

**China-Russia Relations:**

## **Presidential Politicking and Proactive Posturing**

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With the exception of Russian President Vladimir Putin, the first quarter of 2004 was tough, turbulent, and tricky for players of presidential “Survivor.” Within 10 days in March, South Korean Roh Moo-hyun was impeached (March 12); Taiwan’s President Chen Shui-bian barely edged out his opposition, thanks to an “assassination” attempt (March 19), real or staged; and President Bush’s reelection is being battered by “shock and awe” as a result of “Iraqi Intelligencegate,” as former White House antiterrorist “czar” Richard Clarke went public with his criticism of the Bush administration (March 21). All this occurred against the backdrop of unprecedented diplomatic posturing by China and Russia in the first quarter: the Shanghai Cooperation Organization (SCO) was inaugurated and the second round of six-party talks on the Korean nuclear issue was held. Meanwhile, the Russian military conducted its largest exercises in 22 years on the eve of NATO’s unprecedented expansion to the Russian border and the People’s Liberation Army went to high alert when Taiwan’s presidential politicking moved to hyper mode.

### **Unleash the diplomats**

The onset of the first quarter witnessed diplomacy at all levels: ministers, deputies, and bureau chiefs. Shortly after the New Year, China’s Ambassador at Large Ning Fukui traveled to Moscow and held talks with director of the Russian Foreign Ministry’s First Department of Asia, Yevgeny Afanasyev. For the Russians, China became “the first country with which Russia will hold diplomatic consultations in the new year,” and Moscow “deems a regular dialogue with China, which is Russia’s strategic partner, on the situation in the Korean Peninsula to be of special importance.” Ning and Afanasyev worked on a China-drafted proposal for setting up a working-level group representing all six parties. The document was to be discussed in the second round of six-party talks in late February and the Russians fully supported the Chinese proposal. The two sides coordinated their policies all the way to the eve of the second round, when Deputy Foreign Minister Wang Yi held talks with Russian counterpart Alexander Losyukov in Beijing before meeting with representatives of the four other parties.

In mid-January, Russian Foreign Minister Igor Ivanov visited Beijing and tried to map out bilateral interactions in the new year with his Chinese counterpart Li Zhaoxing. The heads of state would meet three times in 2004, including Putin’s official visit to China in October marking the 55<sup>th</sup> anniversary of the establishment of diplomatic relations

between China and Russia/Soviet Union. The other two summits would take place in multilateral fora: the SCO in May-June and the Asia Pacific Economic Cooperation (APEC) meeting in October. Additionally, China's Premier Wen Jiabao and Parliamentary Chairman Wu Bangguo will pay official visits to Russia in late 2004. The two foreign ministers also decided to designate 2004 as "Sino-Russian Youth Friendship Year."

Ivanov's visit coincided with the official opening of the SCO Secretariat in Beijing, when foreign ministers of all six member-states gathered. The regional security arrangement was formally established in 2001, based on the former Shanghai Five that began in 1996 to help establish confidence-building measures in the border regions and fight regional terrorism, religious extremism, and separatism.

When Ivanov was visiting Beijing, Russian Deputy Foreign Minister Anatoly Safonov and his Chinese counterpart Sheng Guofang held the fourth session of the Russian-Chinese antiterrorist working group. A joint statement was issued and China pledged to support Russia's fight against Chechen terrorists. In his February speech to an enlarged meeting of the State Duma International Affairs Committee, the Russian foreign minister said that "relations between Russia and China have achieved the best level ever in history."

Far away from both Russia and China, Russian Defense Minister Sergei Ivanov, while visiting India in late January, speculated about tripartite discussions between Russian, Indian, and Chinese diplomats in 2004 to examine ways to enhance security in the Asia-Pacific region. President Putin, too, made it public that Russia's relations with China were "a key priority of Russia's foreign policy." "Our relations have never been marked by such profound mutual trust as today," Putin told China's Ambassador Liu Guchang in the Kremlin Jan. 22. Later, China's Foreign Minister Li Zhaoxing echoed Putin's assessment of China-Russia relations when he told reporters that "China and Russia are major neighboring states. To be forever friends and never to be enemies is the correct choice for our two countries."

In early March, Director of the Western Asia and North Africa department of the Chinese Foreign Ministry Zhang Jung, and Russian Deputy Foreign Minister Losyukov discussed in Moscow the issues of Iraq and the UN role. On the eve of Taiwan's presidential election, Chinese special envoy and Vice Foreign Minister Dai Bingguo visited Moscow and had separate meetings with Russian Security Council Secretary Igor Ivanov, Foreign Minister Sergey Lavrov, and First Deputy Foreign Minister Valery Loshchinin. Dai and the Russian officials discussed the Taiwan Strait situation and the Korean nuclear issue. Dai also delivered a letter from Chinese President Hu Jintao to the Russian side. While Dai was still in Moscow, Foreign Minister Li called his Russian counterpart Sergey Lavrov and discussed "topical bilateral and international issues in the context of the

forthcoming top level and high level contacts.” Upon returning to Beijing, Dai held consultations with First Deputy Foreign Minister Valeri Loshchinin on the issue of coordinating policies between Commonwealth of Independent States (CIS) and SCO members.

### **Cash in on ‘Putin the Great’**

Winning a second term did not seem to need any survivor skills. The Russian president simply cruised into his second term with 71.31 percent of the popular vote. Putin was so sure of his second term that he reshuffled his Cabinet five days before the elections on March 15. Beijing, too, dealt with Moscow with the assumption that Putin would get his second term. Despite this dull election, Chinese leaders remained keen observers. Immediately after Putin’s reelection, President Hu and Chairman of the Central Military Commission (CMC) Jiang Zemin were among the first foreign leaders to congratulate Putin. While Hu talked to Putin over the phone, Jiang’s message to Putin in the capacity of China’s powerful CMC chair warrants particular attention.

There are at least three reasons for the Chinese leaders to be concerned with Putin’s second term and Russia’s future policies toward China. The first are those of a short-term nature: the pressing need for both sides to synchronize policies for the Korean and SCO issues. While the SCO inauguration was pre-scheduled, the Korean nuclear talks would have to be pushed forward to keep momentum, as well as to achieve more tangible results. Perhaps the most urgent factor is the fluidity and uncertainty of the Taiwan issue. The Taiwan ruling party’s proposed referendum, to be conducted five days after the Russian presidential election, was seen by China as a disguised and decisive move toward independence.

In the medium-term, current bilateral relations, though defined as “strategic,” need to be energized and Putin’s second term should be a good time for input by the Russian president. The two sides need to develop a higher degree of sustainability in their interaction. There have been plenty of high-profile summit meetings in recent years. The two societies and peoples, however, have yet to develop any intimacy. Bilateral economic relations, too, remain the “weakest link” as a percentage of total trade volume and this is despite years of government intervention to promote trade and other economic activities.

Last but not least, the long-term stability of the China-Russia relationship is at stake if it is not further promoted in Putin’s second term. Of all the neighboring states, Russia has the longest land border with China; the modern history of interactions between the two continental powers is complex and has largely been, until recently, zero-sum. Despite the recent stability and “strategic partnership” between Beijing and Moscow since the mid-1990s, the number of “good years” (26 years: 1949-59 and 1989-2004) has yet to surpass the “bad” ones (29 years: 1960-89) in the 55 years since the establishment of diplomatic relations. Putin’s second term may reverse that.

China's fourth generation of leaders have their own concerns. If their predecessors (Jiang, etc.), who were educated in Russia, managed to stabilize and promote relations with a weak and declining Russia under Yeltsin, the fourth generation of Chinese leaders, which is also the least-Russianized generation of political elite in the past 100 years, will have to deal with a Russia recuperating and rebuilding its power and status after a decade of decline. Immediately after the election, the Chinese press saw the landslide victory giving Putin "a supreme grip on Russia." (*Xinhua News Agency's* headline). And the Russian president, perhaps more than any other Russian/Soviet leader in the past century, deserves to be addressed as "Putin the Great."

All this has to be factored into a broader international and historical context: the two large continental powers are interacting in the age of preemption and unilateralism. Dealing with the hyper-power of the U.S. remains the daunting task for leaders of both countries. Beyond that, there are heavy workloads for both sides in the short- and medium-term: managing the routines of their strategic partnership; adjusting their vital interests in volatile central Asia as they interface through the SCO; soft-landing the Korean nuclear crisis; and dealing with a normal Japan, which – perhaps more than any other "normal" state with the exception of the U.S. – is willing and able to apply its freedom of action and already impressive military power in handling external affairs. A stable China-Russia relationship "plays an important role in the maintaining of peace, stability, and development in the entire world," said President Hu.

For these reasons, a prominent Chinese analyst urged China to develop "a highly selective special relationship with certain countries," particularly with Russia. In this regard, "widening our vision and emancipating our mind is at least as important as caution and care."

It might be a coincidence that the eighth round of China-Russia military consultations was held on March 15-18 in Beijing, between the Russian and Taiwan presidential elections (March 15 and 20). The session was chaired by Deputy Chief of the PLA General Staff Xiong Guangkai and the First Deputy Chief of Staff of the Russian Armed Forces Col. Gen. Yuriy Baluyevskiy. Their discussion focused on "the entire range of problems relating to strategic stability and also the state of military cooperation," as well as "sensitive military issues," according to Russian sources. The Taiwan issue, too, was believed to dominate the consultation. With broad consensus reached during the session, both sides called for "expansion" of military cooperation. Baluyevsky indicated that the Russian "supreme military and political leadership" intends to pay even greater attention to strengthening the strategic partnership between Russia and China, and that, once re-elected, Putin would pay more attention to boosting the strategic cooperative partnership between Russia and China. During the working session, PLA Chief of the General Staff Liang Guanglie and Chinese Defense Minister Cao Gangchuan met with Baluyevskiy and called for boosting relations between the Chinese and Russian militaries.

Incentives for promoting military-military relations came from both sides and from multiple sources. For the Chinese, Russian arms sales and technology transfers constitute an indispensable part of the PLA's modernization, particularly in the areas of "mechanization," or hardware (ships, planes, missiles, etc.). Meanwhile, China's surging IT industry seems to provide greater inputs to the PLA's "informationization," which is part of the PLA's "dual mission." For the Russians, it is imperative to keep China as one of its major markets for Russian military hardware. Meanwhile, Moscow is well aware that Beijing is actively seeking other sources. The EU's current deliberation on lifting arms embargos against China would be a major diversion from Russian products.

### **Regional dynamism: SCO and Korea**

The intensive diplomatic activities and strategic coordination between Beijing and Moscow centered on two regional arenas: the SCO's official inauguration and the six-party talks on the Korean nuclear issue. Both multilateral diplomatic games were played out in Beijing during the first quarter of 2004. On Jan. 15, SCO foreign ministers held an ad hoc meeting in Beijing for the official opening of the SCO Secretariat. Eight years after its inception, the regional security mechanism finally made its debut. President Hu and State Councilor Tang Jiaxuan met with the SCO foreign ministers. Zhang Deguang, former Chinese vice foreign minister and former ambassador to Russia, was appointed the first secretary general of the SCO. Three deputy secretary generals were also appointed. Representatives from the UN, EU, APEC, ASEAN, and Mongolian Foreign Minister Luvsangiin Erdenechuluun participated in the opening ceremony.

The establishment of the SCO Secretariat was decided at the SCO summit in May 2003 in Moscow. Its main functions are to provide organizational and technical guarantees for the SCO's activities, to participate in the research and implementation of documents of various departments, and to set forth suggestions for the organization's annual budget.

SCO foreign ministers also agreed to hold a session of the Council of Heads of State in the second quarter, when the executive committee of the Regional Anti-Terrorist Structure was to be officially inaugurated in Tashkent, the capital of Uzbekistan. A communiqué signed by the foreign ministers states that the prime mission of the organization is to push forward concrete cooperation among all member states in all areas in line with the SCO Charter. Emphasis is given to promoting and developing economic cooperation within SCO. SCO will also make efforts to undertake exchanges, dialogue, and cooperation with other international organizations and countries.

Upon its debut, SCO's Secretariat set out to coordinate the June summit in Tashkent. Secretary General Zhang paid a three-day trip to the Uzbek capital in early March. There, he met with Uzbek Foreign Minister Ilkham Zakirov, President Islam Karimov, and the Acting executive director of the SCO Regional Anti-terror Center, Maj. Gen. Vyacheslav Kasymov. Meanwhile, representatives of the SCO members worked on regulations for observer status. While visiting Tashkent, Zhang made clear that SCO has no plan to set up a military alliance. He nevertheless commented that events in Afghanistan did affect the security interests of SCO member states.

While the SCO was making steady efforts to maintain its vitality, Russian and Chinese diplomats also began to envision broader coordination beyond the SCO. In late March, Russian Deputy Foreign Minister Loshchinin traveled to Beijing and discussed with Deputy Foreign Minister Dai Bingguo the possibility of coordinating policies between SCO and the CIS. In late May, Russia and China plan to hold their first ever consultations on the situation in Central Asia and the CIS areas at the level of first deputy foreign ministers in late May. "Every aspect of cooperation on CIS territory arouses interest in China and, generally, worldwide," said Loshchinin.

As Moscow and Beijing consolidated their grip on the SCO and Central Asia, they also closely coordinated positions regarding the Korean nuclear issue. A large part of the active diplomacy between Russia and China centered on the second round of six-party talks in late February in Beijing. From the first days of the new year to the eve of the Beijing talks, diplomats of the two countries at all levels frequented each other's capital.

Both Moscow and Beijing support a nuclear-free Korean Peninsula. Neither seems to be sure that the DPRK is nuclear-capable. All believed that North Korea has legitimate security concerns that need to be addressed, particularly by the United States. Each is willing to provide energy aid to the North once the DPRK freezes its nuclear activities. Beyond these overlapping policies, divergences do exist in Russia and China's approaches to the issue.

Russia recognized its limited interest and stake in the Korean nuclear issue. Ranking Russian diplomats described China as "a locomotive" driving the six-party dialogue, while Russia is willing to play "whisper diplomacy." Russia's policies toward North Korea, however, were proactive. This includes Russia's supply of 40,000 metric tons of wheat to North Korea for 2004 under the UN World Food Program. Meanwhile, Russian-DPRK trade was growing, and Russia is actively involved in renovating the DPRK rail system. According to DPRK sources, the chairman of the Russian Supreme Court and Federation Council Speaker Sergei Mironov would visit North Korea, and the DPRK public security minister and several North Korean delegations would visit Russia. The Russian side also believed that good personal relationships and close associations between Russian and North Korean leaders would be useful in resolving the nuclear issue.

Russia's real impact on North Korea, however, is not as strong or as weak as it appears. For the DPRK, Russia is a useful card in the six-party game. It was no surprise, therefore, that at the onset of the six-party talks in Beijing (Feb. 25), Pyongyang chose to reveal to the Russian representative (Russian chief negotiator Alexander Losyukov), not the Chinese host, that the North was ready to abolish its nuclear weapons program while retaining a nuclear program for peaceful purposes. At the end of the second round of talks, the DPRK's chief delegate, Vice Foreign Minister Kim Kye-kwan, admitted that the DPRK did sell missiles to Pakistan for hard currency but publicly denied that his country possesses a uranium-based nuclear weapons program. Not only did such a statement make the issue more opaque and more confusing, but also it was a mockery of all the efforts and investments made by China in crisis resolution. In early March, a North

Korean source in Moscow told *Itar-Tass* that Pyongyang was not satisfied with the results of the Beijing talks.

For their part, the Chinese also continue to offer economic aid to the DPRK. It was reported that in his visit to the DPRK last October, Chinese parliamentary chief Wu Bangguo offered Pyongyang a new economic aid package involving \$50 million to buy heavy oil and food in exchange for Pyongyang's participation in the second round of talks. In late March (23-25), Chinese Foreign Minister Li paid a rare visit to North Korea, the first in five years. Li held talks with top DPRK leaders, including a 90-minute meeting with Kim Jong-il. The two sides reportedly reached extensive consensus over a wide range of international and regional issues, including setting up a working group for future formal talks.

Regardless of the inconsistent messages coming from the DPRK, China continues to pursue a multi-dimensional diplomacy, now moving toward a more institutionalized "working group" between formal talks. Soon after Li returned to Beijing, Li met with Russia's First Deputy Foreign Minister Loshchinin and South Korean Foreign Minister Ban Ki-moon. Meanwhile, "China is preparing for all eventualities. If China feels that North Korea's methods go against China's fundamental national interests, then of course China will take a tougher stance," remarked Zhao Huji, a North Korean expert at China's State Council Development Research Center.

In both the SCO and Korea, China remains the center of these multilateral diplomatic activities.

### **End of the pipeline game?**

While diplomacy was the focus for both Russia and China in the first quarter, economic relations were not completely out of the picture. In early January, Deputy Chairman of Russia's Central Bank Viktor Melnikov, who also co-chairs the Russian-Chinese Sub-Commission on Interbank Cooperation, was in Beijing to work out issues affecting ruble and yuan convertibility in border areas. The two countries started an 18-month experiment from early 2003 in a transactions zone covering the Blagoveschensk-Heihe area. The practice offers great convenience for border trade since businessmen and vendors would use cash in their transactions without going through banks. The two sides are actively considering extending the currency convertibility practice to all the Russian and Chinese border regions, while working out a mechanism to minimize money laundering.

The overall economic dimension, however, appeared less encouraging than the political and strategic areas of bilateral interaction. Despite some occasional optimistic expectations from the Chinese side, it became increasingly clear during the first quarter that Russian oil may never flow to China through the long-anticipated Angarsk-Daqing pipeline. Japan's \$7 billion bid for the Angarsk-Taishet-Nakhodka oil pipeline to Russia's Pacific coast is simply too attractive for cash-tight Russia to ignore. With the exception of the Russian oil giant Yukos, whose former CEO Mikhail Khodorkovsky is at odds

with Putin's government, no Russian oil company favors the Angarsk-Daqing project. Indeed, the Taishet-Nakhodka project is the only project upon which the Russian firm Transneft is currently doing feasibility studies.

In late January, the prospect of the Angarsk-Daqing pipeline became dimmer as the Russian and Japanese deputy foreign ministers, Alexander Losyukov and Tanaka Hitoshi, expressed satisfaction at their talks in Moscow. "We are actively considering possibilities of realization of project to build the Angarsk-Nakhodka oil pipeline. The implementation of it would help to solve the task of providing the whole region with energy resources," said Losyukov. Ultimately, Russia "will give priority to its own interests when selecting which option to follow in the construction of an oil pipeline system in East Siberia," Losyukov insisted.

As a move to minimize the impact on China of the decision to proceed with the Angarsk-Nakhodka oil pipeline, President Putin authorized railroad ministry and transportation companies to increase oil exports to China. A contract signed between Yukos and the Russian Railways (RZD) on March 27 indicates that Yukos will ship to China 6.4 million metric tons of crude oil in 2004, 8.5 million tons in 2005, and up to 15 million tons in 2006.

Russia's move would meet at least part of China's growing need for energy, and seemed to signal the coming of Russia's final decision in favor of the Taishet-Nakhodka (Japan) line. Three days after the Yukos-RZD contract to ship oil to China by rail, China's ambassador to Moscow Liu Guchang made a strong public appeal in Moscow to urge the Russians to implement the Angarsk-Daqing pipeline.

At a press conference held for Russian and Chinese Russia-based reporters in Moscow on March 30, Liu stressed that China's development is not a challenge, much less a threat, but an opportunity for Russia. He maintained that China will never depend on external expansion to make the country rich and strong. Even if China becomes strong one day, it will not engage in expansion or pose a threat to any country, including Russia. A strong and economically developed China will provide all countries, especially its biggest neighbor, Russia, with a wider market and more opportunities for cooperation. It will also provide Russia with the peaceful and stable international and regional environments necessary for achieving Russia's development and rejuvenation. Russia's development, in turn, he argued, also represents an important opportunity for China. A developing, stable, prosperous, and strong Russia is advantageous to China, to Sino-Russian relations, and to the world.

Liu then turned to the pipeline issue by stating that China's development requires the import of massive quantities of oil. Rich in oil resources, Russia needs China's vast market. China is Russia's closest and most stable market and is Russia's most reliable partner. For Russia to supply oil to China, the most sensible and economic mode of transport is to build a pipeline. Liu said that the leaders of the two countries have had an in-depth exchange of views on numerous occasions on strengthening energy cooperation, including the building of an oil pipeline to China, and reached a common understanding.



He expressed the belief that the two governments, with the joint efforts of the industrial and commercial circles in the two countries, will ensure that Sino-Russian energy cooperation, including cooperation in the pipeline project, has a bright future.

It remains to be seen if China's ambassador's public plea is too little, too late, as decisions now seem to be driven by Japanese money and Russia's enduring uneasiness about a rising China.

### **Chronology of China-Russia Relations January-March 2004**

**Jan. 5-6, 2004:** China's Ambassador at large Ning Fukui and director of the Russian Foreign Ministry's First Department of Asia Yevgeny Afanasyev holds talks on the North Korean nuclear issue in Moscow.

**Jan. 14, 2004:** FM Li Zhaoxing meets with Russian counterpart Igor Ivanov in Beijing to plan for bilateral ties, regional, and international issues in 2004. They decide to designate 2004 as "Sino-Russian Youth Friendship Year."

**Jan. 15, 2004:** Russian Deputy Foreign Minister Anatoly Safonov and his Chinese counterpart Sheng Guofang hold the fourth session of the Russian-Chinese antiterrorist working group. A joint statement was issued.

**Jan. 15, 2004:** SCO holds ad hoc foreign ministers' meeting in Beijing for the opening ceremony of the SCO Secretariat. Zhang Deguang, former Chinese vice foreign minister and former ambassador to Russia, is appointed first secretary general of the SCO.

**Jan. 19, 2004:** After 10 years of negotiations, Russia's Transaero Airlines launches a direct chartered flight between Taipei and Moscow to meet growing tourism demand. The Russian company provides two flights per month with an additional flight during the Lunar New Year festival.

**Jan. 22, 2004:** President Putin tells China's ambassador to Russia Liu Guchang that relations with China are a key priority in Russia's current foreign policy and that "Our relations with China have never enjoyed such a high level of mutual confidence and understanding."

**Feb. 7, 2004:** President Hu Jintao sends a message of condolence to Putin after the Moscow metro bombing, which killed 39 people and wounded more than 130 others. Li also sends a message of condolence to his counterpart Igor Ivanov.

**Feb. 12, 2004:** Moscow police round up 300 Chinese business booths in the city's "Emila" market and confiscate merchandise worth \$30 million. Chinese embassy in Moscow presents notes to the Russian Foreign and Interior Ministries, requesting that Russian governmental agencies protect the interests of Chinese businessmen in Russia.

**Feb. 23, 2004:** Deputy Foreign Ministers Alexander Losyukov and Wang Yi hold talks in Beijing before the second round of six-party talks to be held in Beijing on Feb. 25-27.

**Feb. 25, 2004:** Deputy FM Aleksandr Saltanov and Chinese ambassador Liu discuss the Taiwan issue in Moscow.

**Feb. 25-28, 2004:** Six-party talks on the Korean nuclear issue in Beijing.

**March 1, 2004:** Director of the Western Asia and North Africa department of the Chinese Foreign Ministry Zhang Jung visits Moscow for talks with Deputy FM Losyukov.

**March 5, 2004:** Chinese Premier Wen Jiabao sends a congratulatory message to Mikhail Fradkov, who won confirmation as Russia's new prime minister.

**March 9-12, 2004:** SCO Executive Secretary Zhang Deguang visits the Uzbek capital Tashkent. The Moscow SCO summit in May 2003 decided to move the Executive Committee of the SCO Regional Anti-terror Center from Bishkek to Tashkent. The executive committee has begun in the Uzbek capital since November 2003.

**March 15, 2004:** President Hu sends telegram to Putin congratulating him on a landslide re-election. Hu also spoke with Putin on the phone, and they reportedly discuss Taiwan.

**March 15-18, 2004:** China and Russia hold eighth round of military consultations in Beijing between deputy chief of the PLA general staff Xiong Guangkai and the First Deputy Chief of Staff of the Russian Armed Forces Col-Gen Yuriy Baluyevskiy. They discussed "issues which the military regards as sensitive ... such as the military and political situation in the Asia-Pacific Region." Baluyevskiy and the PLA's Chief of the General Staff Liang Guanglie also hold staff-level talks. Chinese Defense Minister Cao Gangchuan also met with Baluyevskiy.

**March 16, 2004:** President Hu and predecessor Jiang Zemin send messages to Putin on his reelection as president.

**March 16-19, 2004:** Chinese special envoy and vice foreign minister Dai Bingguo visits Moscow and has separate meetings with Security Council Secretary Igor Ivanov, Foreign Minister Sergey Lavrov and First Deputy Foreign Minister Loshchinin. Dai and the Russian officials discuss the Taiwan Strait situation and the Korean nuclear issue.

**March 19, 2004:** FM Li initiates a phone call with Russian counterpart Lavrov. They touched upon "topical bilateral and international issues in the context of the forthcoming top level and high level contacts."

**March 24-26, 2004:** Chinese Vice FM Dai Bingguo holds consultations in Beijing with first deputy FM Loshchinin on coordinating policies between CIS states and SCO members. Loshchinin also holds talks with SCO Executive Secretary Zhang Deguang, FM Li, and China's State Councilor Tang Jiaxuan, who supervises foreign policy.

**March 29, 2004:** Deputy FM Alexander Saltanov meets Chinese Ambassador Liu and stresses that "Russia is against Taiwan's independence in any form," and that Russia would not congratulate the elected Taiwan leaders by any means, nor would it send delegates to the "inauguration" ceremonies.