

THE HISTORICAL PRISM OF RELATIONS BETWEEN RUSSIA AND VENEZUE

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Historically, Russia and Venezuela maintained hostile economic and political relations and have a strong connection in the bilateral cooperation. While the Western system is creating with the landmark on financial parasitism and uncontrolled predation because of the influence of war lobbies, Russia and Venezuela are building an alternative model. The Russia-Venezuela world is about balanced partnership and win-win agreements.

The earliest historical significant contract between these two countries occurred in 1786-1787, when the Latin American Independence Precursor Francisco de Miranda visited the Catherine II crown court, where he was given an honorary title of Colonel of the Russian Army.

When the Russian Emperor recognized the independence of the Republic of Venezuela in 1856-1857, friendly relations between the two nations were capitally established.

Beginning of the new diplomatic stage of USSR-Venezuela relations took place in 1920-1930. When the Soviet Union looked for the recognition by the international community, Venezuela established diplomatic relations with our country in 1945. Later these relations were suspended, but in 1970 Russia and Venezuela within the framework of the United Nations submitted a joint report on the restoration of diplomatic relations at the ambassadorial level.

In December 1991, the Government of Venezuela officially recognized the Russian Federation as the successor to the Soviet Union.

The bilateral relations is legally based on the Treaty of Friendship and Cooperation between the Russian Federation and the Republic of Venezuela (entered into force on June 2, 1997).

However, the strong development of the Russia-Venezuela relations arose in the beginning of the XXI century, after several meetings of the Russian President Vladimir Putin with Latin American leaders, including the president of the Bolivarian Republic of Venezuela, Hugo Chavez, who first visited our country in 2001. During this visit, significant agreements on bilateral cooperation, mutual exchange program in culture, education, science and sports spheres were signed. Moreover, they signed the Joint Declaration of the Presidents Vladimir Putin and Hugo Chavez, in which they declared their willingness to support the constructive cooperation in order to strengthen the political trust and dialogue regarding to the decisions of international and regional issues, and coordination within the United Nations and other international organizations in order to maintain global peace and security.

At the end of the same year, during the visit of the Russian Prime Minister Mikhail Kasyanov to Venezuela the Act of Creation of the High Level Intergovernmental Commission (Comisi&oacuten Intergubernamental de Alto Nivel - CIAN) was signed in order to develop comprehensive proposals on the cooperation in politics, economy, trade, science, culture, education and environment in both countries. The meetings of the Commission are very successful for the bilateral relations, and starting with 2009, they are held twice a year.

Venezuela is a strategic business partner for Russia in the exploitation of gas and crude oil. Since 2005, Venezuela's state oil company PDVSA (Petróleos de Venezuela S.A.) and the Russian oil company Lukoil have been drilling oil in the Venezuelan Orinoco Oil Belt together. Another joint venture contract was signed in 2011 between Russia's Rosneft and

PDVSA to exploit the oil reserves of the blocs Carabobo-2 North and East. Rosneft holds 40%; PDVSA owns the majority of 60%. Since 2008, PDVSA has furthermore been drilling gas jointly with Russia's Gazprom in the Gulf of Venezuela. Igor Sechin, the head of "Rosneft" and lance, Merklinger, Vice President for Russia Weatherford International plc. signed a corresponding agreement in July, 2014. According to the document, the Russian company includes the purchase of eight companies owned by the group Weatherford, specializing in drilling and repair of wells in Russia and Venezuela.

According to Venezuelan Oil Minister Rafael Ramirez, co-investments in Russian-Venezuelan projects amount to \$46.9 billion by 2019. Of these, the Russian part will be \$17.6 billion, and in 2021 a joint Russian-Venezuelan production will reach 1.123 million barrels a day.

Since 2006, Russia and Venezuela have engaged in arms transactions including Kalishnikov rifles, Sukhoi fighter jets and a fleet of helicopters. For 2011, Venezuela was the top customer for Russia's arms for ground forces. Besides, the constant flow of military and technical personnel, offering and receiving specialized training has been between the countries. In 2012, the completed delivery of 92 battle tanks T-72B1V, lots of multiple rocket launchers "Smerch", coastal missile systems "Bal-E" and man-portable air defense systems. In January 2013 in Venezuela five cargo ships arrived with a party of self-propelled howitzers, so that by the end of 2013 the country were able to create a wide-layered air defense system.

In 2009, after much discussion, was approved by the project to create a Russian-Venezuelan bank to finance joint projects. In 2011, it was agreed to increase the share capital up to \$4 billion (25% plus 1 share of the bank's capital are owned by "Gazprombank" and VTB Group, 50% minus 2 shares are owned by the Venezuelan Fondo De Desarrollo Nacional (National Development Fund). In June 2012, dividends of Russian-Venezuelan bank, according to the Chavez reached \$5 million.

In 2010, Hugo Chavez visited Russia to negotiate a deal to build the first Venezuela's nuclear power plant as well as buy \$1.6 billion worth of oil assets. Furthermore in 2010, Russia and Venezuela signed a contract for the supply of 2,225 cars "Lada Priora", "Lada Kalina" and "Niva". The cost of each car at that time was 8-9 thousand dollars. The first batch of 450 cars was delivered to Venezuela in March 2013.

To facilitate mutual trips between two countries, in 2009 entered into force the agreement to cancel visa requirements for the citizens of Russia and Venezuela.

In October 2010, the Prime Minister Vladimir Putin ordered the Ministry of Agriculture to work with Venezuela to set up joint ventures (e.g. "Orchid» joint venture) in 10 directions. In addition to the supply of tropical fruits and flowers it also brought exchange of experience in the field of land reclamation and the production of chemical plant protection. The implementation of these projects gave 80 thousand jobs in Venezuela and about 20 thousand - in Russia.

In 2011, Vladimir Putin signed Federal Law On Ratification of the Agreement between the Government of the Russian Federation and the Government of the Bolivarian Republic of Venezuela on the Establishment and Activities of Science and Culture Centers, so that sets out provisions for establishing a Russian science and culture center in Caracas and a Venezuelan science and culture center in Moscow.

In 2013, the trade turnover reached a record level in the history of relations between our countries and amounted to almost \$2.5 billion. This result is largely achieved along the lines of military-technical cooperation, but the overall positive trend is evident. According to the Federal Customs Service of the Russian Federation Russia's exports to Venezuela constituted \$2446,5 million, imports from Venezuela was insignificant (\$4,1 million). The balance of trade

turnover in 2013 was positive for Russia and amounted \$2442,4 million. Surprisingly, ten years ago the balance of trade turnover was negative for Russia and constituted \$ -31,3 million (exports - \$1,4 million, imports - \$32,7 million). Anyway Venezuela is Russia's second trade and economic partner in Latin America, after Brazil.

Moreover Venezuelan President Nicholas Maduro and Russian Security Council President Nikolai Patrushev have met in October, 2013 and have signed several agreements in the sphere of defense and security in 2013 or as Mr. Patrushev said "We have signed a memorandum of mutual understanding with the [Venezuelan] National Defense Council". Russia is planning to expand its permanent military presence even more outside its borders by placing military bases or seeking permission for navy ships to use ports in a number of foreign countries. The list includes Vietnam, Cuba, Venezuela, Nicaragua, the Seychelles, Singapore and several other countries.

In May 2014, bilateral high-level Commission gathered to discuss the multi-faceted strategic partnership between the countries, which cover all areas of life. So the central area of bilateral partnership is still energy. Intensifying banking cooperation, joint ventures, banking institutions, developing collective relations, cooperation in the field of housing projects is necessary for implementation of the plans of the Venezuelan officials in this area. It was agreed to extend training professionals for Venezuelan law enforcement agencies, and military lines as well as continue joint cooperation in the military field by the exchange of experience, participation in joint exercises, training of military personnel. Investment and trade-economic relations prospers as Rosneft signed in the framework of SPIEF 12 cooperation agreements with foreign partners

It is important to understand that Venezuela is not only a leading partner of Russia in Latin America but also shares political views on the international scene. Russia and Venezuela demonstrate their unity in the assessment of the Ukrainian events, approaches to the Middle East peace process and some other global affairs. Countries hold close positions at the UN, the UNHRC (United Nations Human Rights Council) and other multilateral areas. Interaction in the international arena also means "regular and intensive contacts that help at all stages in real-time to compare notes regarding the implementation of the agreements reached between the two presidents".

Most accurately summarize cooperation between Russia and Venezuela over several decades, the words of the current President of Venezuela Maduro: "Over the last decade, we have built a whole different map of different relations in various fields between the two countries. We are successfully progressing in cooperation in the energy, oil and gas sectors, construction of equipment for the oil and gas industry. Cooperation in the military sphere is also progressing at a good pace. Also do the relations in the financial sector, agriculture, culture and education. We have 14 lines of development, 63 issues - the issues on which we work". In bilateral relations an important place traditionally takes cooperation in educational, cultural and humanitarian fields. Rapidly advancing student exchanges, contacts between scientists, artists of Russia and Venezuela, which helps to improve understanding between people of the two countries, strengthening their mutual sympathy.

Russia and Venezuela have future plans to start joint practical efforts towards the development of shelf deposits, the construction of a thermal power plant in Venezuela using petroleum coke, and the launch of a joint venture to enhance oil recovery from old fields. Russian-Venezuelan military-technological cooperation is in progress.

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