vladivostok will serve as a vital continental artery.

Expanding freight traffic volumes and improving the quality of vehicle traffic are not the only goals. When completed, the new corridor will also promote inbound tourism: the entire route passes through numerous Russian regions.

The corridor is being developed in stages. In December 2023, we opened a modern motorway between Moscow and Kazan. By late 2024, this route will reach Yekaterinburg

and later Tyumen. We will also build bypass roads in Omsk, Novosibirsk, Kemerovo and Kansk.

In the future, when the modern road reaches Vladivostok, the auto transport corridor will be over 10,000 kilometres long, including routes for accessing checkpoints on the Russian state border.

In this connection, I would like to remind you of the objective set out in the Address to the Federal Assembly, specifically, the reduction of queues at the border and reducing the time in which lorries undergo checks, which should not exceed ten minutes.

We aim to achieve this result at the first five Far Eastern border checkpoints by 2026. It is worth noting that railway checkpoints are already processing freight at the border promptly.

Let me stress this: a truly large-scale effort has been launched at both the Eastern Operating Domain's railway network and at all of Russia's major road infrastructure facilities. This effort involves specialists, engineers, and designers from many regions of our country. They are proving through their hard work and responsible approach to business that Russia is ready and able to handle large-scale construction projects, and do it quickly and with high quality, and to implement infrastructure and transport projects on a national and global scale. These projects include the development of the Northern Sea Route as an international logistical route. Over the past decade, the freight traffic flow on this route has increased by an order of magnitude, from just four million tonnes in 2014 to over 36 million tonnes last year. This is 400 percent more than the Soviet-time record.

We will continue to boost the freight traffic, including by developing actively Arctic deposits, rerouting cargo flows from west to east, and expanding the transit.

The large-scale plan for the development of the Northern Sea Route is currently being implemented. We are building icebreakers, expanding our satellite cluster in orbit, strengthening the coastal infrastructure, and upgrading the network of emergency and rescue centres. Coastal cruises were launched on the Northern Sea Route two years

ago to familiarise ourselves with new logistical routes. Today, this arrangement includes 14 ports in the Northwest, the Arctic, and the Russian Far East.

It is worth noting that the capacity of Russian ports within the limits of the Northern Sea Route exceeded 40 million tonnes at the end of last year. However, we believe that this is just the beginning. We will continue to increase their capacities, upgrade the cargo transshipment mechanism, and expand the nearby and far-off rail approaches to these ports. One of our goals is to increase the capacity of the Murmansk Transport Hub to 100 million tonnes and potentially even higher.

Let me note that our Eurasian integration partners are also interested in developing the Murmansk Transport Hub. For example, the colleagues from Belarus I have mentioned are giving careful consideration to the prospects for expanding the port infrastructure and their terminals on the Kola Peninsula. Of course, we also invite other countries to take part in this project. I know that there is an interest in this work.

Let me add that Russia implements all its transport and logistical initiatives using advanced engineering, digital and environmental solutions. This creates additional demand for the output of Russian machine-building and iron-and-steel plants, and for services of the construction and other industries, research institutions, and hi-tech businesses.

It is with this approach based on the latest solutions and the greatly improved technological, economic and educational capability of the country as a whole, that we must address the tasks of strategic development of the Far East, including the further strengthening of the region's basic mineral resources sector.

Today, the Far East accounts for 100 percent of the country's tungsten, tin, fluor spar and tincal production, 80 percent of diamonds and uranium, over 70 percent of silver, and 60 percent of gold. However, mining in the main production areas, including Yakutia and Chukotka, began long ago and their resources are objectively limited, while the demand for them is growing, both for export and on the domestic market.

We must ensure the resource sovereignty of our country and provide a reliable basis for the sustainable supply of affordable raw materials and fuel to the national economy,

to our regions, cities and towns, as well as create a foundation for the production of new materials and energy sources. As I mentioned earlier, we must accomplish this by utilising more effective domestic technologies and scientific solutions in the fields of ecology and mineral resources management.

During our forum last year, we instructed the Government to prepare separate programmes for exploring the resources of the Far East and Siberia and to incorporate them into the Geology. Revival of a Legend federal project.

These programmes have been prepared. According to our estimates, every ruble of federal funds invested in exploration will attract at least 10 rubles of private investment. But the main thing is that these investments will pay back and produce a huge profit, as well as have a comprehensive effect throughout the production chain. However, this job must be completed within the given timeframe and with due regard for the investment planning horizon.

I ask the Government to include the funding of these programmes in the draft three-year federal budget in the amounts necessary for achieving our goals.

As I said, the Far East has the potential to increase the state of geological exploration severalfold, including when it comes to the exploration for and production of high-tech raw materials such as titanium, lithium, niobium and rare earth metals, which we will need for the economy of the future. Most importantly, we have all these elements.

These industries have a huge potential for the growth of our Far Eastern regions, for creating jobs, enhancing the availability of various services, strengthening ties and improving logistics efficiency.

We will support the development of innovative and creative industries, and the infrastructure for the big data and AI economy in the Far East. In particular, we will establish a zone here where civilian purpose drones will be created.

We will continue to build up the scientific and educational potential of the Far East so as to use the advantages of technological progress to full capacity. New projects to build

university campuses in Yuzhno-Sakhalinsk and Khabarovsk have been launched in the region, but this is clearly not enough for the Far East.

I propose launching several more projects, namely, to build new campuses in Ulan-Ude, Petropavlovsk-Kamchatsky and Chita. We will also complete the second phase of the campus at the Far Eastern Federal University in Vladivostok. These campuses will have all the necessary conditions for study, work and accommodation of the students, as well as youth entrepreneurship platforms and business clubs.

We will also upgrade our Arctic universities. The project to build a campus in Arkhangelsk will be followed by a similar project in Murmansk.

Innovative engineering schools will be created at university campuses. Two such schools have already opened in Sakhalin and Vladivostok. Their task is not only to train professionals for our industries, agriculture, transport, the services sector and AI spheres, but also to propose unique solutions for broad implementation in management, the social sphere and economic sectors.

A RusHydro science and technology centre has been functioning efficiently on Russky Island for two years. It is focused on innovative global energy research, and its solutions are being actively used in the retooling and modernisation programme of the energy sector in the Far East.

Our leading companies will contribute to the establishment of another major innovative science and technology centre at the Far Eastern Federal University on Russky Island. It will specialise in research and practical solutions in the fields of marine engineering, biotechnology, biomedicine and other promising spheres.

I urge our colleagues in the Government and in the Primorye Territory to use the Far Eastern concession mechanism for the implementation of that project, as well as to explore ways to attract scientists from other research centres in Russia and other countries to that centre. What I have in mind are competitive incentive programmes and benefits packages for professionals and their families.

Colleagues,

We realise that the successful implementation of our plans in the Far East and nationwide depends primarily on the people and Russian families.

I have already noted that we cannot rely on outdated logic, where new plants and factories were built first and then the authorities started thinking about their employees. This unfair logic simply does not work in a modern economy, an economy of the future that revolves around people.

This is why we have launched major social initiatives together with new economic plans in the Far East. We have also activated the unified subsidy mechanism, which helps fund the construction of schools and kindergartens, outpatient clinics and hospitals and sports centres, improve the urban environment and implement infrastructure modernisation projects. Almost 2,000 social and infrastructure facilities have been built to date.

The unified subsidy has become a powerful financial lever for the Far Eastern concession mechanism. It aims to attract private investment in social projects. Businesses are already planning to invest over 120 billion rubles for this purpose. We are currently implementing 36 of these initiatives, with work already underway.

For example, we are building a year-round alpine skiing resort here in Primorye, as well as a national museum and theatre in Ulan-Ude. Petropavlovsk-Kamchatsky will receive a new community centre, and an art museum will be completed in Khabarovsk. We are building new sports facilities in Magadan and Chita. We are completely modernising municipal lighting systems in Chita and Birobidzhan. Of course, we will continue to support the Far Eastern concession project and to adjust its mechanism to meet the needs of the people and the capabilities of the business community.

I would like to note separately that, today, the system of public-private partnership helps build schools, airports, bridges and motorways, and to upgrade municipal transport networks across the country. However, the volume of these projects remains small, accounting for less than three percent of the GDP or 4.4 trillion rubles.

To intensify the development of this sector, it is necessary to upgrade specialised legislation. We should also adjust the mechanism of public-private partnership to ensure transparent risk distribution for all the parties involved, including state agencies

and businesses. These risks should be distributed equitably, including during the implementation of socially important projects.

Considering the experience and achievements in implementing technological sovereignty projects, I suggest that the VEB.RF Development Corporation becomes a mandatory participant in public-private partnership projects. It should oversee the risk allocation system and confirm the profitability of projects for the state and businesses. Mr Shuvalov and I have discussed this issue, and the corporation is ready for this. Just like the Projects Funding Factory, it should incentivise private investment.

I ask the Government and VEB.RF to chart specific parameters of transactions and their scale within the system of public-private partnership, with the participation of VEB.RF being a requirement.

Next, it is extremely important to attract private investment that aligns with the long-term development plans of our industries and territories, as well as our cities and towns. It is for their comprehensive development that we are actively promoting master plans, which are a fundamentally new mechanism for improving the quality of our people's lives. Many are aware of this, in particular, our Russian colleagues.

These plans have been approved for 22 administrative centres and urban conglomerates in the Far East, where over four million people live. In particular, a master plan has been prepared for a satellite city of Vladivostok, which will have a cohesive development strategy for the development of a huge conglomerate comprising Vladivostok, Artyom and the Nadezhdinsky District. Its implementation is slated to begin in 2025.

What are the specific features, essence and novelties of these master plans?

To understand them, we need to examine the previous situation at the local level. There was poor coordination between economic and urban planning services. Construction, housing and utilities, and social infrastructure were operating by themselves, which led to unbalanced decisions and disjointed urban spaces.

Today, the region and local administrations have held a series of discussions with the public and businesses, which helped pinpoint problem areas, assess the development

potential of all aspects of their cities, and prepare individual long-term development models for each of them.

In fact, it was for the first time that one document comprised all socioeconomic and spatial development models that included the construction of transport, housing and utilities, energy and other infrastructure. As I said, the integral part of these plans is to improve the quality of people's lives. It is our main goal.

Many elements of these Far Eastern master plans are still at the design stage, but we can say confidently that 70 facilities will be completed this year. In future, the implementation of these master plans must be accelerated.

The Ministry for the Development of the Russian Far East and Arctic has compiled a special rating of regions and agencies that are particularly active in this sphere. The current leaders in the implementation of these master plans are the Sakhalin and Magadan regions, the Republic of Buryatia, and the Kamchatka and Khabarovsk territories. I would like to thank our colleagues for their significant progress and ask them to continue building momentum.

At the same time, I would like to note that we will monitor the implementation pace of the Far Eastern master plans every year and recognise the best regional teams and federal agencies. This will allow other colleagues to learn from their success and adopt their best practices.

I should add that decisions have been made regarding additional budget loans for Government-approved master plans. Thirty billion rubles have already been allocated – as additional funding, I want to emphasise that. I propose allocating 100 billion rubles from the approved loan limit for 2025–2030 specifically for the master plans of our Far Eastern and Arctic cities, which will exceed the limits that the regions will receive as regular disbursement.

We should not forget about the urban development plans as we develop new national projects that are currently in their final stages. Moreover, it is necessary to allocate funds for specific sections, primarily for such national projects as Infrastructure for Living, Effective Transport System, Family, Long and Active Life, and Youth and Children.

What else is important? Half of the expenses under the master plans of the Far Eastern cities are covered by non-budgetary sources – that is, business investment and backbone enterprises that are willing to build outpatient clinics and kindergartens, sport facilities, roads, utilities networks, and restore cultural monuments, and so on.

As I said, we will certainly support such business investment. I am confident that, as the transformation of the cities and towns gains pace, the share of private investment will undoubtedly grow as well, including from our strategic partners such as large enterprises that take an active role in city renovation under their own social responsibility programmes in their present locations. We should take advantage of their results, capacities and experience when implementing the master plans.

Our strategic partners could, for example, fully fund a social infrastructure facility in a city, a town or a residential area where their investment projects are located. After this social facility is transferred to the municipality or the region, these investors will receive compensation in the form of tax rebates, concessions and other privileges. I am asking the Government to outline the parameters of this mechanism.

I want to stress that the experience of the Far East will serve as the basis for scaling up this master plan practice. As stated in the Address to the Federal Assembly, by 2030, these strategic documents will be developed for 200 Russian cities and towns. We will be scaling up this effort, from 22 areas in the Far East today to 200 areas nationwide, including the backbone cities that contribute to strengthening Russia's technological sovereignty.

To continue: A comfortable urban environment and large-scale social infrastructure are essential components of modern residential developments. Far Eastern investors involved in implementing these projects are entitled to benefits envisaged for priority development areas under the Far Eastern Quarter mechanism, which is currently being applied in pilot mode in seven regions. It is planned to build 1,800,000 square metres of housing for almost 70,000 people with its help.

Generally, let me note that the amount of housing built in the Russian Far East every year for the past five years has grown by about 100 percent. This is a good indicator. It is

expected that 5,600,000 square metres of housing will be completed by the end of this year.

An important and indeed decisive role in this sense has been played by the Far Eastern mortgage scheme. As you may know, we have extended it to participants in the special military operation. Loans issued at the record low interest rate of two percent are also available to young families, where the parents are under 36 years of age, as well as to recipients of the Far Eastern Hectare, employees of defence plants, teachers, and doctors. The same mortgage plan – on the same terms – is available in the Arctic regions.

We have extended these programmes until the end of 2030. I know that the Government discussed the terms of this mortgage plan for the future. I suggest that we put a full stop here and leave the interest rate for the Far Eastern and Arctic mortgage plans unchanged at two percent per year.

Let me add that since last year, families in the Primorye Territory that have a third child are entitled to a higher sum for mortgage repayment – one million instead of 450,000 rubles, as in the rest of the country.

We have agreed that the same payment of one million rubles should be introduced for families with many children in all Far Eastern regions, where the birth rate is lower than the average for the Federal District. I ask my colleagues to speed up the approval of relevant laws so that this measure enters into effect as of July 1 of this year, that is, retroactively.

I would like to dwell separately on issues that are of great importance for families and our citizens who live far from the “mainland,” so to say. I mean hard to access small towns and villages in the Russian Far East and the Arctic.

Our goal is to ensure regular and uninterrupted supplies for these communities, while also reducing delivery time and costs. Last year, we passed a law governing the supply of essential goods to the northern territories, which enabled us to switch to a centralised approach when planning these deliveries at the federal level, while the regions coordinate the way it is implemented on the ground.

The transport sector views shipping and handling essential goods as an utmost priority. We can issue budget loans for buying and delivering these essentials to the northern regions. There is also an effort to develop the core elements of the transport and logistics network we use for these deliveries, including roads, railway stations, seaports and river ports, and airports.

Starting in 2025, a single sea operator will be tasked with overseeing deliveries to the northern territories. For now, this project will run in pilot mode. This operator will handle cargo shipments in Chukotka. Moving forward, the project will also cover Yakutia, the Kamchatka Territory, as well as the Arkhangelsk Region and the Krasnoyarsk Territory.

Healthcare services for people living in remote communities, cities and villages, are a separate topic. Some settlements in Russia's Far East can only be accessed by rail. And they lack specialists for offering health check-ups and occupational health assessments, and providing other healthcare services.

A mobile diagnostics centre will start operating across five regions of Russia's Far East this September, and next year eight more regions will be added to this scheme. This train will be a real outpatient clinic and a pharmacy on wheels with advanced equipment and specialist doctors.

They will be able to carry out a wide range of tests and to seek advice from their colleagues at Russia's leading research centres, while using AI when drafting medical opinions. Of course, they will offer professional healthcare services, considering that all people in Russia need them regardless of where they live.

In this context, I would like to thank Russian Railways and all the doctors, nurses, railway workers and other specialists who are taking part in this noble undertaking. People really need it. I would like to ask the Government to help this company and ensure that this cutting-edge train-based medical facility and pharmacy does its jobs in an uninterrupted and effective manner.

There is one more thing. We will continue our efforts to develop local air service in order to bring cities and villages in Russia's Far East closer to one another. As I have already said, we expect annual passenger traffic on domestic flights within the region to reach four

million people. I have instructed the Government to approve a plan setting forth specific steps and initiatives to achieve this. It goes without saying that the effort to draft it has been too slow, which means that all the decisions we need in this regard must be taken without delay.

The air fleet is, of course, a major issue. We must build our own planes that are reliable and meet our quality requirements, and they must be produced in sufficient quantities. In this context, I am asking the relevant entities to step up their efforts to develop a passenger version of the Baikal, a light multi-purpose aircraft. It must enter serial production soon. Meanwhile, you must keep in mind that its price and characteristics must be competitive so that the airline tickets when using these planes are affordable for our people. Otherwise, we will have to offer subsidies of some sort.

Friends,

In the past few years, the Far East has gained popularity among young people seeking interesting careers, as well as trained specialists looking to showcase their skills and expertise in various fields.

Over the past eight years, the Far East has experienced a consistent rise in the number of young people between the ages of 20 and 24, thanks to our targeted support measures.

For example, we increased lump-sum payments under the Country Teacher, Country Doctor and Country Paramedic programmes. Today, teachers and doctors who relocate to Far Eastern villages and towns receive two million rubles each, while each nurse and paramedic receives one million rubles. We have already agreed to extend these programmes until 2030 and to maintain the double rate of regional payments for the Far East.

Another decision concerns the Country Culture Worker programme, which aims to support the employees of rural clubs, art centres, libraries, music schools and museums. In effect, these people protect our cultural sovereignty and identity, our traditional values, and educate young people.

I ask the Government to start implementing this programme from January 1, 2025. Of course, we need to stipulate higher regional lump-sum payments for culture workers moving to Far Eastern communities, and we should also involve them in the Far Eastern Mortgage programme.

I would like to add that we will continue to establish new museums in the Far East. As part of this work, I would like to instruct the concerned officials to perpetuate the memory of the Kuril amphibious landing, one of the final battles of World War II. This event symbolises the courage of our officers and soldiers who captured the seemingly impregnable enemy fortifications.

Colleagues,

Dedicated, courageous people with strong spirits were the ones who wrote the history of Russia's Far East, a huge region that accounts for almost 40 percent of our national territory. They studied and defended this land, preserved and perpetuated the traditions of its indigenous people, added new locations to the map of Russia, built cities, factories, roads and developed mineral deposit sites.

Among our forefathers who developed the Far East there was a sense of devotion to serving their cause and their Fatherland. And the love of their Motherland enabled them to pursue grand and ambitious designs and objectives. Even today, their heroism, self-sacrifice and accomplishments inspire so many of our people, and all these specialists – doctors, teachers, cultural workers, whom I have just mentioned, university faculty members, business owners – everyone working in Russia's Far East or who plans to dedicate their lives to this region, including officials in regional administrations and municipalities.

Launched in 2022 in this region, the Muravyov-Amursky Programme provides for training public administration officials. We have expanded it to include the Arctic region. It has been quite popular and competitive with up to 80 applications per scholarship. People who are young and ambitious can see that developing the Far East and the Arctic is one of the most interesting and promising objectives for our country. We will make sure to extend this programme at least until 2030.

Let me reiterate that government bodies at all levels, as well as the business community, NGOs and people in general will have to make a meaningful contribution to carrying out new national projects and programmes. Through these efforts, these undertakings will acquire a Far Eastern dimension and will facilitate the development of this region considering its strategic importance for Russia, as well as improve the quality of life there.

Of course, we will expand ties between Russia's Far East and our country in general with our foreign partners, friends, states and corporate entities, who are interested in promoting steady, lasting and mutually beneficial cooperation. This would enable us to further strengthen Russia's international standing.

I am certain that together, we will succeed in these endeavours.

Thank you for your attention.

Alexandra Suvorova: Thank you, Mr President.

I will give the floor to our guests a bit later. But first I have a few clarifying questions.

A look at Rosstat figures for 2023 shows that only slightly more than 7.8 million people live in the Far East. The same year, the number of population increased due to migration in three regions – Kamchatka, Yakutia and Chukotka. You also said that the number of young people moving there had increased over the past eight years. Nevertheless, the situation cannot be called stable: as you said, migration inflow increased in 2021, and there was a migration outflow, even though a small one, in 2023.

You pointed out in your address that one of the measures expected to encourage people to stay in the Far East was the master plans we are discussing now.

What else do you think should be done to improve life in the Far East?

I understand that talking about this could take long.

Vladimir Putin: Yes, talking about this could take long. We certainly should do more than we have been doing so far. This is obvious. But at least we can focus on two main aspects.

First, we must start improving conditions now and create interesting and promising jobs. And second, we must make life more comfortable for the people in the region.

But the most important thing is for every person and family to see that it is a long haul, that our planning horizon is long, and that living and working here hold a promise for them and their children. It is important to have prospects, because overall we would like to see more young people moving here, people who are our future and who have ambitious goals. We must create conditions for them to realise their ambitions. This is the main thing.

Alexandra Suvorova: I have another clarifying question. You have said that the experience of master plans in the Far East will also be applied in other regions. How exactly will this be done?

Vladimir Putin: I have already said that novelty – if we can call it that – consists in combining spatial and economic development. How was the work organised in the Soviet period in both the Russian Far East and Siberia? They built an industrial plant and a shantytown in the vicinity. And that's all.

Alexandra Suvorova: A backbone enterprise.

Vladimir Putin: Right, this is how it is called up till now. A backbone enterprise! A plant is built and some shanties nearby, where people could live. The BAM, incidentally, was being developed in the same way. Very many enterprises and regions developed that way, too. A plant plus something in the vicinity for people to live in. It was only later, when people began living under these conditions, that [the higher-ups] gave some thought to what could be done additionally to make their life worthy of human beings.

The new approach we are proposing is different in that it is necessary to do both things in parallel. As soon as we start building a facility, we should plan for where and how people will live, what they will do [in their free time], and what should be done in the area

of education, culture, and health services. These projects must be implemented right away.

In certain places...I will not even name them now – I wanted to, but, I think, OK, I'll refrain from doing that because it is certain that far from all has been done the way they wanted to. If I say something now, others will comment: this and that has been left unfinished. This may be so and something has really been left unfinished, but the principle is that you get going right away and in parallel, creating the infrastructure for life and developing production facilities and the economy in the broad sense of the word.

Alexandra Suvorova: Thank you.

And now, as I promised, I give the floor to our guests.

Vladimir Putin: Excuse me, I've already said that we are trying to develop 22 populated localities based on this principle. In the next few years, it should be extended to some two hundred populated localities across this country.

Alexandra Suvorova: Thank you.

Now I give the floor to the Prime Minister of Malaysia.

Mr Ibrahim, please come to the podium and we are looking forward to your opening remarks.

Prime Minister of Malaysia Anwar bin Ibrahim: (Speaks Russian) Hallo.

Dear President Vladimir Putin,

Vice President of China Han Zheng,

Excellencies, distinguished guests, ladies and gentlemen.

First and foremost, I would like to express my gratitude to President Vladimir Putin for inviting me to this pre-eminent and momentous forum here in Vladivostok. It is also momentous for me on a personal level because, believe it or not, this is my very first visit to Russia.

More than 50 years ago, when I was still an active youth leader, I flew Aeroflot and transited through Moscow airport on my way to Belgium for the International Youth Conference. We were not allowed to disembark – only to the transit hotel. So I never got the chance to set foot on Russian soil.

And it is a real pleasure to be finally in Vladivostok, where history blends seamlessly with progress, and where the vastness of Russia meets the boundless promise of the Asia-Pacific.

As a crossroads of commerce, this city has been shaped by diverse influences, reflecting a rich heritage of Russian and East Asian traditions, making Vladivostok a concept of cultures. Beyond its economic significance, Vladivostok holds a distinctive place in Russian history as a vital seaport and the eastern terminus of the legendary Trans-Siberian Railway. This city truly embodies Russia's connection with the East.

Here we find a powerful symbol of our gathering – a convergence of geography, ideas, aspirations and futures. Since its inception in 2015, the Eastern Economic Forum has consistently drawn visionaries and leaders from around the world. This is fitting, as Northeast Asia, which includes the Russian Far East, is a region of vibrant economic dynamism and immense potential. Indeed, it contributes about a fifth of the world's GDP. I would therefore like to thank President Putin for his vision and leadership in establishing this forum, which continues to foster meaningful dialogue and collaboration.

Ladies and gentlemen,

Russia is not just a strategic and economic reality that commands attention. Indeed, as a cultural, intellectual and scientific force, Russia's prominence on the global stage transcends the confines of commerce and geopolitics, reaching deep into the very fabric of human history and thought. Russia's pre-eminence stems not from military might or economic leverage, crucial as that may be, but from the enduring power of ideas,

the beauty of artistic expression and an unwavering pursuit of knowledge. These achievements form the bedrock of the remarkable soft power earning Russia a place of global respect and admiration, influencing the hearts and minds of peoples around the world.

For me personally, this influence is most powerfully felt in literature. I say this with an honest conviction because having drunk deeply from the wellsprings of English and Malay literature in my early education, and then later having immersed in the works of Dante, Shakespeare and Milton, I do believe that life would be so much poorer without literature, particularly Russian literature.

In this regard, I can't sing enough praise for the great Russian authors and poets who have explored the profound complexities of life, unparalleled insight, and whose works have had a lasting impact on my understanding of society and the human condition. For instance, the works of Fyodor Dostoevsky and Leo Tolstoy, just to name a few, delve into the moral and philosophical dilemmas that define what it means to be human. While Dostoevsky challenges us to engage with the intricacies of faith, doubt and the human soul, Tolstoy invites us to reflect on the nature of power, responsibility, and the passage of time, transcending the literary significance.

The appreciation of Russian literature manifests the depth of this great nation's impact on global thought and its capacity to inform our understanding of our own ideas and our roles within the currents of history. Furthermore, the appeal and power of Russian literature extends beyond its philosophical underpinnings. Writers like Chekhov, Pushkin, Pasternak and also my favourite, Anna Akhmatova, have brought to life the joys, sorrows and struggles of everyday existence with the realism that has resonated with me deeply.

Ladies and gentlemen,

In its pivotal role in advancing human knowledge through science and technology, Russia has consistently pushed the boundaries of possibility. From pioneering efforts in space exploration to groundbreaking work in nuclear physics and cybernetics. As you have heard it yourself, the vision and the plan as expounded by the President covers a comprehensive area which is developmental as much as it is human. These contributions reflect a deep-

seated commitment to understanding and mastering the natural world, underscoring Russia's importance in the collective progress of humanity.

We are witnessing a troubling trend of protectionism that threatens to fragment the global economy. The rise of tariffs, trade barriers and restrictions on technological exchange constitute troubling developments. In this regard, the rise of the Global South does not signify merely a shift of economic power, but a reconfiguration of global influence, encompassing countries across Asia. China, India, Africa and Latin America – the Global South is on a trajectory to play a pivotal role in reshaping the future of the world economy.

According to recent estimates, the Global South now accounts for roughly 40 percent of the world's economic output and is home to about 85 percent of the global population. By 2030, it is projected that three of the four largest economies will be from the Global South. This rise is a reality that presents both challenges and opportunities.

For Malaysia, it is essential there are strong ties to share the growth and to contribute to a more balanced global order. Like Russia, we see the potential of these developing economies and we are committed to fostering partnerships that can drive mutual prosperity. In this vein, Malaysia is actively pursuing opportunities within the Global South and joining fellow nations that seek to create a new paradigm of development, one that is more inclusive, equitable, sustainable and resilient.

In a world of increasing complexity, our future prosperity depends on our ability to adapt, innovate, and build relationships that cut across traditional boundaries. The Global South is rising, and Malaysia intends to rise with it.

Being an open economy, Malaysia prides itself on doing business with the entire world and we have benefited greatly from being a vital node in globalised supply chains. Central to this effort is the MADANI Economy Framework, which has implemented structural reform initiatives to trailblaze a more sustainable, inclusive future path for our nation.

In Malaysia-Russia bilateral relations, one area ripe for collaboration includes Islamic finance, where Malaysia is regarded as a global leader, boasting a robust ecosystem of institutions that not only adhere to sharing our principles but also drive innovation in financial investments. Russia, with its sizable Muslim population, stands at a threshold

of enormous potential in Islamic finance. I believe that the introduction of Islamic banking in Russia can facilitate joint projects and attract significant investments from Muslim majority nations.

In agriculture, Russia has made remarkable strides, becoming a significant global player in this sector. As one of the world's largest grain producers and exporters, Russia plays a crucial role in ensuring global food security. Russia's agricultural exports have been instrumental in stabilising global markets amid ongoing supply chain disruptions.

Turning to education and research, Russia has a long-standing reputation for excellence, particularly in STEM (science, technology, engineering and mathematics). Russian universities have consistently ranked among the best globally, producing world-class scientists, engineers and researchers. The recent establishment of the Russian-Malaysian High Tech Centre in Malaysia underscores our commitment to fostering technological innovation and academic excellence.

In facilitating cooperation in developing high-tech solutions, particularly in energy efficiency, data transmission and smart city technologies, we can harness our collective strength to drive innovation and address the challenges of the 21st century. Additionally, the striving for cutting-edge advancements such as AI and semiconductor technologies should be guided by humanistic and altruistic values to ensure that tech rivalry and inequity do not result in hindrances to free trade in a more fragmented geopolitical landscape.

Ladies and gentlemen,

As the upcoming ASEAN Chair, Malaysia will not only focus on strengthening existing ASEAN mechanisms and institutions, but also find synergies with other regions and key dialogue partners to foster development and prosperity. In forging ahead with this approach, our utmost priority will be the need to reinforce the paramount principles of ASEAN centrality, which constitutes the linchpin for consensus building that in turn binds member states in cohesive action.

We will intensify our engagement with other subregions and leverage ties with our strategic partners, including Russia. In light of this, in applying to join BRICS, Malaysia

aims to diversify our economic diplomacy efforts and enhance collaboration. I would like to take a moment to express my profound thanks and gratitude to President Putin for his gracious invitation for me to attend the forthcoming BRICS summit in Kazan in October.

We are entering an era marked by intense superpower rivalry, significant global economic upheavals, as well as trade and technology as tools to consolidate power bases against the growing existential threat of climate change. Together, we should continue to cooperate, speak in a unified voice and exchange ideas, strategy and best policy practices, to build a future of even greater peace and prosperity in Asia and the world.

Excellencies, ladies and gentlemen,

As we chart the path forward together, let us remember that the true strength of our partnership lies not only in the agreements we sign or the projects that we jointly undertake, but in the shared vision and mutual respect that bind our nations.

(In Russian) Thank you very much.

When we are part of the globalised world, we believe in continuing our trade relationship with all. We have traditionally, cumulatively very strong investment and trade with the United States and Europe. We are building a greater collaboration with China, by forging stronger bonds. China remains one of our major, key partners.

Russia has traditionally been a good country with which we work well diplomatically, but as I said to President Putin last night, there are vast opportunities in Russia considering its resilience, its capacity to expand in all sectors.

Now, being in BRICS would allow us to benefit and share. Malaysia is now a hub for semiconductors in the region. There are some fields that we can share, but there are a lot of other areas, and I think the Global South network of BRICS will give us an opportunity to leverage, to ensure that there are fair trade practices, that the international financial infrastructure is not monopolised by one country or one region. Essentially it will be beneficial not only to Malaysia, but I think to the Global South and naturally to the whole world.

(Speaks Russian) Thank you.

Alexandra Suvorova: Mr Ibrahim, first, I would like to congratulate you on coming here at last.

I would very much like to talk about the mysterious Russian soul and philosophy that you touched upon in your speech, but we will have to focus on topical issues, including BRICS, also mentioned by you: Malaysia would like to join the association.

Could you be more specific about the benefits of this decision?

Prime Minister of Malaysia Anwar Ibrahim: I met with a number of leading Russian companies yesterday and this morning. As a matter of policy, we do not accept unilateral sanctions, as the Vice President of China mentioned. Of course, we are careful so that we are not seen as confronting any power or economic power, in particular.

So, we focus on economic zones in the country, and as for the Russian companies, I have told them that we are an independent country, and we want to be engaging with Russia more effectively. I was delighted that many of them are coming. When I asked them, “When are you coming or what are you planning?” Some were saying, “We will go next week.” And a group will come in October.

So, there is interesting progress and interest. Of course, we are fortunate because our relations with China are currently stable. In the last quarter, we had growth of 5.9 percent, with inflation of 2 percent, and with huge investment also from the United States, particularly, in the digital and energy sectors, and from Germany, in particular.

So, I think we will do whatever is necessary. You know, we can learn from the comprehensive plan package that President Putin mentioned. And there is enormous potential. Russians should not in any way feel that we are influenced by others’ prejudice.

There is this potential and this special relationship that Malaysia wants to offer to Russia as a friend of ours.

Alexandra Suvorova: Mr President, speaking about the BRICS summit, due to take place in Kazan already in late October, what are you expecting from the summit that will involve new BRICS members?

I'd like to remind you that in late 2023, Russia's trade with BRICS partners reached \$294 billion. Regarding trade, what do you think about its future development, and how do you evaluate the current pace of settlements in national currencies? Has de-dollarisation become a well-established trend, or is this a timeserving consideration? What do you think?

Vladimir Putin: First of all, I would like to say that we are not conducting a policy of de-dollarisation. We did not renounce settlements in dollars; they denied us such settlements, and we were simply forced to look for other options; this is it. However, this is not most important.

The most important thing is that the currency of any country reflects its economic might. The larger the economy, the more partners it has. Consequently, the national currency of any particular country becomes more popular during settlements. Naturally, when there are many partners, any economy wants to use the currency of this country. This is why the use of any country's currency depends on the role of this country's economy in the global economy.

Naturally, after World War II, the United States, successfully took advantage of the war's economic results, implemented the Marshall Plan for Europe and established one single financial system, the Bretton Woods system. Later, it made slight adjustments to this system and set up another one. It established the dollar as the common global currency. I want to repeat, this depended and still depends on the country's economic might.

As Mr Prime Minister has just said, the global economic situation is changing. The countries of the Global South, as well as the BRICS countries, account for over 50 percent and about one-third of the global GDP, respectively. I would like to emphasise that priorities in using certain currencies are also changing naturally.

For example, as much as almost 65 percent of transactions we carry out with our BRICS partners are denominated in our respective national currencies. This is a natural process.

However, the financial and political authorities in the United States have facilitated this process by acting in this unscrupulous, unprofessional manner.

I think that they have already understood their mistake but feel that it would be too late for them to change course. It seems that they believe that recognising their mistake would be somehow inappropriate for them, let alone changing the way they act. After all, they can see that the tools they use are ineffective. We simply switch to our national currencies. But it is too late for them to back out. It could be that only people who will replace the current generation of politicians will be able to do something about it. In fact, changing something amounts to recognising your mistakes. This could be a challenge for them.

Why are they acting this way? They probably expected everything to crumble here. This is why they made it impossible for us to use the US dollar. But we are dealing with objective trends, and they are simply pushing them forward, while at its core it is the economic growth that defines the effort to rely on other currencies.

We all know very well that today, China is the world's number one economy by purchasing power parity. Of course, the US has a powerful and robust economy with its own unique structure, but the People's Republic of China has a bigger economy. The United States is the world's second largest economy. And the gap between the two is growing by the year. This is why the yuan has been used in international transactions. The United States ranks second, and India is the world's third largest economy. Russia is the fourth economy of the world by purchasing power parity. We got ahead of Europe's economic powerhouse, Germany, and left Japan behind not that long ago. These are not our projections – they come from international experts.

Let me reiterate that Japan, Germany and the United States have a lot of advantages, primarily in terms of the way their economies are structured, as well as their high technology and so forth, but the size of their economies also matters, since it creates opportunities for investing in the most promising sectors and undertakings.

Therefore, let me reiterate that this is a natural process that has nothing to do with momentary political considerations. Still, the authorities in Europe and the United States

have simply accelerated these processes by acting in this unscrupulous and unprofessional manner.

As for our relations with BRICS countries, we are developing them and have been quite successful in these efforts. Russia, China and India are the so-called founding fathers of this association. We were the ones who launched this process back in 2005 by forming RIC – a platform for Russia, India and China. Brazil joined us down the road, followed by South Africa. We have recently expanded this framework to include new participants.

This is also a positive process. In fact, more than 30 countries around the world have expressed their readiness to work with BRICS, and some of them want to be part of this association. The new BRICS countries are self-sufficient emerging economies with their own unique culture. These are very interesting countries. There is no doubt that they will have a positive impact in terms of developing this organisation.

Alexandra Suvorova: Thank you, Mr President.

I will now turn to Vice President of the People's Republic of China Han Zheng, who represents another BRICS country. You have the floor.

Vice President of the People's Republic of China Han Zheng (retranslated): Good afternoon, President Putin, Prime Minister Anwar,

Forum participants, ladies and gentlemen, friends.

I am happy to be with you at the 9th Eastern Economic Forum.

First of all, I would like to convey best regards from President Xi Jinping and the Government of China on the beginning of the forum.

Vladivostok is a window of cooperation with our partners in the Far East. It was at President Putin's initiative that Vladivostok hosted the first Eastern Economic Forum in 2015. Thanks to its consistent development, it has become an important venue for finding consensus and solutions to development issues.

Its theme this year is Far East 2030. Combining Strengths to Create New Potential, which reflects the current situation and requirements of regional countries. Our shared goal is to promote cooperation and build up mutual trust to the benefit of all.

The Chinese-Russian relations of comprehensive partnership and strategic interaction are growing sustainably in the new age under the strategic guidance of President Xi Jinping and President Putin. This year, our heads of state met in Beijing and Astana, where they set out the plans and parameters of the further development of our bilateral relations and multifaceted cooperation, with the 75th anniversary of our diplomatic relations as a new reference point.

Our two countries have joined efforts to overcome all difficulties in this volatile international situation. We are moving steadfastly on our own path and tackling our problems in order to bring practical benefits to our people and to contribute to the revival and growth of the global economy.

Northeast China and Russia's Far East are geographic neighbours with close ties between our people. These regions have mutually complementing advantages in trade, investment, energy and transport connectivity, and so they are natural partners.

China has been the largest trade partner and source of foreign investment in the [Russian] Far East for years. Trade between China and the Far East reached \$33.8 billion in 2023, an increase of 54 percent.

Currently, China's Northeast is comprehensively cultivating a new frontier of China's openness to the outside world, which is in line with Russia's Far East development strategy. The leaders of our two countries attach great importance to cooperation between China's Northeast and the Russian Far East, and pay personal attention to it.

Given this, we should note the 8th China-Russia EXPO, which was successfully held in Harbin in May. President Xi Jinping sent a congratulatory message to it, and President Putin personally attended it, which served as a strategic guide for bilateral cooperation. The connectivity between the development of these regions and expanding their cooperation is very timely and promising.

We are ready to follow the important agreements at the highest level together with the Russian side, to strengthen interconnectivity at an accelerated pace, both in terms of cross-border infrastructure and harmonisation of the rules and standards, to increase the scale and quality of cooperation, to strengthen the foundation for long-term sustainable development of China-Russia relations in the new era, and to make our contribution to the prosperity and stability of the region and the world.

Ladies and gentlemen, friends,

Against the background of tremendous changes in the international environment unseen in the past century, aspirations for peace, development, cooperation and win-win remain an unstoppable trend. The concept of the Community of Common Destiny for Mankind – the Global Development Initiative, the Global Security Initiative and the Global Civilisation Initiative launched by President Xi Jinping, represent China's solution to global governance, bring confidence to the world and give impetus to collective efforts to confront challenges and achieve common development.

We stand ready with the countries of the region to consolidate efforts, strengthen cohesion and cooperation, and jointly promote peace, stability, prosperity and development of the entire region. In this regard, I would like to propose the following.

First, it is necessary to adhere to the principles of openness and inclusiveness, which are the leitmotif of the modern world. Cooperation in the spirit of openness is the trend of the era. China unswervingly pursues the strategy of openness with a focus on mutual benefit and win-win, promotes development of an open world economy, opposes protectionism and attempts to disrupt and break chains. It stands against unilateral sanctions and increased pressure. We are ready to build up and enhance cohesion with the countries of the region based on the principles of openness, justice and mutual respect and seek joint development.

Second, we should promote mutually beneficial cooperation. It is a major development driver in the region. The unique resources and high complementarity of Northeast Asian economies are the foundation for broad cooperation prospects. We should actively search for new points of the convergence of interests, highlighting our advantages, acting jointly to protect our stable and smoothly operating value chains, and strengthening our

interaction in the new sectors such as artificial intelligence, the digital economy and green economy to the benefit of the cooperative development of regional countries.

Third, we should ensure comprehensive development and security. Security is an earnest of development, and development is a guarantee of security. China is firmly committed to worldwide peace, is stimulating global development and is resolutely opposing hegemonism and all manifestations of the position-of-strength policy, the Cold War mentality, interference in the internal affairs of other countries and double standards.

Ensuring peace and stability, which have been maintained in Northeast Asia by and large, is anything but simple. We are ready to join efforts with all parties to stimulate dialogue and exchanges and to build up mutual understanding for protecting regional security in the long term.

Ladies and gentlemen, friends,

During the recent third plenary session of the 20th Central Committee of the Communist Party of China, we set forth an ambitious plan for the comprehensive deepening of reforms and promoting China's modernisation. Our modernisation is proceeding on the path of peaceful development and is benefitting the entire world. China will continue to promote high-quality development and high-level openness, offering new possibilities for the region and the world through the example of its development.

We are ready to join efforts with our partners to promote global modernisation, are focused on peaceful development, mutually beneficial cooperation and global wellbeing, and we are ready to contribute to the modernisation of our region and the world as a whole.

In conclusion I would like to wish fruitful work to the forum participants.

Thank you.

Alexandra Suvorova: We are grateful to Vice President of China Han Zheng for his address.

Mr President, I, of course, cannot overlook the current topical news agenda, and quite often, it does not concern the Far East and our expanding collaboration with the Asia Pacific region. For over a month, the Armed Forces of Ukraine have been hitting border territories of the Russian Federation, and several Russian regions are under attack.

What do you think about the overall situation in the special military operation zone on various fronts, as well as in border regions? How grave is the nuclear threat now that the Armed Forces of Ukraine are also attacking the Kursk and Zaporozhye Nuclear Power Plants?

Vladimir Putin: When we talk about these issues, we should, first of all, think about the people who are certainly experiencing serious ordeals and suffering from these terrorist attacks. It is the sacred duty of the Armed Forces to do everything possible for expelling the enemy from these territories and reliably protecting our citizens. Of course, the entire country should do its best to support the people.

Regarding the military aspect of the matter, I have already said that the enemy wanted to make us nervous, to start rushing around, to redeploy troops from one sector to another and to stop our offensive in key sectors, primarily Donbass. The liberation of Donbass is our high-priority goal. Did the enemy succeed? No, it accomplished nothing.

First, our Armed Forces stabilised the situation and started gradually pushing the enemy from border territories. Second, nothing hampers our offensive, and this is the most important thing. On the contrary, by redeploying its sufficiently large and well-trained units to border areas, the enemy weakened its positions in key sectors, and our troops expedited their offensive operations.

We have not made such impressive territorial gains for a long time. The day before yesterday, the Vostok group seized a triangle measuring seven by five kilometres during one strike. The Centre group is operating very successfully in the Donetsk and Pokrovsk sectors. We are gaining several square kilometres, rather than several hundred metres, there – four by five, three by five kilometres, etc. This is the second thing.

And last but not least, the enemy has been sustaining enormous losses in personnel and equipment. I will not list everything now. The Russian Defence Ministry provides this

data, and I consider it objective as it can be confirmed by several sources. On the one hand, there is a risk of crushing the most crucial sectors of the front as the losses may lead to the entire armed forces losing combat capacity. This is exactly what we are trying to achieve.

This is my overall assessment. As to what is happening daily, naturally, the General Headquarters and the Defence Ministry report to me several times per day every day.

Alexandra Suvorova: You have already noted that people are the most important asset – both people living on those territories and people defending them.

Yesterday, here in Vladivostok, you visited the home station...

Vladimir Putin: I am sorry, I missed one thing. You also mentioned the attacks on a nuclear power plant.

Alexandra Suvorova: Yes, the Kursk and Zaporozhye Nuclear Power Plants.

Vladimir Putin: Those were very serious terrorist attacks. One can only imagine what will happen if we give a commensurate response, what will happen to this part of Europe.

Alexandra Suvorova: Speaking about the events yesterday, you visited the home station of the Primorye Flotilla in Vladivostok and said that recently, you had spoken on the phone with the Commander of the 155th Marine Brigade whose servicemen are currently serving in the zone of the special military operation. When you had asked the Commander about any everyday issues, he had said there were none. But yesterday, when you spoke to his superior, issues were actually raised – in particular, problems with housing.

How often do you see similar inconsistencies?

Vladimir Putin: It was not an inconsistency. There are actual problems there... Problems always exist, but the Commander of the 155th Marine Brigade did not raise them because in Snegovaya Pad, a place he had chosen himself for future personnel housing,

the construction is underway and local officials are helping. But, of course, it is important to fulfill these plans in due time, and I am sure that they will be.

Some other commanders pointed out actual pressing problems that need to be solved as soon as possible. I also spoke to the Commander of the 810th Marine Brigade of the Black Sea Fleet. They also need housing to be built for the military personnel serving in the border zone right now. Their operations are very successful. These guys are simply heroes.

Incidentally, regarding the issue as a whole, one of the adversary's objectives was to sow panic, destabilise the internal political situation in Russia, impart uncertainty to our actions, and so on. But what has this led to? On the contrary, it has led to society's consolidation, as is always the case in Russia in such circumstances. This is evidenced by the fact that the number of people, our men, who feel the need to protect the Motherland, who sign contracts with the Armed Forces, has grown exponentially.

As for the social guarantees, our country must by all means get things done, deliver on all objectives, rather than just think about it. The commander of the 810th Marine Brigade of the Black Sea Fleet told me about this. But the local authorities, I mean the Crimean authorities, are ready to do everything to provide land and they will do this shortly, if, of course, the Defence Ministry is short of land of its own, but it does have enough land.

I have instructed the Defence Ministry and the General Staff to submit relevant proposals. The necessary resources will be assigned.

Alexandra Suvorova: You said that Kiev might agree to hold talks with Russia after the collapse of its provocation in the Kursk Region. So it turns out that there were, after all, some prospects for a peaceful solution before that?

Vladimir Putin: We have spoken about this time and again. We have coordinated practically all parameters of a possible peace agreement with representatives of the Kiev government. More than that, the head of the Kiev delegation at the talks – he still heads the faction of the ruling party in parliament, the Verkhovna Rada – initialed these

agreements. Of course, it was necessary to specify some points, but on the whole it was a signed official document.

Then Mr Johnson arrived in Kiev – it is a known fact, and the UK authorities confirm it – so he came and ordered the Ukrainians to fight till the last Ukrainian, which is what is happening today, in order to inflict a strategic defeat on Russia. But this is failing. The official Ukrainian authorities said in public that had they performed what we had agreed on with them rather than obeyed their masters from other countries, the war would have come to an end long ago. But they have chosen a different path, and you can see the result.

Are we ready to negotiate with them? We have never refused it. However, not on the basis of some ephemeral demands but on the basis of the documents that were agreed and actually initialised in Istanbul.

Alexandra Suvorova: Is there an insight as to which country may be the mediator this time should the talks take place further on?

Vladimir Putin: We respect our friends and partners, whom I consider to be sincerely interested in resolving all the issues pertaining to this conflict. This is primarily the People's Republic of China, Brazil and India. I am in constant contact with our colleagues on this issue. I have no doubt that the leaders of these countries – we have trustful relations with them – are genuinely keen to help sort out all the details of this complicated process, which, of course, I would like to recall, began with the coup d'état in Ukraine in 2014. After all, that's where it all began!

We have always been told about human rights, about some international law principles which must be observed by everybody. And what does this mean: an anti-constitutional and bloody coup, what is this? This led to the fact that part of the population of the country did not agree with the results and, in general, with this coup, and began to fight for their rights. Finally, everything boiled down to the current conflict.

That's what it is all about, but they prefer not to recall it. However, we know what the matter is, and we will certainly defend our interests and the interests of those people

who are close to us and who are speakers of the Russian language, people of Russian culture, and Russian traditions, whom, by the way, our guest today spoke so vividly about.

Alexandra Suvorova: Mr President, we all understand perfectly well that in general, and you have just mentioned this, negotiations are possible not directly with Kiev, but with its Western handlers. But in the case of negotiations, do you think that they can still be trusted?

After all, if we look even at historical facts, Russia has been deceived, we can say, more than once. This includes the cases of NATO's eastward expansion and the Minsk agreements. It was not us who breached them. Have we made any conclusions?

Vladimir Putin: You see, is there any other way? Yes, we understand who we are dealing with. They are people who do not value and treat without any respect the interests of other countries and nations. Such people, unfortunately, exist – they easily break all the commitments they have made, even signed documents.

So, what is to be done? We just need to look for such forms and guarantees that could work somehow or to any extent. Still, the core security guarantee is the growth of the economy and military potential of the Russian Federation itself, reliable and sustainable relations with our partners and allies.

Alexandra Suvorova: Thank you.

Mr Ibrahim, we just discussed with President Putin the fact that Russia had always tried to find a peaceful solution to the crisis.

As an observer, why do you think the Istanbul talks failed?

Anwar Ibrahim: I mentioned to President Putin last night that I happened to be on a visit to Istanbul and President Erdogan asked me to extend the visit for a day because he was busy monitoring the development of the progressive negotiations, and actually I knew and I thought at the time that the issue would be over because, apparently, both parties agreed on the principal parameters.

I am of course of the view that you must secure peace and it would help immensely not only these two countries but the entire world. Because it is disrupting the global chain of supplies, et cetera.

But you must start from somewhere and, as I understand, the parameters set down in Istanbul were the basis for the understanding and you work from there. Both sides agreed and I think President Putin is right, we believe that we must begin somewhere with the parameters that are fair and just. And one cannot renege on the commitment on these issues. I think most countries should then insist that some basis, particularly what was agreed upon, must be honoured so that we can secure peace as soon as possible.

Vladimir Putin: (addressing Alexandra Suvorova) You've said that we failed to reach an agreement in Istanbul during the talks mediated by President Erdogan. But we managed to agree – that's the trick! – as evidenced by the signature of the head of the Ukrainian delegation that initialed that document, which means that the Ukrainian side was generally satisfied with the agreements reached. The document did not come into force only because the Ukrainians were ordered not to do this. The elites in the United States and some European countries felt the desire to seek Russia's strategic defeat.

They thought they could use the opportunity to bring Russia to its knees, dismember it or whatever else they were planning to do. They thought here it is, manna from heaven for them, and they will achieve all their strategic goals that they had been craving for dozens or hundreds of years. That's what it was all about. Boris Johnson came and said: "Don't do it. Just fight till the last Ukrainian." And fighting they do, to this very day.

I sometimes have a feeling that people at the helm in Ukraine are some kind of aliens or foreigners. As a matter of fact, they are not thinking properly – I'm serious – given such enormous losses they have sustained. I don't understand what else they will be doing. They will have to once again lower the conscription age to enlist kids, as Nazi Germany did with the Hitler Youth. But this isn't going to solve anything, you see.

Alexandra Suvorova: This is going to be total mobilisation, sweeping one and all.

Vladimir Putin: Their mobilisation is total as it is, but the next step is to call up students and so on, to completely bleed the country. Let me say it once again: they make you feel as if Ukrainians are not their own people. Well, in a way it makes sense: the families of the ruling elite live generally outside Ukraine. They can simply hop on a plane and be gone. They don't think too much about what will happen with their country. All they have been doing is duping the people with nationalist slogans.

But let me repeat. If indeed they express the desire to negotiate... – we have never refused to talk, but only on the basis of the agreements that were reached and initialed in Istanbul.

Alexandra Suvorova: Thank you.

Let us go back to what we are discussing today.

Mr Ibrahim, there is such a thing as the “Malaysian economic miracle” which was made possible by the special economic areas that you have created.

What is your business environment like? Are Russian companies welcome?

Anwar Ibrahim: I met with a number of leading Russian companies yesterday and this morning. As a matter of policy, we do not accept unilateral sanctions, as the Vice President of China mentioned. Of course, we are careful so that we are not seen as confronting any power or economic power, in particular.

So, we focus on economic zones in the country, and as for the Russian companies, I have told them that we are an independent country, and we want to be engaging with Russia more effectively. I was delighted that many of them are coming. When I asked them, “When are you coming or what are you planning?” Some were saying, “We will go next week.” And a group will come in October.

So, there is interesting progress and interest. Of course, we are fortunate because our relations with China are currently stable. In the last quarter, we had growth of 5.9 percent, with inflation of 2 percent, and with huge investment also from the United States, particularly, in the digital and energy sectors, and from Germany, in particular.

So, I think we will do whatever is necessary. You know, we can learn from the comprehensive plan package that President Putin mentioned. And there is enormous potential. Russians should not in any way feel that we are influenced by others' prejudice.

There is this potential and this special relationship that Malaysia wants to offer to Russia as a friend of ours.

Alexandra Suvorova: Thank you.

Mr President, speaking of our special arrangements in the Far East that include the free port of Vladivostok and the priority development areas, how competitive are they compared to similar arrangements in the Asia-Pacific region? Are you satisfied with their performance?

Vladimir Putin: We are striving to create competitive advantages and competitive environment. I will not go over all of them now, since everyone, especially the people sitting in this room, are well aware of them. That includes priority development areas, free [economic] areas, the free port of Vladivostok, and much more. Lots of incentives have been created. When we discuss this with the Government, the Finance Ministry gets nervous and keeps saying that we have created enough incentive and there is no need to come up with more. Enough is enough.

Here is what I would like to share with you: Vice President of the People's Republic of China spoke about our joint work in Harbin which hosted the economic forum [EXPO]. He was sent there by the President of the People's Republic of China, our good friend, Mr Xi Jinping. I am also personally grateful to him for taking part in this forum which was quite engaging. Here is what I would like to share with you. Our guest and our audience will find this quite unexpected.

Alexandra Suvorova: Will you let us on a secret?

Vladimir Putin: Yes, I will. Our Finance Ministry will be surprised as well.

Alexandra Suvorova: I am sure Mr Siluanov got nervous.

Vladimir Putin: No, no, they are cool and there is nothing wrong with their health.

Here is what I wanted to share with you. I spoke with our diplomatic mission in Harbin the other day and asked them what else can we do to make more Chinese investors come to the Far East. He said that the Chinese authorities do not put any limits on their entrepreneurs: they are free to go, invest, and do the work. But the environment that the Chinese authorities have created in Harbin is more favourable than the one we have in the Far East. That is the snag.

The Chinese authorities have long been involved in promoting special economic area and have long been creating specific conditions for growth. We need to take a closer look at the incentives that the Chinese authorities have created in their country, including the regions that border on Russia, in order to lure in businesses from other countries, including the friendly nation of China, for it to come and invest in our economy.

We need to scrutinise everything we have done in terms of creating attractive environment and supplement some of the existing tools with innovations to get the interest of the entrepreneurs and businesses and have them come and work in Russia.

Proper conditions are being created, and they are fairly good overall, but there is room for improvement. I just gave you an overview.

Alexandra Suvorova: Mr Zheng, I would be remiss not to ask you what is being done to keep Chinese businesses in China and to prevent them from coming to work in Russia. What is being done to keep them within the borders of China and away from Russia?

Vladimir Putin: Why are you asking provocative questions?

Alexandra Suvorova: It is a provocative question, that is why.

Vladimir Putin: They stay in China, and we should, on the contrary, lure them in.

Han Zheng (retranslated): First of all, the Chinese government encourages our investors to invest in the global economy, including the Russian economy and the economy of the Far East.

President Putin has brought this subject up earlier: let us look at China-Far East cooperation. We discussed this issue during our meeting in Harbin as well. This issue needs to be considered from two sides. On the one hand, northeastern China and the Russian Far East enjoy high levels of cooperation, and the basis for cooperation is solid. These two regions are on track to see their cooperation expand.

As far as I know, trade between northeastern China and the Russian Far East has exceeded \$60 billion in the first seven months of this year which accounts for more than 40 per cent of the total trade between our two countries. So, the cooperation prospects are very good, even excellent.

On the other hand, we need to look into the future. First, we need to consolidate the ongoing positive trend between these two regions. There is a solid foundation for cooperation, and the Russian Far East has strong potential for cooperation, including transport logistics, agriculture, energy and the mining industry. Our range of cooperation is quite wide, and we need to consolidate the results of cooperation in these traditional sectors.

This is not enough, however. We must look to the future and expand our areas of cooperation. This includes green development, digital economy and, I think, maritime industry. Culture and art as well, of course. That's because there is a great potential for cooperation in these areas.

Let me share with you my experience, an adventure. On President Putin's instruction, this morning I visited two Russian university campuses and a musical conservatory branch in the Primorye Territory. This trip had a profound effect on me. I specifically went and saw these places. Students, from year 3 at school to year 3 at university, were masterful performers of classic music and ballet dancers performing Swan Lake. I was astonished to see those kids.

We have a very high level of cooperation between our countries in these areas, and I am glad to say that the number of Chinese students coming to Russia to study art has been growing by the year. As far as I know, already 40 students have come from the province of Heilongjiang this year.

Therefore there is a mutual interest in these two regions to boost cooperation. The Chinese Government always supports all Chinese firms, be they state-owned or private, to invest in the world economy, the economy of the Russian Far East and the economy of Russia. So we have wide horizons of cooperation.

Thank you.

Alexandra Suvorova: Thank you.

Mr Ibrahim, we have heard two secrets here. We would like to hear another one from you. Please tell us if Malaysian business would be interested in coming to the advance development areas, the Vladivostok free port, to fully operate here?

Anwar Ibrahim: For the region, Russia is also something new to us. This is my first visit, and a number of discussions have taken place. Russia as a whole, of course, has been given enough attention. There has been growing trade and investment jointly, of course, in the energy sector, the industrial complex and also digital technology. We are sending more students to Russia, and this can be explored specifically. We are not as powerful as China. We are trying to be but it will take time. Thank you.

Alexandra Suvorova: Mr President, if you look at data furnished by the Ministry for the Development of the Far East, investment into the region has totalled 4,200 billion roubles already. Is it big or small?

Do you think that the rate of investment will remain unchanged given that Yury Trutnev yesterday asked you to raise the target to 12 trillion roubles by 2030?

Vladimir Putin: I think it's a lot, but it's not enough.

Alexandra Suvorova: As usual, it's good, but we need more of it.

Vladimir Putin: Yes. Mr Trutnev routinely reported to me about last year's results and we routinely took part in launching new projects and enterprises. There is a view that this investment can be increased by at least 1.5 trillion to 12 trillion.

I think this is absolutely realistic.

Alexandra Suvorova: Thank you.

Mr President, again, back to the recent events. At the end of August, Pavel Durov, founder and head of Telegram, was detained in Paris. The court eventually decided to keep him under judicial oversight and ordered him to pay a certain amount.

So, what do you think of the actions by the Fifth Republic's authorities, and did Moscow oppose to what Paris has now done?

And I can't help but ask. It was written a lot in the same Telegram channels that you had a meeting with him in Baku. Is this true?

Vladimir Putin: I met Mr Durov once in Moscow many years ago, and he was just talking about his plans – I meet with the business community on a regular basis, and he was also at one of the meetings, it was in the Kremlin, I don't remember when, but many years ago. I repeat, he was talking about his plans of business development. Since then, I have not seen him, we have never had any contacts with him. I don't really understand why we should meet in Baku. I did not even know that he was there, I had no idea about it.

If there is a desire – a lot of businessmen are present here – everyone knows, I never refuse, we regularly hold such meetings both within the framework of associations of our entrepreneurs, and individually, considering certain projects, especially if business has a need for some guarantees from the state. I, the Prime Minister, federal ministers, regional authorities – I always encourage them to do so, we do not shut ourselves off business people. So, if he had a wish, he could meet with me in Moscow. I don't know anything about that either. I assumed that he lives in Moscow, I think. I don't know where he is travelling...

Alexandra Suvorova: Not in Moscow, in Dubai.

Vladimir Putin: Well, in Dubai, they are people of the world, billionaires, they can afford going anywhere. We have not had any claims against him. But I know that many countries did have complaints, given that the platform is used in a certain way by some people

and some entities that can damage the economy or security of certain countries through their activities. I think that the Russian Government may have had some concerns about it as well. But this is something that all platforms of this kind do. If they do this to Durov, then others should probably be plugged up, arrested, or put under house arrest or some other kind of detention involving judicial restraint.

Therefore, the actions of the authorities themselves are not very clear to me, as they are selective by nature. I mean the French authorities.

Alexandra Suvorova: Thank you.

We now return to the subject of today's meeting.

Mr. Ibrahim, according to last year's results of, your country received a record number of Russian tourists, 110,000 people. This represents a 37 percent increase over the previous year, and it is evident that this is not the limit. In order for the figure to grow, do Malaysian Airlines plan to launch direct flights from Russia to the country's resorts?

Anwar Ibrahim: Yes, of course, we should not preclude Aeroflot from going to Malaysia. Firstly, we have become more attractive to Russian tourists. You know that there has been a huge increase this year. I think the issue of flights is one consideration. We have an agreement in principle. We are working on this as fast as possible. And, of course, to introduce Malaysia to the Russian public. I think that, once they get to know the country, it is peaceful, it is economically vibrant – and it is a very beautiful country.

I do not want to compete with Russia or China. At least what we have in Malaysia you do not have in Russia but what you have in Russia we do not have in Malaysia. So, it is important for both countries to increase the tourist traffic because they will see things they have not seen in their countries. And I really hope that there is that potential for Russians to come and we do encourage it.

I mean Malaysia is a friendly nation. There is no prejudice. We are not dictated by any power. And we want to have that sort of special relations with Russia as we have with many countries. I think once you go there you will find out that Malaysia is truly Asia.

Alexandra Suvorova: Mr Ibrahim, we could tell you what to come and see in Russia, but what should Russian tourists see in Malaysia? What is the real Asia, in your opinion? Who, if not the Prime Minister, should be asked this question?

Anwar Ibrahim: Being culturally vibrant society, we have a strong ethnic indigenous and also Malay population. We have a large number of Chinese ethnic minorities and Indians and indigenous tribes. We have a range of virgin jungles and beautiful beaches. As for the climate, we don't have winter so you can swim throughout the year. That, of course, is to my mind an advantage.

I always have difficulties traveling because you always have to ask questions, is it going to be winter, is it going to be summer, is it going to be hot, or wind, so you have to change clothes. In Malaysia, you can come comfortably, and as long as you are wearing something, you are fine.

Alexandra Suvorova: Your words about how nice and warm it is in Malaysia have made a lot more people smile here.

Vladimir Putin: I've been to Malaysia and I would like to confirm all that the Prime Minister just said.

Alexandra Suvorova: Mr President, speaking about tourism, you travel a lot around Russia, and domestic tourism has been developing as well. According to Government data, 83.5 million Russians, or 23 percent more than in 2021, chose Russia as their travel destination in 2023. The Far East Federal District is a leader welcoming over 6 million tourists last year.

What is the economic effect of this rapid growth in domestic tourism?

Vladimir Putin: Tourism in many countries is one of very effectively developing economic sectors. Here's a simple fact: there are around 5 million of our tourists in Türkiye. Tourism is an important source of income for this country. It is becoming a more efficient economic sector for many countries. This should be true for Russia as well, given our enormous potential for domestic tourism. That's why our Government adopted a programme for the development of domestic tourism.

We have covered this ground already today, and I won't be revealing anything new if I say that we must upgrade and build infrastructure and protect the environment to minimise the ill effects of tourism on the nature.

Russia has a lot of programmes such as, for example, "The Five Seas and Lake Baikal". Many have heard about them, I believe. We subsidise building small hotels, including both residential and non-residential structures for temporary use, and so on. This is producing results, thank God. A region with such gigantic potential as the Far East, is attracting and will be attracting more tourists.

It's great that our people are prioritising their own country. They should stay in the country of their native language and culture and avoid the trouble of crossing borders and passing customs and so on, while enjoying our nature, history and traditions. This is captivating.

But we need to do a lot to support this choice.

What this means for people in tourist areas is higher living standards next to higher incomes at all levels, bigger budgets at all levels, and people stand to gain from this. The more attractive a region is, the more money businesses are willing to invest, so this is a win-win situation for all. We will do what we can to develop domestic tourism further.

Alexandra Suvorova: But this is over a long term. If you even look at the figures that we have today, I think they basically show that everything is going very well in the country's economy. Our unemployment rate is 2.4 per cent, a record low. But at the same time, if you take a second look at the statistics, there is now a shortage of personnel in the key sectors of the economy.

How can we fill the gap? Because, say, as of January, 47 per cent of industrial enterprises had a labour shortage. Does this low unemployment rate mean that the economy is developing at a good pace, or does it say that physically there are too few of us?

Vladimir Putin: It is never all good.

Alexandra Suvorova: But there is always something to strive for.

Vladimir Putin: Well, yes, I have already said, I was reminiscing about Faust the other day: “Stay, beautiful moment, do not pass away.” This is, in general, not our way of doing things. One must always strive to achieve new milestones, and everything is never good. But on the whole, Russia’s economy is undoubtedly developing steadily. Last year we were happy about our GDP growth of 3.4 per cent. In the first half of this year – yesterday my colleagues and I discussed what we are going to talk about today – I mentioned a figure of four per cent. I was corrected by [Deputy Head of the Presidential Executive Office] Maxim Oreshkin: No, in the first half of the year we had a 4.6 per cent growth.

Of course, this is a good figure for our economy. I think there will be a correction towards the end of the year, but on the whole we can expect at least a repeat of last year’s result, and, most likely, this growth will be even greater. This is the main indicator of the state of the economy. But, as I said, everything is never good. Malaysia’s inflation rate is two per cent, and unfortunately, we have more. We have a target of somewhere around four per cent, but it reached over nine per cent recently, 9.2 per cent. It’s true that we are witnessing a downward trend now. Inflation is less than nine per cent now, 8.9 per cent, to be exact. And that’s a good thing.

As for the fact that there are not enough of us physically. Well, yes, even Alexander Solzhenitsyn, whom Mr Prime Minister [of Malaysia] recalled, said that the main task of the state is to preserve the people. We need, of course, to address demographic problems and take care of families with children and so on. But the labour market is indeed in a unique position, two something per cent, 2.4 per cent, I believe. This has never happened in our history. It is related to the needs of production, the real sector of the economy.

How can this issue be addressed? First, of course, I repeat, it is necessary to take care of the population, to increase the birth rate, to create conditions for people to have a large family, to make it fashionable to have many children, as it used to be in Russia in the past – seven, nine, ten people in families.

And the second direction is to increase labour productivity so that more results can be achieved with fewer workers.

In what way, how can labour productivity be improved? The Vice-Chairman of the People's Republic of China mentioned some ways and tools. We need to introduce artificial intelligence, we need to introduce modern methods of production management, robotisation. I recalled Japan, which we overtook in terms of purchasing power parity and became the world's fourth largest economy, slightly displacing it. But I think, there are ten times more robots per thousand workers there. You see? Ten times more. We have a lot to work on in this respect. Here you are – robotisation, biology, genetics, especially in agriculture. We have a lot to attend to. And we will move in all these directions.

And human resources. Of course, we need to train personnel. This is the most important task for the state, and that is why a new national project has appeared, which is called Personnel.

Alexandra Suvorova: I will move on to the next economic issues.

Mr President, we are meeting a week before another meeting of the Russian Central Bank. The previous such meeting decided that the benchmark rate would be increased to 18 percent. Andrei Kostin, who is now in attendance, said on the sidelines that he is expecting the rate to remain at 18 percent.

Meanwhile, the volume of non-mortgage loans issued by Russian banks increased by 3.5 trillion roubles over 12 months, with monthly rates remaining very high. Corporate lending also increased by 2.3 percent in July according to Central Bank data. How would you explain this paradox?

Vladimir Putin: The paradox of a high rate and...

Alexandra Suvorova: That we've got a high bank rate and high rates of lending.

Vladimir Putin: Experts believe this is down to two things. First, consumer lending is high because individuals are not too sensitive to the high rate. This is one point.

Second, turning to corporate lending, to begin with, firms have their business plans put together and they continue to take out loans despite the rate hike. What is more, we decided to adopt measures to support individual industries. There are state-wide tools

that are about subsidising lending rates for certain projects and industries. So here is your explanation.

Alexandra Suvorova: By the way, Governor of the Central Bank Elvira Nabiullina said there is no risk to financial stability adding that the economy reached levels of overheating in the first six months of 2024 that had not been seen since 2008.

Are there any risks to the stability of the national economy, and if so, what will be done to cool it?

Vladimir Putin: That's what they are doing to cool it – by hiking the key rate, abolishing the subsidised mortgage, apart from the IT, Far East, Arctic and Family options. That's how this cooling you mentioned is ensured.

There is another tool, namely, the stable work of the Government and the Ministry of Finance to balance the budget out.

Alexandra Suvorova: Speaking about investment, we've already discussed the figures in the Far East. According to the Federal Service for Statistics, however, capital investment grew around 9.8 percent. Of note, this is after the surge in 2022. The trend continues today. Do you think this investment rate will continue, and what may hinder it?

Vladimir Putin: It won't be easy to keep it up in light of the circumstance that we have just discussed with you. We must try to, though. The special support measures I've mentioned are being designed for that purpose.

But I repeat, it won't be an easy task keeping investment at that level. The Government should have a plan to support businesses to avoid visible and significant collapses that could damage the entire economy.

Alexandra Suvorova: Let us turn to another topic which is not directly linked to what we have been discussing here today, or the Russian economy, or its Far Eastern policy. I am referring to the election campaign in the United States. I cannot fail to ask you this question.

You have talked about having a preferred candidate in this race, but he is no longer running for President. What do you think about the new candidate, and when the results are announced in November, will you call the new head of state to congratulate him or her?

Vladimir Putin: I have not talked with representatives of some European countries and the United States on the phone for quite a while now, even if we never rejected these contacts. They are the ones who are refraining from them. Of course, we have been able to use various channels for exchanging certain types of information, primarily through our Foreign Ministry.

As for my preferences, it is not up to us to decide. After all, the American people will have to make their own choice. As I have already said, we favoured Mr Biden, the current President, but they took him out of the race. That said, he advised his supporters to support Ms Harris. So, we will act accordingly and lend her our support.

This is the first point I wanted to make in this regard.

Alexandra Suvorova: Do you have to follow this kind of advice?

Vladimir Putin: My second point is that she has a very contagious laughter, which shows that everything is fine for her. And if this is the case... Take Trump – no other President has ever imposed so many restrictions and sanctions against Russia. But if everything is so great for Ms Harris, maybe she would refrain from acting this way?

Alexandra Suvorova: Or maybe she will lift these sanctions.

Vladimir Putin: At the end of the day, it is up to the American people to decide, and we will respect the choice they will make.

Alexandra Suvorova: Speaking about the United States, Russia and the United States carried out a prisoner swap in early August. What countries made this possible? Does this mean that we can have dialogue with the West, after all? And let me elaborate on this question. In his interview with TASS News Agency, Russia's Ambassador to the United

States, Anatoly Antonov, said that there are over 60 Russians who are still imprisoned in the United States. Do they have a chance to return home?

Vladimir Putin: For us, all citizens of the Russian Federation are equal at all times whenever they need support from the Russian state, and we will always treat them this way. This is the first thing I wanted to say in this regard.

Second, on the exchange that we had, many countries contributed to these efforts, to this mission. Take this journalist from the United States – I mean the person who pretended to be a journalist, while he was clearly performing an intelligence mission and pursued the corresponding objectives. At the initial stage, the Crown Prince of Saudi Arabia contributed proactively to these efforts, and we are very grateful for this initiative because eventually it enabled Russian nationals to return home. President of Türkiye Erdogan offered his good offices for reaching a final deal, and so did several Arab countries, as well as several other countries which demonstrated their good will.

At the end of the day, I think that all the stakeholders in this process achieved a positive outcome which served their respective interests. Importantly, our citizens came back home, including those who performed special missions abroad in the interests of their Motherland.

Alexandra Suvorova: Thank you, Mr President.

Mr Ibrahim, let us return to the subject of today's meeting and discuss prospects for expanding trade with Russia. The day before, during the meeting with President Putin, you noted that the potential is there and we must do it. According to the Ministry of Economic Development, we have free trade agreements between the EAEU, which includes Russia, and Iran, Vietnam, and Serbia, and it was decided to sign a similar agreement with Mongolia. Talks are underway with Indonesia and a number of other countries. Does Malaysia plan to sign one as well?

Anwar Ibrahim: We believe in free trade where there are no restrictions. I have assured President Putin last night that whatever avenues are being introduced we will continue. I mean, we still have good relationships with Iran and most of these countries. And if

the premises are right, encouraging free trade, we will pursue. There is no issue at all in my mind, even now without the special regime.

You can see this new wave of interest from both sides in Malaysia and Russia. Now, with the agreement, we would of course further facilitate and assist the business community. In fact, we are inviting delegations representing banks, the aerospace industry and some others to come.

What is important, it is my the assurance, that you will see faster change and more positive change in terms of the trade, and also exchanges between Malaysia and Russia. We are determined to achieve this as soon as possible.

Alexandra Suvorova: Thank you.

Mr President, in your remarks you mentioned the ways of addressing the projected power shortages in the Far East. Speaking of the country in general, is there enough power generated overall?

Vladimir Putin: It depends on the region. In Siberia, for example, there is a surplus of power, and the Far East experiences shortages, which will, unfortunately, snowball if we do not take appropriate measures in time. In European Russia, we also need to think about timely repairs and deep modernisation. Such plans are in place. Some of them are work in progress, while others have been approved. Most importantly, they should be acted upon in a timely manner. It is also important to perform well in this sphere and to make timely decisions.

Alexandra Suvorova: I have one more question about the energy sector, though it may be related to international markets. The agreement on Russian gas exports to the EU via Ukraine will expire later this year. The head of the Kiev regime has already made it clear that he was not going to renew it.

What is your take on Europe's energy prospects, and do we hear the voices of those who will be impacted?

Vladimir Putin: The head of Gazprom is sitting across from me in the front row, as is the head of VTB.

Alexandra Suvorova: I have a question for German Gref as well.

Vladimir Putin: Mr Gref is here as well which is good, meaning that everyone is interested in developing their respective businesses in the Russian Far East.

Strange as it may seem, we are not turning down the idea of transit via Ukraine, because we, including Gazprom, plan to fulfil our obligations to our customers, with whom we have signed long-term contracts. Transit is among the mandatory components of the joint work. The transit contract expires on December 31, 2024.

If Ukraine says no to transit, well, we cannot push them into doing so. Our main consumers in Europe are clearly unwilling to do so, even though they provide all kinds of assistance and support, including military and financial, to Ukraine.

With Ukraine turning our transit down the volume of gas coming to Europe will drop. Gas will be supplied through other routes, in particular TurkStream. Some of it may go through Blue Stream to Turkiye as well. Although this gas is used for domestic consumption, it will nevertheless help improve energy stability in Europe.

However, this is their choice. I am not sure how it will affect them. We mind our business, and let them mind their own. I cannot find proper words to describe the attitude towards their allies and partners demonstrated by many people in the United States and Ukraine. It is very strange, and I cannot get my head around it. They up and blew up the gas pipeline in the Baltic Sea. They blew up both Nord Stream 1 pipelines and one Nord Stream 2 pipeline. The second one is fully functional, though. What stops the German government from pressing the button, coming to terms with us and turning it on? How much is it? 25 billion cubic metres through one pipeline?

Gazprom CEO Alexei Miller: it is 27.5.

Vladimir Putin: 27.5 billion cubic metres of gas would immediately go to Europe, to Germany. I have no idea why they are not doing it. They can get gas via Ukraine,

and they can get it through TurkStream, but they cannot get it through the pipeline that runs along the bottom of the Baltic Sea. In my opinion, this is some kind of professional deformation, schizophrenia, nonsense. Why?

Well, if they do not want to, so be it. We will gradually build up our supplies to other regions around the world. We have a good gas shipment project with the People's Republic of China. We have had it for a long time now, even before the crises in Europe and Ukraine broke out. Next year, we will reach our design capacity of 38 billion cubic metres, plus another 10 billion cubic metres will go from the Far East, the Sakhalin-Vladivostok gas pipeline, to the People's Republic of China. We are considering other routes as well.

Let me repeat, this has nothing to do with the events in Ukraine, it is simply our agreements of many years ago, and we will implement them all. Plus, we will develop gas liquefaction. Yes, they are trying to create problems for us here as well. Mr Leonid Mikhelson [head of Novatek] knows this better than anyone else. But still this is evolving, and Russia's share in the supply of liquefied natural gas to the world markets is gradually increasing. It is not as big as we would like it to be, but we will still do it, despite whatever problems they are trying to create for us.

What is the challenge here? No matter who or how anyone tries to shut down our energy sector, it is impossible, because production is at its highest point in line with the needs of the world market. It is simply impossible, do you understand? It is impossible. Let's imagine that tomorrow they would shut down everything – our gas, oil, and so on. The world economy will not withstand such a shutdown. The prices will skyrocket, but they will still buy, they cannot do it without it. That's the whole point. After all, when our ill-wishers and those who impose illegal restrictions, about which the Vice President of the People's Republic of China spoke, do it, they do it from a pure heart, but not from a great mind, as they say in such cases, because there is no result. What is the only thing that guides them? Arrogance and overconfidence. And the result is the opposite of what they expect.

So we will resolve our issues – yes, with some losses, perhaps, but we will resolve them all the same. And those who do not want to cooperate with us – well, let them suffer losses. We see what is happening in European countries. Many of them are on the brink of recession. And the situation will get worse because those who supply them with energy

resources care first of all about their own national interests, the United States for that matter. Well, they are supplying them two or three times [more expensive]... Or by how much? 50 or 60 per cent more than our energy resources cost, I mean gas, first of all. Of course, the European economy, including Germany's, which was designed to rely on our energy resources, is undergoing very serious trials. Many industries are simply closing down. That's the whole point.

But it is not our choice, we are ready, you are welcome. Agree with Poland to open up the pipeline systems, they do exist. It was the Poles who shut down the Yamal-Western Europe pipeline. Now Ukraine is closing it, and the Nord Stream 2 route along the Baltic Sea bed is not turned on. Well, if they don't want to, they don't have to. It will be a loss for them. For us, there will be a certain reduction in revenues, but it's no big deal. Gazprom will supply more gas inside the country. That's good, too. We will be developing social gas distribution.

Alexandra Suvorova: I will elaborate on another gas distribution. Incidentally, speaking about Gazprom: Mr Miller specified the gas volume that used to pass via Nord Stream lines.

Do you think Gazprom has any chances to restore the previous supply volumes to external markets in view of the projects being implemented in Central Asia, Iran and China?

Vladimir Putin: I have already mentioned that we are reaching design capacities of supplying gas to the People's Republic of China. As for supplies to Central Asia and Iran, this also has nothing to do – I want to make it clear – directly with the developments in Ukraine. It is just because the economies of these countries are enjoying a rapid growth – they need additional resources, as simple as that.

For instance, Uzbekistan – I have already mentioned and this is a well-known fact – has a population growth of a million per year. Do you realise this? More than a million per year. There are already 37 million people there, soon it will be 40 and so forth. The economy is growing as well, do you understand this? And they have obligations on external markets. Of course, the republic needs additional resources. Two years ago, the temperature reached minus 21 degrees Centigrade, the first time in history, probably. Of course, they need the resources which we have.

We will agree on our actions with Turkmenistan, of course. Iran has long been asking us for supplies. This is a very convenient place for us, too, as it is not far from us. We are contemplating this project and I believe it is quite feasible. And let's not forget the markets neighbouring with Iran are huge – there is a colossal need. Different opportunities exist, and we will explore different markets, we will make swap arrangements, will liquify as I have already mentioned, and so forth.

We will be gradually restoring sales volumes – no doubts about this. And we will develop our own economy. We lack gas-fired power generation in many regions, including the Far East. We need to unite the gas transportation system's European part with the Far Eastern one to ensure corresponding gas crossflows.

This is all part of our plans. All of this will be implemented.

Alexandra Suvorova: Thank you.

Let's go back to power engineering.

Mr Ibrahim, Malaysia is the second largest oil and gas producer in Southeast Asia. By the way, the famous Petronas twin towers located in the country's capital have been named after the country's major energy company.

How do you assess the situation on the global oil and gas market in general? And does Malaysia consider any joint projects with Russia in the energy sector?

Anwar Ibrahim: Then we are discussing the issue of energy transition, where I think Russia has an upper hand, we are discussing that. We are, of course, still continuing exploration because there is a deadline for us, of course, to ease our dependence on traditional sources – dependence on oil and on coal.

But still, for now it is important. I mean, we cannot deny the fact that the import of coal from Russia comes to about \$600 million, so temporarily this energy is still required until we are able to transition to green energy. But for now, the focus is there.

We still remain an important player and we will therefore have some sort of synergy, working relations to ensure that the transition to hydrogen and green technology would be of immense benefit in our attempt to progress as a country that is not totally dependent on fuel.

Alexandra Suvorova: Thank you.

Mr President, in your remarks, you have already talked about the Northern Sea Route and the proactive efforts to develop it. Among other things, it operates fuel shipments. You have said that this indicator, I mean shipments, is expected to reach 150 million tonnes by 2030.

In your opinion, are we building infrastructure and ships for this route at an adequate pace? For example, yesterday, you visited the location of a future shipyard for building merchant ships near Vladivostok.

Vladimir Putin: This matter must be front and centre for us. It mostly deals with operating shipments, but this includes the ships transporting these goods, as well as the vessels that enable these ships to sail this route. I am referring to the icebreaker fleet.

Russia has a unique icebreaker fleet. We have 34 diesel icebreakers of various classes and capacity, as well as seven active nuclear icebreakers. Another four are under construction, or, to be more precise, we are already building three new nuclear icebreakers and the construction of the fourth one will start in early 2025. Seven plus four makes 11. There is also another icebreaker – a very powerful one. In fact, it is extremely powerful with, if I am not mistaken, 136,000 horsepower, if we measure its output this way. I am talking about the so-called Lider project. Its construction is already underway here in Vladivostok at Zvezda shipyard.

This fleet will be able to ensure year-round shipments, since the new icebreaker, especially the Lider, is not only very powerful, but also wide enough to escort ship convoys. This is the first thing I wanted to say on this topic.

Second, we need to build ships for transporting these goods. Of course, we will expand our shipbuilding capabilities in Russia's European regions too, just as we discussed yesterday

with VTB CEO, Mr Kostin, as well as representatives he delegated to the United Shipbuilding Company. There is potential for developing shipbuilding capabilities in the European part of Russia as well.

But you were spot on when you said that yesterday we visited the site when a new shipyard will be built. I am certain that we will build it, just as we built Zvezda in the Far East, in Vladivostok, despite all the formidable challenges we had to face. We must build infrastructure, port facilities, and we need to be able to offer the corresponding maintenance services at these ports, while also ensuring safe navigation, protecting the environment, etc. All this forms a single whole, we have plans and projections for all these undertakings, and we are moving in this direction. I am certain that we will deliver.

Climate change is a factor. Coupled with the capabilities we have thanks to our icebreaker fleet, I am confident that we have everything it takes to ensure year-round navigation along the Northern Sea Route. This is instrumental for the Russian economy, as well as for the global economy and for our friends and their economies. In particular, the People's Republic of China has been eager to work with us in this sector. We will be happy to welcome everyone willing to contribute to these efforts. There is no doubt that we will succeed in this undertaking.

Alexandra Suvorova: By the way, let's talk about construction, but this time about housing.

Mr President, to what extent is the need for it in the Far East covered? We know that the preferential mortgage programme is still in place here whereas it has been cancelled elsewhere in the country. As I promised, I am quoting Herman Gref's words that the withdrawal from the preferential mortgage programme had been delayed, as he said.

Do you think that today we have solved the housing problem in the country as a whole if we have closed the preferential mortgage programme?

Vladimir Putin: Mr Prime Minister quoted Tolstoy and Chekhov.

Alexandra Suvorova: But I quoted Mr Gref.

Vladimir Putin: And you are already quoting Mr Gref – he is also among the classics.

As for construction: I believe we have achieved outstanding results in construction. We have never had such an amount before, like last year's results: 110 million [square metres of housing]. Actually, our goal was to reach 120, but 110 is already a very good figure.

Of course, due to the fact that the preferential mortgage has ended, this cannot but affect the housing construction market, but, I repeat, it is now supported by preferential mortgages for the Far East, the Arctic, family mortgages, and IT preferential mortgages. Still, the Government's idea and action boil down to cooling down this market, as you have said.

Alexandra Suvorova: I also quoted it one more time – that's what Nabiulina said.

Vladimir Putin: Well, that's good. But, in general, of course, this effect is expected for the market not to overheat and macroeconomic indicators not affected. But nevertheless, I would like to draw your attention to the fact that we have a very good track record in construction. We can quote Mr Mutko more often – we used to quote him more often – he is also a great expert in expressing himself vividly and aptly on certain issues. Anyway, he is working very well.

Alexandra Suvorova: “From the bottom of his heart.”

Vladimir Putin: Yes, from that very bottom, and the result is good enough. I am saying this with no irony, no jokes. Because the result is 110 million square metres built, including the work of his corporation [DOM.RF“], that he heads.

What I want to say is that we have a very good backlog – 160, maybe even a little bit more, 163–165 million square metres –the backlog of construction that has been started. Therefore, I think there will be no failure next year.

Alexandra Suvorova: Mr President, I have another question for you, before we move on to other topics. In fact, this has been one of the most hotly debated topics lately. A law making it legal to mine crypto currency is scheduled to come into force in November. Federal Law FZ-259 governing digital assets has already come into force.

Does this mean that Russia is about to emerge as a global leader in crypto currency and that we will have more laws and regulations down the road to regulate this sector?

Vladimir Putin: I think that Russia is already one of the global leaders when it comes to mining crypto currency. This is attributable to the surplus energy capacity we have in Siberia. But certain challenges have surfaced in this sector recently, and we had to address them.

Of course, we are happy for the businesses working in this sector. They have been able to earn hefty profits. However, we must make sure that the surplus electricity in Siberia does not turn into a deficit. This could hold back the development of Siberian regions.

Mining is great, of course, but building housing, manufacturing facilities and social infrastructure, as well as ensuring power supply for future manufacturing facilities is just as important, or perhaps even more important than that. This is why the Government has taken a decision with the intention to make sure that this sector operates in an orderly manner.

As for the digital currency and the digital ruble, the Central Bank has made a decision on this matter. It is now a matter of expanding this sector. Our national currency exists in several forms, and the digital ruble is one of them. Both economic operators and our people will be able to use it.

Alexandra Suvorova: Thank you. Let us turn to another topic, just as I have promised.

Mr Ibrahim, we cannot fail to mention the conflict in the Middle East. What could be a possible solution here?

Anwar Ibrahim: As I have consistently said, we cannot use the narrative of many in the media or Western capitals that it all began with the October 7 Hamas attack. It all began with colonisation. It all began with the Nakba in 1948. It all began because of the reluctance to accept the resolutions of the United Nations consistently, and because of the continued harassment of settlers in the West Bank.

I think we need to put the narrative right. Do we want the solution? Yes. And I commend, of course, the Russian position, the Chinese position – Foreign Minister Wang Yi has taken the initiative. And many countries, I think the majority of countries, have taken a position, including on the recognition of the State of Palestine.

But why is it not happening? Because of the intransigence of Israel and, unfortunately, with total support from the United States, in fact giving them a standing ovation when atrocities are being committed.

That is why I ask my colleagues, even in the West, where is the humanity? Where? Why do we talk about justice? Why do you preach to us about human rights and democracy? Why is there a contradiction when it comes to treatment of issues happening in the world?

What we need in this world now is a consistent, coherent message. Yes, we respect freedom. Yes, we respect the dignity of man and woman. Yes, we must oppose all forms of colonisation. Because what is the issue in Palestine now? Not only in Gaza, but all Palestine. It is the issue of dispossession. You conquer, you take people's land, you dispossess, you kill them, you detain them, you take over their houses, you treat them as if they were in an open-air prison. And this is known.

That is why, and I do know since we come from small country, we know our limits. So we thank our dear friends here for their support. But it is creating so many problems not only for the Muslim world but those who believe in freedom and justice. It is creating problems for us because people are saying: Why are you not doing anything more when people are being killed daily? That is my point.

So I just hope and pray that there is finally sanity that would prevail among those who have influence in the world because they are finally accountable. No country, no person can continue to do this gross injustice and tolerate the atrocities and think they are safe. I do not believe that this can ever be accepted. We want justice to all mankind and, of course, we cannot deny justice because of their different colour or different religion or different creed. Justice means justice for humanity, and it is time that Palestine and Palestinians are treated as human beings, not as slaves or second-class people.

Thank you.

Alexandra Suvorova: Mr President, staying on the topic of the Middle East conflict, Moscow has conveyed its position to both parties on multiple occasions. But have they heeded our message? I am talking about the two sides in the Israeli-Palestinian conflict.

Vladimir Putin: I share many of the things we have just heard from our guest. Russia is not guided by any momentary considerations in this regard. We have always proceeded from the existing solutions. I believe that these approaches provide a foundation for the settlement process, primarily the two-state solution.

By the way, many people around the world share this view. As strange as this may seem, this is what many people in the United States believe too. Unfortunately, this remains an outstanding issue, while it underpins the current escalation and the ongoing confrontation. Among other things, present-day challenges stem from the attempts by the United States to privatise the settlement process, but the United States cannot be regarded as a neutral actor. This is where the problem lies.

Let me reiterate that we will do everything in our power, just as I said during my recent meeting with Mr Abbas when he visited Moscow, to contribute to resolving this lingering crisis with all its hardships.

As for the humanitarian issue, of course, we are trying to find solutions on matters involving hostages. In fact, we have been able to achieve tangible results on this front, and cannot but welcome these developments. We will try to keep moving in this direction.

Alexandra Suvorova: Thank you.

Let's move on to another topic. Mr Ibrahim, you have noted and reminded in your opening remarks that Malaysia is going to chair ASEAN next year. What will the association prioritise in its work and how will it arrange its cooperation with Russia?

Anwar Ibrahim: Because that region, sub-region, is the most peaceful in the world right now and economically most vibrant. The secret, of course, is centrality, is independent foreign policy position. We refuse to be dictated by any powers. And we maintain excellent relations with our neighbors. With Thailand, we are having a special economic zone to promote and ensure there is more economic activity in the poorer sectors in north

of Malaya and south Thailand. With Singapore, we have a special economic zone in Johor, which would encourage more business and investments. And with Indonesia, we have excellent relations. I was just in Brunei. And even on issues that are considered to be quite... contentious, our decision is to continue with bilateral mechanisms, multilateral mechanisms.

The only issue that we have to confront is Myanmar. It's not spreading in terms of its military activities, but it's causing some problems. For example, Malaysia has to contend with 200, 000 refugees from Myanmar. And I think my position as ASEAN Chair, is, of course, to try and resolve. We don't want to dictate. The problem, the failure sometimes in dealing with Myanmar, is its military junta. You want to ensure democratic transition. I think what is important for Myanmar is peace. Get all the parties to speak and talk to each other, and maintain peace.

Then they'll decide for themselves what form of government they want to have and do not dictate. And our problem with Myanmar in the past was to try and dictate to them what sort of government they should have. So in our five-point consensus, we think that just respect these fundamental rules and we would move. But on a different note, a different level, although we do have growing issues particularly with the Philippines and China, our position is always to encourage the Philippines to continue to engage actively and try to resolve in the true spirit of ASEAN. And if we need to assist, we will continue to engage with our friends because we always feel that there is a way for the future, you know.

And I think more so, taking that position because of centrality, we do not want this region to be, again, a contentious region for the superpowers. If we have a problem in the region, we resolve it in the region. And we do not support any intrusion of other powers into the region. If we have problems, we try and resolve them. And that's why I think my presence here in Vladivostok is to convey that message, that I think, contrary to some of the perceptions, we feel that our task is to ensure that we serve our people, that economically it has to be vibrant, and we want to show a new tradition and diplomacy that engages with most countries, and Russia included. Some countries in the West may have a problem with Russia, they will deal with it.

As far as we are concerned, we do not have a problem. We have some issues we want to discuss, we bring them up, you see. So I think we would start that tradition. So in ASEAN

cohesion, we want to maintain that sort of relations. We may choose to disagree. I mean, I have very good relations with Premier Li Qiang. Excellent. It does not mean that we can agree on every issue, but we disagree as close friends. They talk about the more contentious issue with the South China Sea, and they keep on hoping. You have a problem with China because of the border. We have a problem with every single country. In ASEAN, I mean, those bordering Malaysia, because Malaysia is central. We have a slight border problem with Thailand, with Indonesia, with Singapore, with Brunei, with the Philippines. Is that a problem? No, it's not a problem. These are issues that we discuss.

It does not in any way seem to be antagonistic. Why is it when it comes to China, you expect us to go and quarrel with them? I think we will continue to negotiate. Yes, we agree, and on some issues we disagree. But in my experience now, I've taken over almost two years now as Prime Minister, I don't have a problem with China. So why must countries outside our turf insist that you have a problem? I don't. Now, you have a problem, you deal with it. So I think that should be the ASEAN position, to focus on the fundamentals. Yes, on economy. Yes, on technology. Yes, on AI. Yes, on AI, energy and tourism, and I think you'll be a great example of a sub-region that is peaceful and economically vibrant. Thank you.

Alexandra Suvorova: Mr Zheng, I have a question for you.

Last year, the trade turnover of China with ASEAN exceeded \$911.5 billion, according to the General Administration of Customs. How do you see and assess the potential of economic growth in the People's Republic of China?

Han Zheng: China has been pursuing the reform and open-door policy for 40 years. And more than 20 years passed since China entered the WTO. Both President Putin and Prime-Minister Anwar Ibrahim expressed very valuable opinions.

For many years, the Chinese economy has been developing well. Although it is the world's second biggest economy, the GDP per capita is a little bit higher than 12,000 US dollars a year. But China's contribution to the global economy growth has amounted to 30 percent for many years. China has already become a primary trade partner for more than 140 countries and territories.

President Putin and Prime Minister Anwar Ibrahim shared very valuable proposals. I believe that eradication of poverty in China contributes to the development of the global economy by itself as its population amounts to 18 percent of the global population. Therefore, eradicating poverty in our country is a contribution to the development of the global economy.

Cooperation and exchanges of our country with other partners have always been executed based on mutual benefit and very friendly atmosphere, this is why our cooperation can be called very successful. President Putin made a very good point that mutually beneficial cooperation is something that needs to be maintained.

You are all aware of the fact that the 20th Central Committee of the Communist Party of China convened its third plenary session recently where a decision was made on comprehensive deepening of the reforms and advancing Chinese modernisation. This is a clear signal that China will go on with reforms and expand openness. As I have already noted in my remarks, China always clearly regulates the agreement between openness and reforms, this is why I believe that China's development is a contribution to the global development and China's development provides huge opportunities to the entire world.

Alexandra Suvorova: Thank you.

We are gradually reaching the end of our plenary session.

Mr President, we basically discussed what the Far East will look like in six years. And what will mark a success for you? What is the most important?

Vladimir Putin: Growth of population. (Applause.)

We need to create the environment, we spoke so much about today, to increase birth rate and the desire among young people, to come here to this wonderful, brilliant region with good prospects and cast in their lot with it.

Alexandra Suvorova: Thank you.

I would like to address the last question to all participants in our today's discussion. It sounds as follows: what primary challenges do our countries face today? Could you name them, please? And what are the potential responses to those challenges?

Mr Ibrahim, let's start with you.

Anwar Ibrahim: Normally, you start with the senior guy, and the most senior in office is President Putin, out of respect.

Vladimir Putin: Thank you. The question about the future, isn't it?

Alexandra Suvorova: Sure.

Vladimir Putin: Russia has to ensure economic growth using its own technological solutions with highly-qualified, trained and motivated personnel. This is the first point.

And, as for all of us together, referring to the countries of the Global South in a loose sense – we definitely need to ensure global leadership in the economy. And in the light of the trends of the global economic growth and development rates of our countries, this objective will definitely be reached.

Alexandra Suvorova: Thank you.

(Addressing Anwar Ibrahim). Same question.

Anwar Ibrahim: The issue is, of course, the economy, but how we view the economy is not unbridled capitalism of the past. It has to be a more humanistic approach towards development, which means, of course, economic growth, more investments, more trade, but at the same time, more compassionate, more care towards the welfare of people. Poverty, I think the Vice President has mentioned, housing, that President Putin has mentioned, I think these are issues that have been largely ignored.

So the experience in some countries in the West, where we see phenomenal growth, but abject poverty and poor housing conditions, low quality of education, which is not our

option. Having a growth that is sustainable means protecting the environment, having good housing, quality education, and also anticipating the pace of change fast enough in modern times, that is a new direction in terms of training of our young in digitalisation, in AI, with values that are in deficit in the world today.

I strongly believe that we want to progress as a country, as a nation. We cannot ignore humanity's values and ethics. It is a deficit in this world. That is why you see so many calamities, gross injustice, and racism, even fanaticism, atrocities committed in the name of religion, because we do progress what dehumanises ourselves.

That is why I started by referring to a lot of great literary works by Russian figures,

because they always emphasise issues of ethics, morals, and humanitarian ideals.

Now, with that, I think we should learn from one another and we should not learn the excesses of the past, particularly when it comes to gross injustice, and we should continue to grow and modernise our society. Thank you.

Alexandra Suvorova: Mr Zheng, the same question to you: what primary challenges do our countries face today?

Han Zheng: Mr Xi Jinping said that building a community with a shared future for mankind is the most important task and challenge for all of us since cultures, religions, peoples are different in various regions and all these peoples are at various development stages, all of them have different needs. Building such community is our big common challenge.

Alexandra Suvorova: Thank you.

Vladimir Putin: I believe we are coming to an end, and for my part, I would like to thank our guests for their bright and thoughtful remarks, participation in our work and attention to the developments in Russia and Russia's Far East.

Alexandra Suvorova: Thank you very much.

Vladimir Putin: I would like to address the audience. It mostly consists of economists or civil servants who are involved in discussion of these issues. I have to say that I am deeply convinced that entrepreneurship means creation, first and foremost. If we treat this as a creative process, we will definitely achieve all the goals we set and resolve all the tasks we are facing. I would like to thank you for taking part in this work and wish all of us success in implementing our plans!

Thank you very much!

Alexandra Suvorova: Thank you. For my part, as a moderator, I would like to quote you, Mr President, and sum up the session, in essence: the Far East is the priority for the entire 21st century.

Thank you.

Vladimir Putin: And many thanks to our moderator. Thanks a lot for the joint work.

Alexandra Suvorova: Thank you.

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