

Russia's 'Asian Tilt' Expands Its Economic Ties

by Mary Burdman

"Russia's multi-vector foreign policy is yielding tangible benefits. This is most graphically seen on the Asian track," Russian Foreign Minister Igor Ivanov told an expanded meeting of the State Duma's International Affairs Committee on Feb. 12. Expanding relations with its "leading partners in Asia"—China, India, and Japan—is a priority this year, Ivanov told the Duma Committee. "Russia-China relations are at their best-ever level. Strategic partnership with India is growing stronger on the basis of a summit level declaration and other agreements. Cooperation with Japan is proceeding in the positive vein. It firmly relies on the bilateral action plan adopted last year."

Russia has gained a much stronger foothold in international affairs in recent years, Ivanov said, due to "internal stabilization and the achievement of higher economic growth rates. A policy of ensuring long-term vision of the national interests has been shaped. We can now safeguard our national interests through cooperation with other countries."

Overall, the leading Russian foreign priorities are the Commonwealth of Independent States of the former Soviet Union, and Europe. The United States, which had been Russia's top priority in 2002, is now in third place, followed by Asia.

Ivanov wrote that Russia's role is "that of a connecting link between East and West," in his article, "Russia in Asia and Asia in Russia," which was published in the January 2004 issue of the journal *Asia and Africa Today*. This is the monthly joint publication of the Institutes of Oriental Studies and African Studies of the Russian Academy of Science.

Russian relations with Asia are growing fast—but enormous work has to be done to create the infrastructure to realize the potential of the Eurasian landmass. There are two primary vectors for this effort. First is the growing cooperation among

the "strategic triangle" of Eurasian giants: Russia, China, and India. The second is the Shanghai Cooperation Organization (SCO), founded as a unique cooperative effort for joint security and economic cooperation by China, Russia, Kazakstan, Kyrgyzstan, Tajikistan, and Uzbekistan.

The Strategic Triangle

Ivanov had stressed the "vital and special importance" of Russia's Asian policy on his return from the Jan. 15 SCO foreign ministers in Beijing. During a stopover in Novosibirsk, he gave a press conference to discuss how to develop economic contacts between Siberia and the Russian Far East, with the Asia-Pacific nations.

In *Asia and Africa Today*, Ivanov wrote that while Russia has both European and Asian "tilts" to its foreign policy, "Russia's national interests objectively require heightened attention to the Asian tilt." This is due to the "dynamic growth" in Asia, focussed on "science-intensive, high technology industries." The world's third space nation is China, he emphasized.

Ivanov contrasted the growth in Asia, to the bad conditions in Asian Russia, despite that huge region's great natural wealth, "powerful" science and industry base, and "creative" population. Russia must take responsibility to change the situation in Siberia and the Far East, by "active participation in regional economic integration." A key principle of foreign policy, is to create friendly and cooperative neighbors. For Russia, its relations with China are of "fundamental importance. . . . Without vigorous efforts to attract our Asian neighbors, including China, a rapid development of the eastern regions of Russia is impossible. . . . [W]e need a weighty Asian presence in Russia's east as much as we do the integration of the Russian economy into the emerging new economic

Bohai Region A Target for Development



China's northeastern Bohai Bay region—formerly a heavy industrial center, but recently bypassed by development—is one area of potential new infrastructure-driven economic growth due to closer relations of Russia, China, and India. China is starting a 1,300 kilometer railroad corridor in its Northeast; Russia is planning construction of floating nuclear plants for use in China.

space of Asia. This is our strategic task for years to come,” the Foreign Minister wrote.

Ivanov pointed to the growing role of multilateral associations and new collective mechanisms in Asia. These include the SCO, as well as Russian relations with ASEAN, and the Kazak initiative to create a “pan-Asian dialogue” through the Conference on Interaction and Confidence-Building Measures in Asia (CICBMA). The aim of these associations, Ivanov concluded, is “common security and the creation of optimal conditions for the prosperity. . . . As the Chinese poetic genius Bo Juyi wrote with oriental subtlety and allegory, the intertwined roots of various plants mature together, using for the good of each other, their stalks and leaves alike.”

There is no formal association of the three Asian giants, Russia, China, and India, and there will not be any time soon. This is not only due to remaining problems to be solved among the three, but, far more, due to their emphasis that their growing cooperation is *not* aimed at any other nation or group of nations—a reaction to the frenzied “preemptive war” policies of the Bush-Cheney Administration in Washington. However, in the coming months, the foreign ministers of the three

nations will hold their third meeting since 2002. “We are now discussing the dates for such a meeting to take place in Moscow in the near future,” Foreign Minister Ivanov announced Jan. 29. Most likely, it will be in the Summer, after the Russian Presidential elections and national Parliament elections in India, or, at latest, early Autumn. Policymakers participating in this process, are stressing how important this upcoming meeting will be. The eventual aim, would be a summit among the leaders of all three nations.

During his visit to India Jan. 19-21, Russian Defense Minister Sergei Ivanov had praised cooperation among Russia-India-China “in the military-technical sphere,” but cautioned on the need to expand political relations. Ten days later, Deputy Foreign Minister Yuri Fedotov, also in New Delhi, again emphasized that Russia wants further development of triangular relations. “Russia has good and friendly relations with India. Russia is developing friendly relations with China. Thus, we have all preconditions to cooperate more intensely,” he said. He said that trilateral meetings among the three nations’ foreign ministers had become “a common practice” in the framework of U.N. General Assembly sessions.

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The New Railroads

Security is the leading issue of relations, but economic cooperation is expanding on the bilateral level. The ultimate benefit for all nations involved is clear.

Developing its regions bordering on Asiatic Russia is also a priority for China. Since last year, Beijing has launched a project to revive China’s Northeast, which had been the most important heavy industrial base in China in the 1950s and 1960s. Lack of investment and innovation in the state-owned industries led to widespread closures and layoffs. The region is too strategically important to neglect. It is closest to the vast water, mineral, and other resources of eastern Siberia, and to the new continental bridge that will open up when the tensions on the Korean Peninsula are resolved, and the Trans-Korean Railroad is completed.

At the beginning of February, China’s Ministry of Rail-

ways announced that it will build a new “golden transport passage” by building a 1,380 kilometer railroad in the border region of China, near Russia and North Korea. This will open up the interior of Northeast China to the sea and the outside world. The railway will go from the Suifenhe River in northern Heilongjiang Province, which borders Russia’s Far Eastern coast, where Vladivostok is located; traverse Tumen and Tonghua of Jilin Province, on the border with North Korea; and go through the cities of Benxi, Dandong, Zhuanghe, to end in the important port city of Dalian. Dalian lies at the mouth of the Bohai Sea, where it joins the Yellow Sea, bordered by the Korean Peninsula and China’s Shandong Province.

The railroad, to be completed in 15 years, will finally create efficient transportation in Northeast China. It will eventually connect 10 cities and link 11 existing, unconnected railway lines, and promote land border trade between China and Russia, and South and North Korea.

In the nearer term, both Russia and China are expanding border infrastructure. This month, Russia’s Far Eastern Railway reported that its cargo turnover with China would be over 25% bigger in 2004 than last year, over 7 million tons. Both nations are improving railroad infrastructure, including to make it possible for Russia to expand oil shipments to China via railroad, since the long-discussed oil pipeline from Siberia is stuck in the discussion phase.

The Russian Railway Ministry also said Feb. 16 they are prepared to help construct the new rail and road bridge over the Amur River, near Kanikurgan, which had been planned in 2001.

High-Technology Cooperation

There are also plans for scientific cooperation between the two countries. The International Department of Rosenergoatom, the Russian Atomic Energy Agency, announced Feb. 13 that its project to build the first floating nuclear power plant in China, “is ready. It is protected and licensed by the state supervision authority,” department head Anatoly Kirichenko told Itar-Tass. China will be the first country where a floating nuclear station will be built, he said. “Corresponding agreements have been reached with Chinese structures—the government, financial organisations and a shipyard,” Kirichenko said. This will be project a breakthrough for Russian and world nuclear power engineering. “This is related not only to technologies but also to investments and cooperation of the two countries,” he said.

Scientists from the two sides will also work together in St. Petersburg, to try to create a vaccine against the deadly disease SARS, which created such havoc in China last year.

Russia and India also have plans for expanding their high-technology cooperation. Representatives of both countries’ defense sectors discussed military-to-civilian conversion programs at the “Defexpo India-2004” military exhibition which opened in New Delhi this month. “Considering that enter-

prises of the defense industry both in Russia and India form the basis of the high-tech complex of the economy, cooperation between them also in the field of military-to-civilian conversion programs has lately begun to be established,” the news agency Novosti quoted an expert of Rosoboronexport, Russia’s only state mediator for military-technical cooperation with foreign partners.

Rosoboronexport said that many Russian enterprises, known in India for producing the world’s best military hardware, also produce dual-purpose and civilian products, including road-building machines, rail cars, and container-tanks. Rosoboronexport is looking to “the expansion of Russia’s military-technical cooperation with India and other countries in the area,” the spokesman said.

Nepal as Land-Bridge

For China and India, bilateral trade is already expected to reach the level of \$10 billion by the end of 2004—almost the level of U.S.-Russian trade. Trade was worth \$7.6 billion in 2003. Zhou Gang, former Chinese Ambassador to India and secretary-general of the China-India Eminent Persons’ Group (EPG), said that the two countries will set up a “compact” Joint Study Group of officials and economists, to write a program for expanding trade and economic cooperation in the next five years, the *China Daily* reported. The EPG, whose Indian co-chairman is former external affairs minister R.L. Bhatia, met in Beijing Feb. 18-19.

Senior Chinese Communist Party member He Guoqiang, head of the Organization Department, was in India at the same time to promote political relations, and Chinese Minister of Culture Sun Jiazheng, who has been invited to visit India, said the two nations would be signing new agreements on cultural exchanges, including setting up the first cultural centers in each others’ capitals.

Finally, there was a fascinating proposal made by Dipak Chatterjee, secretary of the Indian Ministry of Commerce and Industry, at a conference in Kathmandu, Nepal, on Feb. 3. China’s *Peoples Daily* prominently reported Chatterjee’s proposal that Nepal, with its special geographic advantage, should act as a land-bridge for trade between India and China. This, he said, would avoid the inconveniences and costs of sea transport, which both sides currently must use. India and Nepal will now improve the infrastructure at existing customs facilities; if, as is likely, this is agreed to on the Chinese side, this will be another step forward directly resulting from the historic visit of Indian Prime Minister A.B. Vajpayee to China last June.

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