

STRATEGIC PARTNERSHIP OF RUSSIA AND CHINA IN A GLOBALIZING WORLD

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The article discusses the basic lines and forms of cooperation between Russia and China at the beginning of the XXI century, characterizes the coordination policy between the two countries in regional and transcontinental associations, analyses the development process of investment programs and projects implementation in the sphere of industrial development, as well as considers commodity exchange between the Russian Far East and Northeast China. The article highlights also the results of the summits, intergovernmental contacts and business forums that have influenced the diplomatic and economic rapprochement of the Russian Federation and People's Republic of China, as well as discovers the role of Russian-Chinese dialogue as a factor of global stability and economic growth. Russian-Chinese interaction correlates with the policy of socio-economic modernization and creation of innovative economy, which is implemented in today's Russia, as well as with the programs developed by the Chinese leadership in the field of further industrial and infrastructural growth, developing new markets and raising living standards of the population. Strategic partnership of Russia and China, which is based on common approaches to key issues of global development, political and economic pragmatism and adherence to the principles of equitable dialogue between civilizations, is one of the most essential conditions to form a positive vector of global development.

Key words: global financial market, Russian-Chinese interbank cooperation, Russian-Chinese Investment Fund, BRICS Development Bank, Shanghai Cooperation Organization (SCO).

INTRODUCTION

In the context of emerging globalization, strategic partnership of Russia and China became a powerful factor in world history. Strategic cooperation of Russia and China in the framework of the BRICS (association of five major emerging national economies: Brazil, Russia, India, China and South Africa) is today a significant long-term factor in the development and evolution of the global financial-economic and political architecture. The President of Russia V. Putin in his message to the Federal Assembly of the Russian Federation in December 2014, describing the strategically valuable directions of Russia's foreign policy, noted: "We see how rapidly the Asia-Pacific region is advancing. Russia as a Pacific power, will take full advantage of this huge potential" (Message of the President of Russia V.V. Putin to the Federal Assembly of the Russian Federation, December 4, 2014).

The Russian Federation and the People's Republic of China demonstrate a promising opportunity to become a new power capable of finding consolidated innovative approaches to the solution of many important problems of the global economic and political development in the context of validation of the multipolar

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world concept. In this context, the study of the characteristics and trends of Russian-Chinese cooperation is an important scientific task, whose solution allows characterizing new trends in contemporary global development in the conditions of post-bipolar world, as well as making a number of assumptions about the prospects of the consolidated activities of the Russian Federation and People's Republic of China in the course of world and regional politico-economical transformations of XXI century.

The Chinese party in the name of Xi Jinping, the President of the People's Republic of China, has declared solidarity with the proposal of the Russian President V. Putin on further development of long-term cooperation in economy, energy, investment and banking spheres, as well as in the field of space and aviation technologies (Kokarev, 2014).

METHODS

In this paper we have used various scientific cognition methods, namely logical methods, comparative analysis methods, historical methods, and other general research approaches.

RESULTS

In the beginning of the XXI century, the Russian Federation and the People's Republic of China, while in the emerging globalization, retain at the same time their immensity, the specificity of cultures and the openness to a dialogue. A process of profound techno-economic and socio-cultural modernization currently taking place in Russia and China significantly increases their ability to participate in the process of globalization and global technological modernization, increases their involvement in these processes, expanding their impact on the international climate (Hae, 2011).

Over the past thirty years there have been significant positive developments in Russian-Chinese relations, which have formed the basis for the long-term strategic partnership. The dynamics of these relationships started to line up in the period of 1991-1996, when the relations between Russia and China began to change from a simple normalization in diplomatic and economic spheres to the good-neighborly partnership involving a deeper correlation of the two countries' positions on the world stage. Since 1996, relations between Russia and the PRC are based on the principle of strategic interaction that determines the constructive union in all of the most important areas of economic, socio-political, military-technological and diplomatic development (Sukharev).

On July 16, 2001 the leaders of Russia and China signed the "Treaty of Good-Neighborliness and Friendly Cooperation", which not only laid the legal foundation of Russian-Chinese relations, but also largely determined the whole course of future international politics. Currently, relations between Russia and China are based on

established multilateral creative dialogue, covering a variety of levels – social, political, cultural, military-technological, socio-economic, etc. The following preconditions contribute to further successful growth and deepening of Russian-Chinese cooperation: the complementarity of socio-economic potential of Russia and China, the lack of serious contradictions, the coincidence of geopolitical positions, and regional interference. Russian-Chinese cooperation is the basis for the implementation of ambitious Eurasian project such as “Silk Road Economic Belt”, whose concept was announced by the President of the People’s Republic of China Xi Jinping in Astana in September 2015 (Tavrovsky, 2015).

Currently, China and Russia share similar positions on key international issues – economic security, environmental safety, anti-terrorism efforts, economic and financial problems (rejection of sanctions, attempts of Western countries to dominate in the global financial environment, etc.). This approach contributes to enhancement of policy coordination between the Russian Federation and the PRC, expanding the systemic interaction in such leading international organizations as BRICS, Shanghai Cooperation Organization (SCO), etc., stepping-up cooperation in the Eurasian Economic Union (EEU). As noted by M.L. Titarenko, in the context of geopolitical change characterizing by “regrouping of forces and the emergence of new powerhouses, the value of strong Sino-Russian partnership and cooperation will increase even more” (Titarenko, 2012).

Important creative factor in relations between Russia and China is the trust between the two countries, policy consistency and openness to dialogue. On this occasion in October 2008 at the opening ceremony of the Third Sino-Russian Economic Forum of high-level business circles, Premier of the PRC State Council Wen Jiabao said in his speech: “In the context of the global financial crisis, the confidence and the cooperation are far more important than gold and currency. Confidence is a source of strength to overcome the crisis, and the cooperation opens effective way for economic recovery” (Speech by Premier of the PRC State Council Wen Jiabao at the opening of the Third Sino-Russian Economic Forum of high-level business circles).

People’s Republic of China, carrying out consecutive promotion to the horizons, identified in the party policy documents, commits to the peaceful and harmonious development, to the strengthening of international stability and security by enhancing international dialogue as well as implementing policy of global Chinese regionalism, ensuring the formation of a new multipolar architectonics of international relations (Buyanov, 2010).

In the context of developing globalization processes, the interdependence of countries continuously increases, resulting in a new organizational form of socio-political space, namely regionalization, whose main essential characteristic is the emergence on the world map of separate large regions as factors of global influence, i.e. new centers of economic and financial power. Russia and China, being strategic

partners advocating for building of a fair world order, the compliance of all countries to international law, etc., are among leading players, who determine to a large extent the vector of world development. Russia and China are active participants in the globalization process, representing a dynamically developing union of the two states, seeking to draw their growing geo-economic potential into the new economic, financial and political authority, to acquire a significant role and place in the geopolitical system (Shavshukov, 2012). The basis for the strategic cooperation between Russia and China is the similarity of their basic national interests that is determined by the fact that currently partners are facing challenging interrelated tasks – a comprehensive modernized development and increasing openness to the outside world, integration into the global financial and economic space. To successfully solve these problems, both Russia and China need a favorable economic climate, a stable international environment, development of R&D and systemic scientific and information exchange.

Russia and China seek to establish a multipolar world as a promising alternative to the hegemonism. Accordingly, the strategic cooperation between Russia and China becomes the most important factor ensuring the stability of the international situation and the emergence of a multipolar world. For successful promotion into the global economic and political space, both Russia and China need mutual support and cooperation at all levels – global, regional and bilateral, as well as in all key spheres – economy, energy, science and technology, security, culture and education.

Both China and Russia are committed to the preservation and strengthening of international law, preservation of the use of force in conflict situations. Our countries are against the forcible export of “color revolutions”, consider unacceptable the ideologization of international relations, the authorization of a military alliance based consciousness, a division of global actors into “us” and “them”, and conducting a policy of “double standards”.

Russia’s integration into the financial-economic space of the Asia-Pacific Region (APR) occurs along with building multi-level comprehensive cooperation with China, which is the real engine of economic growth in APR. China has a wealth of experience of business dialogue with the Asian partners, as well as with virtually all financial, production and socio-political structures existing in the region.

Full active participation of the Russian Federation in the processes of economic and financial integration into APR is a prerequisite for consistent accumulation of its economic potential and strengthening position in the global economy. At that, comprehensive cooperation with China within the framework of this process is the most feasible and effective way allowing achieving target goals quickly and efficiently (Rudko-Silivanov and Zubrilova, 2012). People’s Republic of China, implementing the “strategy of entering the world”, pursues it based on the principles of openness in foreign policy and multilateral diplomacy in the Asia-Pacific Region. Russia also adheres to the same principles. At the same time, both Russia and

China are building diversified foreign relations, developing economic and financial ties with the US and the European Union, India, ASEAN countries, Japan, etc. Developing globalization process significantly enhances such opportunities. In a joint Declaration adopted at the Third BRICS Summit, held in Sanya (Hainan, China) on April 14, 2011, the heads of the Commonwealth member states declared that they “are committed to ensure the continued strong and sustainable economic growth of the BRICS countries, supported by the deepening of our cooperation in matters of economy, finance and trade. This will contribute to long-term, stable, healthy and balanced global economy growth” (Declaration adopted at the BRICS Summit).

In the Central Asia region, the strategic partnership of Russia and China has already gained institutional and organizational forms that gave the opportunity to develop cooperation in many important areas of national interests such as the economic field, the national security realm, environmental protection, etc. Presumably, similar cooperation structures will emerge in the North-East and South Asia regions as well. Strategic partnership of Russia and China in Central Asia is based on a strong institutional framework – the Shanghai Cooperation Organization (SCO), which is the pledge of political stability in the region. In this area there have been great achievements: a constructive cooperation in the field of security has created a condition for inclusion within its scope of topical issues of conducting a coherent foreign policy, economy, interbank cooperation, environmental protection, and cultural interaction (Berger, 2009).

On the SCO Member States Summit dedicated to the 5-year anniversary of the organization, it was noted that the SCO has formulated long-term plans and goals of regional economic cooperation, defined the objectives, priority guidelines and top-priority goals of such cooperation, as well as established Business Council and Interbank Association.

An important institution, promoting financial and economic cooperation in the Eurasian region, within which operate many Russian and Chinese business organizations, is the Financial & Banking Association of Euro-Asian Cooperation (FDA EAC). The FDA strategy aims at uniting of financial market participants of the Eurasian countries on a voluntary basis to facilitate the implementation of their financial and economic activities and creating transnational platform for the promotion of business interests and projects of the Association member states. The Asian Infrastructure Investment Bank (AIIB), established at the proposal of Chinese President Xi Jinping in October 2014 and having become a serious competitor of the World Bank and other Western players in the global financial market, plays an important role in expanding financial cooperation between Russia and China (Ershov, 2015).

Currently, the trade-economic sphere of Russia and China has reached a qualitatively new stage in its development thanks to multilateral cooperation.

Highest-level leaders of the Russian Federation, representatives of the business community and economists developed in 2013 a concept document entitled “Russia and the BRICS: Strategic Goals and Means of Achieving Them”, which defines the basic principles and tasks of Russia’s involvement in the Commonwealth. This document formed the basis of “A comprehensive Program of Russia’s Participation in BRICS to Accelerate Economic Development and Strengthen its International Political Positions,” prepared by the Russian Government, which identifies leading areas of Russian-Chinese investment and technology cooperation.

A meeting of the Russian President V. Putin with the Chinese Minister of Foreign Affairs Yang Jiechi was held in February 2013 in Moscow, where it was noted that further development of Russian-Chinese strategic cooperation and partnership in the investment and financial sector is an important and upcoming trend to form economic space of BRICS region. Russian President V. Putin and the Foreign Minister of China Yang Jiechi highly appreciated the positive results, achieved by the parties in all areas of collaboration within the framework of cooperation in BRICS, SCO and the “Group of Twenty” (G20) in terms of formation of the institutional foundation of the BRICS financial market, conducting joint R&D and improving financial institutions of the member states of the Commonwealth.

Currently we are witnessing the displacement process of the center of financial, economic and technological force from the Atlantic to the Asia-Pacific Region that has coincided with growing international influence of China and the formation of BRICS, as well as the strengthening of Russian-Chinese strategic partnership (Titarenko, 2008).

The contemporary policy of China is based on the concept of “peaceful rise” and “harmonious world” that involves a commitment to long-term multilateral cooperation with Russia as a tool of implementation of strategic financial, economic and political goals.

The concept of “Chinese global regionalism” provided positioning of China in the international arena as a globally regionalizing powerhouse and led to the creation of a global sphere of partnership and strategic interaction between Russia and China as well as the formation of the group of BRICS countries.

Currently, Russia and China are creating international structures, including those in the framework of BRICS, to provide their needs for the necessary business tools for a successful promotion of their interests in the global economic and financial market. In the context of a significant deterioration of relations between Russia and the West that also touched upon economic and financial spheres, the transfer of economic relations from West to East becomes for Russia of prime importance. Thus, currently, Russian banks and large companies lending is largely produced by Chinese banks, and this process has a clear tendency to further development.

In June 2011, with the support of the Russian and Chinese governments, a joint Russia-China Investment Fund (RCIF) totaling 4 bln US dollars was established. The major task of RCIF is expanding cooperation in the field of long-term investment projects in technology and infrastructure fields. It was founded by the Russian Direct Investment Fund (RDIF) and China Investment Corporation. The Memorandum on establishment of the managing company of the Russia-China Investment Fund and the basic principles of its activity, signed on June 5, 2012 in Beijing, became a new step towards broadening the Russian-Chinese banking cooperation, enhancing the process of further investment cooperation between the Russian Federation and China. Besides, the Russian-Chinese Center of Trade and Economic Cooperation as well as the Russia-China Chamber for Machinery, Technologies and Innovations operate quite successfully.

Later, within the official visit of the Russian President V. Putin to Beijing on Oct 14, 2014, an Agreement was signed in the presence of heads of the both countries on creating the Russian-Chinese Business Council (RCBC) in order to promote further the joint economic and financial projects of the two states, as well as to facilitate corporate cooperation between the Russian and Chinese business circles. Currently, the Russian-Chinese Business Council brings together over 80 major Russian enterprises, associations and business community unions exercising their economic and financial projects in China. The Council sees its main task in strengthening business contacts between entrepreneurs, supporting the implementation of promising joint projects, facilitating the settlement of corporate disputes, and protecting of mutual investments.

In May 2011, at the Russian Cultural Center in Beijing, a round table was held on topical issues of banking and investment cooperation between Russia and China in the context of the expansion of intellectual cooperation between the business communities of the two countries. The round table was organized by the Embassy of the Russian Federation in the People's Republic of China, Trade Mission of the Russian Federation in the PRC, the representative office of Russian federal cultural agency named Rossotrudnichestvo and reputable specialized Chinese edition "Economy and Finance" (Round table "Russian-Chinese cooperation in the banking and investment sector ended in Beijing).

The IX Russian-Chinese Investment Forum, held in June 2012 in Harbin, was attended by many representatives of the Russian and Chinese business elite interested in implementing joint investment projects. The Minister of Finance Lóu Jìwèi in his speech stressed that China was interested in further development of long-term infrastructure projects in areas of common border, expanding cooperation in the export by Chinese companies of the advanced technologies and innovations in the field of transport facility and road equipment.

Russian-Chinese Economic Forum – 2015 "Big Opportunities for Small and Medium-sized Businesses" was organized as a two-way discussion platform, whose

main topic was the discussion of Russian-Chinese cooperation in areas relevant to business. The Forum presented also investment potential of Russian Federation regions and business opportunities for cooperation between Russia and China. Russian-Chinese Economic Forum – 2015 was one of the creative tools of cooperation development within APEC and between the states of the Asia-Pacific region.

At the present stage of development, China becomes not only a state having a favorable investment climate, but in turn, one of the largest investors, directing significant financial resources into the economies of other countries. After its accession to the WTO, China has increased the amount of foreign investment by 20 times, whereas the number of Chinese companies that entered the global economic and financial market amounted to more than 14 thousand. At the United Nations Conference on Trade and Development, China was recognized as one of the largest exporters of financial capital.

The investment sphere of Russia and China is consistently increasing in terms of bilateral cooperation. There is a constantly growing interest toward attracting investments in various sectors of national economies, including real, i.e. non-financial sector (Avdokushin & Zharikov, 2013).

When developing the large-scale investment policy, Chinese government and business structures consider contemporary Russia as one of the most important strategic investment areas due to the availability of the great potential of the Russian economy and significant features of the financial market. Thus, in 2010, China invested in the Russian economy over 7.6 bln dollars, of which 121 mln dollars was a direct investment. The total trade turnover between Russia and China is constantly increasing: according to the China Customs General Administration, in 2015, the trade turnover between Russia and China amounted to 67 bln dollars, including Russian exports to China – 33 bln dollars, imports from China – 34 bln dollars (Analytical report on Russian-Chinese trade cooperation in 2015).

At a Forum on Investment Development of the Russian Federation Market, which took place on October 14, 2011 in Shanghai, it was noted that the amount of foreign direct investments (FDI) from China into the Russian economy will continue increasing and will reach 12 bln dollars by 2020. The Russian party mentioned the most attractive areas for investment, which are oil refining, coal mining and processing, petrochemical industry, and power industry of Transbaikalia and the Far East. Great opportunities for Russian-Chinese economic and financial cooperation are focused in the development of combined heat and power plants (CHP) in Vladivostok, Nakhodka and Ussuriysk. Since the 2000-ies, China is consistently increasing the proportion of imports of mineral from Russia and, in turn, actively exporting machinery and electronics.

A new development vector in Russian-Chinese relations has emerged to date, which is determined by the interest of the parties in development of the Eastern

region of Russia. China began to carry out massive investments in the energy sector of the region, development of the services sector and construction of infrastructure. At the same time, Chinese investors have shown great interest in Russian developments in the field of high technology, energy-saving and high-tech manufacturing sector.

Under the auspices of the Russian Ministry of Energy Development (Minenergorazvitiya) there is a special interagency working group, whose purpose is to provide interested Chinese investment companies Russian regional projects. The creation of special economic zones in Russia opens more opportunities for Chinese business investment and contributes to strengthening the cooperation between the Federal Agency for Management of Special Economic Zones and the Ministry of Commerce of China.

For the purposes of further development of investment cooperation between Russia and China, an Intergovernmental Agreement on Promotion and Protection of Investment was signed by the parties that strengthened the legal framework in this sphere.

At the Sixth BRICS Summit, which was held in July 2014 in Brazil, the parties signed the "Agreement on the Establishment of the New Development Bank" and made decision on the creation of a foreign-exchange reserves pool. The BRICS Development Bank will finance a significant part of large-scale Russian-Chinese infrastructure projects, primarily - in the economic territory of the Commonwealth. Currently, BRICS is one of the key structures that expresses the global trend of movement towards a multipolar world (Davydov). The stock market of China has its own specifics, which has to be taken into account by Russian financial companies operating in this field. This concerns a number of legislative restrictions for penetration of foreign capital, high adaptability to streamlined manufacture, and availability of skilled professionals (Vakhrushin, 2013).

At the same time, there are a number of factors hindering the development of Russian-Chinese investment cooperation. A particular bar to development of investment cooperation is the lack of awareness of business circles of both countries about the conditions of doing business and investment climate, economic and technological potential of partners, etc. This reduces the level of mutual trust and leads to complication and rise in the cost of bargain making their service in banks more cumbersome.

Credit agreements worth more than 16 mln dollars have been signed between the Russian Far Eastern Bank and the China Development Bank. The Chinese party is taking action framework towards increasing purchases of Russian machinery and industrial equipment. A special Fund to support imports of Russian machinery and technical products, amounting for 100 million rubles, was established in 2009. Currently, the greatest financial return is reached in the manufacturing industry of Russia, where consequently the substantial flow of investment from China is

directed. At the same time, the strengthening of the ruble, occurring as a result of investment growth, leads to an increase in purchases of industrial equipment in China.

Cooperation between Russia and China is also expanding in the field of civil aviation. In particular, the Russian Federation and the PRC signed an Agreement on the promotion of Russian aircrafts in Asia. RCIF, Sukhoi Civil Aircraft Company (SCAC), United Aircraft Corporation (UAC), the Xixian New Area Management Committee of Shaanxi province (China) and the Chinese New Century International Leasing company are establishing Russian-Chinese leasing company, which expects to purchase from SCAC around 100 aircrafts for 3 bln dollars for their further delivery to the countries of South-East Asia. The headquarters of the new leasing company is in the Russian-Chinese Technopark in the city of Xixian (Shaanxi province, China).

China's investments in real estate in Russia are increasing as well. United Chinese investment holding of Shanghai undertook the construction of the "Park Huaming" shopping complex and "Greenwood Business Park" in Moscow using funds of Chinese investors.

Cooperation in the field of forest resources exploration and use is another significant trend in the investment activities of Chinese companies. Steady interest of Chinese businessmen in terms of investing in this sector results in a high growth rate in the number of joint projects on preparation and wood processing, carried out in Russian territory, increasing the total processing volume, etc. Investments in projects for the harvesting and processing of timber exceed 1.5 bln dollars. In order to encourage investment in the timber industry, Russia has reduced duties on import of technological equipment for the wood processing enterprises.

The Agricultural Fund, accumulating significant investment resources for the comprehensive development of the region, became an important tool for expanding Russian-Chinese cooperation in the sphere of industrial development of the Far East. In December 2015 in Beijing, Memorandum of Understanding between Ministry for Development of Far East of the Russian Federation and National Development and Reform Commission of the People's Republic of China was written in the presence of the Chairman of Russian Government D. Medvedev and Premier-Minister of PRC State Council Li Keqiang. The document was signed by the Minister for Development of Russian Far East A. Galushka and the Chairman of the National Development and Reform Commission of the People's Republic of China Xu Shaoshi.

Besides, in the course of 20th regular meeting of heads of the governments of Russia and China, A. Chekunkov, Director General of the Far East and Baikal Region Development Fund and Lu Xuanling, President of Asian-Pacific Food Fund Management Company, have signed a constituent Agreement on formation of Russian-Chinese Fund for Agro-Industrial Development (RCFAD).

In accordance with the achieved Agreement, initial capital of the Fund will be 13 bln rubles, 1.3 bln rubles of which will be invested by the Far East Development Fund, while 11.7 bln rubles will be invested by Asian-Pacific Food Fund Management Company. At that, the Agreement specifies that the Chinese party would strive to achieve capitalization of the fund in the amount of 10 bln dollars. Far East and Baikal Region Development Fund will receive 51% in the Management Company of the Fund and invest 10% of financial resources, the rest of the capital will be provided by the Chinese partner (a Russian-Chinese Agricultural Fund under the management of the Far East Development Fund (FEDF) will invest up to 10 bln dollars in agricultural project).

Key goal of the Agricultural Fund is to attract long term funding from China to develop export-oriented agricultural projects at Far East. Russian operators of efficient agricultural projects in the Far East region involved in production, processing and realization of agricultural products (including cattle breeding and mariculture) will have substantial investment resources that gives the opportunity for further development of the agricultural infrastructure.

Thus, the creation of the Agricultural Fund has become a significant step towards the practical implementation of the agreements reached between the Ministry for the Development of the Russian Far East and the National Development and Reform Commission of China about Russian-Chinese cooperation in the field of agricultural production development and its institutional framework. At the same time, the Russian party devotes special attention to the protection of interests of domestic producers. “At that, we have achieved inclusion in the Agreement of a number of important terms. Thus, the rights to land plots required for the implementation of agricultural projects, will be issued to Russian companies in accordance with applicable law. Attracted workforce will be at least 80% Russian. When choosing building contractors and suppliers of equipment within the agricultural projects, the priority will be also given to the Russian companies” – said the Minister for the Development of the Russian Far East A. Galushka.

Director General of the Far East and Baikal Region Development Fund A. Chekunov noted a large creative value of the Agreement on establishment of Russian-Chinese Agricultural Fund: “It was an obvious need to strengthen work on the development of food exports to Asia-Pacific countries. Russian Far East is one of the last “safe harbors” in the world with huge potential for creating environmentally compliant industries. Joint Russian-Chinese platform will allow joining the capital, the urgent demand and the existing huge potential for the creation of new agricultural enterprises, as well as enhancing effects in the form of tax and customs preferences that are already available to companies implementing projects in the Far East” (Russia-China Agricultural Fund managed by the Far East Development Fund (FEDF) will invest up to 10 bln dollars in agricultural projects).

Highest-level leaders of today's Russia have repeatedly stressed the crucial importance of the development of the Far Eastern region of the country. At the Summit in Manila, Prime Minister of Russia D. Medvedev noted that the supply of Russian agricultural products in Asia-Pacific countries is one of the promising avenues of international cooperation. In his opinion, by 2020 export potential of Russia will amount to 35-40 mln tons. "At that, we can talk not only about exports, but, of course, about full cooperation in this sphere with our partners and other participants in the Asia-Pacific market."

Investment cooperation between Russia and China is successfully developing in agriculture as well. The Russian Direct Investment Fund (RDIF), Russia-China Investment Fund (RCIF) and the government of the China Heilongjiang Province signed an Agreement on the establishment of investment fund in the amount of 2 bln dollars for implementation of the agricultural projects in Russia and China. This agreement also foresees deepening cooperation in the field of customs clearance, logistics and sales of food products.

In particular, an experimental agricultural free-trade zone will be established between Heilongjiang Province and Russia's Amur region based on direct exchange rate between the ruble and the Chinese yuan as well as preferential policy with regard to hi-tech agricultural enterprises in Russia and China. "Russia-China investment cooperation in agriculture will enable the development of large areas of uncropped arable land on the borders between our countries, – mentioned K. Dmitriev, Chief Executive of RDIF and co-chief executive of RCIF – Heilongjiang province is the largest region of China for the production of crops and the implementation of new agricultural technologies".

Business cooperation between Russian and Chinese construction companies is also growing rapidly. Thus, "Whisk" and "Yuanda" companies were involved in the construction of the Federation Tower in Moscow City. These Chinese companies gave Russian engineers the latest technologies on monolith and envelope based construction of buildings. One of the most beautiful complexes of Saint-Petersburg "Baltic Pearl" was also built with the support of several industrial and construction corporations of China led by Shanghai Industrial Investment Company.

At the present stage of development, Russian economy faces an ambitious challenge – to increase the share of domestic exports of high tech industrial and innovative products to China. The solution of this problem can be contributed through the implementation of the "Cooperation Program between the Far East and East Siberian Regions and Northeast China" for 2009-2018. The main provisions of this Program define the priorities of Russian-Chinese cooperation, including changes in border infrastructure that involves not only the development of cooperation areas and the strengthening of Russian-Chinese relations in the sphere of labor activities, but also the implementation of regional cooperation projects, which logically set the agenda in the field of transport and tourism, as

well as interregional cooperation in the field of environmental protection. We should especially highlight the cooperation in the scientific and humanitarian sphere, which involves complex of educational, research, cultural and other socially significant programs and R&D projects (Cooperation program between the Far East and East Siberian regions and Northeast China (2009 – 2018)). Thus, this Program opens new opportunities of interregional cooperation for both the Russian Federation and People's Republic of China, which implement the strategic interests of the two countries that is especially significant in the emerging new geopolitical centers of globalization and increased competition in the world financial and economic markets.

The Russian-Chinese Business Park, currently established and successfully operating serves a platform for production and trade between the Russian Federation and the People's Republic of China. The Business Park is located in the Sverdlovsk Region (city of Ekaterinburg) and covers an area of 400 thousand square meters. It incorporates office, industrial and storage facilities, a large complex with a total infrastructure, as well as management company, providing a full range of necessary services for trading and production companies operating in the sphere of Russian-Chinese economic programs. This project is supported by Governor E. Kuyvashev and Sverdlovsk Region Government.

In the strategy of "Chinese global regionalism" a special attention is paid to long-term cooperation with Russia, which is regarded as the most important vector of Chinese policy aimed at ensuring rapid and safe development, including the extension in the energy sector. Merely the Russian Federation within the APEC region can provide a significant influx of new energy resources for Chinese industry, create conditions for raw material security, and participate in large-scale joint environmental projects.

Accordingly, the problem of ensuring stable energy imports is the most important factor of China's foreign policy, which has reflected in the new concept of national security of the PRC (Voskresensky, 2007).

China seeks to solve the problems of the globalizing development through the expansion of trade, economic and technological cooperation with neighboring countries in the framework of the Eurasian Economic Union and BRICS, primarily, through development of cooperation with Russia, including the cooperation in the context of the development of Siberian and the Far East regions (Abramova & Abramov, 2006).

DISCUSSION

Currently China represents for Russia a huge potential market for energy, whose development can deprive European consumers of the monopoly in this field. This avenue of Russian-Chinese cooperation is developing rapidly through large amounts of funding for new infrastructure projects, development of interaction mechanisms, and implementation of contemporary technologies.

In strategic terms, China is committed to broad investment cooperation with Russia, including the development and exploration of resources in Siberia and the Far East that is consistent with the development programs of these regions, adopted by the Russian Federation Government. This also correlates with the Chinese development projects of the Northeast China, Inner Mongolia and Xinjiang provinces, as set out in the “Program for the revival of the old industrial bases in Northeast China” (August 2007), which suggest its implementation in the context of the use of mutually complementary potential for cooperation with the Far Eastern regions of Russia. When developing and implementing ambitious plans for accelerated growth, China counts on Russia as a stable source of a wide spectrum of natural resources – oil, gas, nonferrous metals, timber, etc.

Chinese companies participate in the development and modernization of Russian power grids system under the Agreement between “PJSC Rosseti” and State Grid Corporation of China (SGC) on the establishment of a joint venture, which will be engaged in the construction and repair of power grids in Russia and other countries. Annual funding of joint projects under this Agreement will amount to 1 bln dollars, at that “PJSC Rosseti” will get 51%, while SGC – 49%.

Cooperation between Russia and China in the field of hydropower is another area of successful interaction between two countries. Thus, “RusHydro” and the “China Three Gorges Corporation”, which is a state-owned power company, have signed an agreement on establishing a joint venture for operation of the Nizhne-Bureiskaya HPP, whose construction started in 2010. The projected capacity of the plant is designed for 320 MW that will be provided by four units.

CONCLUSION

Thus, Russian-Chinese cooperation in the economy, industry, technology, science and other areas currently has reached high quantitative and qualitative parameters. Thanks to the creation of legal and organizational frameworks for the implementation of specific cooperation programs and constructive solutions of urgent problems, a policy of strategic partnership between the Russian Federation and People’s Republic of China is being implemented successfully. At that, Russian-Chinese dialogue becomes of particular importance for the strengthening of the major international associations – the EEU, SCO and BRICS, contributing to the growth of their global influence and expansion of mutually advantageous financial, economic and cultural relations of their member states.

Multilateral cooperation of Russia and China is an important component of the post-bipolar world formation and it has broad prospects in the XXI century as a factor of international stability, contributing to creation of a positive vector of economic and cultural development both in the Eurasian region and in the global dimension.

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