

# *The Development of Cooperation between the Eastern Regions of Russia and the Provinces of China*

BURY, Anatoly

Deputy Director, Interregional Association of Economic Interaction "Far East and Transbaikalia"

## **Summary**

The past model for border cooperation between the eastern regions of Russia and the provinces of China's Northeast is undergoing a substantive transformation.

From the viewpoint also of international relations, and also in the context of the regional development of Eastern Siberia and the Russian Far East, Russia is making a change of course toward Asia. The strengthening of relations with China is becoming the prevailing philosophy for economic cooperation at the current stage in Russia's foreign policy.

Investment cooperation between the Russian Far East and the adjoining regions of China is being moved forward in the framework of the "Program of Cooperation between the Far Eastern and Eastern Siberian Regions of the Russian Federation and the Northeastern Region of the People's Republic of China (2009-2018)" which was approved by the President of the Russian Federation and the President of the People's Republic of China in September 2009.

In 2013 the volume of trade for the Russian Far East and Zabaykalye with China increased 14% to US\$12.522 billion. China's share within the trade total of the Russian Far East and Zabaykalye with the nations of the Asia-Pacific was 29%.

In 2013 momentum was spurred on the putting in place of border transportation infrastructure. The Makhhalino-Hunchun branch rail line in Primorsky Krai was opened, in Khabarovsk Krai a bridge from the Russian side to Bolshoy Ussuriysky Island was completed, and in the Jewish Autonomous Oblast work began on the Nizhneleninskoye-Tongjiang bridge across the Amur River.

In 2013 China invested US\$141 million in the economy of the eastern regions of Russia, and this was 18% above the level for 2012. However, China's contribution of investment was 2% of the total foreign investment into the eastern regions of Russia.

With the aforementioned program having completed a certain stage, along with the positive results achieved a number of problems have also become clear. Specifically, the work of the organizations involved in the execution of the program is inefficient, the provision of funding for the program-related projects in the Russian Federation decreased, and the labor force for the implementation of large-scale projects has been insufficient.

Via the experience of cooperation between the Russian Far East and Zabaykalye and the nations of Northeast Asia in the 1990s, it became clear that suitable mechanisms for removing regularly-occurring problems in the area of trade were essential. In 1998, with the aim of coordinating activities between the eastern regions of Russia and northeastern China, the Russian-Chinese Coordination Council on Interregional and Cross-Border Trade and Economic Cooperation was established. The Coordination Council has been working closely with the Russian-Chinese Permanent Working Group on Interregional and Cross-Border Trade and Economic Cooperation which was launched in accordance with the decision of the Russia-China Intergovernmental Commission in 1997. The activities of the Russian-Chinese Permanent Working Group have been contributing to the improvement of the legal infrastructure to support an increase in trade and cargo volumes and cross-border cooperation.

After the visit to Moscow of President Xi Jinping in March 2013, moves for the reconfiguration of cross-border cooperation began from the Chinese side. In September of the same year the "Border Development and Opening-Up Plan for Heilongjiang and the Portion of Inner Mongolia within the Northeast to 2020" was approved by China's State Council. The construction of production facilities aimed at mutually complementary exports and comprehensive systems of cross-border infrastructure, to promote Northeastern China's economic growth, have been set as strategic goals.

In 2013, continuing to develop the strategic partnership between Russia and China has promoted cooperation at the interregional level, and contributed to the development of exchange between both countries' small and medium-sized businesses.

[Translated at ERINA into Japanese from the original Russian, and subsequently into English]