

## **RUSSIA-JAPAN**

### **KEY CONCLUSIONS**

#### **Cooperation plan between the two countries being successfully implemented**

“We are in the middle of the cross-year – Russia–Japan, Japan–Russia. A lot of hard work is being done both at the level of businesses and in humanitarian exchanges. The work on the eight-point cooperation plan set out by Prime Minister Shinzō Abe has intensified,” said Alexey Repik, President of Delovaya Rossiya (Business Russia).

“About a hundred projects have been launched as part of the eight-point cooperation plan implementation. Many of those already yield tangible results in such areas as renewable energy, medicine, and agriculture,” said Shigeru Murayama, President of the Japan Association for Trade with Russia and the NIS (ROTOBO); Chairman of the Board of Directors, Kawasaki Heavy Industries, Ltd.

“Over 150 projects have been started within implementation of the eight-point cooperation plan, and more than 200 documents have been signed in total. A great emphasis is put on cooperation in the Far East,” said Tatsuya Terazawa, Vice Minister of Economy, Trade and Industry of Japan for International Affairs.

“The Republic of Yakutia is dynamically developing relations with Japan. A project on a year-round greenhouse facility with the total area of 3 hectares is being implemented. By 2020 it will bring over USD 10 million of profit,” said Aysen Nikolaev, Acting Head of the Republic of Sakha (Yakutia).

“Export of metals, alloys, corn, timber, as well as liquefied natural gas and crude oil is successfully developing in the Far East under the Sakhalin II project,” said Masami Iijima, Representative Director, Chairman of the Board of Directors, Mitsui & Co., Ltd.

“Five years ago we opened a diagnostic centre outside Vladivostok. Our efforts result in annual growth in the number of patients and improvement of local healthcare,” said Takao Nishida, Deputy Secretary General, Hokuto Social Medical Corporation.

“In September 2017, we launched a USD 1 billion Russia–Japan Investment Fund. Out of this amount USD 200 million has been allocated to three projects and we have almost completed the fourth investment round in automotive industry start-ups,” said Tadashi Maeda, Governor of the Board of Directors, Japan Bank for International Cooperation (JBIC).

## **Russia-Japan turnover rising 20%**

“This year’s turnover growth is approximately 20% year over year. It’s growing beyond such traditional sectors as energy. New pharmaceutical productions are being launched, new healthcare centres are being opened, new projects on improving quality of life in cities have been implemented. By the end of the year, we expect USD 21–22 billion of turnover. Already in 2019, the Russia–Japan turnover is going to exceed the Russia–USA turnover,” said Maxim Oreshkin, Minister of Economic Development of the Russian Federation.

## **Transportation to Japan risen by 50% in 5 years**

“Russian Railways cooperate with Japan in three areas: development of cargo shipments by Trans-Siberian Railway; planning direct railway connections between Russia and Japan through Sakhalin; upgrading the Holding’s health clinics. About 30% of Trans-Siberian traffic is traffic to Japan. It has risen by 50% over the past five years,” said Alexander Misharin, First Deputy Chief Executive Officer of the Russian Railways.

## **PROBLEMS**

### **Low awareness of advantages of working in the Far East**

“Japanese businesses pay special attention to the Far East, however, they are still not very active in the advanced special economic zones and Vladivostok Free Port. Mechanisms of attracting investments are known to only 20% of companies we surveyed,” said Teruo Asada, Chair of the Japan-Russia Business Cooperation Committee, Keidanren; Chairman of the Board of Directors, Marubeni Corporation.

## **SOLUTIONS**

### **Use of digital technologies**

“We are moving on with the project with our Japanese colleagues. We are going to further develop our engine factory. We are going to develop the 4.0 technology. We are going to develop industrial internet here, technical vision and digital twins of production,” said Vadim Shvetsov, Chief Executive Officer, Member of the Board of Directors, SOLLERS.

### **Increasing capacities of transport infrastructure**

“Within the next year or two we are going to see a significant rise in the capacity of Russian railways. We are not only interested in importing our coal to Japan. We are also interested in having Japanese technology in our Kuzbass region,” said Sergey Tsvilev, Acting Governor of Kemerovo Region.

### **Increased financing of joint projects**

“Today, more than 10 billion roubles has been invested and almost USD 800 million is available for joint investments. We are considering 80 billion roubles of projects,” said Vladimir Primak, Director at Russian Direct Investment Fund (RDIF).

### **Digitalization of the Far Eastern Regions**

“We have signed a memorandum on cooperation with Rostelecom for elimination of a digital divide in the Far East. There are communities here that are not connected to fiber-optic communication lines,” said Eiichi Yonekura, Representative Director, Senior Executive Vice President, SKY Perfect JSAT Corporation.