

# *The Preparations for APEC and the Situation for the Participation of Foreign Capital*

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## **Summary**

In Vladivostok in the Russian Far East, on the occasion of the holding of the APEC (Asia-Pacific Economic Cooperation) summit on the offshore Russky Island in September this year, projects to redevelop the city are in their final stages.

The Russian government has designated it a major event on a par with the 2014 Winter Olympics in Sochi, and has invested close to 2 trillion in Japanese yen-terms into the upgrading and development of infrastructure.

It is a strategy for development at a stroke, and they have started up not only *hakomono* [white elephant constructions] such as hotels and an international conference center, but also new projects one after another, including car-assembly and gas pipelines.

Russia has become the main contractor in all the projects, and is leading development. Self-confident Russia, showing off its prioritized homegrown technology, is signaling moves for excluding foreign capital.

Since the 2007 announcement by (then) President Putin of the development of the Russian Far East, what is sensed from observing the situation over five years is his strong leadership. The development of the Russian Far East has not ended up as an armchair plan, and in making the plan be realized there lies the strength of Russia, which has amassed huge amounts of money—but his strong leadership also plays a large role.

In the development of the Russian Far East this time, an unprecedented, new factor of the "Expansion into the Asia-Pacific region" has been added. It is a shift in strategy, designating the Russian Far East as the "eastern entry point". In this it is necessary to continue taking on board the growth power of the Asia-Pacific, with enthusiasm for at least making the whole of the Russian Far East a special economic zone, irrespective of the conventional framework of infrastructure upgrading.

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