

THE ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM – 2009

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**SCO: ROOM FOR ECONOMIC COOPERATION AND COUNTERMEASURES TO
THE GLOBAL CRISIS**

Moderator:

Sergei Naryshkin, Chief of Staff of the Presidential Executive Office

Panellists:

Bolat Nurgaliev, Secretary-General of the SCO

Leonid Moiseev, Russian Federation (RF) President's Special Representative to the SCO

Dmitry Mezentsev, Deputy Chairman of the RF Council of Federation, Chairman of the SCO
Business Council

Vladimir Dmitriev, Chairman, State Corporation Bank for Development and Foreign Economic
Affairs (Vnesheconombank)

Kayrat Kelimbetov, President of the JSC Fund of Nation Welfare Samruk-Kazyna
(Kazakhstan)

Jian Gao, Vice-President of China Development Bank

Akylbek Japarov, Vice-President of China Development Bank

Ilya Lomakin-Rumyantsev, Head of the RF Presidential Experts' Directorate (Russia)

Gulomdzhon Boboyev, Minister of Economic Development and Trade of the Republic of
Tajikistan

Alisher Shaykhov, Chairman of Uzbekistan Chamber of Commerce and Industry, Chairman of
the Uzbekistan National Branch of the SCO Business Council

Discussion participants:

Veyzin Gao, Director of Strategic Development Department, China Life insurance company

Zhanat Zhakanov, President of Development Bank of Kazakhstan JSC

Muras Kachkeyev, Deputy General Director of RSK Bank JSC (The Kyrgyz Republic)

Aleksandr Koval, Head of Federal Insurance Supervision Service (Russia)

Sergey Luzyanin, Deputy Director of the RAS Institute of Far Eastern Studies, Director of the
Center for Studies of Asia and SCO

Makhmadamin Makhmadaminov, President of Tajikistan State Saving Bank Amonatbank
Batirjon Nurullayev, Deputy Chairman of the Board of National Bank for Foreign Economic Activity, Republic of Uzbekistan

Igor Finogenov, Chairman of the Board of Eurasian Development Bank

Alexander Shokhin, President of the Russian Union of Industrialists and Entrepreneurs, a Board member of the Russian National Branch of the SCO Business Council

Yui Pin, Chairman of the Chinese National Branch of the SCO Business Council.

Vadim Yanov, Chairman of the Board, SOGAZ OJSC

Session participants discussed a wide range of questions related to the development of cooperation among SCO members and observer countries. The joint response of SCO members to the ongoing financial crisis, and the potential restructuring of the global financial and economic system, were the key topics of discussion. Panel members also noted the importance of development cooperation within the SCO, and interbank links between SCO member countries to finance key joint projects. Specifically:

SCO countries have not avoided the consequences of the global financial crisis. Member countries need to consider the development and implementation of new economic and financial market regulations that differ from the principals established at Bretton Woods. It was noted that SCO members should implement joint efforts to fight the global financial crisis, and coordinate efforts to maintain trade relations at pre-crisis levels.

Representatives of SCO member countries confirmed that they plan to transform the SCO into a new economic structure with management bodies on top of regional governments. The SCO, it was acknowledged, remains a forum for discussion and the development of joint projects in various areas including medicine, education, logistics and insurance. SCO members plan to accelerate cooperation with observer countries in the organisation, including India and Iran.

SCO members are considering establishing an energy club to intensify dialogue in the spheres of energy and water reserves. Several SCO members have significant energy reserves, while a growing number of member countries – particularly in Central Asia – face potential water and energy deficits.

The development of a modern logistics network is vitally important for SCO member countries. The members are currently focused on creating a multinational logistics system (project *E40*), which envisages the establishment of several logistics centres on the territory of SCO members. Notably, several SCO countries have no access to seaport infrastructure.

The key task is to maintain stability in the SCO region, but this cannot be achieved without an adequate financial and economic base. The SCO interbank association plans to become more closely involved in financing projects oriented towards all six SCO members. It was confirmed that the SCO's upcoming summit in Yekaterinburg will include a detailed presentation on progress in this regard.

Participants noted significant progress on various projects in the financial sphere among SCO members. EuroAsia Development Bank, created by Russia and Kazakhstan to invest in infrastructure projects, with \$1bn under management, is being funded by Russian (Renaissance

Capital), Kazakh (Samruk-Kazyna) and international (Macquarie Capital) financial institutions. Representatives of SCO member countries highlighted the important role of public-private partnerships several times during the discussion.

China is a key SCO member. It was acknowledged that the Chinese economy has demonstrated its ability to absorb crisis threats, and the role of the Chinese economy is strengthening within the global framework. SCO member countries, it was acknowledged, may benefit from the Chinese experience, and Chinese officials confirmed their willingness to share this experience and support SCO member countries.