

President of Russia V. Putin - President of Turkey T. Erdogan

News conference , August 9, 2016, St Petersburg

President of Russia Vladimir Putin: Mr President, ladies and gentlemen,

We have just completed the main part of the talks with President Erdogan. Naturally, this meeting is very important for the future of Russian-Turkish relations.

We had a meaningful and, I would like to emphasise, constructive conversation on the entire range of bilateral issues and the international agenda.

The history of our relations includes different periods, sometimes very complicated and even dramatic ones, but the logic of mutual respect inevitably wins out.

First of all, I would like to note that despite the complicated domestic situation in Turkey, Mr Erdogan found the time to come to St Petersburg, and this step certainly shows the interest of our Turkish partners in restoring cooperation with Russia.

Today we met first in a limited format and then in an expanded group – with the participation of the heads of ministries and departments and CEOs of large companies – and mapped out the future actions and initial tasks that are required to effectively restore the multifaceted ties between our countries. Our priority is to reach the pre-crisis level of bilateral cooperation.

And this is really an urgent task because just in the first five months of this year Russian-Turkish trade fell by 43 percent. Considering that last year the decline was 23 percent, 26 percent, this trend is very regrettable. We have painstaking work ahead of us to revive our trade and economic cooperation. We have already begun this process but it will take time. The visit of a Turkish delegation of Government economic officials and their talks with Russian colleagues in late July was an important step in this context.

We intend to pay special attention to building up investment, commodity flows and the implementation of promising projects. It is very important that we have the support of our business communities in these efforts. After the news conference we will have an opportunity to hold a detailed discussion with heads of major companies of the two countries. I am referring to the phased lifting of the special economic measures – restrictions – introduced earlier with respect to Turkish companies. The Russian Government is working on a draft mid-term programme of trade, economic, scientific, technical and cultural cooperation for 2016–2019.

President Erdogan and I have agreed to steadily resume the work of the main mechanisms of cooperation. A session of the mixed Intergovernmental Commission on Trade and Economic Cooperation is scheduled for September. The relevant departments of both countries have

been instructed to conduct a meeting of a joint strategic planning group in the first half of 2017.

I would like to note in this context that the energy industry has long occupied a key place in trade and economic cooperation between Russia and Turkey. We discussed major joint projects in this field, the continuation of which will require concrete political decisions. Incidentally, Turkey has already made decisions on a number of large projects that we discussed earlier. I am referring to such projects as the construction of the Akkuyu Nuclear Power Plant and the Turkish Stream gas pipeline system.

Bringing our tourists back to Turkish resorts is also on our agenda. The ban on selling package tours to Turkey to Russian citizens was lifted in late June. I believe reaching pre-crisis tourist levels is only a matter of time. Most importantly, the Turkish side must ensure safe conditions for Russian citizens, and we have received such assurances from our partners. In this regard, we considered the possibility of resuming charter air service. This is, perhaps, also a technical issue that can be resolved quickly.

We touched on the issue of lifting restrictions on hiring Turkish citizens and companies in our construction projects. We are working on it, and we will resolve this issue soon. Notably, bilateral cooperation on certain large-scale projects didn't stop at all. For example, the opening of the central portion of the Western High-Speed Diameter Highway here in St Petersburg is scheduled for late 2016. It is being built jointly by a Turkish general contractor and an Italian company.

We had a detailed exchange on pressing international issues. By the way, we agreed that following the news conference we will have a separate discussion of all issues related to the Syrian settlement. There is a general understanding. I am confident that fighting terrorism is a critical element of our joint efforts, and we'll discuss this in more detail later.

In closing, I would like to thank President Erdogan for a candid conversation we have had today. The talks have confirmed that our countries have every opportunity to restore normal, full-fledged relations, which would help bolster stability not only in our region, but also throughout the world. Russia is ready to work toward this.

Thank you.

President of Turkey Recep Tayyip Erdogan (retranslated): Mr President, my dear friend, ministers, ladies and gentlemen,

I would like to express my heartfelt greetings and respect to you and, above all, to thank my dear friend Vladimir Putin for his invitation and for the warm welcome he gave me.

Today, President Putin and I had meaningful and substantive talks. As you know, these were the first talks after the incident, and this is our first face-to-face meeting in a long time. In

addition, my visit to Russia is the first I have made since the attempted coup on 15 July in Turkey.

We are determined to restore our relations to the pre-crisis level and beyond. We have the political will to do so. I think that our respective societies expect us to do just that.

As a result of today's talks, political, socioeconomic, cultural and humanitarian relations between Russia and Turkey will finally be restored to their rightful level of before the crisis.

In addition, it is imperative to resume charter flights between our two countries, lift the restrictions on Turkish agricultural products, and open the way to Turkish building contractors. I hope that, step by step, we will do everything necessary to reach this goal.

Of course, I would like to note that we are willing to designate the Akkuyu Project as a strategic investment project. We have reached agreement on this matter. We plan to expand our cooperation in the defence industry.

With regard to regional issues in Russia, Turkey and Azerbaijan, we have launched a trilateral format, which we appreciate greatly. Furthermore, large-scale projects, such as the Akkuyu NPP, are important to us, and we should actively promote them. I hope that the Moscow-Ankara axis of friendship will be restored as a result of these steps.

Speaking about friendship, I cannot ignore one fact. On July 15 and 16, our country lived through one of the most despicable and bloodiest coup attempts. Members of the Fethullah Gülen terrorist group carried it out with the intention of overthrowing our Government. This was an attempted coup aimed at our democracy. We will continue to fight back in solidarity with our friends.

In addition, the Turkish Stream will be completed. Together with the relevant ministries and departments of our countries, we will take the necessary steps to ensure Russian gas supplies to Europe via this gas pipeline.

On the day after the attempted coup d'état, President Vladimir Putin called us, which was really important for us psychologically – it was a kind of moral support and a display of Russia-Turkey solidarity.

Esteemed members of the press, Turkish-Russian relations are not limited to trade and economic ties. We are also hoping that their restoration and normalisation will bring peace and stability to the region, which is very important. In addition, we will soon meet in a very narrow format where we will have an opportunity to discuss these issues as well.

Owing to the political will of the leaders of Russia and Turkey and the support of public opinion in both countries, our bilateral relations have indeed reached a level in the past few

years that could serve as an example for other countries. We have a shared vision and potential for cooperation. These are our achievements.

Today, my dear friend Vladimir Putin and I have confirmed the similarity of our positions on normalising relations. We should use the capabilities of our countries to enhance regional stability. We believe Russian-Turkish relations are now much more stable than any time before and will help us counter all kinds of crises.

In conclusion, I would like to thank my dear friend Vladimir Putin personally and on behalf of the Turkish delegation, and to express my love and respect to all members of the press and everyone listening.

Question (retranslated): My question is for both presidents, first the President of Turkey, then Mr Putin.

In terms of resolving the situation in Syria, there have obviously been some differences of opinion between the two countries, between the two leaders. However, both countries are in favour of democratic changes in that country, and you talked about this.

How much did you focus on Syria today? Will both countries perhaps develop a road map to resolve this issue?

Recep Tayyip Erdogan: First of all, I would like to say that we have not yet discussed this issue during today's talks. Following the news conference, we plan to discuss it thoroughly. Therefore, I cannot say anything, since we did not discuss this issue.

Vladimir Putin: I can confirm what our guest, the President of Turkey, has just said. Everyone knows that our views on a Syrian settlement have not always been aligned. We agreed that following this meeting we would meet separately with foreign ministers and representatives of special services, share information, and look for a solution.

You mentioned democratic reforms. We believe that democratic change can only be achieved by democratic means. This is our principled position.

With regard to harmonising our views and approaches, I think this is also possible, if only because we have a common goal, which is to resolve the Syrian crisis. I think that based on this platform and this general approach, we will start looking for a mutually acceptable solution.

Question: Mr Putin, you spoke about the need to revive trade and economic relations between the two countries and, in part, about some of the agreements on major projects that have already been reached. If I may, I would like to ask you to specify which project is more important for Russia – the South Stream, considering Sofia's statements, or the Turkish

Stream, considering your discussion today – and the general character of Russia-Turkey cooperation at the moment. Or is there a possibility of compromise on these two projects?

And Mr Erdogan, you expressed interest in implementing the Akkuyu Nuclear Power Plant project and even intend to grant it a new status. However, as far as I know, its continuation requires the adoption of several laws in Turkey and the acquisition of a number of permits. When will practical steps be taken to this end? Thank you.

Vladimir Putin: We have never politicised economic cooperation. In proposing the South Stream project initially, we assumed that our gas would go directly to EU consumers in southern Europe. However, at first the European Parliament made a decision that prevented the implementation of this project and then the European Commission sent a letter to the Bulgarian Government demanding that preparations for it stop, and ultimately we did not receive the permission of the Bulgarian authorities to enter Bulgarian territory.

Yes, now we see that Bulgaria would like to resume this project, but we incurred some losses due to the refusal of our European partners to carry out this project. So now we will not settle for just intentions and need absolutely rock solid legal guarantees. They have not been forthcoming. Initially we regarded the Turkish Stream not even as an alternative to the South Stream but as an opportunity to expand our gas cooperation both with Turkey and Europe as a whole. One part of the Turkish Stream was designed exclusively for Turkey's domestic consumers given the growing economy of the Republic of Turkey. This is how we discussed the issue today. This part is beyond any doubt and its implementation may be launched very soon.

The second part related to routing our energy to Europe depends, of course, on a third party. We should work out these issues with European countries and the European Commission in Brussels. Together with our Turkish partners and friends, we are prepared to work toward this, but again we need to have an agreement with all the participants.

With regard to all manner of permits, we should give credit to our Turkish colleagues. Unlike the South Stream project in the past, even despite the crisis in our relations, the Turkish side has been working on it, and basic permits and issues related to the Turkish Stream have already been processed and issued. There are still some issues that require more work to obtain permits. We discussed individual issues today.

As for the Akkuyu NPP, three Turkish laws have been amended. We raised the issue of designating it a strategic investment project, which met with a positive response today. All of this suggests that these major projects – and we are talking about projects worth tens of billions of dollars – are quite feasible. I hope they will be seen to completion.

Recep Tayyip Erdogan: With regard to the Akkuyu project, what we were expected to do is designate the project a strategic investment. From this perspective, we talked with our friends, our colleagues, and we plan to adopt a decision and designate the Russian project as a

strategic investment as soon as possible. That will allow Akkuyu to take its place among other projects in our country and enjoy all the necessary benefits that come with this status.

With regard to other issues, in particular, the Turkish Stream, as you may know, we buy 28 billion cubic metres of gas from Russia: 18 billion are bought by state-owned organisations and 10 billion by privately owned businesses. So, we plan to implement this project in two areas, one of which includes supplies of Russian gas to Europe, and to speed it up. This is one of our current tasks, and I believe it is the right thing to do.

Thank you.

Vladimir Putin: I would add that our cooperation is not limited to energy, gas, or a power plant. It is quite diversified and includes mechanical engineering, metallurgical industry, and trade. We discussed at length the resumption of agricultural supplies. We will do all of that as part of the plans that we articulated today.

Question (retranslated): A question for both leaders. First, Mr Putin, as we understand, you are resolved to restore relations to the pre-crisis level. Will this take time and if so, what timeframe do you have in mind? In addition, you mentioned the need to simplify visa requirements between the two countries. Are you going to return to this issue?

I also have questions for the President of Turkey. We see that relations have entered a new stage but you also said you were very pleased and grateful to Mr Putin for calling you on the phone after the attempted coup. So I would like to ask a question in the context of US-Turkish relations: is it possible to describe relations between Turkey and Russia as strategic? Have you entered a new stage of strategic relations?

Vladimir Putin: Regarding the full restoration of relations – do we want it or not? Yes, we want it and will do this. Life moves very quickly. Certain changes were caused by the introduction of restrictions. We must consider these changes as we implement plans to restore our trade and economic ties.

In this context we adopted a Government decision to draft a medium-term programme of trade, economic, scientific, technical and cultural cooperation for 2016–2019, which I have just mentioned. I am hoping this programme will be adopted very soon. We will do this in the next few weeks on the issues that do not require much time for coordination between our departments. As for those issues that take longer to coordinate, we will include them in this medium-term programme. So I would advise you to follow the work of our Intergovernmental Commission and relevant departments.

We have just agreed that our colleagues will continue contacts on a daily basis without red tape. Decisions on some issues will be made in the near future.

As for visa issues, yes, they should be resolved as well, considering that they are related to economic cooperation. We have quoted our Turkish colleagues today as saying that visa restrictions are causing economic problems in the field of transport – both for train and air travel. We should take all this into account as we unblock our economic cooperation.

Recep Tayyip Erdogan: Thank you very much, Mr President, in particular.

You are suggesting that I draw a comparison, but I can tell you this: in Russian-Turkish relations, in economic terms, we achieved a turnover of \$35 billion. We are the two countries that managed to do this. Of course, after last year's incident, trade fell to about \$28 billion, and then even lower.

We have a High-Level Cooperation Council in place, which provides for this kind of strategic cooperation. We have worked together within this mechanism. We hope to be able to hold another meeting of the council next year and to resume our partnership from where we left it here in St Petersburg.

You may recall that we had a goal of reaching \$100 billion in trade, and we will strive to achieve this goal. As of today, we are resuming the process, and we are moving towards this goal.

Another conclusion I have made: from the point of view of tourism, Turkey did derive substantial income from Russian tourists, and tourism brought our peoples closer. I believe we should not leave this process unattended. During today's talks, the President said that the process of resuming charter flights between our two countries will be sped up. This process is an important sign that our rapprochement will go even faster.

Thank you.

Question: Mr Putin, recently the foreign media again raised the issue of the Americans paying Iran \$400 million in cash. Officially, this money was supposedly paid for arms supplies in 1979. But some claim that it was ransom for the release of four Americans from Iranian prisons. I recall your recent meeting with US Secretary of State John Kerry at which you said that you had fulfilled Barack Obama's request to secure the release of Americans. Could you describe the details of this special operation and clarify whether aircraft with millions of dollars in cash have flown from Washington to Russia as well.

Vladimir Putin: Your irony is understandable to an extent. I would like to say that we do not deal with exchanges and ransom, but indeed, several months ago the United States asked us to help secure the release of an American citizen who wound up on the territory of the Syrian Republic. We did this after some work. This was not a special operation. We simply reached an agreement with the Syrian authorities on this issue, received the man and transferred him to the US – of course, without any money or ransom. We were motivated exclusively by humanitarian considerations. That's all. If there is an opportunity to help people in such

difficult circumstances as was the case with that American citizen, we will be ready to do this in the future as well for citizens of any country. We hope that our partners will reciprocate with our citizens.

In conclusion I would like to thank representatives of the media and the President for his visit, for bringing such a representative delegation, and to express my gratitude to the Government of the Republic of Turkey and the business community.

I would like to say that we indeed went through a very difficult period in our relations but we would very much like – and we feel our Turkish friends would like this as well – to overcome these difficulties in the interests of Turkish and Russian citizens.

The supreme interests of our nations and countries demand the restoration of relations between our countries – and not only out of pragmatic considerations but also in the name of the long-term neighbourly ties and friendship between the peoples of Turkey and the Russian Federation.

Thank you very much.

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