

News conference by Dmitry Medvedev and Charles Michel following talks

Excerpts from the transcript:

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Dmitry Medvedev: Ladies and gentlemen, members of the media, Mr Prime Minister,

My colleague, Prime Minister of Belgium Charles Michel, and I have just finished talks. This is Mr Prime Minister's first visit to Russia. We hope that this visit will have justified your expectations and that you will take home not only a good impression of Moscow in winter but also some positive results. In addition to a protocol we have signed, these results include the talks we have held on the current issues of importance to the Russian Federation and the Kingdom of Belgium and to the European Union and Russia, as well as on a number of international issues.

Our bilateral relations are based on the long-standing traditions of friendship and mutual understanding. This year, we will mark 165 years of diplomatic relations between our countries. Last year, we marked the 300th anniversary of Peter the Great's visit to Belgium, which means that our relations stand on solid ground.

As for trade, we are pleased to say that bilateral trade has been recuperating recently. It grew by 20 percent over January to November 2017. This upward trend has been reported on both sides, and we should undoubtedly maintain it.

Despite complications created by the sanctions policy, our investment cooperation has not come to a standstill. Belgium's cumulative investment in Russia reached \$1.2 billion as of mid-2017, and Russia's investment in Belgium is estimated at some \$500 million.

Many Belgian companies are working successfully in Russia. Mr Michel and I exchanged opinions on promising projects and those that have been implemented, as well as the problems that usually arise in the process of implementing projects. Problems are a given, but it is also very important that we settle them as soon as they arise. There are good prospects for the further development of business. I am referring to the steel sector, in particular, the new project that has been recently launched in Lipetsk by Bekaert, which is considering additional investments. We welcome this wholeheartedly.

One more area of cooperation we have just discussed is medical technology. The Belgian company IBA is launching its system of proton therapy for treating oncological diseases in the Ulyanovsk Region. This is a major area

of work.

We also agreed that it would be worth looking at pharmacology as well. I'd like to say (I had no time to mention this during my conversation with Mr Prime Minister) that our pharmaceutical sector is growing at a tremendous pace – by 20-25 percent a year on average. So there is enough room for Belgian companies and for our joint ventures in our market, all the more so since this industry involves high technology, for which all of us have such high hopes at the moment.

There are major projects in the energy sector, aerospace sector and the chemical industry. In the narrow sense these are high-tech projects. We are witnessing the business community's interest in them. I hope entrepreneurs will be more proactive. We have spoken about this as well. The additional protocol to the convention on avoiding double taxation has just been signed. Now it is important to complete the ratification procedures.

In February, the Intergovernmental Commission will meet in Sochi to draft specific proposals on future joint projects.

Humanitarian ties are making headway. This is very important indeed, especially when countries have different problems in their relations. It is very important to preserve the humanitarian component when the issues of trust and mutual understanding emerge. Educational and youth contacts are developing. The Language Testing Centre has been working in Antwerp since last year. It issues official certificates on the knowledge of the Russian language, which can be used for employment in Russia or admission to Russian universities.

There are also other important areas that we discussed today.

I would like to sincerely thank Mr Michel for substantive talks. I am sure that despite the complicated international situation and our current relations with the European Union, Russia and Belgium will develop cooperation in most diverse areas.

Charles Michel (*via interpreter*): First, I would like to thank the Prime Minister for how my delegation and I were received. We are very glad to have conducted intensive debates and exchanges. We spoke about bilateral relations between the Russian Federation and the Kingdom of Belgium and discussed certain issues, including economic ones. We singled out the areas where our countries maintain long-standing cooperation that is very well developed. This applies to metallurgy and the steel industry where we really have historical ties. Russian economic actors play a major role in these areas. I am referring, in part, to the company NLMK that is developing different projects.

Considering that the world is producing too much steel, we certainly spoke about other industries, for instance diamonds. Russian companies have long been working in Antwerp.

We discussed the energy issue that is of key importance for Belgium. As you

know, we are elaborating an energy strategy in Belgium and the EU. So we reviewed the energy issue, in part, the Nord Stream 2 project that is being developed at the European level in partnership with the Russian Federation, and other projects on liquefied natural gas (LNG), for which we decided to organise a more technical visit in order to deepen our cooperation. It is very important for us that the Belgian company Fluxys is actively cooperating with its Russian partners and the Port of Zeebrugge is the main, key infrastructure site for economic cooperation.

The Prime Minister has already said that there is yet another area where it is possible to develop and deepen cooperation – the healthcare sector, the pharmaceutical industry that is very important for Belgium. This industry is highly developed in Belgium. For instance, IBA is working very well in this area. Huge investments are made in this sector and there are many innovations in the pharmaceutical industry. State healthcare policy may also envisage a certain number of partnerships and cooperation in this area after our meeting at this level.

We also discussed one more issue that is highly important for Belgium – fruit production and in general the agricultural sector. These are pears and apples, horticulture. Needless to say, we have discussed this issue without any taboos, in a very sincere and straightforward manner.

I was very pleased that I was able to speak openly and frankly with the Prime Minister. I told him that in the European Union we talk a great deal about Russia but not with Russia. As the Prime Minister and a person that has always been in the vanguard of European politics, a kind of trailblazer, I am convinced that in the future it would be useful to expand dialogue between Russia and the EU and to make it more structured.

Of course, we have certain disagreements. We are different from each other, especially when we talk, say, about Ukraine's territorial integrity or the issues of Crimea and Donbass. We have disagreements and we cannot shut our eyes to them. But we can talk about these issues and exchange views on them. I think this helps us understand better each other's positions and this is vital for trust and progress.

I also completely agree with the Prime Minister when he says that we must develop strategic political dialogue in the future. In this context it is necessary to pay attention to other issues, especially in the south. We discussed the situation in Libya. We exchanged views on this issue and thought about different decisions that could stabilise this region. We also spoke about the Middle East and the declaration of the Donald Trump administration that has elicited a response in the EU, in Belgium.

We discussed the issue of Syria, which has many aspects. I think it is necessary to have a more definite strategy in this regard.

Despite all of our differences, I think we want to cooperate in the struggle against terrorism. We should fight it on the territory of the EU and the Russian Federation and probably we should cooperate against radical Islamism more closely.

These are some points that I wanted to make.

I would like to thank you, Mr Prime Minister, for the warm reception. During our first meeting the quality and intensity was there in our discussions. We were very straightforward and open in our talks.

We spoke about history. Naturally, international history influences what is happening today. I think it is a responsible thing to do, to draw lessons from history and be inspired by these lessons to make our world more stable and peaceful. I think we should pursue this together.

Thank you very much, Mr Prime Minister, for your warm welcome and for this opportunity to exchange views.

Question: Good afternoon. I have a question for Mr Medvedev. Today the US released the so-called "Kremlin list," which includes members of the Presidential Executive Office, almost the entire cabinet and representatives of big business. Could you comment on the release of this list and the names on it? If possible, I would like to ask the Prime Minister of Belgium to comment on it, too.

Dmitry Medvedev: Let me make a few remarks on the topic. I think that not being on this list is cause to resign. But, of course, we will not do that.

It is absolutely clear that almost the entire team of Russian government bodies has been included in the list – the team, assembled by President Putin, together with representatives of the largest Russian businesses, which, in fact, cover the whole Russian economy.

What is the significance of this list? I would say it is close to zero.

Why? Because, if we imagine the opposite situation: that we have drawn up a list including the complete Trump administration, the House of Representatives, Senate, Supreme Court and the General Prosecutor's Office, what would happen in the US after? Nothing. The same will happen in our country; I mean, nothing will happen. Nevertheless, we understand completely that even with these lists there is no one else for them to deal with. There are no other writers for the United States, with whom the US authorities could communicate. The same goes for the US officials. This is why I believe the significance of such lists, if we are talking about officials, is close to zero. Nevertheless, this is the implementation of a law adopted to discriminate against our country, which, of course, will poison our ties and our relations for a long time. This is bad enough. But if we are talking about other consequences, all branches of power in Russia – executive, legislative and, of course, the President – will monitor the forms this law's implementation takes. If it takes other forms, a response will follow. What kind of response? It will be equal to whatever happens.

In the end, the release of such lists, of course, poisons our relations. It is obvious that the number of people who don't like the US will grow in Russia, while anti-Russian sentiment in the US will become stronger. It is also obvious that these attitudes, both anti-US sentiment in Russia and anti-

Russian sentiment in the US, will prevent us from engaging in constructive dialogue. Unfortunately, such lists only reinforce these trends.

Charles Michel (*via interpreter*): I am not going to comment on the bilateral relations between the US and the Russian Federation. I have the same message both in Moscow and in Brussels: sanctions are not the ultimate goal. Dialogue is very important for better understanding how to move forward to build more strategic and productive relations between the EU and Russia.

During our talks, we discussed the Minsk Agreements, which is a crucial issue for us. Implementation of the Minsk Agreements is a thing we must do. Let me stress that the European Union has decided not to support further sanctions. As I have already said in my opening remarks, yes, we have certain disagreements, it's true, but we need to start a dialogue, because dialogue is the only way to settle all disagreements and to understand various process of decision-making better. In order to have more stability and to foresee issues better.

I have already said that we must not only discuss issues on the eastern borders of the European Union, but also speak about what's going on in the south. Russia and the EU, we will both have to pay dearly if we do not ensure stability. I have already spoken about the situation in Libya, which, of course, impacted the situation in the entire Sahel region. Tomorrow this situation could destabilise a number of states, which would result in a tragedy for our citizens.

Question: Belgian television. The Prime Minister of Belgium wants a new, more permanent dialogue between Russia and the European Union. Is this possible if sanctions remain? And how do you see the role of Belgium? Is Belgium for you a country of good chocolate or something more?

Dmitry Medvedev: There is no doubt that Belgium is something more for us, because our relations with the Kingdom have lasted for 300 years already, and diplomatic relations for 165 years. We value our Belgian partners and friends. By the way, the Prime Minister's visit is evidence of the fact that Belgium wants and is ready to play a more active role in restoring normal, full-fledged relations between the Russian Federation and the European Union. This is a correct and pragmatic position. Once again, I want to thank the Prime Minister for taking this position. Because everything that we are discussing now, all sorts of sanctions, retaliatory measures, lists – a few decades will pass, and all this will be only a small footnote in history textbooks. And our countries, our relations will remain. And we will still be neighbours and, I am sure, business partners with the European Union, which is the main thing. And so I welcome the desire to restore a full-fledged dialogue, and ultimately – to restore confidence.

Is dialogue possible during a period of sanctions, retaliation? It is possible, of course. We have repeatedly talked about this. We live under these sanctions. And by the way, during the Soviet era we also lived under sanctions for many years. Nothing special happens because of this. In a number of cases (we also have repeatedly said this), sanctions are even useful for the development of the national economy. However, they affect our

relations with our partners. Dialogue is possible. But it is also desirable to overcome this period of sanctions. And the sooner we do it, the better it will be for all – for our countries, for the businesses and citizens of our countries.

Question: Interfax. A question for both prime ministers as a follow-up to the question of our Belgian colleague, with an emphasis on bilateral trade and economic relations. What do you think, to what extent are the sanctions and existing counter-sanctions imposed by Russia hampering bilateral investment and trade cooperation?

Charles Michel (*via interpreter*): As I mentioned earlier, sanctions are not the ultimate goal. When renewing them, we were thinking about using sanctions to promote our dialogue with the Russian Federation. In recent years, there was no actual dialogue at the highest level on eastern Europe, or the role that Russia can play in southern Europe. So, considering that we, the Belgians, are very active at the European level, we must, for our part, no matter what and despite the sanctions, build up our bilateral cooperation and, perhaps, share some of our geopolitical analysis of the situation.

Russia and the European Union will always be neighbours. Since we are neighbours, we should have a pragmatic understanding of how we will continue to evolve while taking account of our strategic interests. We see differently on certain matters. We have different histories, different realities, and different challenges. It is only through a dialogue that we can exchange arguments and make progress, and understand our mutual concerns. There is a certain number of areas where we can do this, such as fighting terrorism, for one.

The sanctions did not prevent us from maintaining a busy dialogue. We carefully worked on various matters with Prime Minister Medvedev.

We talked about the World Cup. By the way, we spoke about the Belgian team's prospects. Thank you very much for thinking about our team, Mr Prime Minister.

Dmitry Medvedev: Frankly, I'm not even sure whose team has a better shot at the World Cup. I won't say anything about our team and we'll just see how they play. I wished success to the Belgian national team.

As a follow-up to the issues of sanctions, I basically agree with what my colleague said. Even during tough sanctions, it is still necessary to maintain dialogue, and to continue cooperation. To reiterate, sanctions were imposed on the Soviet Union on ten separate occasions. Not once during the sanctions period did they have any effect on the policy of the Soviet Union. I'm not talking about the politics involved – it's a matter best left to the historians to consider. I'm just talking about the effectiveness of the sanctions.

Normally, their effectiveness is less than a third of what those who impose them are counting on. Sanctions hit the economy and businesses, which is bad in and of itself. However, sanctions create the need to deal with the

domestic economic issues of one's own accord, which is occasionally a very good thing. As you may be aware, in recent years, due to the introduction of the sanctions and Russian response measures, we have made strides in increasing the capacity of our agriculture, which is now drastically different from what we had 15–20 years ago.

Even under sanctions, it is important to maintain cooperation, as the Prime Minister said. This applies not only to business environment or cooperation between business communities. This also concerns consultations, cooperation on the most pressing international issues, and key challenges and threats that our countries are facing. Both Russia and Belgium suffer from terrorism, so we must keep in place consultations at all levels by all means. Keep them going, including consultations on the most sensitive issues, rather than close doors. Only terrorists are happy in the absence of such consultations. This is something all those who vote for imposing sanctions should keep in mind.

Question (*via interpreter*): Good afternoon, RTL Info. Mr Medvedev, considering that we have renewed the dialogue between Belgium and Russia, can you guarantee the resumption of pear imports from Belgium in the short, medium or long term?

Dmitry Medvedev: I didn't expect pears to come up as an important topic of our dialogue today, but, it appears, they are an important export item. I told my colleague, the Prime Minister of Belgium: Russia's climate is cold, in general. However, it's not as cold as Moscow, St Petersburg or Murmansk everywhere else in Russia. We also grow pears. For example, in the Caucasus, the Rostov Region, the Stavropol Region, and Crimea, for that matter. However, this does not mean that we are closing off opportunities for fruit and vegetable imports, including pears, apples, or other fruits from other countries. Moreover, there are fruit varieties that grow only in particular countries. For this to happen, we need to lift the restrictions that we had introduced. Only a symmetrical approach will work here. If there are sanctions, then there are response measures. If the sanctions are lifted, or we map out how to move away from these sanctions, we will naturally plan ways to restore trade in goods that had fallen under restrictions. If we opt for this solution, then all of that will come to pass.

Charles Michel (*via interpreter*): I would like to add to that, if I may. I will answer a question that was not addressed to me. We talked about the weather that is necessary for cultivating pears, and we also talked about phytosanitary norms and the need to establish cooperation in this sphere as well. In February, there will be a meeting of a mixed Belgium-Russia economic commission and, of course, it will be necessary to continue working on the issue of fruits and vegetables.