



Country Data and Objectives Report 2006 St. Petersburg Summit

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Canada

Political Data

Prime Minister	Rt. Hon. Stephen HARPER
Governor General	Hon. Michaëlle JEAN
Minister of Citizenship & Immigration	Hon. Monte SOLBERG
Minister of Environment	Hon. Rona AMBROSE
Minister of Foreign Affairs	Hon. Peter MCKAY
Minister of Finance	Hon. Jim FLAHERTY
Minister of Health	Hon. Tony CLEMENT
Minister of National Defence	Hon. Gordon O'CONNER
Minister of Justice	Hon. Vic TOEWS
Minister of International Trade	Hon. David EMERSON
Minister of International Co-operation	Hon. Josée VERNER
Governor of the Bank of Canada	David DODGE
Canadian Sherpa	V. Peter HARDER

Government Structure

Canada is a constitutional monarchy with a bicameral federal parliament. The lower house, most commonly referred to as the House of Commons, comprises 307 members elected from individual constituencies. The upper house, commonly referred to as the Senate, comprises 112 members appointed by the Prime Minister. The electoral system is based on universal direct suffrage for all citizens over the age of 18. The main political parties are the Liberal Party of Canada, the Bloc Québécois, the New Democratic Party (NDP) and the Conservative Party of Canada.

Composition of Parliament (Number of members of parliament and party leaders)

125 Conservative Party Members: Prime Minister Stephen Harper

102 Liberal Party Members: Hon. Bill Graham (interim leader)

51 Bloc Québécois Members: Gilles Duceppe

29 New Democratic Party Members: Jack Layton

1 Independent Member

Most recent federal election: 23 January 2006

Economic Data

GDP (PPP, 2005 est.)	\$1.114 trillion
GDP per capita (2005)	\$34 000
GDP real growth rate (2005 est.)	2.9%
Unemployment rate (2005 est.)	6.8%
Exchange rate (Canadian dollars per US dollar, 2005)	1.2118
Foreign Aid (ODA, 2004)	\$2.6 billion
Export Value (2005 est.)	\$364.8 billion
Import Value (2005 est.)	\$317.7 billion

Main Imports: machinery and equipment, motor vehicles and parts, crude oil, chemicals, electricity, durable consumer goods

Main Exports: motor vehicles and parts, industrial machinery, aircraft, telecommunications equipment, chemicals, plastics, fertilizers, wood pulp, timber, crude petroleum, natural gas, electricity, aluminium

Major Trading Partners:

Exports (2004): US 85.1%, Japan 2.1%, UK 1.6%

Imports (2004): US 58.9%, China 6.8%, Mexico 3.8%

Source: <http://www.cia.gov/cia/publications/factbook/geos/ca.html>

Summit Objectives

The January 23, 2006 election of a minority Conservative government, led by Prime Minister Stephen Harper, ended a fractious term in office for Liberal Prime Minister Paul Martin. The Liberal minority government was replaced by a Conservative minority which now holds 125 seats of the 308 seat House of Commons. This new Conservative government, led by Prime Minister Stephen Harper, signals incremental policy change and a shift in Canada's political geography. The Conservatives have made a substantial breakthrough in Ontario, winning 40 of the 106 seats and recorded their best result in Quebec since 1988, winning 10 seats in that province. The Conservative victory also signals the emergence of a third centre of political power—that of Western Canada, where the resource-based economy is booming.

Prime Minister Harper has shown his government to be a fairly stable one, thus far. He is adhering steadfastly to his five main commitments as put forth to the electorate and, despite an ongoing row with the Ottawa Press Gallery, has managed to avoid any major political mishaps and to craft a fairly coherent message. His cabinet selection placed a premium on experience. To Finance, he appointed former Ontario Finance Minister Jim Flaherty and to Health he appointed former Ontario Health Minister Tony Clement. His choice for Foreign Affairs may be more reflective of party loyalties than experience, but nonetheless, his selection, Peter McKay, has formidable experience in elected office and is supported by highly experienced colleagues in the civil service — not to mention his parliamentary assistant, Peter Van Loan, who, represented Canada at last year's G8 Labour Market Minister's meeting as the Conservatives' Human Resources Critic.¹

Also allowing for a more stable minority government this time around is the unwillingness of any of the other major political parties to provoke another election before a year has passed and, for the Liberal Party, before a new leader is chosen on December 6, 2006. Despite their minority status and the inclusion of a number of unsupported initiatives, the Conservatives managed to pass their first budget on 6 June 2006. The budget contains 29 different tax breaks including a campaign promise to

¹ John Kirton, Canada's New Government's Foreign Policy and the G8 St. Petersburg Summit, UofT G8 Information Centre, (Toronto), 25 January 2006. Date of Access: 15 June 2006. http://www.g7.utoronto.ca/scholar/kirton2006/kirton_060125.html

reduce the federal sales tax by one percentage point. The budget also demonstrates a commitment to fiscal conservatism: last year's entire CAD\$8 billion surplus will go towards paying down the national debt, and the Conservatives have pledged that from now on CAD\$3 billion will be set aside each year for debt reduction. This measure would reduce the ratio of public debt to GDP, already the lowest of any of the G7 large industrial economies, to 25% by 2014.²

The uncovering of a homegrown terror plot in Toronto in early June will likely add credence to Canada's position on combating international terrorism. Likewise, Prime Minister Harper's association with the oil and gas industry of Alberta and status as the leader of one of only two surplus hydrocarbon G8 powers (he represents a constituency in Calgary while his party holds all 28 ridings in the province) will serve him well in discussions of energy security.

Objective 1: Energy Security

Energy security is to emerge as the overarching theme of the St. Petersburg summit. Canada, as a major oil producing country, will emphasize the need for market-based solutions to ensure a secure supply of energy as well as improved energy access for poor nations.³ According to a senior Canadian official speaking to the *Globe and Mail*, "Canada is aligned with the United States, Japan and some European countries in preferring to let markets sort out global oil supply imbalances."⁴ Another senior official, speaking to CTV news, has said that Canada believes that rising energy prices encourage conservation and should be seen as a signal that the free market is working.⁵

The *Pre-Summit Statement by G8 Finance Ministers* called for "both energy-producing and energy-consuming countries to facilitate investment in the energy sector."⁶ This is an objective in which Canada will likely take a leadership role, particularly as an energy producing country whose future "lies with high-cost tar sands oil and frontier natural

² A Practical Man, *The Economist*, (Ottawa and Vancouver), 4 May 2006. Date of Access: 15 June 2006. http://www.economist.com/displayStory.cfm?story_id=6888790

³ Reuters, Energy Supply Top Issue for Canada, Others at G8, *The Globe and Mail*, (Toronto), 8 June 2006. Date of Access: 16 June 2006.

<http://www.theglobeandmail.com/servlet/story/LAC.20060608.RTICKER08-2/TPStory/?query=G8+Summit>

⁴ Reuters, Energy Supply Top Issue for Canada, Others at G8, *The Globe and Mail*, (Toronto), 8 June 2006. Date of Access: 16 June 2006.

<http://www.theglobeandmail.com/servlet/story/LAC.20060608.RTICKER08-2/TPStory/?query=G8+Summit>

⁵ AP-CP, Energy Likely at Top of Agenda for G8 Minister's, *CTV-News*, (Toronto), 8 June 2006. Date of Access: 15 June 2006.

http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20060608/g8minister_meeting_060608/20060608?hub=World

⁶ G8 Finance Ministers Statement on Access to Energy Services for the Millennium Development Goals, Ministry of Finance, Government of Canada, (Ottawa), 10 June 2006. Date of Access: 17 June 2006.

http://www.fin.gc.ca/activty/g7/g8100606_1e.html

gas.”⁷ Canadian Finance Minister Jim Flaherty has already begun to present a message of increased investment and innovation to an international audience. In an address to the Canadian Club of New York, he emphasized the inclusion of “billions in additional infrastructure spending” for improved land transportation systems in the 2006 Conservative budget. He stated that such spending will “increase the allure” of Canadian energy resources to the United States. Moreover, he highlighted the approximately \$45 billion in new projects and expansions that are expected in the Alberta oil sands by 2010 and the anticipated tripling of oil sand production over the next 10 years.⁸ In sum, he projects Canada’s cumulative investment in the energy sector to be approximately \$400 billion between 2003 and 2015 (half of which will be conventional oil and gas).⁹

Prime Minister Stephen Harper, along with President Bush and President Fox, reiterated this message in a Joint Statement of the North American Leaders at the conclusion of the first anniversary meeting of The Security and Prosperity Partnership of North America, held in Cancun this past March. They said, “Collaboration in the areas of innovation, energy efficiency, and technology development, including moving these technologies to market, promotes energy security. Our governments renew their commitment to trilateral cooperation on clean energy technologies, conservation, and market facilitation as a means to meeting our shared goals of energy security and sustainable development.”¹⁰

Tensions abound between the United States and Europe regarding Russian energy supplies, particularly after Russian gas monopoly Gazprom restricted supplies during a New Year’s pricing dispute with Ukraine, thus disrupting exports to Europe for the first time in four decades. However, Canada appears in a position to achieve at least some of its objectives regarding increased investment and security of supply. They will likely face opposition from some oil-importing companies who favour greater government-to-government co-ordination.¹¹

At the first meeting of G8 finance ministers in February 2006, Finance Minister Jim Flaherty expressed support for a proposed deal between Petro-Canada and Russian energy company Gazprom (a Russian monopoly and the third largest energy company in

⁷ Peter Foster, Canada’s New Energy Smarts, *The Financial Post*, (Toronto), 9 June 2006. Date of Access: 17 June 2006. www.canada.com/components/print.aspx?id=93c211d3-4a29-4841-af2a-02664ad4

⁸ Hon. James Flaherty, Address by the Honourable James M. Flaherty, P.C., MP, Minister of Finance, to the Canadian Association of New York, Ministry of Finance, Government of Canada, (Ottawa), 24 May 2006. Date of Access: 12 June 2006. http://www.fin.gc.ca/news06/06-020_3e.html

⁹ Hon. James Flaherty, Address by the Honourable James M. Flaherty, P.C., MP, Minister of Finance, to the Canadian Association of New York, Ministry of Finance, Government of Canada, (Ottawa), 24 May 2006. Date of Access: 12 June 2006. http://www.fin.gc.ca/news06/06-020_3e.html

¹⁰ Leader’s Joint Statement, Leaders Note Progress on the Security and Prosperity Partnership of North America, Office of the Prime Minister, Government of Canada, (Ottawa), 31 March 2006. Date of Access: 12 June 2006. <http://pm.gc.ca/eng/media.asp?id=1085>

¹¹ AP-CP, Energy Likely at Top of Agenda for G8 Minister’s, *CTV-News*, (Toronto), 8 June 2006. Date of Access: 15 June 2006.

http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20060608/g8minister_meeting_060608/20060608?hub=World

the world) to transport liquefied natural gas from Russia to North America.¹² Hindering completion of the deal was a Russian desire for security of demand in order to justify the huge investments required to create the transport facilities. As of 12 June 2006, however, after over two years of talks, a deal looked much closer to completion. It has been surmised that the St. Petersburg summit will provide the necessary catalyst for a highly politicized energy deal such as this to move definitively forward.¹³ That Russia can be persuaded to end Gazprom's monopoly and allow greater foreign investment into its energy sector appears less likely.

Canada's energy objectives will largely be met should the summit conclude with a strong commitment, from all G8 countries, to open markets, regulatory clarity and the rule of law in energy dealings. Canada will also look for a commitment to improve energy access to developing countries to arise out of Summit discussions.

Objective 2: Nuclear Energy

Canada will support the US and Russia as they promote nuclear energy as a safe, reliable, economic and clean energy resource. Prime Minister Harper supports the US and Russian position on nuclear energy and has been promoting the benefits of nuclear energy as an integral part of Canada's energy future. There are currently 18 nuclear plants in Canada and Canada is the world's leading producer of energy-grade uranium (this accounts for one third of global mine production)¹⁴ Moreover, the Province of Ontario has just announced its intention to construct new nuclear power plants to address its anticipated supply shortages.

An agreement pledging the support of the G8 towards nuclear energy through the diversification of energy resources will fulfill Canada's nuclear energy objective.

Objective 3: Avian Flu and Pandemic Preparedness

Having battled the SARS crisis as Ontario Health Minister in the summer of 2004, Health Minister Tony Clement is seemingly well equipped to handle discussions around a possible avian flu pandemic. However, in view of the absence of a human case of the H5N1 strain of avian influenza in North America and of any substantive proof of human-to-human transmission, Canada seems to have lessened the urgency with which it is addressing this issue. At the St. Petersburg Summit, Canada will likely agree to a collaborative approach to minimizing the risk of transmission or entry of the virus into

¹² Jeff Sanford, A New World Order: Russia's Energy Reserves are Giving it Renewed Clout, Canadian Business, (Toronto), 20 February 2006. Date of Access: 12 June 2006.

http://www.canadianbusiness.com/columnists/jeff_sanford/article.jsp?content=20060220_170139_2208

¹³ Patrick Brethcour, Moscow Eager to Complete Petrocan Deal, The Globe and Mail, (Toronto), 12 June 2006. Date of Access: 13 June 2006.

www.theglobeandmail.com/servlet/story/LAC.20060612.RRUSSIAN12/TPStory/

¹⁴ Canada's Uranium Production and Nuclear Power: Nuclear Issues Briefing Paper #3, Uranium Information Centre, (Melbourne), June 2006. Date of Access 14 July 2006.

<http://www.uic.com.au/nip03.htm>

North America as well as efforts with the WHO to develop more adequate stockpiles of an avian flu vaccine.

For Canada, the issue is perhaps more of a continental one: as stated by the three North American leaders in Cancun this past March, since “an outbreak of pathogenic avian flu or human pandemic influenza in any one of our countries would affect us all...officials will develop, as an immediate priority, incident management protocols to ensure that we are well prepared in advance of an outbreak in North America. For instance, we have agreed to work together to accelerate research, development, production, and availability of human pandemic influenza vaccines, and develop a strategy to best facilitate the sharing of information to enhance the availability of vaccines to the region. We will also establish a small Coordinating Body of senior officials to ensure follow-up on these commitments.”¹⁵ Canada is likely to reaffirm these commitments and expand on their commitment to increasing vaccine stockpiles in St. Petersburg.

Canada is also likely to pledge support for the development of both a rapid response unit to combat pandemics that may arise in the wake of natural disasters and early detection measures for diseases such as avian flu. Both are Russian-led initiatives and are likely to result in commitments.

Objective 4: International Terrorism

The issue of international terrorism has increased salience for the Canadian government in the wake of the 3 June 2006 arrest of 17 members of a suspected terrorist cell. Charging the men with a conspiracy to bomb government buildings and landmarks in Toronto and Ottawa, the arrests constitute Canada’s largest counterterrorism operation to date. Consequently, measures to combat terrorism have been high on the domestic agenda and this will likely influence the role that Canada plays in discussions of terrorism at the St. Petersburg Summit. Thus far, Canadian objectives appear focussed on intercepting the financing of terrorist organizations and securing perceived vulnerabilities and terrorist access points.

Later this month Canadian Finance Minister Jim Flaherty will assume the presidency of the G8 Financial Action Task Force, an international body that targets criminal and terrorist financing. He has stated that his government’s main objective is to “crack down on the funding of terrorist groups in Canada.”¹⁶ The Conservative government is also expected to table legislation that will strengthen its ability to fight terrorism financing and money laundering this fall. This legislation will very likely act on several recommendations made on this issue by a consultation paper of 2005, including providing for closer monitoring of a potentially illicit trade in Canada’s northern diamond

¹⁵ Leader’s Joint Statement, Leaders Note Progress on the Security and Prosperity Partnership of North America, Office of the Prime Minister, Government of Canada, (Ottawa), 31 March 2006. Date of Access: 12 June 2006. <http://pm.gc.ca/eng/media.asp?id=1085>

¹⁶ Flaherty Promises Crackdown on Terrorist Funding, CBC.ca, (on-line), 10 June 2006. Date of Access: 12 June 2006. <http://ca.news.yahoo.com/cbc/s/10062006/3/canada-flaherty-promises-crackdown-terrorist-funding.html&printer=1>

industry. Such actions would bring Canada in line with the Financial Action Task Force. Minister Flaherty has stated his intention to align Canadian legislation with the G8 task force, emphasizing after the Meeting of the G8 Finance Ministers that Canada ought to “be moving forward ... and making sure we have our Canadian legislation in line with the recommendations of the [G8] Financial Action Task Force.”¹⁷

Co-operation against terrorism and the resources and networks that support it promises to be widely discussed at the St. Petersburg Summit. Further to the commitments that came out of the G8 Finance Ministers’ meeting, a commitment to cooperate on fighting terrorism with a focus on terrorist recruitment, cyber-crime and the flow of dangerous people and cargo across borders, arose out of the meeting of G8 Justice Minister’s from 15-16 June 2006. Canada is well positioned to discuss such efforts: on 16 June 2006, Prime Minister Stephen Harper pledged \$254 million over the next two years to bolster security on Canada’s transportation systems. “We need to better ensure that Canada does more to prevent terrorism at home,” Prime Minister Harper said during a speech in Toronto. The \$254 million commitment is part of a \$1.4 billion proposal by the government to enhance national security overall and will go towards improvements in the screening of cargo at airports, increasing air-passenger monitoring, better securing the nation’s rail system and enhancing port security.¹⁸

Objective 5: HIV/AIDS and Polio

Canada is unlikely to make a financial commitment to further HIV/AIDS and Polio initiatives. Canada will, however, maintain its committed levels of support for the Global Fund to Eradicate Polio and the UN’s Global Fund to Fight Aids, Tuberculosis and Malaria. Prime Minister Harper is also likely to affirm Canada’s concern about the spread of HIV/AIDS and highlight Canada’s role as host of the XVI International AIDS Conference.

Mr. Harper has not yet displayed a willingness to offer a more substantive position on HIV/AIDS. Organizers of the International AIDS Conference recently reported that Mr. Harper would no longer attend.¹⁹ He had been scheduled to open and welcome attendees and dignitaries to the Conference.²⁰ Stephen Lewis, a Canadian and the UN Special Envoy for HIV/AIDS in Africa, has expressed concern over the Canadian government’s commitment to funding HIV/AIDS in light of this news: “If Prime Minister Harper doesn’t open (the November conference), that will send its own message... Delegates will

¹⁷ Flaherty Promises Crackdown on Terrorist Funding, CBC.ca, (on-line), 10 June 2006. Date of Access: 12 June 2006. <http://ca.news.yahoo.com/cbc/s/10062006/3/canada-flaherty-promises-crackdown-terrorist-funding.html&printer=1>

¹⁸ Jerry Seper, Canada to Beef Up Terror Security, The Washington Times, 17 June 2006. Date of Access: 17 June 2006. <http://www.washtimes.com/world/20060616-105353-3205r.htm>

¹⁹ PM Won’t Attend World AIDS Conference in Toronto: Organizers, CBC News, (Toronto), 23 June 2006. Date of Access: 14 July 2006. <http://www.cbc.ca/toronto/story/to-aids20060623.html>

²⁰ PM Won’t Attend World AIDS Conference in Toronto: Organizers, CBC News, (Toronto), 23 June 2006. Date of Access: 14 July 2006. <http://www.cbc.ca/toronto/story/to-aids20060623.html>

be surprised and disappointed. Every government uses (such conferences) as an opportunity to make a pledge.”²¹

The Hon. Josée Verner, Minister for International Co-operation, addressed the UN General Assembly on 1 June 2006 to discuss Canada’s contributions to the Global Fund. In her address she emphasized that “Canada is committed to continuing to play a leading role in the global response to HIV/AIDS.”²² Despite the articulation of support, the Minister committed no new funds, although she did indicate the possibility of a funding announcement at the International AIDS Conference to be held in Toronto this August.²³

At the Summit, Canada will likely support any new initiatives regarding the Global Funds. Despite an apparent reduction in his willingness to commit financial resources, Mr. Harper will wish to continue the support afforded by his predecessor, the Hon. Paul Martin, to British Prime Minister Tony Blair and his other G8 counterparts, should they propose new initiatives or enhanced funding. To not offer such support could create a domestic political problem for the new Prime Minister.

Objective 6: Aid to Darfur

Canada will look to encourage other G8 countries to commit aid to Darfur when they meet at the Summit this July. On 23 May 2006, after the signing of the Darfur Peace Agreement, Prime Minister Stephen Harper announced that Canada would be increasing its humanitarian assistance and peace support to the region. Of the CAD\$40 million being committed to Sudan, CAD\$20 million will go towards urgent humanitarian needs while CAD\$20 million will support the African Union Mission in Sudan and its efforts towards implementing the Darfur Peace Agreement and laying groundwork for a UN mission to Darfur.²⁴

It is likely that a commitment will be made at the Summit committing the G8 countries to helping achieve a lasting peace in the Darfur region of Sudan. In light of their recent commitment to Darfur, the Canadian government will look to take a leadership role on this issue at the Summit and will support any pledge to that effect.

²¹ <http://www.canada.com/nationalpost/news/story.html?id=51744ec7-ba64-4f59-a950-5a56a4bf8b05&k=44013>

²² PM Won’t Attend World AIDS Conference in Toronto: Organizers, CBC News, (Toronto), 23 June 2006. Date of Access: 14 July 2006. <http://www.acdi-cida.gc.ca/CIDAWEB/acdicida.nsf/En/SOF-6217929-STG?OpenDocument>

²³ Shawn McCarthy, Warning to Boost AIDS Funds Gets Tepid Reception at UN, The Globe and Mail, (Toronto), 3 June 2006. Date of Access: 14 July 2006. http://www.stephenlewisfoundation.org/news_item.cfm?news=1014

²⁴ Prime Minister Announces Humanitarian Aid and Support for Peace in Sudan, Office of the Prime Minister, Government of Canada, (Ottawa), 23 May 2006. Date of Access: 14 July 2006. <http://pm.gc.ca/eng/media.asp?id=1172>

Objective 7: Education

The Honourable Diane Finley, Minister of Human Resources and Social Development, represented the Government of Canada at the G8 ministerial meeting on education on 1-2 June 2006 in Moscow. According to Minister Finley, the meeting allowed her “to share our new government’s approach to promoting jobs and growth by strengthening Canadians’ skills and knowledge.”²⁵ At the St. Petersburg Summit, Canada will likely look to address issues of labour force integration, as Canada has a highly skilled immigrant labour force which often faces insurmountable challenges in having foreign qualifications recognized. Prime Minister Stephen Harper committed to improve immigrants’ labour force integration during the 2006 federal election campaign. He will likely look to express a further commitment to that goal at the St. Petersburg Summit. Moreover, on 5 May 2006, Prime Minister Harper and Quebec Premier Jean Charest signed an agreement permitting a formal role for the Province of Quebec at UNESCO.²⁶ This agreement might lessen the restraints otherwise faced by the Prime Minister in discussions on what is traditionally provincial jurisdiction.²⁷

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²⁵ The Honourable Diane Finley encouraged by discussions at G8 ministerial meeting on education in Moscow, Government of Canada, (Ottawa), 2 June 2006. Date of Access: 17 June 2006.

<http://news.gc.ca/cfmx/view/en/index.jsp?articleid=217149&>

²⁶ Prime Minister Harper and Premier Charest sign historic agreement establishing a formal role for Québec in UNESCO, Office of the Prime Minister, Government of Canada, (Ottawa), 5 May 2006. Date of Access: 17 June 2006. <http://news.gc.ca/cfmx/view/en/index.jsp?keyword=education>

²⁷ John Kirton and Laura Sunderland, The G8 and Global Education Governance, UofT G8 Information Centre, (Toronto), 30 May 2006. Date of Access: 17 June 2006.

http://www.g8.utoronto.ca/scholar/kirton2006/kirton_education_060530.pdf

France

Political Data

President of the Republic	Jacques CHIRAC
Prime Minister	M. Dominique de VILLEPIN
Minister of Foreign Affairs	M. Philippe DOUSTE- BLAZY
Minister of the Economy, Finance and Industry	M. Thierry BRETON
Minister of Defence	Michèle ALLIOT-MARIE
Minister for European Affairs	Mme Catherine COLONNA
Minister of National Education, Higher Education and Research	M. Gilles de ROBIEN
Minister Delegate for Cooperation, Development and Francophony	Mme Brigitte GIRARDIN
Minister of Ecology and Sustainable Development	Mme Nelly OLIN

Government Structure

France has a national assembly (legislature). There is a total of 577 seats and members are elected by popular vote under a single-member majority system to serve five-year terms.

Senate: Total 321 seats: members are indirectly elected by an electoral college to serve nine-year terms.

Economic Data²⁸

GDP (PPP, 2005 est.)	\$1 816 billion
GDP per capita (PPP, 2005 est.)	\$29, 900
GDP % real change (2005 est.)	1.4%
Recorded unemployment (2005 est.)	10%
Exchange rate (US\$ per Euro, 23 June 2005)	1.2635
Foreign Aid (ODA, 2002)	\$5.486 billion
Export Value (2005 est.)	\$443.4 billion
Import Value (2005 est.)	\$473.3 billion

Main Exports (2002): Intermediate goods 30.6%, Investment goods 14.5%, Consumer goods, 14.2%, Motor vehicles and transport equipment 14.2%, Processed food and drinks 8.5%.

Main Imports (2002): Intermediate goods 31.2%, Investment goods 22.9%, Consumer goods 16.0%, Energy 11.6%, Motor vehicles and transport equipment 10.6%.

²⁸ Unless otherwise noted, see CIA World Factbook, available at www.cia.gov/cia/publications/factbook.

Major Trading Partners:

Exports (2004): Germany 15%, Spain 9.5%, UK 9.4%, Italy 9%, Belgium 7.2%, US 6.7%.

Imports (2004): Germany 19.2%, Belgium 9.9%, Italy 8.8%, Spain 7.4%, UK 7%, Netherlands 6.7%, US 5%.

France is currently in transition from a modern economy that has featured extensive government ownership to one that relies to a greater extent on market mechanisms. The government has partially or fully privatized many large companies, banks, and insurers. It retains controlling stakes in several leading firms, including Air France, France Telecom, Renault, and Thales, and is dominant in certain sectors, particularly the power, public transport, and defense industries. The telecommunications sector is being opened to competition. France's leaders remain committed to a capitalism in which they maintain social equity by means of laws, tax policies, and social spending to reduce income disparity and the impact of free markets on public health and welfare. The government has lowered income taxes and introduced measures to boost employment and reform the pension system. In addition, it is currently working on the problems caused by the high cost of labor and labor market inflexibility resulting from the 35-hour workweek and restrictions on lay-offs. The tax burden remains one of the highest in Europe (nearly 50% of GDP in 2005). However, the French economy is beginning to bear the fruit of reforms undertaken during President Jacques Chirac's first term, by then-Prime Minister Jean Pierre Raffarin.

Summit Objectives

Many commentators will see France as sailing on stormy waters as it approaches this year's G8 Summit in St. Petersburg. The right-wing government led by President Jacques Chirac and Prime Minister Dominique de Villepin suffered serious setbacks and crises in the past year. Last November, France's republican model was injured as the problem facing its immigrant youth caught world attention. February brought another wave of protests from students against a government measure intended to fight youth unemployment, and most recently, France has been rocked by a political scandal — the Clearstream affair — in which allegations of corruption in France's military industry have fused with attempts to defame both left and right-wing politicians. Finally, going back to the disappointment caused in other EU capitals by the failure of the EU constitution treaty in May 2005, it is safe to predict that at the St. Petersburg Summit, French officials will work to show that the EU remains a high priority for France.²⁹ As trade does not figure prominently on the agenda, France may generally avoid discussing reforms of Europe's common agricultural policy, though discussions with invited officials from China, India and Brazil may bring up the CAP (Common Agricultural Policy) to a limited extent. What may instead be a greater cause of conflict in St.

²⁹ Indeed, it is France and Germany who will hold the upcoming EU Presidencies, and will thus be in a position to reopen the constitutional negotiations in 2009, as noted by the Le Monde editorial of June 18-19th 2006. Editorial: "Europe 2009", Le Monde, June 18th-19th 2006.

Petersburg is the place of EU structures and institutions in the face of Russian proposals on energy security.

France is also entering the first phases of its election year. Everything seems to indicate that the presidential and legislative elections scheduled for early 2007 will be turbulent. Both of France's mainstream parties are prone to heavy internal dissension. The Parti Socialiste is now caught in a bitter leadership race that opposes various personalities and conflicting ideological positions, with Ségolène Royal, who has caught international media attention, as the most popular candidate. France's governing party, l'Union pour un Mouvement Populaire, has also been the home of intra-party disputes. One camp, led by President Jacques Chirac and Prime Minister Dominique de Villepin, is bent on implanting moderate fiscal reforms while another, led by Minister of the Interior Nicholas Sarkozy, advocates a series of cold showers to remediate the country's economic and political problems.

Yet the extent of France's troubles should not be exaggerated. The Economist recently wrote of "gloom in France" and of its being finally overtaken by the German economy³⁰ — yet it may be hasty to conclude that everything is going wrong in France. Indeed, the aforementioned article also noted fair performance on various economic indicators.³¹ Overall, unemployment is slowly going down,³² GDP has been predicted at 1.7% growth this year up from last year's 1.6%. Many French companies enjoy considerable international standing, and the French economy is not driven by the export of natural resources but by key high-tech industries. Since the 1970s, France has invested heavily in nuclear power, leaving it less dependant than neighbouring countries on oil and gas exports.

However, France no longer considers itself as standing apart from the European Union. The strength of the EU is of fundamental importance to France, because of this, on issues such as Energy Security, it can be expected that France will take the foreign policy positions most beneficial for European Union.

Objective 1: Energy Security

Due to its highly developed nuclear sector, France does not directly face the problems of oil and gas exporters such as Canada and Russia, who must work to secure stable energy demand, nor must it rely on imports to the extent of other G8 members. As a leader in the field, France can play a special role in plans for the development and sharing of safer nuclear energy technologies. However, it is clear that the French government recognizes the imperative of planning for long-term global energy security, especially considering that the European Union is highly dependant on energy imports.

³⁰ "The unbearable lightness of being overtaken", The Economist Magazine, 4 February, 2006, p. 45

³¹ See economic data above, as well as "The unbearable lightness of being overtaken", The Economist Magazine, 4 February, 2006, p. 45.

³² Though it has been noted that unemployment figures remain overly driven by government growth policies rather than necessary reforms in various fields.

At the 28th Franco-British Summit of June 9, 2006, the French government stated it was “committed to placing [Franco-British] energy policy within a long term vision determined by the objectives of security of supply.”³³ France has noted the need to develop the external part of European energy policy, “which should effectively combine EU energy policy and foreign policy. This external policy should help towards achieving our common objectives of greater energy security... through diversification, and support for sustainable energy systems. We also intend to make a positive contribution to the discussions on energy security which will take place at the G8 Summit in St. Petersburg.”³⁴

Enhanced dialogue between the EU and major energy producing countries, in particular Russia, was also called for at the Franco-British Summit. With Russia, it is wished that a mutually beneficial strategic partnership can be achieved, to provide secure investment conditions for European and Russian companies and also fair and reciprocal access to markets and infrastructures. Thus, there is potential for successful discussions on the energy issue³⁵, as policymakers seem to anticipate where Russian demands can be met in return for commitments that will benefit European energy security.³⁶ In a speech on 22 May 2006, Minister for the Economy, Finance and Industry Thierry Breton noted support for “the establishment of international validation data on oil reserves, with the close involvement of all the oil operators. I’m going to propose to my partners, particularly in the G8 framework, that we move forward in this direction.”³⁷

Recent developments, however, have shown possibilities for conflict between EU members states and Russia on the topic of energy. At issue are European principles of energy market liberalization, as embodied by the Energy Charter Treaty, proposed by the European Union earlier this year. The Charter, which outlines a system of energy trading rules, seeks to ensure transparency and “free transit” across members’ territory.³⁸ Thus, difficulties may arise over emphasis placed by EU member states on established European standards and protocols, as well as recent plans made for extensive “European-level studies” on energy.³⁹ In a speech on 30 May 2006, Minister Delegate for Industry Francois Loos stated, “It is in European States’ interest to coordinate their energy policies... tax credits, standardization, etc.” With the various proposals anticipated from

³³ 28th Franco-British Summit, Communiqué, Paris, 9 June 2006.

³⁴ 28th Franco-British Summit, Communiqué, Paris, 9 June 2006.

³⁵ “G8 meetings will focus on energy security; Russia willing to sell partners oil and has, but wants access to technology in return”, *Globe and Mail*, Toronto, 17 June 2006.

³⁶ For example, on March 15, 2006 the *Kyoto News* announced that G8 leaders will endorse Moscow’s initiative to establish centres for international nuclear fuel cycle services. See Kohei Murayama (March 15, 2006), “G8 leaders eye international centers for nuclear fuel cycle,” *Kyodo News*, as quoted in Laura Sunderland, Senior Researcher, G8 Research Group, *Prospective Agenda for the 2006 G8 St. Petersburg Summit*, 15 June 2006.

³⁷ Speech by Minister for the Economy, Finance and Industry Thierry Breton, 22 May 2006. Date of access: 20 June 2006. <http://www.ambafrance-us.org/news/index.asp>.

³⁸ “G8 Finance Ministers Meeting”, Agence Europe, Brussels, 13 June 2006. See also “Russia shuts off the valves”, *Russian Press Digest – Russica Izvestia*, 7 June 2006.

³⁹ Speech by Minister Delegate for Industry Francois Loos, “Is Energy Short of Europe?” Conference, Paris, 31 May 2006. Date of access: 20 June 2006. <http://www.ambafrance-us.org/news/index.asp>. See also 28th Franco-British Summit, Communiqué, Paris, 9 June 2006.

the Russian government in St. Petersburg on the topic of regulation and development of energy programs⁴⁰, G8 leaders will have to be careful that rifts do not arise between EU members and Russia.

Climate change, the second major topic of last year's Gleneagles Summit, is inextricably linked to discussions on energy. In the context of energy discussions and climate change, France may be inclined to note the benefits of nuclear power, in that it produces little air pollution, and its harmful effect on local ecosystems may be even smaller than many of the renewable energy technologies, despite risks associated with the storage of radioactive materials. France also has a highly developed system of hydroelectric power, leaving it in a good position to play a role in plans for the development of hydroelectricity elsewhere.

Success at the St. Petersburg Summit for France will consist of sound agreements to cooperate on energy security, agreements which benefit the European Union and work with the principles of the Energy Charter Treaty, such as diversification and sustainable energy systems. Above average success will find France taking a lead in the development of nuclear energy strategies and plans, or a lead in productive discussions on ongoing climate change commitments.

Objective 2: Non-Proliferation and Iran

Along with Britain and Germany (forming the "EU3"), France has been involved throughout the year in negotiations with Iran over the development of its nuclear program. Looking for a more diplomatic solution than the harder line involving sanctions as proposed by the United States has proved to be a difficult and delicate question. The extent to which it will be discussed at the St. Petersburg Summit is uncertain, as Russian officials would prefer to minimize the amount of discussion specifically regarding Iran.⁴¹

In a Communiqué issued 31 May 2006, Minister of Foreign Affairs Philippe Douste-Blazy "welcomed the willingness of the United States, and possibly other partners, to join in negotiations instituted by Germany, the United Kingdom and France with Iran."⁴² This sentiment has been echoed numerous times by US President George W. Bush, most recently on 21 June 2006 at the EU-U.S. Summit in Vienna, where President Bush stated that he has no doubt that the European Union and the United States share the same goals on the issue of Iran's nuclear development.⁴³

⁴⁰ According to pre-summit announcements, Russia will propose to establish international centres to license nuclear research, as well as Laura Sunderland, Senior Researcher, G8 Research Group, *Prospective Agenda for the 2006 G8 St. Petersburg Summit*, 15 June 2006.

⁴¹ *Prospective Agenda for the 2006 G8 St. Petersburg Summit*, compiled by Laura Sunderland, Senior Researcher, G8 Research Group, 15 June 2006.

⁴² Speech by of Foreign Affairs Philippe Douste-Blazy, visit to New York, 9 May 2006. Date of access: 20 June 2006. <http://www.ambafrance-us.org/news/index.asp>.

⁴³ "A Vienne, Américains et Européens unis face à l'Iran, divisés sur Guantanamo." *Le Monde*, 23 June 2006. Author's translation.

In an earlier speech on 9 May 2006 Minister Douste-Blazy stated, “I think it is essential to present a global proposal involving the European Union, Americans and Russians.”⁴⁴ It is clear that France wants to work with the European Union the US and Russia in finding a solution, thus it is hoped that Tehran will accept the system of incentives proposed by the EU countries and the United States by the time of the St. Petersburg Summit. However, Tehran has noted that it will wait until 22 August before issuing a reply regarding the above proposal. As such, it is fairly certain that discussions on Iran will be undertaken to some extent, within or perhaps outside the context of general discussions regarding non-proliferation.

Objective 3: Global Health

The past year has seen numerous initiatives on the part of the French government and foreign ministry on the issue of international health. These will fit well with Russian proposals to focus on HIV / AIDS and aid to Africa at the St. Petersburg summit. Foreign minister Philippe Douste-Blazy, as former minister of health, has both the intellectual background and personal motivation to take a leading role in pushing international health initiatives. Most recently on June 22 2006, M. Douste-Blazy signed a multi-year framework convention between the foreign ministry and the French Red Cross, designed to strengthen the international aspect of the latter’s activities.⁴⁵

However, the most visible initiative taken by France over the past year is its leadership role in securing new and stable funding for the World Fund for AIDS, recognized by the G8 Health Ministers in their recent pre-Summit statement, and whose representatives will be in attendance at the Summit.⁴⁶ From 28 February to 1 March 2006, France hosted the international conference on “Solidarity and Globalization: innovative financing for development and against pandemics.”⁴⁷ Since then, France has led the way, along with Brazil and UN Secretary General Kofi Annan, in the establishment of UNITAID, an international solidarity contribution on airline tickets, which will come into effect on 1 July 2006. The levy will raise 200 million euros per year in France alone; the proceeds going to the International Drug Purchase Facility in the global flight against pandemics.⁴⁸

⁴⁴ Communiqué, Minister of Foreign Affairs Philippe Douste-Blazy on Iran/Nuclear issue, 31 May 2006. Date of access: 20 June 2006. <http://www.ambafrance-us.org/news/index.asp>.

⁴⁵ Statements made by the Ministry of Foreign Affairs Spokesperson Daily Press Briefing of the US Embassy of France 22 June 2006. Date of access: 22 June 2006. <http://www.ambafrance-us.org/news/index.asp>.

⁴⁶ Statement by the G8 Health Ministers, Moscow, 28 April 2006. Date of access: 20 June 2006. <http://www.g8.utoronto.ca/healthmins/health060428.html>.

⁴⁷ International conference on “Solidarity and Globalization: innovative financing for development and against pandemics, various statements, 28 February – 1 March 2006. Date of access: June 20 2006. <http://www.diplomatie.gouv.fr/en/france-priorities>.

⁴⁸ Speech by Minister of Foreign Affairs Philippe Douste-Blazy, Paris, 7 June 2006. Date of access: June 20 2006. www.diplomatie.gouv.fr/en/france-priorities_1/development_2108/innovative-ways-to-fund-development_2109/public-awareness-campaign-for-the-international-drug-purchase-facility-idpf-unitaid-june-7-2006_4935.html.

As part of France's efforts to encourage other countries to join the UNITAID initiative, the French government will likely use the St. Petersburg Summit to promote the project, and pressure leaders to join. It is probable that this will be seen as the principal measure of French success on the issue of International Health. Civil society in France has already mobilized in support of the program, as have international NGOs.

Apart from the UNITAID initiative, in light of commitments made at last years Gleneagles Summit, Minister Delegate for Cooperation, Development and Francophonie Brigitte Girardin has taken part in several meetings such as the European meeting "Towards a future without AIDS" of 30 November 2005. In addition, she has met with groups fighting the spread of AIDS such as *Sidaction*, where she has stressed the French governments' support of NGOs, noting the important role they play in the successful development and coordination of programs in the fight against AIDS. As part of its policy regarding international cooperation, the French Foreign Ministry has institutionalized the association of civil society through the high council for international cooperation (HCCI), which makes regular consultation between public and private actors in international cooperation possible and formulates a yearly report for the Prime Minister.⁴⁹ France continues to participate on the governing council of the African Water Facility, for which the third meeting is to be held in Cairo on 24 June 2006.⁵⁰

However, a sectoral strategy report on Health from the French Foreign Ministry notes that France action focusing on the Millennium Development Goals for health is insufficient, the exception being for ODA directed to the fight against HIV / AIDS. Thus, there remains room for improvement in other international health commitments.⁵¹

Objective 4: Education

France is in a good position to work with other G8 member states in developing new and better commitments and policies regarding the key issues on which Russian officials have decided to focus the education discussions in St. Petersburg. First, it is very much affected by problems in linking its educational system to the demands of its labour market, one of the topics up for discussion. Having an above average primary and secondary education system, which explains France's high score on various educational indicators,⁵² it is agreed that France's system of higher education is in need of reform, specifically in terms of training students for jobs that are needed on the labour market.⁵³ As Europe is currently undergoing major reforms in terms of compatibility in programs of higher education, France will welcome discussion on this topic. Attracting

⁴⁹ Reports from World Health Day 7 April 2006 and European Meeting "Towards a future without AIDS." Date of access: 21 June 2006. www.diplomatie.gouv.fr/en/france-priorities_1/development.

⁵⁰ Statements by the Ministry of Foreign Affairs Spokesperson, June 21 2006, Paris. Date of access: 22 June 2006. <http://www.ambafrance-us.org/news/index.asp>.

⁵¹ Reports from World Health Day 7 April 2006 and European Meeting "Towards a future without AIDS." Date of access: 21 June 2006. www.diplomatie.gouv.fr/en/france-priorities_1/development.

⁵² "The G8 and Global Education Governance," Professor John Kirton and Senior Researcher Laura Sunderland, G8 Research Group. Version of 30 May 2006.

⁵³ "La grande pagaille des diplômés" : Grand entretien, *Le Monde*, 18-19 June 2006.

international research and building scientific networks are also priorities for France;⁵⁴ as such, it may seek to discuss these topics with other G8 members.

Noting the importance of education in development and growth, as well as the fact that many developing countries experience serious difficulties in introducing advanced education methods and information technologies, Russian officials have expressed the wish to discuss education in developing countries.⁵⁵ France's international policy similarly makes the connection between the growing importance of knowledge production as a source of new global inequalities.⁵⁶ Thus, France will welcome these discussions as long as the Russian agenda does not shift the focus too far away from Africa, the base for most of France's international education policies and projects. As cultural diversity and language remain high priorities in French foreign policy, France will look to continue in its tradition of partnership with African nations in the field of education.

Thus, success for the French government on the issue of education may come in various forms, from innovative agreements for partnerships in higher education to renewed commitments to support educational programs in developing countries, in particular African countries.

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⁵⁴ Education and Sciences: France's international policy. Ministry of Foreign Affairs. Date of access: 20 June 2006. http://www.diplomatie.gouv.fr/en/france-priorities_1/education-university_2274/index.html.

⁵⁵ *Prospective Agenda for the 2006 G8 St. Petersburg Summit*, compiled by Laura Sunderland, Senior Researcher, G8 Research Group, 15 June 2006.

⁵⁶ Education and Sciences: France's international policy. Ministry of Foreign Affairs. Date of access: 20 June 2006. http://www.diplomatie.gouv.fr/en/france-priorities_1/education-university_2274/index.html.

Germany

Political Data

Chancellor of the Republic	Angela MERKEL
President of the Republic	Horst KOEHLER
Minister of Economics and Technology	Michael GLOS
Minister of Foreign Affairs	Frank-Walter STEINMEIER
Minister of Defence	Franz Josef JUNG
Minister of Finance	Peer STEINBRÜCK
Minister of Health	Ulla SCHMIDT
Minister of Education and Research	Annette SCHAVAN
Minister of Environment, Nature Conservation & Nuclear Safety	Sigmar GABRIEL

Government Structure

National Legislature

Total for Bundestag (Lower House) — 613 seats: parties must win at least 5% of the national vote, or three constituency seats, to gain representation.

Senate: Bundesrat (Upper House) — Consists of members nominated by the 16 state governments.

Economic Data

GDP (PPP, 2005)	\$2.504 trillion
GDP per capita (PPP, 2005)	\$30, 400
Recorded unemployment (2005)	11.6%
Exchange rate (€ per \$, 22 June 2006)	1.2572
Foreign Aid (ODA, 1998)	\$5.6 billion
Export Value (2005)	\$1.016 trillion
Import Value (2005)	\$801 billion

Main Exports (2002): Motor Vehicles 19.1%, Machines 14.1%, Chemicals 11.8%, Telecoms Technology 4.8%, Items for Electrical Production 4.8%.

Main Imports (2002): Chemicals 10.6%, Motor Vehicles 10.2%, Machines 6.9%, Telecoms Technology 6.0%, Mineral Oil and Gas 6.0%.

Major Trading Partners:

Exports (2004): France 10.3%, US 8.8%, UK 8.3%, Italy 7.2%, Netherlands 6.2%.

Imports (2004): France 9%, Netherlands 8.3%, US 7%, UK 6.1%, UK 5.9%.

Summit Objectives

In November 2005, Angela Merkel of the conservative Christian Democratic Party (CDU) became Germany's first female chancellor in a "grand coalition" including Germany's other major party, the Social Democrats. The agreement that fell out of the coalition sets the next four years of government policy and is widely considered to be a watering down of the CDU's more conservative agenda. On the economic side, the agreement includes big spending cuts to curb the country's deficit, a small increase in the sales tax, and pension reforms, all with the aim of reviving Germany's economy.⁵⁷ On the foreign policy side, the agreement commits Germany to fostering a more cooperative, rather than adversarial, relationship with the United States, a firmer commitment to NATO, and taking a stricter line on Russia's slide from democracy, with particular stress on the rule of law and a political settlement in Chechnya.⁵⁸ Germany's Summit objectives are in four areas: energy security, non-proliferation, UN reform, and Russia's democracy.

Objective 1: Energy Security

Energy security will be at the centre of Germany's agenda in St. Petersburg. Russia is the major focus of Berlin's energy security concerns. Germany is the largest foreign consumer of Russian natural gas (35 bcm in 2005), far ahead of its European neighbours.⁵⁹ Russia's state gas monopoly, Gazprom, and German energy giants BASF and E.ON AG recently began work on a Baltic Sea gas pipeline that will transport natural gas from Siberia directly to Germany.⁶¹

There are major points of contention between Germany and Russia, mostly surrounding the International Energy Charter, which was proposed by the European Union earlier this year. The Charter is a scheme of energy trading rules, seeking to ensure transparency and "free transit" across members' territory⁶² and calling on Russia to open its pipelines for other countries.⁶³ While Russia has signed the agreement, its Parliament has not moved towards ratification.⁶⁴ Russian Finance Minister Alexei Kudrin recently stated that Russia

⁵⁷ William Horsley, Analysis: German coalition deal, BBC News, (London), 15 November 2006. Date of Access: 15 June 2006. <http://news.bbc.co.uk/2/hi/europe/4438212.stm>.

⁵⁸ William Horsley, Analysis: German coalition deal, BBC News, (London), 15 November 2006. Date of Access: 15 June 2006. <http://news.bbc.co.uk/2/hi/europe/4438212.stm>.

⁵⁹ CIS to Have Gas Price Calculated on German Border, Kommersant Daily, 20 June 2006. Date of Access: 21 June 2006. <http://www.kommersant.com/page.asp?id=683550>.

⁶⁰ Energy's Impact on EU-Russian Relations, Council on Foreign Relations, 10 January 2006. Date of Access: 20 June 2006. http://www.cfr.org/publication/9535/energys_impact_on_eurussian_relations.html.

⁶¹ Merkel Welcomes EU Energy Summit with Putin, M&C News, (Berlin), 20 June 2006. Date of Access: 20 June 2006.

http://news.monstersandcritics.com/energywatch/news/article_1174134.php/Merkel_welcomes_EU_energy_summit_with_Putin.

⁶² Russia Sets Its Energy Agenda Against of G8 Summit, Mosnews, 21 June 2006. Date of Access: 21 June 2006. <http://www.mosnews.com/money/2006/06/21/russiaenergy.shtml>.

⁶³ Finance Ministers Fail to Unite on Energy Security, The St. Petersburg Times, 13 June 2006. Date of Access: 15 June 2006. http://www.sptimes.ru/index.php?action_id=2&story_id=17874.

⁶⁴ CIS to Have Gas Price Calculated on German Border, Kommersant Daily, 20 June 2006. Date of Access: 21 June 2006. <http://www.kommersant.com/page.asp?id=683550>.

does not agree with the Charter's present form, as it is outdated⁶⁵ and incognizant of Russian energy interests.⁶⁶ Although the German Finance Minister Peer Steinbrueck stated that Russian actions during January's gas dispute with Ukraine were "misunderstood,"⁶⁷ Germany will most likely join the rest of the EU in pressing for the Russian ratification of the Energy Charter and seeking assurances that Russia will be a stable energy supplier in the future.

Thus, at St. Petersburg, Germany will seek to prevent another crisis like that with Ukraine by tightening energy ties between the G8 and Russia, and lobbying for ratification of the Energy Charter along with other EU members. However, given the distance between the Russian and EU positions, agreement on the Energy Charter is unlikely. That said, given the centrality of energy security on the agenda, a tightening of the German-Russian energy relationship is highly possible.

Objective 2: Non-Proliferation

Germany's significant concern with non-proliferation is manifest in its leading position in the ongoing negotiations to halt Iran's uranium-enrichment program, which the Western powers believe could be used to make an atomic bomb. In contrast, Iran, a signatory to the Non-Proliferation Treaty, maintains that its nuclear activities are directed towards energy generation, which the Treaty allows.⁶⁸ Initially a representative of the European Union, along with England and France, Germany has now joined the five permanent members of the United Nations (UN) Security Council in offering Iran a system of incentives in return for its suspension of the nuclear program.⁶⁹ The St. Petersburg G8 Summit has been set as the deadline by which Tehran must reply to the "EU3"—Germany, Great Britain, France—and the United States, who will reportedly press for UN sanctions if Iran delays.⁷⁰ Tehran currently refuses to suspend the uranium enrichment, giving August 22 as its reply deadline. It is likely that Germany will join Britain, France, and the United States in calling for UN sanctions, given Iran's refusal to meet the July deadline. However, Russia, who has not been enthusiastic about taking punitive measures against Iran, is a potential hurdle for G8 agreement. At St. Petersburg, Germany will work to overcome any resistance to a common, and likely punitive, approach to Iran's uranium-enrichment program and to build consensus among the G8.

⁶⁵ Finance Ministers Fail to Unite on Energy Security, The St. Petersburg Times, 13 June 2006. Date of Access: 15 June 2006. http://www.sptimes.ru/index.php?action_id=2&story_id=17874.

⁶⁶ Russia Sets Its Energy Agenda Against of G8 Summit, Mosnews, 21 June 2006. Date of Access: 21 June 2006. <http://www.mosnews.com/money/2006/06/21/russiaenergy.shtml>.

⁶⁷ Finance Ministers Fail to Unite on Energy Security, The St. Petersburg Times, 13 June 2006. Date of Access: 15 June 2006. http://www.sptimes.ru/index.php?action_id=2&story_id=17874.

⁶⁸ US Presses Iran for Nuclear Reply, BBC News, 22 July 2006. Date of Access: 22 July 2006. http://news.bbc.co.uk/1/hi/world/middle_east/5106960.stm.

⁶⁹ Iranian, German Foreign Ministers to Meet Saturday, Reuters, (Berlin), 21 June 2006. Date of Access: 21 June 2006. http://today.reuters.co.uk/news/newsArticle.aspx?type=worldNews&storyID=2006-06-21T135501Z_01_L2158682_RTRUKOC_0_UK-NUCLEAR-IRAN-MINISTERS.xml.

⁷⁰ Iranian, German Foreign Ministers to Meet Saturday, Reuters, (Berlin), 21 June 2006. Date of Access: 21 June 2006. http://today.reuters.co.uk/news/newsArticle.aspx?type=worldNews&storyID=2006-06-21T135501Z_01_L2158682_RTRUKOC_0_UK-NUCLEAR-IRAN-MINISTERS.xml.

However, given Russia's longstanding resistance to punitive measures, agreement is unlikely.

Objective 3: UN Reform

Although United Nations (UN) reform is not going to be a priority issue at the G8 Summit, it will certainly be discussed, as the past two years have witnessed a real acceleration in the reform process. On 19 June 2006, UN Secretary-General Kofi Annan inaugurated the Human Rights Council, which will replace the much-criticized UN Commission on Human Rights.⁷¹ The Peacebuilding Commission and the Central Emergency Response Fund (CERF) also represent significant UN bodies which have been the products of the reform process.⁷² However, no substantial progress has been made on reforming the Security Council—an area where Germany has been heavily involved.

As a member of the G3, along with Brazil and India, Germany has been actively advocating a Security Council reform proposal that envisions ten new members in the body—six permanent seats without veto power, and 4 non-permanent, rotating seats.⁷³ Like the other G3 members, Germany will be pressing for its own permanent seat, as well as supporting its fellow group members in the endeavor. Germany's claim rests on the fact that it is a significant contributor to the UN budget, must be recognized as a world influence in light of its economic power, and has decisively paid the financial and political debts of WWII.⁷⁴ The proposed permanent members are the G3 plus Japan, with two seats allocated for Africa, with the specific countries to be named by African countries at a later date.⁷⁵ The group previously included another G8 country, Japan, which withdrew following last year's rejection of the UN reform resolution submitted by the group, reportedly due to lack of support from the United States.⁷⁶ On the other hand, Japan demonstrated support towards Germany in its bid for a permanent seat,⁷⁷ as has Britain, with Tony Blair stating that a Security Council which does not have Germany as

⁷¹ June 2006 Progress on UN Reform, UNPO, 12 June 2006. Date of Access: 20 June 2006. http://www.unpo.org/news_detail.php?arg=02&par=4679.

⁷² June 2006 Progress on UN Reform, UNPO, 12 June 2006. Date of Access: 20 June 2006. http://www.unpo.org/news_detail.php?arg=02&par=4679.

⁷³ June 2006 Progress on UN Reform, UNPO, 12 June 2006. Date of Access: 20 June 2006. http://www.unpo.org/news_detail.php?arg=02&par=4679.

⁷⁴ Q&A: A New Security Council? Global Policy Forum, 27 September 2004. Date of Access: 14 June 2006. <http://www.globalpolicy.org/security/reform/cluster1/2004/0927newsc.htm>.

⁷⁵ Deputy Minister of Foreign Affairs Aziz Pahad on International Relations Peace and Security Cluster, South African Government Information, 17 May 2006. Date of Access: 23 June 2006. <http://www.info.gov.za/speeches/2006/06051815151001.htm>.

⁷⁶ U.N. Reform Plans Stalled/Govt Move to Shake up World Body Stymied by Apathy, The Yomiuri Shimbun, 22 May 2006. Date of Access: 20 June 2006. <http://www.yomiuri.co.jp/dy/world/20060522TDY02001.htm>.

⁷⁷ U.N. Reform Plans Stalled/Govt Move to Shake up World Body Stymied by Apathy, The Yomiuri Shimbun, 22 May 2006. Date of Access: 20 June 2006. <http://www.yomiuri.co.jp/dy/world/20060522TDY02001.htm>.

a permanent member “cannot be legitimate in the modern world.”⁷⁸ France may also support Germany’s claim. However, Security Council reform has always been a highly contentious topic, and Germany will most likely face opposition as it moves forward with its proposal at the summit. Italy has previously spoken against a permanent seat for Germany, and it is unlikely that the United States will welcome another European power as a permanent member.⁷⁹ As UN reform is not a priority issue, Germany is unlikely to focus heavily on it and may instead concentrate on smaller scale meetings with its supporters and interested parties, seeking to advance its claim for permanent membership and the G3 proposal. New proposals should not be expected.

Objective 4: Russia’s Democracy

Germany will want to discuss Russia’s domestic situation in St. Petersburg, particularly the role of the Russian state in the economy.⁸⁰ Washington also wants Russia’s domestic situation on the Summit’s agenda, especially Moscow’s move towards authoritarianism at home and abroad.⁸¹ While US’ concerns are included as German priorities in the grand coalition’s founding policy document, Berlin has not yet argued that they should be included on the Summit’s agenda. There is also some disagreement on the substance of the issue between the US and EU member-states.⁸² Russian government officials have countered that Moscow does not expect that Russian politics will be on the agenda.⁸³ However, with significant US pressure, Russia’s interventions in Ukraine, Georgia, and Moldova were placed on the agenda of the G8’s preparatory meetings.⁸⁴ It is likely that Russia’s domestic situation will be on the G8’s agenda in some form; however, given the lack of agreement among the US, EU, and Russia, significant progress is unlikely.

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⁷⁸ Blair on UN Reform: A Call for Idealistic Realpolitik, SPIEGEL ONLINE, 31 May 2006. Date of Access: 20 June 2006. <http://service.spiegel.de/cache/international/0,1518,druck-419040,00.html>.

⁷⁹ Blair on UN Reform: A Call for Idealistic Realpolitik, SPIEGEL ONLINE, 31 May 2006. Date of Access: 20 June 2006. <http://service.spiegel.de/cache/international/0,1518,druck-419040,00.html>.

⁸⁰ Germany says role of Russian state is topic for G8, Reuters News, (New York), 21 May 2006.

⁸¹ Resurgent Russia aims for the summit, Asia Times Online, (Hong Kong), 15 June 2006. Date of Access: 20 June 2006. http://www.atimes.com/atimes/Central_Asia/HF15Ag01.html.

⁸² Resurgent Russia aims for the summit, Asia Times Online, (Hong Kong), 15 June 2006. Date of Access: 20 June 2006. http://www.atimes.com/atimes/Central_Asia/HF15Ag01.html.

⁸³ Russia's democracy not on G8 agenda Ð Kremlin, AFX Asia, (London), 23 May 2006.

⁸⁴ Bagapsh threatens to quit negotiations, Messenger, (Tbilisi), 22 June 2006. Date of Access: 20 June 2006. http://www.messenger.com.ge/issues/1137_june_26_2006/n_1137_1.htm.

Italy

Political Data

President	Giorgio NAPOLITANO
Prime Minister	Romano PRODI
Minister of Foreign Affairs	Massimo D'ALEMA
Minister of Economics and Finance	Tommaso PADOA-SCHIOPPA
Minister of Universities and Research	Fabio MUSSI
Minister of Health	Livia TURCO
Minister of Infrastructure	Antonio DI PIETRO
Minister of Internal Affairs	Giuliano AMATO
Minister of Energy	Giuseppe Fioroni
Minister of the Environment and Territorial Stewardship	Alfonso PECORARO-SCANIO

Governmental Structure

Bicameral parliament consisting of a 630-member Chamber of Deputies, elected by popular vote with the winning national coalition receiving 54% of chamber seats, and a 315-member Senate, elected by proportional vote with the winning coalition in each region receiving 55% of seats.

Economic Data⁸⁵

GDP (purchasing power parity)	US\$ 1.698 trillion (2005 est.)
GDP — per capita (purchasing power parity)	US\$ 29,200 (2005 est.)
GDP — real growth rate	0.1% (2005 est.)
Unemployment rate	7.9% (2005 est.)
Rate of exchange	1 EUR = 1.265 USD
One USD = 0.7912 EUR (19 June 2006)	
Economic aid — donor	ODA, \$1 billion (2002 est.)
Exports	US\$ 371.9 billion (2005 est.)
Imports	US\$ 369.2 billion (2005 est.)

Main Exports: Engineering products, textiles and clothing, production machinery, motor vehicles, transport equipment, chemicals; food, beverages and tobacco; minerals, and nonferrous metals

Main Imports: Engineering products, chemicals, transport equipment, energy products, minerals and nonferrous metals, textiles and clothing; food, beverages, and tobacco

⁸⁵ Central Intelligence Agency, Italy, The World Factbook, (Washington D.C.) 11 July 2006. Date of Access: 14 July 2006. <http://www.cia.gov/cia/publications/factbook/geos/it.html>

Italian imports are equally diverse, though it relies significantly on foreign sources for energy products.

Major Trading Partners:

Exports (2004): Germany 13.6%, France 12.4%, US 7.9%, Spain 7.3%, UK 7.1%, Switzerland 4.2% (2004)

Imports (2004): Germany 18%, France 11%, Netherlands 5.9%, Spain 4.7%, Belgium 4.5%, UK 4.3%, China 4.1% (2004)

Summit Objectives

Prime Minister Romano Prodi will be leading Italy into the St. Petersburg Summit in July a mere two months after the *Unione* coalition's victory in this spring's federal election was confirmed by his investiture on 17 May 2006.⁸⁶ This is the second Prodi government (he first governed from May 1996 to October 1998), and, having also served as President of the European Commission from 1999 to 2004, Mr Prodi can draw on previous summit experience as well as a nuanced understanding of other G8 members' negotiating positions to favourably advance Italian proposals. The centre-left *Unione* coalition ran on a comprehensive election platform committing the country to greater international co-operation,⁸⁷ beginning with its duties to the European Union (EU).⁸⁸ Italy's relationships with fellow G8 member-states generally and its EU partners in particular are warm and constructive. Mr Prodi has met with his EU,⁸⁹ British,⁹⁰ German,⁹¹ French,⁹² and Russian⁹³ counterparts in advance of the summit, while his Foreign Minister Massimo D'Alema has met with American Secretary of State Condoleeza Rice in Washington to discuss issues of mutual interest.⁹⁴ Despite healthy bilateral relationships within the G8, Mr Prodi enters the summit with slim majorities in both the Italian Chamber of Deputies

⁸⁶ Curriculum Vitae di Romano Prodi, Governo Italiano – Presidenza del Consiglio dei Ministri, (Rome). Date of Access: 20 June 2006. <http://www.governo.it/Presidente/Biografia/biografiait.html>

⁸⁷ Il Programma dell'Unione: Noi e gli altri, L'Unione, (Rome). Date of Access: 21 June 2006.

http://www.unioneweb.it/wp-content/uploads/documents/programma_def_unione.pdf, pp.105-108

⁸⁸ Il Programma dell'Unione: Un Paese più sicuro, L'Unione, (Rome). Date of Access: 21 June 2006.

http://www.unioneweb.it/wp-content/uploads/documents/programma_def_unione.pdf, pp.83-93

⁸⁹ Notizie: Il Presidente del Consiglio a Bruxelles, Governo Italiano – Presidenza del Consiglio dei Ministri, (Rome), 29 May 2006. Date of Access: 21 June 2006.

http://www.governo.it/notizie/not_notizia.asp?idno=1587

⁹⁰ Notizie: Il Presidente del Consiglio incontra il Primo Ministro britannico, Governo Italiano – Presidenza del Consiglio dei Ministri, (Rome), 2 June 2006. Date of Access: 21 June 2006.

http://www.governo.it/notizie/not_notizia.asp?idno=1591

⁹¹ Notizie: Il Presidente del Consiglio incontra il Cancelliere tedesco Angela Merkel, Governo Italiano – Presidenza del Consiglio dei Ministri, (Rome), 6 June 2006. Date of Access: 21 June 2006.

http://www.governo.it/notizie/not_notizia.asp?idno=1602

⁹² Notizie: Il Presidente del Consiglio in visita a Vienna e Parigi, Governo Italiano – Presidenza del Consiglio dei Ministri, (Rome), 13 June 2006. Date of Access: 21 June 2006.

http://www.governo.it/notizie/not_notizia.asp?idno=1613

⁹³ Notizie: Prodi incontra Putin a Mosca, Governo Italiano – Presidenza del Consiglio dei Ministri, (Rome), 19 June 2006. Date of Access: 21 June 2006. http://www.governo.it/notizie/not_notizia.asp?idno=1620

⁹⁴ Notizie: Iraq: D'Alema a Washington incontra il Segretario Rice, Italiano – Presidenza del Consiglio dei Ministri, (Rome), 16 June 2006. Date of Access: 21 June 2006.

http://www.governo.it/notizie/not_notizia.asp?idno=1618

and Senate, and relies on a fissiparous coalition to govern. Thus, although the Italian Prime Minister would like to advance proposals on the issues of energy security, Iranian nuclear development, global health, and education, he may lack the political capital and manoeuvrability to do so.

Objective 1: Energy Security

Italy will join its fellow G8 member states in prioritising the issue of energy security at the 2006 St. Petersburg summit. Together with its European G8 allies, the Italian government will push for statements of support of all the provisions of the Energy Charter Treaty, in particular those that deal with freer energy markets, which all G8 members except Russia have ratified. Italy will also succeed at the summit if it can, along with Germany, prevent statements of support for nuclear energy from being included in any communiqué.

Italy's first objective stems from concerns over recent energy shortages and the lack of any movement on the issue at the Russia-EU summit of June 2006. Italy saw its supply of natural gas severely and suddenly strained when the Russian government froze supplies to Ukraine and consequently most of Western Europe in early January.⁹⁵ This shared experience lent weight to the *Unione* coalition's platform for the spring election, which recommended foreign policy harmonisation between the European and national interests.⁹⁶ Prime Minister Prodi has also signaled a willingness to engage bilaterally with Moscow by signing agreements on 20 June 2006 guaranteeing reciprocal access to the Italian and Russian energy markets for firms from either nation—indeed, in this instance, the Russian Federation agreed to the substantive conditions of the Energy Charter, at least for Italian energy firms, including ENI.⁹⁷ Despite this independent success, Italy will seek to stand beside its EU counterparts in order to leverage Russia to agree all provisions of the Energy Charter.

Italy will also oppose the inclusion of any language in the summit communiqués that highlights a positive role for nuclear energy in energy security. In meetings leading up to the summit, the Italian delegation has sided with Germany, which has been the G8's most outspoken critic of nuclear power and which is phasing out its nuclear power plants.⁹⁸ Indeed, the present Italian stance represents a fulfillment of a policy that was promised in the *Unione*'s platform, which said that the government would not re-start a domestic

⁹⁵ Italy hit by Russian gas shortage, BBC News, (London), 18 January 2006. Date of Access: 25 June 2006. <http://news.bbc.co.uk/2/hi/business/4625092.stm>

⁹⁶ ⁹⁶ Il Programma dell'Unione: Noi e gli altri, L'Unione, (Rome). Date of Access: 21 June 2006. http://www.unioneweb.it/wp-content/uploads/documents/programma_def_unione.pdf, pp.105-108

⁹⁶ Il Programma dell'Unione: Un Paese più sicuro, L'Unione, (Rome). Date of Access: 21 June 2006. http://www.unioneweb.it/wp-content/uploads/documents/programma_def_unione.pdf, pp.89-91

⁹⁷ Vladimir Putin Passes the Energy Charter, Kommersant, (Moscow), 21 June 2006. Date of Access: 25 June 2006. <http://www.kommersant.com/page.asp?idr=527&id=684022>

⁹⁸ Hugh Williamson, Neil Buckley and Arkady Ostrovsky, G8 in battle to forge summit deal over energy security, Financial Times, (Berlin and Moscow), 22 June 2006. Date of Access: 14 July 2006. <http://proquest.umi.com.myaccess.library.utoronto.ca/pqdweb?did=1064596661&sid=2&Fmt=3&clientId=12520&RQT=309&VName=PQD>

nuclear energy program and which called for a re-evaluation of the risks associated with the current generation of nuclear technology.⁹⁹

It is unlikely that Italian diplomats will secure an unambiguous statement in support of the Energy Charter, largely because of Russian reticence. On 20 June 2006, Igor Shuvalov, Russia's G8 sherpa, stated that the government will not yet undertake any commitments to ratify the Charter, though it agrees with the principles outlined therein.¹⁰⁰ That energy security will prove a tedious affair at the Summit was evidenced by a 23 June 2006 attempt by senior G8 officials to resolve differences on the issue.¹⁰¹ As successful as Italy was at securing some access for Italian firms to the Russian energy market,¹⁰² Italy is unlikely to be able to move the Russian delegation to agreement, even with the aid of all other G8 members and the EU. The Italian delegation is more likely to succeed in its effort, along with Germany, of blocking attempts to include statements in support of nuclear energy in any Energy Security communiqué. Success on the issue is not guaranteed, however, as Italy and Germany are the only two members opposed to the issue and nuclear power is seen by some leaders, including Britain's Tony Blair, as an economical way to guarantee supply and combat climate change.¹⁰³

Objective 2: Iranian Nuclear Development

International tension surrounding Iran's development of nuclear energy and arms capabilities is an issue of utmost importance to Italy and looks to figure prominently at the 2006 St. Petersburg Summit. Recently, Italian diplomats have sought to broaden their role in negotiations between Iran and the 'Contact Group', comprised of representatives of the United States, Russia, China, and the EU. Italy will suggest that the G8 unanimously support the EU's incentive-laden proposal and a negotiated settlement to the dispute. The Italian government will also oppose any mention of sanctions in Summit communiqués on the issue.

Italian bilateral trade with Iran tops €5 billion annually, and Prime Minister Prodi's government has highlighted this fact in recent statements on the nuclear issue.¹⁰⁴ The prime minister himself has stated that, "For Italy, Iran is trading partner number

⁹⁹ Il Programma dell'Unione: Un Paese più sicuro, L'Unione, (Rome). Date of Access: 21 June 2006. http://www.unioneweb.it/wp-content/uploads/documents/programma_def_unione.pdf, p. 143

¹⁰⁰ Russia to wait on ratifying Energy Charter – presidential aide, RIA Novosti, (Moscow), 20 June 2006. Date of Access: 25 June 2006. <http://en.rian.ru/russia/20060620/49795855.html>

¹⁰¹ Hugh Williamson, Neil Buckley and Arkady Ostrovsky, G8 in battle to forge summit deal over energy security, Financial Times, (Berlin and Moscow), 22 June 2006. Date of Access: 25 June 2006. <http://proquest.umi.com.myaccess.library.utoronto.ca/pqdweb?did=1064596661&sid=2&Fmt=3&clientId=12520&RQT=309&VName=PQD>

¹⁰² Vladimir Putin Passes the Energy Charter, Kommersant, (Moscow), 21 June 2006. Date of Access: 25 June 2006. <http://www.kommersant.com/page.asp?idr=527&id=684022>

¹⁰³ Blair says rising energy prices have pushed nuclear onto 'world agenda', Forbes, (London), 14 June 2006. Date of Access: 14 July 2006. <http://www.forbes.com/markets/feeds/afx/2006/06/14/afx2814237.html>

¹⁰⁴ Iran: D'Alema – Tehran does not seem close to having nukes, Agenzia Giornalistica Italia, (Rome), 22 June 2006. Date of Access: 25 June 2006. <http://www.agi.it/english/news.pl?doc=200606221224-1071-RT1-CRO-0-NF82&page=0&id=agionline-eng.italyonline>

one...[and] even though we are not in the six, who are participating in the discussion of the Iranian dossier, it is of vital importance to us".¹⁰⁵ On 21 June 2006, following a meeting with Iran's Foreign Minister Manouchehr Mottaki in Rome, Italian Foreign Minister Massimo D'Alema stated that he did not believe that "we are near to having Iranian nuclear weapons",¹⁰⁶ indicating an unwillingness to jeopardize Italy's significant commercial ties with Iran as a consequence of a robust stance on an as yet unproven claim. Mr D'Alema has spoken of the significant risk that forceful action on the file poses to the Italian economy, and has suggested that his country is in a position to play a constructive role in future negotiations.¹⁰⁷ The foreign minister has also expressed his desire for G8 solidarity in dealing with what a foreign ministry spokesperson termed a "delicate international issue".¹⁰⁸

The Italian delegation will devote considerable effort to achieve its objectives with respect to the nuclear file, and is likely to be rewarded with a G8 statement in support of a diplomatic resolution to the issue. The Italian position reinforces that of the EU and is mirrored by that of the Russian Federation, another important Iranian trade partner. Given the importance accorded the issue by the Italian government, one would expect every attempt to bring all G8 member states onside, and because of the alignment of objectives with at least one other G8 member, Italy is likely to succeed on this issue.

Objective 3: Global Health

Though the St. Petersburg discussions on global health promise to be broadly-based, the Italian government will pursue an objective that it made clear at the 9-10 June 2006 G8 meeting of finance ministers. Specifically, Italy will seek agreement from its fellow G8 members for the creation of a US\$1.5-2 billion fund supporting research into pneumococcus vaccinations.¹⁰⁹ G8 finance ministers failed to agree on funding the initiative, reportedly proposed jointly by Italy, Canada, and Great Britain due to the advanced stage of research into the disease.¹¹⁰ Italy wants its proposal to be the pilot of so-called 'advanced market placement', a funding initiative the G8 promised to support in a December 2005 meeting of health ministers that is ultimately aimed at combating

¹⁰⁵ Vladimir Putin Passes the Energy Charter, Kommersant, (Moscow), 21 June 2006. Date of Access: 25 June 2006. <http://www.kommersant.com/page.asp?idr=527&id=684022>

¹⁰⁶ Iran: D'Alema – Tehran does not seem close to having nukes, Agenzia Giornalistica Italia, (Rome), 22 June 2006. Date of Access: 25 June 2006. <http://www.agi.it/english/news.pl?doc=200606221224-1071-RT1-CRO-0-NF82&page=0&id=agionline-eng.italyonline>

¹⁰⁷ Iran: D'Alema – Tehran does not seem close to having nukes, Agenzia Giornalistica Italia, (Rome), 22 June 2006. Date of Access: 25 June 2006. <http://www.agi.it/english/news.pl?doc=200606221224-1071-RT1-CRO-0-NF82&page=0&id=agionline-eng.italyonline>

¹⁰⁸ Iran: D'Alema – Sanctions would especially damage Italy, Agenzia Giornalistica Italia, (Rome), 26 May 2006. Date of Access: 25 June 2006. <http://www.agi.it/english/news.pl?doc=200605262115-1290-RT1-CRO-0-NF82&page=0&id=agionline-eng.italyonline>

¹⁰⁹ G8 will study vaccine pilot project proposal: source, Reuters, (St. Petersburg), 9 June 2006. Date of Access: 25 June 2006. http://today.reuters.com/news/newsArticle.aspx?type=healthNews&storyID=2006-06-09T162751Z_01_N09193886_RTRUKOC_0_US-GROUP-VACCINE.xml

¹¹⁰ G8 will study vaccine pilot project proposal: source, Reuters, (St. Petersburg), 9 June 2006. Date of Access: 25 June 2006. http://today.reuters.com/news/newsArticle.aspx?type=healthNews&storyID=2006-06-09T162751Z_01_N09193886_RTRUKOC_0_US-GROUP-VACCINE.xml

HIV/AIDS.¹¹¹ Following the June 2006 finance ministerial, Italian Minister of Economics and Finance Tommaso Padoa-Schioppa indicated that his government would push for the adoption of the pneumococcal proposal at the St. Petersburg summit.¹¹²

Having jointly proposed the pneumococcus vaccination fund with the Canadian and German governments, the Italian government has considerable allies on the issue. The Russian Federation, as summit host, might also lend its support to the program in order to show that the dossier on infectious diseases is being given equal importance *vis-à-vis* issues of energy security.¹¹³ Italy's monetary contribution to the proposed fund remains unclear, however, with the state saddled by the world's third-largest national debt and its finance minister committed to fiscal discipline.¹¹⁴

Objective 4: Education

During its first five weeks, Prime Minister Prodi's *Unione* government has made few statements of its intentions *vis-à-vis* the St. Petersburg issue of Education. Italy will work within the framework of the 1-2 June 2006 G8 meeting of education ministers, which focused primarily on the problem of international transferability of credentials.¹¹⁵ G8 education ministers, Italy's Giuseppe Fioroni among them, concluded that, "more rapid integration of immigrants and migrants into the host nation's society can be facilitated by improving mutual understanding of foreign qualifications".¹¹⁶ European Commission representatives attending the meeting presented existing EU efforts at internationalising education, particularly plans for a common European Higher Education Area, which the Russian Federation intends to join.¹¹⁷ The promotion of these plans is, as yet, the only concrete objective the Italian government will pursue at the St. Petersburg summit on the topic of education.

Should deliberations on the subject of education focus on the positive role played by education in migrant integration, Italy should prove quite successful in advancing regional internationalisation of education under EU auspices. Immigration policy has

¹¹¹ G8 will study vaccine pilot project proposal: source, Reuters, (St. Petersburg), 9 June 2006. Date of Access: 25 June 2006. http://today.reuters.com/news/newsArticle.aspx?type=healthNews&storyID=2006-06-09T162751Z_01_N09193886_RTRUKOC_0_US-GROUP-VACCINE.xml

¹¹² Italy econ minister raps G8 over vaccine setback, Reuters, (St. Petersburg), 10 June 2006. Date of Access: 25 June 2006. <http://www.alertnet.org/thenews/newsdesk/L10111479.htm>

¹¹³ Education, infectious diseases as important for G8 summit as energy – Kremlin official, Official Website of the G8 presidency of the Russian Federation in 2006, (Moscow), 15 June 2006. Date of Access: 25 June 2006. <http://en.g8russia.ru/news/20060615/1156892.html>

¹¹⁴ In a hole, *Economist*, (Rome), 10-16 June 2006. pp.49

¹¹⁵ G8 education ministers to focus on migrants' problems, RIA Novosti, (Moscow), 30 May 2006. Date of Access: 25 June 2006. <http://en.rian.ru/russia/20060530/48842751.html>

¹¹⁶ G8 Ministerial Meeting on Education, G8 Information Centre, (Toronto), 9 June 2006. Date of Access: 25 June 2006. <http://www.g8.utoronto.ca/education/education2006.html>

¹¹⁷ G8 on Education: Commissioner Figel' to present the EU's experiences in Moscow, EUROPA, (Brussels), 31 May 2006. <http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/06/702&format=HTML&aged=0&language=EN&guiLanguage=en>

been a prominent domestic issue throughout Europe¹¹⁸ and indeed across the G8. Discussions centering on the international transferability of credentials are bound to attract considerable attention from the Canadian

Conservative government, which pledged action on the issue of immigrant credentials in its electoral platform earlier this year.¹¹⁹ In short, the general nature of Italian objectives and modest ambition with respect to the education file are guarantors of success.

André Ghione and Brian Kolenda
G8 Research Group

¹¹⁸ Claudio Bolzman and Manuel Boucher, En Europe, à chacun son “modèle”, *Le Monde diplomatique*, (Paris), June 2006.

¹¹⁹ Harper pledges action on immigrant credentials and aggressively reducing the Right of Landing Fee, Conservative Party of Canada, 4 January 2006. Date of Access: 25 June 2006.
<http://www.conservative.ca/1004/37992/>

Japan

Political Data¹²⁰

Head of State	Emperor AKIHITO
Head of Government, Prime Minister	Junichiro KOIZUMI
Chief Cabinet Secretary	Shinzo ABE
Minister of Agriculture, Forestry & Fisheries	Shoichi NAKAGAWA
Minister of State for Defense	Fukushiro NUKAGA
Minister of Economy, Trade & Industry	Toshihiro NIKAI
Minister of Education, Culture, Sports, Science & Technology	Kenji KOSAKA
Minister of Environment	Yuriko KOIKE
Minister of Finance	Sadakazu TANIGAKI
Minister of Foreign Affairs	Taro ASO
Minister of Health, Labour & Welfare	Jiro KAWASAKI
Minister of Internal Affairs and Communications	Heizo TAKENAKA
Minister of Justice	Seiken SUGIURA
Ministry of Land, Infrastructure & Transport	Kazuo KITAGAWA

Government Structure

Representative democracy

Parliament: Bicameral Diet as national legislature, comprising of House of Representatives (the lower house) that is elected every four years and House of Councillors (the upper house) is elected every six years. House of Representatives consists of 480 seats (LDP 292 seats, DPJ 113 seats, New Komeito 31 seats)¹²¹. House of Councillors consists of 242 seats (LDP 112 seats, DPJ 82 seats, New Komeito 24 seats)¹²². The prime minister is chosen by a ballot of the Diet (parliament) and appoints a cabinet, a majority of whose members must also be members of the Diet.

Main political organizations:

Government — coalition of the LDP (Liberal Democratic Party) and New Komeito
Opposition — DPJ (Democratic Party of Japan), Japanese Communist Party, Social Democratic Party, The People's New Party, New Party Nippon, Liberal League, New Party Daichi

¹²⁰ Koizumi Naikaku Kanryo Meibo (List of bureaucrats under Koizumi Cabinet), Official Website of Prime Minister of Japan and His Cabinet, Date of Access: 23 June 2006.

<http://www.kantei.go.jp/jp/koizumidaijin/051031/index.html>.

¹²¹ Kaiha mei oyobi kaiha betsu shozoku giinsu, House of Representatives, Date of Access: 23 June 2006.
http://www.shugiin.go.jp/index.nsf/html/index_kousei.htm.

¹²² Shugiin no kakuha betsu no shozoku giinsu ichiran, House of Councillors: The National Diet of Japan, Date of Access: 23 June 2006.

http://www.sangiin.go.jp/japanese/frameset/fset_a03_02.htm.

Economic Data¹²³

GDP by expenditure (2006)	\$ 123.7175 trillion
Recorded unemployment (2006)	4.1%
Spot Exchange rate (Yen per \$, 21 June 2006)	114.72
Total Exports (2006)	\$5,703.5 billion
Total Imports (2006)	\$5,318.6 billion

Summit Objectives

This summit will be the fifth and the last summit for Prime Minister Koizumi, who has announced his intention to resign this coming September. Chief Cabinet Secretary Abe is believed to be Koizumi's favourite, and he is the front-runner in the LDP presidential race¹²⁴. Some are speculating that Koizumi is planning an earlier resignation soon after the G8 St.Petersburg Summit¹²⁵. Japan is expected to focus on energy security through nuclear energy, North Korea, Iran and non-proliferation.

Objective 1: North Korea

Like previous summits, Japan will be looking to discuss the North Korean question in St. Petersburg, both in the fields of abductions and weapons of mass destructions. Prior to this year's foreign ministers meeting, Japan consolidated its position to actively raise the security concern regarding North Korea's testing of Taepodong-2 missile systems.¹²⁶ Foreign Minister Taro Aso has already prepared himself to discuss the issue of abduction as a serious human rights abuse in the pre-summit meeting¹²⁷.

Despite Japan's consistent concerns, this issue has not been a major item to other G8 members except the United States, and it was last discussed as a part of Summit Agenda in Sea Island. Nevertheless, it is believed that the United States will make some move regarding North Korea's missiles — possibly involving the UN Security Council¹²⁸. Given the recent rise in tensions, the likelihood of the nuclear issue to be discussed in St.Petersburg is high. Because of this increased focus, however, abduction might not be discussed in depth.

¹²³ Statistics Bureau, Director General for Policy Planning & Statistical Research and Training Institute, Ministry of Internal Affairs and Communications, Date of Access: 22 June 2006.

<http://www.stat.go.jp/english/index.htm>.

Economic and Financial Data for Japan, Statistics Bureau, Director General for Policy Planning & Statistical Research and Training Institute, Ministry of Internal Affairs and Communications, Date of Access: 23 June, 2006.

<http://www.stat.go.jp/english/19.htm>.

¹²⁴ *Speculation rife on possible 'Koizumi surprises' ahead*, Nikkei Weekly, 19 June 2006.

¹²⁵ *Speculation rife on possible 'Koizumi surprises' ahead*, Nikkei Weekly, 19 June 2006.

¹²⁶ Jiji Tsushin, *Rachi, misairu mondai teiki he – G8 gaishokaigo de seifu hoshin*, 21 July 2006.

¹²⁷ Jiji Tsushin, *Rachi, misairu mondai teiki he – G8 gaishokaigo de seifu hoshin*, 21 July 2006.

¹²⁸ Paul Reynolds, *Fresh tensions over N Korea missile test*, BBC News International Edition, 21 June 2006, Date of Access: 23 June 2006.

<http://news.bbc.co.uk/2/hi/asia-pacific/5099360.stm>.

Objective 2: Nuclear Energy

Japan has been enthusiastic about the development of nuclear energy, and is expected to emphasize its use as one of the ways to achieve energy security at the St. Petersburg Summit. Since Russia has outlined its intention to focus on energy security, and more specifically the role of nuclear energy, and because the G8 leaders have endorsed the Kremlin's initiative, it is natural to speculate Japan's active role in the area¹²⁹.

Japan's involvement will focus on consensus building and on a joint action plan geared towards increasing the use of nuclear energy as a replacement to a heavy reliance on fossil fuel. A further goal includes a move to increase Japan's fellow G8 member's understanding of its developments in nuclear fuel cycles — something for which Japan has been criticized and asked to stop to ensure the peaceful use and deployment of nuclear energy. Furthermore, Japan is likely to raise the issue of improving energy efficiency while ensuring commitments to 3R initiative (recycle, reduce, reuse)¹³⁰.

Russia's announcement to focus on energy security, coupled with the leaked draft copy of "Global Energy Security" joint statement and action plan, which outlines the importance of investment and development of nuclear energy sources, all but ensures its discussion and relative success at this year's summit.¹³¹

Objective 3: Iran

Japan is determined to play a "fair role" in the Iranian question, and expects to solve the Iranian nuclear issue through diplomatic means¹³². Additionally, Japan can be expected to reaffirm its endorsement of the proposals put forwards by the United States, France, Germany and Great Britain that offer Iran assistance with its civilian nuclear programs in exchange for its suspension of enrichment and processing activities.¹³³

Objective 4: Non-Proliferation and Weapons of Mass Destruction

Non-proliferation of weapons of mass destructions (WMD) has been an important component of Summit Agendas in previous years, especially after the terror attacks of September 11, 2001. Being the only victim of atomic bombs, Japan rigidly complies with its three non-nuclear principles and has been an active player in the field of non-proliferation. Troubled by the Iranian question and North Korea's nuclear missile threats, Japan is expected to raise the issue of non-proliferation and reconfirm non-proliferation

¹²⁹ Kohei Murayama, Kyodo News, *G8 leaders eye int'l centers for nuclear fuel cycle*, 15 March, 2006.

¹³⁰ Kohei Murayama, Kyodo News, *G8 leaders eye int'l centers for nuclear fuel cycle*, 15 March, 2006.

¹³¹ Kohei Murayama, Kyodo News, *G8 leaders eye int'l centers for nuclear fuel cycle*, 15 March, 2006.

¹³² A Statement by Taro Aso, Minister of Foreign Affairs, on the Iranian Nuclear Issue: US Proposal on Negotiations with Iran, Ministry of Foreign Affairs of Japan (Tokyo), Date of Access 23, June 2006. <http://www.mofa.go.jp/announce/announce/2006/6/0601.html>.

¹³³ A Statement by Taro Aso, Minister of Foreign Affairs, on the Iranian Nuclear Issue: US Proposal on Negotiations with Iran, Ministry of Foreign Affairs of Japan, (Tokyo), Date of Access 23 June 2006. <http://www.mofa.go.jp/announce/announce/2006/6/0601.html>.

commitments with other G8 countries. Continuous effort towards Global Partnership could be mentioned as a cooperative achievement by G8 as well.

Given the host country's interest outside of this issue, non-proliferation of WMD is less likely to be a significant part of Summit Agenda. Nevertheless, given the security concern of North Korea's nuclear missiles by Japan and the United States and Iran's nuclear activities, the issue could be discussed to some extent.

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Russian Federation

Political Data¹³⁴

Head of State — President	Vladimir PUTIN
Prime Minister — Head of Government	Mikhail FRADKOV
Deputy Prime Minister	Dmitriy MEDVEDEV
Chief of Staff ¹³⁵	Sergei NARYSHKIN
Minister of Economic Development and Trade ¹³⁶	German GREF
Minister of Foreign Affairs ¹³⁷	Sergei NARYSHKIN
Minister of Defence ¹³⁸	Sergei IVANOV
Minister of Finance ¹³⁹	Aleksei KUDRIN
Central Bank Governor ¹⁴⁰	Sergei IGNATIEV

Government Structure

National Legislature

Bicameral Federal Assembly consists of the 178 seat Federation Council, with members appointed by the top executive and legislative officials in each of the 88 federal administrative units; and the 450 seat State Duma, which is elected by proportional representation on a territorial basis.

Elections: State Duma elections are to be held in December 2007, and the next presidential election is due in March 2008.

Economic Data¹⁴¹

GDP (PPP) ¹⁴²	US\$1.589 trillion
GDP per capita (PPP)	US\$10,822

¹³⁴ Political Data, except where indicated; CIA Factbook, Russia, (Washington), 6 June 2006. Date of Access: 11 June 2006. www.cia.gov/cia/publications/factbook/geos/rs.html#Govt

¹³⁵ The Economist, Country Briefings - Russia, 10 June 2006. Date of Access: 11 June 2006. <http://www.economist.com/countries/Russia/>

¹³⁶ The Economist, Country Briefings - Russia, 10 June 2006. Date of Access: 11 June 2006. www.economist.com/countries/Russia/

¹³⁷ The Economist, Country Briefings - Russia, 10 June 2006. Date of Access: 11 June 2006. www.economist.com/countries/Russia/

¹³⁸ The Economist, Country Briefings - Russia, 10 June 2006. Date of Access: 11 June 2006. www.economist.com/countries/Russia/

¹³⁹ The Economist, Country Briefings - Russia, 10 June 2006. Date of Access: 11 June 2006. www.economist.com/countries/Russia/

¹⁴⁰ The Economist, Country Briefings - Russia, 10 June 2006. Date of Access: 11 June 2006. www.economist.com/countries/Russia/

¹⁴¹ Economic Data, except where indicated; The Economist, Country Briefings - Russia, 10 June 2006. Date of Access: 11 June 2006. www.economist.com/countries/Russia/

¹⁴² CIA Factbook, Russia, (Washington), 6 June 2006. Date of Access: 11 June 2006. www.cia.gov/cia/publications/factbook/geos/rs.html#Govt

GDP % real change ¹⁴³	6.4%
Recorded Unemployment ¹⁴⁴	7.6%
Exchange Rate (RUB per \$, 13 June 2006) ¹⁴⁵	0.0369
Export Value ¹⁴⁶	US\$245 billion
Import Value ¹⁴⁷	US\$125 billion

Main Exports (2005): oil, fuel, and natural gas 63.3%, metals 14.1%, chemicals 5.9%, machinery and equipment 5.6%.

Main Imports (2005): machinery and equipment 34.6%, food and agricultural products 13.9%, chemicals 13 %, metals 5.4%.

Major Trading Partners:

Exports (2005): Netherlands 10.1%, Italy 9.6%, Germany 8.1%, China 5.4%.

Imports (2005): Germany 13.4%, Ukraine 7.9%, China 7.4%, US 4.6%.

Summit Objectives

The St Petersburg Summit is an historic occasion for the Russian Federation. This is the first time Russia has held the presidency and has hosted the summit. Moreover, St Petersburg is Russian President Vladimir Putin’s birthplace. Mr Putin will certainly seek to seize this opportunity to set a new global agenda that addresses crucial domestic challenges and better reflects Russian interests within the current global context. The agenda of the Russian Presidency thus focuses on three core issue areas: global energy security, infectious disease, and education.¹⁴⁸ These issues are not new to the G8 agenda, but Mr Putin feels Russia, as the presiding country, has “a duty to give fresh impetus to efforts to find solutions” to these key international problems.¹⁴⁹ These three themes, therefore, are the locus for a broad and comprehensive Russian agenda that also includes the objective of WTO accession.

¹⁴³ CIA Factbook, Russia, (Washington), 6 June 2006. Date of Access: 11 June 2006.

www.cia.gov/cia/publications/factbook/geos/rs.html#Govt

¹⁴⁴ CIA Factbook, Russia, (Washington), 6 June 2006. Date of Access: 11 June 2006.

www.cia.gov/cia/publications/factbook/geos/rs.html#Govt

¹⁴⁵ Yahoo Currency Converter, 13 June 2006. Date of Access: 13 June 2006.

<http://finance.yahoo.com/currency/convert?amt=1&from=RUB&to=USD&submit=Convert>

¹⁴⁶ CIA Factbook, Russia, (Washington), 6 June 2006. Date of Access: 11 June 2006.

www.cia.gov/cia/publications/factbook/geos/rs.html#Govt

¹⁴⁷ CIA Factbook, Russia, (Washington), 6 June 2006. Date of Access: 11 June 2006.

www.cia.gov/cia/publications/factbook/geos/rs.html#Govt

¹⁴⁸ G8 St Petersburg Russia 2006, Address by Russian President Vladimir Putin to Visitors to the Official Site of Russia’s G8 Presidency in 2006, (Moscow), 5 June 2006. Date of Access: 13 June 2006.

<http://en.g8russia.ru/agenda/>

¹⁴⁹ G8 St Petersburg Russia 2006, Address by Russian President Vladimir Putin to Visitors to the Official Site of Russia’s G8 Presidency in 2006, (Moscow), 5 June 2006. Date of Access: 13 June 2006.

<http://en.g8russia.ru/agenda/>

Objective 1: Energy Security

Russia possesses only one-tenth of the reserves of the middle-east region, yet the country is the world's biggest oil producer and, after OPEC, the world's second largest oil exporter.¹⁵⁰ Russia is therefore well positioned to capitalize on the confluence of this position as a primary and independent source of hydrocarbons, and as the presiding country of the G8. Thus, immediately following the Gleneagles summit Mr Putin committed to making world energy policy the primary issue for the St Petersburg summit.¹⁵¹ The premises of the Russian theme of global energy security underscore the Russian desire to redefine many of the terms of the energy dialogue, and to restructure the international energy dynamic. Officials will work to position Russia as a new primary link between hydrocarbon producers and consumers, presenting a challenge to OPEC's position as the dominant player in the energy equation, while seeking agreement on the key priorities of this agenda: market security, infrastructure and market development, and the expansion of the nuclear sector.

Russian economic growth remains heavily dependent on the production and export of hydrocarbons, and officials clearly recognize that prices remain unstable and market access uncertain. Russia will, therefore, seek to find a consensus for a new policy regime that balances the needs of both consumers and producers of energy to better promote and protect long-term investments in the energy sector by insulating the market from the effects of political turmoil and uncertainty.¹⁵² This is to include market access and price guarantees, and, in contrast to global trends and the terms of the *Energy Charter*,¹⁵³ recognition of the value and importance of national protections and state monopolies in the energy sector. Moreover, Russia will seek a new and primary role for China and India in the new energy dialogue in an effort to secure the market and price guarantees it seeks.¹⁵⁴

This new approach has been matched by a commitment to the energy needs of consuming states that cannot meet domestic energy needs under the current market conditions and mechanisms. This position reflects an effort to shift the focus of the development paradigm from aid to energy as the prime mover of progress in the developing world. Mr Putin will seek to turn the focus of development dialogue from ODA to investments in,

¹⁵⁰ The Economist, Country Briefings - Russia, Russia's Oil, 10 June 2006. Date of Access: 11 June 2006. www.economist.com/research/backgrounders/displayBackgrounder.cfm?bg=1973939

¹⁵¹ G8 Research Group, Meeting of Vladimir Putin With Russian and Foreign Media Following the G8 Summit, (Toronto), 8 July 2005. Date of Access: 10 June 2006. www.g7.utoronto.ca/summit/2005gleaneagles/putin-050708.html

¹⁵² G8 St Petersburg Russia 2006, Address by Russian President Vladimir Putin to Visitors to the Official Site of Russia's G8 Presidency in 2006, (Moscow), 5 June 2006. Date of Access: 13 June 2006. <http://en.g8russia.ru/agenda/>

¹⁵³ Russia is a signatory to the Energy Charter, but has yet to ratify the agreement. Energy Charter Treaty, (Brussels), 17 December 1991. Date of Access: 8 June 2006. <http://www.encharter.org/index.jsp>

¹⁵⁴ G8 St Petersburg Russia 2006, Russian Sherpa Igor Shuvalov Replies to Journalists' Questions About the Upcoming Summit, (Moscow), 20 June 2006. Date of Access: 22 June 2006. <http://en.g8russia.ru/news/20060620/1158064.html>

and efforts toward, the development of transit infrastructure for energy delivery to developing states.¹⁵⁵

The Russian position also includes a robust commitment to the development of nuclear and hydroelectric capacity, coupled with a resistance to the proliferation of dangerous nuclear technology. To this end Russia will seek agreement on the establishment of international centers to license nuclear research.¹⁵⁶

The Russian energy agenda is ambitious in scope and provocative in content. Russian success on the energy front would, therefore, be a remarkable and surprising political achievement. Russia and Canada are the only G8 countries that would appear to make direct economic gains if the Russian proposals are adopted. The US may support aspects of the infrastructure and “energy poverty” initiatives in exchange for further movement from China on currency reform, but this compromise is unlikely. The focus on oil, gas, and nuclear power also represents a significant shift from the focus on the development of renewable energy sources and technologies, and on conservation that is popular in Europe and has dominated the energy dialogue for so many years. Nuclear issues, in particular, remain sensitive in Europe and Japan. It is, therefore, unlikely the entire Russian energy agenda will be adopted at St Petersburg. It would be significant, however, if Russian efforts to shift the focus of the energy dialogue and its dynamic continued to generate rhetorical and political consideration in the months that follow the summit.

Objective 2: Health and Disease

Russia has made the theme of infectious diseases one of the top three priorities for this summit. This choice represents yet another step forward the history of global health governance for the G8. New Infectious diseases, caused by viruses, bacteria, parasites, fungi, and microbes, are constantly emerging — the WHO has recognized 30 new diseases in the past 20 years. Moreover, old diseases such as polio, which were considered eradicated, are making a comeback. Not only are infectious diseases a serious impediment to global development, they also pose a direct threat to each of the G8 countries as demonstrated by the spread of HIV/AIDS to the Western world, and the danger of a potential pandemic through Eurasia. Moreover, the issue of infectious disease is of particular concern for Russia, as it is the country with the highest prevalence of HIV/AIDS in the G8.

An estimated 860 000 people were living with HIV in Russia in 2003.¹⁵⁷ Since the fall of the Soviet Union Russia has had to grapple with a host of social problems, and accompanying health problems, previously unknown in the country. For example, intravenous drug usage rates have surged, resulting in increased rates of HIV/AIDS.

¹⁵⁵ G8 St Petersburg Russia 2006, Energy Security: The Problem, (Moscow), 5 June 2006. Date of Access: 13 June 2006. <http://en.g8russia.ru/agenda/nrgsafety/>

¹⁵⁶ G8 St Petersburg Russia 2006, Energy Security: The Problem, (Moscow), 5 June 2006. Date of Access: 13 June 2006. <http://en.g8russia.ru/agenda/nrgsafety/>

¹⁵⁷ UNAIDS World Health Organization, AIDS epidemic update: December 2005, (New York). Date of access: 14 June 2006. www.unaids.org/epi/2005/doc/EPIupdate2005_html_en/epi05_07_en.htm.

Russia's young people and those within the prison system have been most affected by the epidemic.¹⁵⁸ Additionally, life expectancy rates have dropped, while infant mortality rates and pregnancy related deaths have risen in the region compared to rates in Western countries. Rates of Sexually Transmitted Infections (STIs) have also increased dramatically — occurrence of syphilis increased between 45 and 165 times during the 1990s.¹⁵⁹ Rates of tuberculosis increased by 70% from 1990 to 1995, and instances of polio have been on the rise.¹⁶⁰ While measles rates have been decreasing as a result of immunization, rubella rates remain high.¹⁶¹ In addition, in March 2006 the Russian Foreign Ministry warned of the potential spread of H5N1 flu virus, with over 1.3 million birds already dead as a result of the virus.¹⁶²

It is clear that the Russian Federation has a pressing and significant interest in devoting attention to controlling and eradicating the spread of infectious diseases. Chief Russian Epidemiologist Gennady Onishchenko made it clear in January 2006 that controlling the spread of avian flu will be a top priority of the St. Petersburg health agenda.¹⁶³ According to Mikhail Zurabov, Minister of Russian Health and Social Development, Russia has developed a plan to create a vaccine for the influenza virus. At the summit, Russia will discuss an early alert system for outbreaks¹⁶⁴, and initiate a G8 Trust Fund to fight avian flu with a contribution of US\$1 million.¹⁶⁵ According to Foreign Minister Lavrov, the “strengthening of a global information and analytical network” should become the focal point of G8 efforts on this front.¹⁶⁶ Avian flu, malaria and poliomyelitis were mentioned specifically by Minister Lavrov.

President Putin also intends to build on the 2005 Gleneagles summit by focusing on the most pressing diseases of AIDS, tuberculosis, and malaria. Russian attention, however, will be focused directly on the former Soviet states rather than exclusively on Africa.¹⁶⁷ The Russian presidency will endeavor to go beyond simple assessments, to developing and implementing real solutions. On 1 March 2006, Mr. Putin expressed his hope that

¹⁵⁸ UNAIDS World Health Organization, AIDS epidemic update: December 2005, (New York). Date of access: 14 June 2006. www.unaids.org/epi/2005/doc/EPIupdate2005_html_en/epi05_07_en.htm.

¹⁵⁹ European Population Forum 2004, Morbidity, mortality and reproductive health: Facing challenges in transition countries - Leskaj Valentina. Date of access: 15 June 2006. www.unece.org/pau/epf/present/ts3/leskaj.pdf

¹⁶⁰ Centre for Disease Control and Prevention, Emerging Infectious Diseases in Russia: 1990-1999 - Sergey Netesov, (Atlanta). Date of access: 16 June 2006. www.cdc.gov/ncidod/eid/vol7no1/netesov.htm.

¹⁶¹ Centre for Disease Control and Prevention, Emerging Infectious Diseases in Russia: 1990-1999 - Sergey Netesov, (Atlanta). Date of access: 16 June 2006. www.cdc.gov/ncidod/eid/vol7no1/netesov.htm.

¹⁶² RIA Novosti, Apr 3

¹⁶³ RIA Novosty, Russian gov't to adopt bird flu resolution “within days” – PM. 27 January 2006.

¹⁶⁴ Kyodo News, Ko Hirando, G8 Tackles Bird Flu, Deforestation, Education Issues in 2006, (Kyodo), 4 January 2006.

¹⁶⁵ RIA Novosty, Russia to allocate \$46 million to fight bird flu – minister. 2 February 2006.

¹⁶⁶ Itar-Tass World Service, Tamara Frolkina and Irina Shatalova, Russia to offer plan of actions for bird flu fight, 3 February 2006.

¹⁶⁷ Politicom Moldova, Russian Federation assumes G8 Presidency in 2006, 3 January 2006.

progress will be made “not just in examining this issue but also in resolving the problems that we face in our fight against infectious diseases.”¹⁶⁸

Russia faces will face a number of obstacles to succeeding with its infectious disease agenda at St Petersburg. Russia’s questionable state of democratic transparency, which is necessary for a strong global information system, will likely prove to be an obstacle to the construction of a comprehensive system of the type proposed by Minister Lavrov. Furthermore, even domestic public measures for main viral diseases are inadequate: “Availability of medical statistics in hospitals and regional sanitary epidemiologic surveillance centers is still limited by shortage of personal computers, incompatible software, and slow communications, which affect the speed, reliability, and validity of data.”¹⁶⁹ There are still good reasons to remain optimistic. In his analysis, Professor John Kirton notes that over the past 20 years, “the G8 has emerged through several stages as an expansive, effective, high-performing centre of global health governance.”¹⁷⁰ Nevertheless, the current scepticism displayed by Russia’s G8 partners towards its presidency may hinder the effectiveness of summit discussions on the infectious diseases agenda.

Objective 3: Education

Education is the third Russian priority for the 2006 summit. Although education in Africa and the developing world has received a great deal of G8 attention in recent years, the Russian presidency will attempt to focus on global educational issues from a perspective new to the G8.¹⁷¹ In today’s dynamic information society, continued economic growth and social development hinge upon ever increasing levels of education, as well as the ability to share expertise and access information worldwide. The issue of discrepancy in educational standards and access to knowledge and institutions in the developing world is, therefore, one of great concern in a globalised environment. During the Soviet era vocational training was reserved for military and space agencies, lagging behind the West in all other aspects. Moreover, comprehensive vocational training and business training was only introduced in the 1990s.¹⁷² Yet education in the post-Soviet era has gone through enormous transformation across all levels, but more so at the post-secondary level.¹⁷³ President Putin has also linked education to conflict, pointing to poor education

¹⁶⁸ G8 Research Group, Press Conference with Vladimir Putin, (Toronto), 1 March 2006. Date of Access: 21 June 2006. www.g8.utoronto.ca/whatsnew/putin-int060301.html

¹⁶⁹ Lyle Conrad and Sergey Netesov. Emerging Infectious Disease in Russia, 1990-1999 www.cdc.gov/ncidod/eid/vol7no1/netesov.htm

¹⁷⁰ G8 Research Group, John Kirton. The G8 and Global Health Governance: the case for a 2006 Eurasian HIV/AIDS Initiative, (Toronto). Date of Access: 21 June 2006. www.g8.utoronto.ca/scholar/kirton2006/kirton_health_060609.pdf

¹⁷¹ G8 Research Group, John Kirton and Laura Sunderland, Russia’s 2006 G8: Combining Continuity and Innovation for Summit success, (Toronto). Date of access: 10 June 2006. www.g8.utoronto.ca/scholar/kirton2006/kirton_060512.html

¹⁷² G8 Research Group, John Kirton and Laura Sunderland, Russia’s 2006 G8: Combining Continuity and Innovation for Summit success, (Toronto). Date of access: 10 June 2006. www.g8.utoronto.ca/scholar/kirton2006/kirton_060512.html

¹⁷³ Library of Congress Country Studies, Russia Higher Education. Date of access: 12 June 2006. <http://lcweb2.loc.gov/cgi-bin/query>.

as a primary cause of the proliferation of extremist organizations, xenophobia, terrorism, and inter-ethnic and inter-religious conflicts.¹⁷⁴

Mr Putin is looking to “formulate a wider and more systematic approach to education in both developing countries and the world at large.”¹⁷⁵ This includes attention to technical and vocational training that would link educational institutions to the labour market. The Russian presidency stresses that the weakness of the link between educational institutions and the labour market is a serious problem. A growing economy requires highly specialised knowledge to foster further growth and attract investors. The focus will be on ensuring that educational standards meet the requirements of the modern economy. In the context of the developed world, Russia intends to foster a common space for higher education. This involves a system for assessing international competence at the international level.¹⁷⁶ Attention will also be given to increasing academic exchanges between industrial nations, and fostering closer cooperation among the universities.

The Russian focus for the developing world will be to create mechanisms that assess the quality of education, in order to reduce the educational gap. Russia intends to build on the Education for All (EFA) framework of 2000, which has the aim of achieving universal primary education by 2015.¹⁷⁷ Emphasis will be placed on improving the basic level of education. In order to better cope with growing levels of migration and globalization, Russia wishes to discuss “measures of social, cultural, and professional adaptation of migrants via education.”¹⁷⁸

The likelihood of moving ahead on educational matters is good. In the past the G8 has made various specific public commitments to education, with an annual average compliance score of medium to high.¹⁷⁹ The creation of a common educational space and the integration of immigrants may be difficult due to varying levels of multiculturalism and acceptance across the G8; from high levels of multiculturalism in Canada to its minimal presence in Japan.¹⁸⁰ Nevertheless, education is an area where Russia may take an innovative lead due to its effective system of primary education, and experience with universal post-secondary education that occurred during the Soviet era.

¹⁷⁴ G8 Research Group, Press Conference with Vladimir Putin, (Toronto), 1 March 2006. Date of Access: 21 June 2006. www.g8.utoronto.ca/whatsnew/putin-int060301.html

¹⁷⁵ G8 St Petersburg Russia 2006, The Upcoming G8 Summit in St. Petersburg: Challenges, Opportunities, and Responsibility. Date of access: 13 June 2006. www.g7.utoronto.ca/evaluations/2006stpetersburg/2006agenda.html#education.

¹⁷⁶ Official Website of the G8 presidency of the Russian Federation in 2006, Education: Russia’s Position and Role. Date of access: 14 June 2006. <http://en.g8russia.ru/agenda/education/russianrole>.

¹⁷⁷ Official Website of the G8 presidency of the Russian Federation in 2006, Education: Russia’s Position and Role. Date of access: 14 June 2006. <http://en.g8russia.ru/agenda/education/russianrole>.

¹⁷⁸ Official Website of the G8 presidency of the Russian Federation in 2006, Education: Russia’s Position and Role. Date of access: 14 June 2006. <http://en.g8russia.ru/agenda/education/russianrole>.

¹⁷⁹ G8 Research Group, John Kirton and Laura Sunderland, The G8 and Global Education Governance. Date of Access: 14 June 2006. www.g8.utoronto.ca/scholar/kirton2006/kirton_education_060530.pdf

¹⁸⁰ G8 Research Group, John Kirton and Laura Sunderland, Russia's 2006 G8: Combining Continuity and Innovation for Summit Success. Date of access: 20 June 2006. www.g8.utoronto.ca/scholar/kirton2006/kirton_060512.html.

Objective 4: World Trade Organization Accession

For Russia achieving summit success requires more than simply moving ahead with the agenda. The Russians view the G8 Presidency as a gateway to acceptance into the WTO and G8 Finance Ministerial. Russia has been working on accession into the WTO since 1993¹⁸¹. Progress was made with Australia when a bilateral agreement was reached on WTO entry 6 June 2006.¹⁸² The United States is the only country preventing Russia's membership, but Putin hopes to reach an agreement before the start of the summit on July 15.¹⁸³

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¹⁸¹ Accession, Russia Federation. Date of Access: 12 June, 2006.
http://www.wto.org/english/thewto_e/acc_e/a1_russie_e.htm.

¹⁸² Russia and Australia Agree on WTO entry, Novecon, 7 June, 2006.

¹⁸³ Kremlin gives upbeat Forecast on Putin-Bush talks, Agence France Presse, 9 June, 2006. Date of Access: 12 June, 2006.

United Kingdom

Political Data

Prime Minister	Tony BLAIR
Deputy Prime Minister	John PRESCOTT
Chancellor of the Exchequer	Gordon BROWN
Chief Secretary to the Treasury	Stephen TIMMS
Minister of Foreign and Commonwealth Affairs	Margaret BECKETT
Minister of Defence	Des BROWNE
Minister of International Development	Hilary BENN
Minister of Trade and Industry	Alistair DARLING
Central Bank Governor	Mervyn KING

Government Structure

Bicameral Legislature

House of Commons, lower chamber, has 659 members who are directly elected on a first-past-the-post basis

House of Lords (Upper Chamber) consists of 92 members

Cabinet headed by Prime Minister

Present Labour government re-elected to third term in May 2005. Next general election due by May 2009.

Economic Data

GDP (PPP, 2002)	\$1,595 billion
GDP per head (PPP, 2003)	\$27 490
GDP % real change (2003)	2.3%
Recorded unemployment (2003)	9.54%
Exchange rate (Pound per \$, 6 June 2004)	0.5439
Foreign Aid (ODA, 2002)	\$4, 924 million
Export Value (2002)	\$279.3 billion
Import Value (2002)	\$332.4 billion

Main Exports (2002): finished manufactures (54.7%); semi-manufactures (25.1%); oil and other fuels (7.4%).

Main Imports (2002): finished manufactures (55.8%); semi-manufactures (22.2%); food, beverage and tobacco (8.1%).

Major Trading Partners:

Exports (2002): U.S. (15.2%); Germany (12.5%); France (10.2%); Netherlands (7.7%).

Imports (2002): U.S. (13.3%); Germany (12.7); France (8,5%); Netherlands (6.7%).

Summit Objectives

Objective 1: Global Health

A primary focus of the United Kingdom at the St. Petersburg Summit will be working with the Russian Federation on the promotion of global health.¹⁸⁴ Expect Prime Minister Tony Blair to push for the use of financial mechanisms to focus especially on preventable diseases. As indicated by the UK's Chancellor of the Exchequer, Gordon Brown, the UK also wants to focus on immunization, as well as investment.¹⁸⁵ The goal would be to address both malaria and tuberculosis, in addition to HIV/AIDS, through immediate monetary investments and medical research.¹⁸⁶

At the December 2005 meeting of the G8 Finance Ministers, the G8 countries agreed to work with others to develop a pilot Advance Market Commitment in 2006 to develop new technologies for tackling infectious diseases.¹⁸⁷

On January 27, 2006, Gordon Brown, along with Nigerian President Olusegun Obasanjo and Bill Gates launched the Global Plan to stop TB.¹⁸⁸ Chancellor Brown called for the G8 to support the plan, which calls for an infusion of \$56 billion to help halve TB deaths by 2015.¹⁸⁹

Coming out of the UN High Level meeting on HIV and AIDS (May 31-June 2, 2006), which reaffirmed the commitment to the 2001 Declaration on HIV/AIDS, at St. Petersburg, expect the UK to be looking to bring to fruition a process through which developed countries move to fund or assist developing countries with research, development, as well as the large-scale production of vaccines and treatments.¹⁹⁰

Objective 2: Energy Security

The UK recognises the importance of Energy Security at this year's Summit, however, its efforts will likely focus on urging its G8 partners not to lose sight of climate change. The

¹⁸⁴ Statements by Chancellor of the Exchequer Gordon Brown, Our final goal must be to offer a global new deal, Guardian Newspapers Limited 2006 (United Kingdom), January 11, 2006. Accessed: June 23, 2006. <http://www.guardian.co.uk/comment/story/0,,1683463,00.html>

¹⁸⁵ Statements by Chancellor of the Exchequer Gordon Brown, Our final goal must be to offer a global new deal, Guardian Newspapers Limited 2006 (United Kingdom), January 11, 2006. Accessed: June 23, 2006. <http://www.guardian.co.uk/comment/story/0,,1683463,00.html>

¹⁸⁶ Statements by Chancellor of the Exchequer Gordon Brown, Our final goal must be to offer a global new deal, Guardian Newspapers Limited 2006 (United Kingdom), January 11, 2006. Accessed: June 23, 2006. <http://www.guardian.co.uk/comment/story/0,,1683463,00.html>

¹⁸⁷ Gleneagles Implementation Plan for Africa - June 2006 update, UK Department for International Development, Accessed: June 23, 2006. <http://www.dfid.gov.uk/g8/milestones.asp>

¹⁸⁸ Tim Weber, Gates gives \$600m more to stop TB, January 27, 2006, BBC News Service, Accessed: June 23, 2006. <http://news.bbc.co.uk/1/hi/business/4653338.stm>

¹⁸⁹ Tim Weber, Gates gives \$600m more to stop TB, January 27, 2006, BBC News Service, Accessed: June 23, 2006. <http://news.bbc.co.uk/1/hi/business/4653338.stm>

¹⁹⁰ Gleneagles Implementation Plan for Africa - June 2006 update, UK Department for International Development, Accessed: June 23, 2006. <http://www.dfid.gov.uk/g8/milestones.asp>

UK's goal at St. Petersburg will, therefore, be to work solutions that address climate into any communiqués or working papers produced on Energy Security. In addition to stressing the strategic aspect of sustainability, possible routes of action include: promoting an increase in research and development for clean energy and conservation, offering incentives for business to adopt energy friendly programs, as well as looking at carbon emissions. According to Chancellor Brown, the UK will also be looking to propose the creation of a new \$20 billion World Bank loan and grant fund designed to foster development of alternative energy sources and energy efficiency.¹⁹¹

Objective 3: Development and International Finance

Another key priority for the UK at St. Petersburg is development and international finance. This need not be limited to Official Development Assistance, however. Instead, it also includes an upgraded capacity to provide emergency and disaster relief, expand the Multilateral Debt Relief Initiative, and to support the Innovative Financing Mechanisms. Each of these goals for the UK at this year's summit have been building since Gleneagles.¹⁹²

In January, the Multilateral Debt Relief Initiative cancelled 100% of debt for nineteen countries. In St. Petersburg, the UK would like to increase this beyond the 20 (plus Mauritania, provided the requisite remedial actions are taken) eligible countries still needing to complete the Heavily Indebted Poor Countries process to all the world's poorest countries.¹⁹³

In February, the UK participated in the Ministerial Conference on Innovative Financing Mechanisms. Along with France, the UK are establishing a working group to promote the implementation of the International Finance Facility (IFF), which is designed to examine the airline ticket tax and other forms of innovative financing. The participants agreed to report back in advance of the IMF/World Bank meetings in September. Although it maybe overshadowed by the HIPC process expect the UK to nonetheless table this issue at St. Petersburg.¹⁹⁴

Another issue relating to both finance and development that will be pressed by the UK at this year's Summit is disaster relief. Building on the upgraded UN Central Emergency

¹⁹¹ Statements by Chancellor of the Exchequer Gordon Brown, UK Treasury Secretary Gordon Brown Tells United Nations Ambassadors: The World Must Match Economic Growth and Justice with Environmental Care (United Kingdom). Accessed: June 23, 2006.

http://www.britainusa.com/sections/articles_show_nt1.asp?d=0&i=41020&L1=&L2=&a=41716

¹⁹² Statements by Chancellor of the Exchequer Gordon Brown, Our final goal must be to offer a global new deal, Guardian Newspapers Limited 2006 (United Kingdom), January 11, 2006. Accessed: June 23, 2006. <http://www.guardian.co.uk/comment/story/0,,1683463,00.html>

¹⁹³ Statements by Chancellor of the Exchequer Gordon Brown, Our final goal must be to offer a global new deal, Guardian Newspapers Limited 2006 (United Kingdom), January 11, 2006. Accessed: June 23, 2006. <http://www.guardian.co.uk/comment/story/0,,1683463,00.html>

¹⁹⁴ Gleneagles Implementation Plan for Africa - June 2006 update, UK Department for International Development, Accessed: June 23, 2006. <http://www.dfid.gov.uk/g8/milestones.as>

Response Fund (CERF) assembled on December 15, 2005, expect the UK to propose a new \$4bn-5 billion on-call facility for disaster relief and reconstruction at St. Petersburg.¹⁹⁵

Objective 4: Education

Education is another priority for the UK at this year's Summit. In April 2006, the UK committed £8.5 billion to developing countries to help finance ten year education plans. This was in addition to the £100 million the UK committed as part of the Education Fast Track Initiative. This builds on their commitments at the African-Union (AU) Ministerial on Education in Africa, which agreed on a new Decade for Education, and the plans outlined at the AU Summit, for the Second Decade for Education (2006-2015).¹⁹⁶

The emphasis of these programs include the importance of education information management systems, education in science and technology, higher education, education for vulnerable and disabled children, as well as quality education for females. Expect the UK to push for broad based agreement on these issues at this year's summit, in addition to a drive to reenergize and build on the G8 countries commitment to the Millenium Develop Goals of providing every child with education by 2015 — specifically universal free education.

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¹⁹⁵ Statements by Chancellor of the Exchequer Gordon Brown, Our final goal must be to offer a global new deal, Guardian Newspapers Limited 2006 (United Kingdom), January 11, 2006. Accessed: June 23 , 2006. <http://www.guardian.co.uk/comment/story/0,,1683463,00.html>

¹⁹⁶ Gleneagles Implementation Plan for Africa - June 2006 update, UK Department for International Development, Accessed: June 23, 2006. <http://www.dfid.gov.uk/g8/milestones.as>

United States

Political Data

Head of State, President	George W. BUSH
Vice-President	Dick CHENEY
Secretary of State	Condoleezza RICE
Secretary of Defence	Donald RUMSFELD
Secretary of Homeland Security	Michael CHERTOFF
Secretary of the Treasury	John SNOW
Secretary of Justice	Alberto GONZALES
US Trade Representative	Susan SCHWAB
Chairman of the Federal Reserve	Ben BERNANKE

Government Structure

Federal legislature

Bicameral; Senate, 100 seats, members are elected on a plurality system for six year terms; House of Representatives, 435 members elected pm a plurality basis for a two-year term.

Elections: Next presidential elections on 4 November 2008

Economic Data

GDP (PPP, 2005)	\$12.36 trillion
GDP per head (PPP, 2005)	\$41, 800
GDP % real growth rate (2005)	3.5%
Recorded unemployment (2005)	5.1%
Exchange rate (per \$, 6 June 2004)	1
Export Value (2005)	\$927.5 billion
Import Value (2005)	\$1.727 trillion

Main Exports (2003): Agricultural products (soybeans, fruit, corn) 9.2%, industrial supplies (organic chemicals) 26.8%, capital goods (transistors, aircraft, motor vehicle parts, computers, telecommunications equipment) 49.0%, consumer goods (automobiles, medicines) 15.0%.

Main Imports (2003): agricultural products 4.9%, industrial supplies 32.9% (crude oil 8.2%), capital goods 30.4% (computers, telecommunications equipment, motor vehicle parts, office machines, electric power machinery), consumer goods 31.8% (automobiles, clothing, medicines, furniture, toys).

Major Trading Partners:

Exports (2004): Canada 23%, Mexico 13.6%, Japan 6.7%, UK 4.4%, China 4.3%.

Imports (2004): Canada 17%, China 13.8%, Mexico 10.3%, Japan 8.7%, Germany 5.2%.

Summit Objectives

Energy security, nuclear non-proliferation, terrorism and Iraq will be prevalent issues for the Government of the United States at the forthcoming G8 Summit in St. Petersburg. These issues are of great significance to American national interest as it has augmented the vulnerability of the United States in the international system. Accordingly, President George W. Bush will push for resolutions that seek to enhance his country's security. The following is a discussion of the specificities of the issues along with the Bush Administration's course of action with respect to the issues of energy security, nuclear non-proliferation (as they relate to Iran and North Korea), terrorism and Iraq.

Objective 1: Energy Security

"Energy issues are at the forefront of things in the United States these days," declared U.S. Energy Secretary, Samuel Bodman, on 16 June 2006.¹⁹⁷ The risks that high oil prices pose for a global economy have placed the issue of energy security as a top priority on the 2006 St. Petersburg agenda. Under this stated theme, the United States will likely advance three proposals in St. Petersburg: (1) research and development of alternative and renewable energy sources; (2) expansion of nuclear energy sector; (3) protection of the world's energy infrastructure.

As a nation that spends more than half a billion dollars a day on imported oil, the United States is eager to invest in energy diversification to include more alternative and renewable sources as the price of oil continues to rise, and countries such as China and India consume more energy. We should expect President Bush to ask for a greater investment in research and development of alternative and renewable energy sources, whether monetary or otherwise. Since 2001, the Bush Administration has spent nearly \$10 billion to develop cleaner, cheaper, and more reliable alternative energy sources.¹⁹⁸ This was the cornerstone of President Bush's most recent State of the Union Address (February 2006), where he laid out an ambitious program—the Advanced Energy Initiative—to expand research and development into alternative sources of energy.¹⁹⁹ The developments of alternative and renewable energy sources have been consistent topics at the past two G8 Summits, in Sea Island (2004) and Gleneagles (2005), but it will undoubtedly be accorded greater significance at the 2006 St. Petersburg Summit.

Specifically, President Bush may encourage the G8 to expand the nuclear energy sector, as an alternative energy source. Observers can expect the U.S. to push for further investment in clean, safe nuclear energy to move beyond a petroleum-based economy. This interest parallels the Bush Administration's new Global Nuclear Energy Partnership (GNEP), which is intended to address spent nuclear fuel, eliminate proliferation risks,

¹⁹⁷Samuel Bodman, U.S.-India Conference, US Department of Energy, (Washington), 16 June 2006. Date of Access: June 21, 2006. <http://www.energy.gov/news/3748.htm>.

¹⁹⁸Advanced Energy Initiative, White House, (Washington), 20 February 2006. Date of Access: June 19, 2006. <http://www.whitehouse.gov/statesoftheunion/2006/energy/print/index.html>.

¹⁹⁹Advanced Energy Initiative, White House, (Washington), 20 February 2006. Date of Access: June 19, 2006. <http://www.whitehouse.gov/statesoftheunion/2006/energy/print/index.html>.

and expand the promise of clean, reliable and affordable nuclear energy.²⁰⁰ The President's 2007 Budget contains \$250 million for the GNEP.²⁰¹ The U.S. will most likely look to France, the UK, Japan and Russia for support, as those nations have advanced civilian nuclear energy programs. Moreover, this objective follows President Bush's Gleneagles commitment regarding climate change, which articulates that the U.S. would help bring cleaner, more efficient energy sources and sustainable energy security to the world.

It has been reiterated that transparent and predictable national energy policies will facilitate the development of energy markets²⁰² and will further enhance global energy security. Free markets are therefore essential to the functioning of the global energy system — regular exchange of comprehensive, transparent and current information among all market actors will ensure effective and efficient market functioning. Given America's vulnerability in the field of energy, President Bush will push for greater transparency in the energy market at the impending St. Petersburg Summit.

Lastly, enhancing the physical security of the world's energy infrastructure has been a priority of the U.S. government, and was recently the subject of considerable discussion at the International Energy Forum meeting in Qatar in April 2006. Bodman articulated in Doha that one of the key factors currently supporting higher world prices is the market's fear of a supply disruption and therefore an expansion of the global oil and gas infrastructure at all levels is essential.²⁰³ As the world has observed in the past year, natural events such as the hurricanes that have plagued the United States, have severe impacts on markets and prices around the globe.²⁰⁴ These reasons, combined with the possibility of terrorist attacks against key facilities and elements of energy infrastructure such as nuclear power-plants, enhancing the physical security of energy infrastructures, and working to mitigate the effects of supply disruptions, such as establishing emergency reserves, will satisfy the American national interest as it will keep energy markets well-supplied and stable into the future.

Energy security is an issue that is of immense concern to the G8 nations. The world will likely witness cooperation amongst the G8 leaders with respect to the above-mentioned American objectives.

²⁰⁰ Advanced Energy Initiative, White House, (Washington), 20 February 2006. Date of Access: June 19, 2006. <http://www.whitehouse.gov/statesoftheunion/2006/energy/print/index.html>.

²⁰¹ Advanced Energy Initiative, White House, (Washington), 20 February 2006. Date of Access: June 19, 2006. <http://www.whitehouse.gov/statesoftheunion/2006/energy/print/index.html>.

²⁰² Samuel Bodman, United States Wants Belarus Put on G8 Agenda, St. Petersburg Times, (St. Petersburg), 21 April, 2006, Date of Access: 21 June 2006. http://www.sptimes.ru/index.php?action_id=2&story_id=17398.

²⁰³ Samuel Bodman, International Energy Forum Ministerial, US Department of Energy, (Doha), 24 April 2006. Date of Access: 21 June 2006. <http://www.energy.gov/news/3519>.

²⁰⁴ US and South Korea Sign Agreement on FuturGen Project, US Department of Energy, (Washington), 26 June 2006. Date of Access: 26 June 2006. <http://www.energy.gov/news/3778.htm>.

Objective 2: Nuclear Non-Proliferation

Iran poses an immense challenge for the United States. The government of the United States has long been concerned with the Iranian government's pursuit of weapons of mass destruction, long-range delivery systems, and its sponsorship of terrorism. The recent statements by the Iranian regime, calling for Israel to be "wiped off the face of the earth", poses a further challenge to American national interests. At the forthcoming St. Petersburg Summit, President Bush will seek a diplomatic solution to the Iranian nuclear issue, which is a concern within the international community as exemplified by the resolutions of the IAEA Board of Governors and the Presidential Statement of the UN Security Council.

On 1 June 2006, the United States, China, Russia, Great Britain, France and Germany agreed on incentives to be given to Iran in exchange for a guarantee to abandon Iranian uranium enrichment. Due to the threat that Iran poses to the American national interest in the Middle East, Bush will certainly push to implement strategies to put an end to the uranium rich activities that will give Iran the capability to develop nuclear weapons. An international ban on the import of Iranian oil is not likely, as it is unrealistic to expect oil importers to stop importing Iranian oil in a high priced oil market. The U.S. government will likely focus on denying Iran loans, foreign investment and favorable trade deals. While the EU 3 (The United Kingdom, France, and Germany) might be more cooperative with the U.S. government, Russia might upset a united front at the forthcoming summit on issues related to Iran. By virtue of its geography and power, Russia has great influence in Iran and therefore its cooperation is essential to fulfilling this American objective. Yet, Russia's economic, military and energy ties to Iran may weaken any effective resolution to impose sanctions by the Group of Eight.

The North Korean regime poses a serious nuclear proliferation challenge which makes it a critical issue that the U.S. will put on the agenda at the forthcoming G8 Summit. The U.S. government will seek to curb North Korea's nuclear weapons ambitions after heightened alerts that Pyongyang would release missiles.²⁰⁵

Experts say that North Korea is developing long-range missiles to have the capability one day to deliver a nuclear bomb. President George W. Bush and Japanese Prime Minister Junichiro Koizumi are expected to propose a statement for a declaration that requires Pyongyang to halt North Korea's missile launches and press for the prevention of the spread of nuclear arms and missiles. Such a statement will likely be included in the Chair's Summary at the St. Petersburg Summit. It is expected that Russia will oppose any effort by the United States and Japan to apply economic sanctions due to its own national interests in the area.

²⁰⁵ Oliver Bullough, Russia and China Pursue North Korea Over Missiles. 22 June 2006. Date of Access: June 23, 2006.
http://www.boston.com/news/world/asia/articles/2006/06/22/north_korea_missile_tensions_spook_markets

Iraq remains a key issue at the international level and will be brought to the table by the United States. On June 29, 2006, Iraq marked two years of sovereignty but with increasing violence and internal strife—Iraq poses a threat to peace and stability in the broader Middle East region. The recent kidnappings and deaths of four Russian diplomats in Iraq are expected to create tension between the United States and Russia on the Iraq conflict.²⁰⁶

At the 2005 Gleneagles Summit, leaders addressed terrorism in Iraq, debt relief, and stability within the region. In recent months, US President George W. Bush has continued to pledge economic, security and development support to Iraq in order to help Iraqi Prime Minister Nouri al-Maliki “secure Baghdad”.²⁰⁷ It is expected that he will persuade the G8 leaders to follow suit and encourage them to ensure the commitments made at the Paris Club meeting from 17- 21 November 2004 to reduce Iraq’s debt by 80% of the US\$40 billion owed to G8 countries is followed through.²⁰⁸ In a press release dated 25 May 2006, President Bush and Prime Minister Tony Blair of the United Kingdom reaffirmed their support for building a stable Iraq.²⁰⁹

With the UK being a key ally in the war in Iraq, it is expected that it will support US proposals on the issue at St. Petersburg. Despite being a concern within the international community, Iraq is not one of the three key themes selected by President Putin and is not a priority for many G8 member states. However, stability in Iraq is critical for the security of the United States in the bottom middle- east. Thus, President Bush will likely bring Iraq forward as a priority issue to be discussed at the Summit.

Objective 3: Terrorism

International terrorism threatens the United States, its allies and interests.²¹⁰ For the U.S. Government, the war on terror is intractably linked to the promotion of freedom as an alternative to tyranny. In light of the victory by Hamas candidates in the recent elections in the Palestinian territories and the belief held by the US government that “Iran should be democratic and pluralistic,”²¹¹ the American delegation at St. Petersburg will place a great emphasis on sowing further seeds of democracies to combat terrorism. However, Russia’s lack of commitment to democratic ideals may interfere in founding

²⁰⁶ Russian Diplomats Executed, Kommersant, 22 June 2006. Date of Access: June 26, 2006. <http://www.kommersant.com/page.asp?id=684338>.

²⁰⁷ Bush Pledges Security, Economic, Diplomatic Support to Iraq, US Department of State (Washington), 17 June 2006. Date of Access: 6 July 2006. <http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2006&m=June&x=20060617101500esnamfuak2.389163e-02>.

²⁰⁸ Debt Relief: Iraq, G8 Research Group Gleneagles Final Compliance Report. 12 June 2006. Date of Access: 8 July 2006. http://www.g8.utoronto.ca/evaluations/2005compliance_final/2005-14-g8-f-comp_iraq.pdf.

²⁰⁹ President Bush and Prime Minister Tony Blair of the United Kingdom Participate in Joint Press Availability (White House), 25 May 2005. Date of Access: 9 July 2006. <http://www.whitehouse.gov/news/releases/2006/05/20060525-12.html>.

²¹⁰ Counterterrorism, US Department of State, 2006. Date of Access: 14 July 2006. [http://www.state.gov/s/ct/.](http://www.state.gov/s/ct/)

²¹¹ R. Nicholas Burns- Under Secretary for Political Affairs, United States Policy Toward Iran, 19 May 2005. Date of Access: 17 June 2006. <http://www.state.gov/p/us/rm/2005/46528.htm>.

commitments to spread democracy. Under Russian President Vladimir Putin's governance, the government of the United States has been concerned about the lack of democratic practices in Russia, as there has been a rollback of democratic institutions. Moreover, Russia's attempts to undermine the Ukrainian elections called into question the relationship between the United States and Russia. It is doubtful as to whether President Bush's push to further spread democracy will receive a favorable response from Putin. The U.S. government will most likely receive rhetorical support for the effective democracy that they will seek to push on the G8 agenda in St. Petersburg.

Energy security, nuclear non-proliferation, Iraq and terrorism are four timely and significant issues for the United States. In today's very interdependent world, these issues affect nearly all G8 countries. The Russian Federation has identified energy security as one of its three priorities to be discussed at the Summit. The United States is likely to advance three proposals in this area: (1) research and development of alternative and renewable energy sources; (2) expansion of nuclear energy sector; (3) protection of the world's energy infrastructure. Iran's uranium enrichment activities are a priority on the world stage, especially for the United States while North Korea's potential missile launch poses a threat to security in East Asia. Iraq's increasing violence continues to create instability within the Middle East region. All of these issues, projected to be addressed by the United States will headline its agenda at the St. Petersburg G8 Summit.

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European Union

Political Data

Portfolio(s)	Commissioner	Member state
President	José Manuel Durão BARROSO	Portugal
First Vice-President, Institutional Relations & Communication Strategy	Margot WALLSTRÖM	Sweden
Economic & Financial Affairs	Joaquín ALMUNIA	Spain
Vice-President, Enterprise & Industry	Günter VERHEUGEN	Germany
Vice-President, Justice, Freedom & Security	Franco FRATTINI	Italy
Vice-President, Transport	Jacques BARROT	France
Vice-President, Administrative Affairs, Audit & Anti-Fraud	Siim KALLAS	Estonia
Internal Market & Services	Charlie McCREEVY	Ireland
Agriculture & Rural Development	Mariann Fischer BOEL	Denmark
Competition	Neelie KROES	Netherlands
Trade	Peter MANDELSON	United Kingdom
Fisheries & Maritime Affairs	Joe BORG	Malta
Environment	Stavros DIMAS	Greece
Health & Consumer Protection	Markos KYPRIANOU	Cyprus
Development & Humanitarian Aid	Louis MICHEL	Belgium
Enlargement	Olli REHN	Finland
Employment, Social Affairs & Equal Opportunities	Vladimír ŠPIDLA	Czech Republic
Taxation & Customs Union	László KOVÁCS	Hungary
Financial Programming & the Budget	Dalia GRYBAUSKAITĖ	Lithuania
External Relations & European Neighbourhood Policy	Benita FERRERO-WALDNER	Austria
Education, Training, Culture & Multilingualism	Ján FIGEL	Slovakia
Regional Policy	Danuta HÜBNER	Poland
Energy	Andris PIEBALGS	Latvia
Science & Research	Janez POTOČNIK	Slovenia
Information Society & Media	Viviane REDING	Luxembourg

* The Commission took office in 2004 and will serve its term until 2009²¹²

Member states: (25) Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

212 Member of the Barroso Commission, (Brussels), 22 November 2004. Date of Access: 20 June 2006
http://ec.europa.eu/commission_barroso/index_en.htm

*Bulgaria and Romania to join in 2007; talks with Croatia and Turkey are ongoing.

Population: 462 million (1 January 2006)²¹³

Land Area: 3,976,372 sq km²¹⁴

Economic Data:²¹⁵

GDP (nominal, USD billion)	12858
Real GDP Growth (%)	2.5
Per Capita GDP (USD)	28,000
Inflation (CPI) (accumulated)	2.1

Summit Objectives

Objective 1: Energy Market Liberalization

In the wake of fluctuating oil prices and increasing dependence on limited energy supplies, the EU is making efforts to formulate a collective energy policy with energy suppliers to secure long-term access to waning non-renewable reserves. As the main supplier of coal, oil, and natural gas to the EU, Russia's energy policy is paramount to that of the EU. The 1991 Energy Charter, which was signed by various EU member states as well as the Russian Federation, among others, to integrate energy sectors for trade, transit and investment,²¹⁶ has served to outline principles governing relations between the two regions' energy policies. Due to rising oil prices and increasing its stronghold over market supply, however, Russia's energy policy has contradicted many of the Energy Charter's principles, including energy market liberalization.

In an attempt to protect energy security and its budgetary interests, the Russian State Duma is planning to pass legislation to ensure that Gazprom gain the exclusive right to export Russian gas. Such action would strengthen Russia's bargaining position for the renegotiation of Partnership and Cooperation Agreement (PCA) and Russia's bid for the WTO, and influence the development of a common EU energy policy.²¹⁷

213 Migration Monitor behind EU Population Growth, Statistics Netherlands, (Amsterdam) 1 February 2006. Date of Access: 20 June 2006. <http://www.cbs.nl/en-GB/menu/themas/mens-maatschappij/bevolking/publicaties/artikelen/2006-1886-wm.htm>

214 EU: The CIA World Factbook, Central Intelligence Agency, (Washington), 6 June 2006. Date of Access: 20 June 2006. <http://www.cia.gov/cia/publications/factbook/geos/ee.html>

215 European Union Economic Overview, US State Department, (Washington), 12 January 2006. Date of access: 20 June 2006. <http://www.state.gov/p/eur/rls/fs/58969.htm>

216 The Energy Charter Treaty, Energy Charter Secretariat, (Brussels), Date of Access: 20 June 2006. <http://www.encharter.org/index.jsp>

217 Russia holds out on energy blueprint before G8, Reuters News, (Moscow) 21 June 2006. Date of Access: 20 June 2006. http://today.reuters.com/news/newsArticle.aspx?type=reutersEdge&storyID=2006-06-21T131348Z_01_L2143800_RTRUKOC_0_US-ENERGY-RUSSIA-G8.xml

Russia's continued attempts to retain control over oil exports through Gazprom and raise the price of oil has bolstered its political and economic position. At the EU-Russia summit in London on 4 October 2005, both parties created the Common Spaces program, which facilitates discussions in four areas; energy was a priority on the agenda.²¹⁸ This summit paved the groundwork for a dynamic round of negotiations, as the PCA agreement will expire on 30 November 2007. The renegotiations will center on energy as Russia, not having ratified the Energy Charter, does not endorse the EU's desire to increase transparency in the energy market.

In view of Russia's strong stance against the liberalization of the energy sector and in order to intensify the exploration of new oil and gas reserves in Siberia, the EU supports Russia's accession to the WTO. Negotiations, however, are stalled over the extent to which Russian-based companies would be able to invest in other WTO member states. Also disputes over surcharges for European flights flying over Russian airspace to Asia have continued to irritate negotiations. In lieu of strained tensions over access to energy, the EU is most likely to facilitate mutual cooperation, trade and investment between the two parties.

On 1 July 2006 Finland will assume the EU's rotating presidency and outline a new agenda for the EU. Nevertheless, energy will most likely continue to be an important topic²¹⁹; Finnish Prime Minister Vanhanen will chair the Strategic Energy Review which will coordinate the EU member states' positions vis-a-vis a common energy policy, and is scheduled for the end of 2006.²²⁰ European leaders will meet on 20 October 2006 in Lahti to exchange views on energy policy. Both the report and the Lahti meeting will form the foundation of the EU's Action Plan on energy to be adopted in March 2007.

The EU would like to gain a stronger bargaining position with Russia, and determine the principles over the trading of energy to ensure stable access to non-renewable energy. It would also like to establish concrete steps towards the liberalization of Russia's energy sector which would promote an open market system and greater foreign investment.

Objective 2: Iran Nuclear Program

After the election of President Mahmoud Ahmadinejad on 3 August 2006 Iran resumed conversion of uranium at its nuclear power facility at Natanz. Although under the Nuclear Nonproliferation Treaty Iran has the right to enrich uranium and produce nuclear fuel, President Ahmadinejad's new foreign policy attracted an international outcry to monitor Iran's nuclear developments for fear of violating international agreements and treaties.²²¹

218 EU-Russia Summit, Europa, (Brussels), 4 October 2006. Date of access: 20 June 2006

http://ec.europa.eu/comm/external_relations/russia/summit_10_05/index.htm

219 Press Releases, Austria 2006 Presidency of the European Union, 20 June 2006. Date of Access: 20 June 2006. http://www.eu2006.at/en/News/Press_Releases/index.html

220 EU urged to face up to foreign energy policy challenge, Euractive.ca, 6 June 2006. Date of Access: 20 June 2006. <http://www.euractiv.com/en/energy/eu-urged-face-foreign-energy-policy-challenge/article-155930>

221 Iran To Enrich Uranium In Russia, CBS News, (Tehran), 22 April 2006. Date of Access: 20 June 2006 <http://www.cbsnews.com/stories/2006/04/22/world/main1533978.shtml>

In particular, the United States has accused the Iranian government of building weapons under the auspicious of generating electricity for its civilian population.

On 19 September 2005 the EU encouraged the IAEA to refer Iran's nuclear program before the UN Security Council, which occurred on 4 February 2006.²²² The Security Council has the authority to place sanctions against Iran, however this is not supported by either China nor Russia.

In April 2006 Iran accepted an EU-Russian proposal that Iran form a joint uranium enrichment venture in Russia.²²³ Nevertheless, on 11 April 2006 President Ahmadinejad announced that Iran had successfully enriched uranium — an important, but minimal step towards the creation of nuclear weapons.

After continued negotiations, on 1 June 2006 the US, Russia, China and three EU countries agreed to present a package of incentives to Iran to participate in discussions over its nuclear program.²²⁴ G8 member states lead by EU foreign policy chief Javier Solana actively pressured Iran to respond the package during negotiations, and to issue a statement prior 29 June 2006 stating Iran's suspension of its nuclear program.²²⁵

The EU would like to ensure a diplomatic solution and agreement to Iran's nuclear activity, while maintaining Iran's right to produce peaceful nuclear energy.

Objective 3: Climate-Friendly Technologies

With half of its energy supply originating from Russia, Norway and Algeria, the EU recognizes a need to increase dependence on domestic energy sources and promote greater energy efficiency.²²⁶ Similarly, as developing nations rapidly industrialize, greater emphasis is being placed on sustainable development to reduce the effects of climate change resulting from excessive greenhouse gas emissions.

In the context of the Lisbon Strategy, which aims to increase the EU's economic competitiveness, the EU promotes local investment in research and development for emergent climate technologies. On 8 March 2006 the European Commission issued a statement introducing methods "to achieve sustainable, competitive[,] and secure" energy supplies in the EU.²²⁷ This included a strategic energy technology plan to harmonize research programs and create a competitive market for emergent climate-

222 Iran reported to Security Council, BBC News, (London), 4 February 2006. Date of Access: 20 June 2006 http://news.bbc.co.uk/1/hi/world/middle_east/4680294.stm

223 Iran To Enrich Uranium In Russia, CBS News, (Tehran), 22 April 2006. Date of Access: 20 June 2006 <http://cbsnews.com/stories/2006/04/22/world/main1533978.shtml>

224 Iran cautious over US talks offer, BBC News, (London), 28 June 2006. Date of Access 9 July 2006 http://news.bbc.co.uk/2/hi/middle_east/5036082.stm

225 Bush warns Iran on nuclear deal, BBC News, (London), 19 June 2006. Date of Access: 20 June 2006 http://news.bbc.co.uk/2/hi/middle_east/5096298.stm

226 Geopolitics of EU energy supply, Euractive.ca, 18 July 2005 Date of Access: 20 June 2006 <http://www.euractiv.com/en/energy/geopolitics-eu-energy-supply/article-142665>

227 Energy Green Paper: What energy policy for Europe? Euractive.ca, 27 April 2006. Date of Access: 20 June 2006. <http://www.euractiv.com/en/energy/energy-green-paper-energy-policy-europe/article-154790>

friendly technologies.²²⁸ Moreover, on 6 June 2006 the European Parliament allocated 2.4 billion euros towards energy research to create a market which provides incentives for the development of climate-friendly technologies.²²⁹

By positioning itself at the forefront of climate-friendly technology and encouraging sustainable development in developing countries, the EU will promote its domestic economy and ensuring long-term sustainability for both developed and developing countries. If major developing countries do not engage in locally sustainable climate-friendly technologies, they will undermine attempts to reduce greenhouse gas emissions that mitigate the effects of climate change. Consequently, developing countries need incentives within their local energy sectors to promote sustainable development and climate friendly technologies.

The EU will call for greater cooperation between industrialized and developing countries in the development and promotion climate-friendly technologies, increased energy efficiently and sustainable development.

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228 The Green Paper – Energy, 18 June 2006. Date of Access: 20 June 2006.

http://ec.europa.eu/energy/green-paper-energy/index_en.htm

229 European Parliament Vote on FP7 in First Reading Supports Renewable Energy and Energy Efficiency 15 June 2006. Date of Access: 20 July 2006.

http://www.fuelcellmarkets.com/article_default_view.fcm?articleid=12910&subsite=479