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Title	Sino-Russian Economic Cooperation in the Far East and Central Asia since 2012
Author(s)	Huasheng, Zhao
Citation	Eurasia Border Review, 6(1), 103-121
Issue Date	2015
DOI	https://doi.org/10.14943/ebr.6.1.103
Doc URL	https://hdl.handle.net/2115/60812
Type	departmental bulletin paper
File Information	EBR6_1_006.pdf

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Sino-Russian Economic Cooperation in the Far East and Central Asia Since 2012

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This article explores the economic relations of China and Russia in the Far East and Central Asia since 2012, and after Xi Jinping and Vladimir Putin took office. It provides an overview of the process and evolution of economic cooperation of the two countries and summarizes the major achievements and problems to date. It analyzes Russia's "Turn to the East" policy, and the impact of the Ukraine crisis on Sino-Russia economic relations in general. The paper also investigates the relationship of China's Silk Road Economic Belt and the Russia-dominated Eurasian Economic Union.

Introduction

With the creation of a strategic partnership in 1996, Sino-Russian relations have maintained good relations for 19 years until the present day. In the history of Sino-Soviet relations, there was never a period of such close and long-lasting stability. Even in the 400 years of Sino-Russian relations, although there may have been a longer period of stability, there has never before been a time when relations were both stable and close for such a lasting period.

Since the change in Chinese and Russian leadership in 2012, Chinese-Russian relations are showing a tendency towards developing even closer. After Putin returned to the Russian presidency in 2012, China was one of his first state visits. In September 2013, China's new leader, Xi Jinping, also chose Russia as his first foreign visit. This shows the closeness of the relationship. In February 2014, the eruption of the Ukrainian crisis deeply influenced Sino-Russian relations. This crisis deepened the conflict between Russia and the United States, alienated Russia from Europe, and greatly damaged the trust between Russia and the West. China maintained an objective and fair standpoint on the issue and did not enter the West's anti-Russia camp. While not expressing support for Russia's merger with Crimea, China did not approve of the West's sanctions on Russia, and as a member of the U.N. Security Council, it abstained from the vote over the Crimean referendum. China's position was based on its traditional cautious policy on the possibility of being involved in international conflicts. China is a firm adherent to the principle of respect of sovereignty and territorial integrity. It values unity and instinctively dislikes separation of a state, both because of its traditional values, and because it suffers from separatist problems of its own.

At the same time, China understands the full complexity of the Crimea issue and does not want to sacrifice the China-Russian relationship. China demonstrated a certain amount of understanding saying it understands the historical background under which the merger of Crimea

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DOI: 10.14943/ebr.6.1.103

with Russia happened. In response to this, Putin showed an appreciative attitude towards China. The Ukrainian crisis was a positive push on Chinese-Russian relations. After the crisis, some believed that this gave China a new period of strategic opportunity or a period of freedom. There may be other views on the issue, but that the international order following the Ukrainian crisis will be beneficial to the development of Sino-Russian relations is certain. Russian strategic interests in Europe are under strain, making the prioritizing of a "Turn to the East" more urgent and cooperation with China all the more important.

In May 2014, President Putin visited China. This visit heightened and cemented the trust between the two countries and the countries proposed a far-reaching plan for economic cooperation. The two countries declared a "New Period of Comprehensive Strategic Partnership," showing the desire for bilateral relations to progress to a new period of development and cooperation. During Putin's visit, the two countries signed nearly 40 cooperation agreements touching upon trade, finance, technology, information, aviation, agriculture, infrastructure, regional cooperation and other broad topics. The two countries reaffirmed their goal of realizing Sino-Russian trade cooperation, with trade goals of $150 billion in 2014 and 200 billion in 2020. The most eye-catching agreement was the long discussed natural gas contract. In the next 30 years, Russia will export up to $400 billion of natural gas to China. These all add momentum to the continuing development of China-Russian relations.

China and Russia both have the desire to continue and further develop their relations. In May 2014, when China and Russia declared their "New Period of China-Russian Comprehensive Strategic Partnership," they also declared that China and Russia's comprehensive, equal, and trusting strategic partnership would reach an even higher level.[1] Putin believes that there are no political obstacles between China and Russia to comprehensive cooperation, and Russia has prioritized the development of relations with China.[2] In July 2014, China's Foreign Minister, Wang Yi, and Russia's Minister of Foreign Affairs, Sergei Lavrov, stated the desire to push forward Chinese-Russian relations to a new level and to unceasingly develop the relationship.[3] It is possible to predict that in the foreseeable future, Sino-Russian relations will continue to remain friendly, and will even further develop. All this creates a positive political atmosphere for China and Russia to further their cooperation in the Far East and Central Asia.

Border Disputes No Longer Obstacles

In Sino-Russian relations, there is no issue more far-reaching than that of borders, and there

[1] "New Period of China-Russian Comprehensive Strategic Partnership," *Ministry of Foreign Affairs of the People's Republic of China*, May 20, 2014. Accessed May 20, 2014: http://www.fmprc.gov.cn/mfa_chn/zyxw_602251/t1157763.shtml

[2] "Interv'iu vedushchim SMI Kitaia [Interview with leading Chinese mass-media]," *Kremlin.ru*, May 19, 2014. Accessed May 19, 2014: http://www.kremlin.ru/transcripts/21031

[3] Yi Wang, "Propelling the Sino-Russian Comprehensive Strategic Partnership on High Levels to Continue Forward," *Ministry of Foreign Affairs of the People's Republic of China*, July 31, 2014. Accessed July 31, 2014: http://www.fmprc.gov.cn/mfa_chn/zyxw_602251/t1179355.shtml

is no issue that is more pivotal to the future development of this relationship. Without the resolution of the border issue, Sino-Russian relations could not have reached "the best period in historys" as both countries' leaders have stated, and the long-term maintenance of such positive relations would have been impossible. Furthermore, large-scale cooperation in border areas would be extremely difficult. From another perspective, the resolution of Sino-Russian border issues is the most important symbol that Sino-Russian relations are in the best state, it is a sign of the relationship's stability and it is a prerequisite to meaningful cooperation in border areas.

Sino-Russian relations are special not only because of the complexity of their border relations, but because the countries on either side of that border are two giant neighbors. China and Russia are both huge countries, and as neighbors, each is constantly aware of the other's enormous presence. Russia has an area of 1,707,000 square meters, the largest in the world; it has a population of 150 million, has massive military power, and tremendous potential for development. China is the largest country in the world by population with 1.3 billion people, one-fifth of the world's population. By area, it is the world's third largest, and it is one of the most powerful countries in the world. No other large countries are in the same position as China and Russia. It is impossible for these mammoth neighbors to not have a special geopolitical relationship.

The first worry of two such large countries is security. Furthermore, this is not local security; it is strategic. It can be said that security is the eternal and unchanging basic interest of Sino-Russian relations and is a central concern, no matter if the state of relations is friendly or tense. When relations are friendly, both countries receive the largest security benefit, but when relations are tense, both countries become a serious strategic threat to the other's security. Additionally, this threat is difficult to reduce or eliminate through any means.

The pursuit of friendly policies between China and Russia cannot be separated from the resolution of border issues. Without this resolution, the foundation of Sino-Russian political relations would be unsound and could not be considered entirely normalized. The deterioration of border issues would be a serious blow to the two countries' political relations. The most obvious example is the period between 1960 and 1970 when Sino-Soviet relations reached a low point. Chinese public opinion denounced with great fanfare Czarist Russia's unequal treaty, which seized large tracts of Chinese land. The Soviet Union, on the other hand, criticized China's territorial claims, and the relationship deteriorated to an extreme until finally the countries engaged in a military conflict and skirted the possibility of a large-scale war. Even when Sino-Russian relations are normal, border issues remain an Achilles' heel, with a possible negative influence on bilateral relations. Currently, China's territorial disputes with Japan, Vietnam, and the Philippines have made these relations tense, clarifying the danger of such issues.

Border negotiations between China and Russia already began during the Soviet period, with talks first starting in February 1964. These talks only lasted half a year, with negotiations breaking off in August. In 1969, after the armed conflict on Zhenbao Island, China and the Soviet Union again began negotiations on the border issue. Although talks lasted this time, due to the tense state of relations, no real results were achieved. In 1979, after the Soviet Union's invasion of Afghanistan, negotiations again broke off. In 1986, after the Soviet Union's new leader, Mikhail Gorbachev, came

to power, he deliberately restored border talks and in 1987, China and the Soviet Union began negotiations for the third time. These talks were a breakthrough. In 1991, China and the Soviet Union reached the "Sino-Soviet Eastern Border Agreement," resolving 98% of border issues, with only Heixiazi Island and Yinlong Island (Bolshoi Ussuriiski Island and Tarabarov Island, respectively) and Abagaitu Islet (Bolshoi Ostrov) remaining unresolved.[4]

After the break-up of the Soviet Union, China and the Soviet successor state Russia decided to continue negotiations. In 1994, China and Russia reached the "Sino-Russian Western Border Agreement." In 1996 and 1997, China, Russia, Kazakhstan, Tajikistan, and Kyrgyzstan together signed the "Treaty on Deepening Military Trust in Border Regions" and the "Treaty on Reduction of Military Forces in Border Regions." In 1997, China and Russia announced that the demarcation of the Sino-Russian border was complete, and that both countries for the first time were accurately represented. During Jiang Zemin's visit to Russia in 2001 after Putin came to office, the two countries signed the historic "Sino-Russian Treaty of Good Neighbourliness, Friendship and Cooperation." The sixth article of the treaty in particular caught people's attention, as this article stated that each country had no territorial claims toward the other, that both countries would respect national territory and the principle of international law, that national borders should not be invaded, that the border between the two countries would be strictly observed, that any possible future border issues would be resolved through further talks, and that the current state of the border would be maintained before the completion of the treaty.[5] So far, China and Russia have not only resolved a fundamental issue that has plagued their relations for over one hundred years, but they have also built up military trust in border regions and defined the legal position of the border through a national treaty. In June 2004, China and Russia reached an agreement on the two remaining disputed areas and signed the "Supplemental Sino-Russian Eastern Border Agreement." In June 2005, the Chinese and Russian foreign ministers exchanged the treaty ratification, completely resolving all Sino-Russian border issues. The settlement of border disputes created the necessary conditions for comprehensive cooperation in border areas between China and Russia.

Russia Turns to the East

These past few years, Russian diplomatic thinking has showed a turn toward the East. Concretely, this policy has been brewing since the latter part of Dmitri Medvedev's term and was confirmed and strengthened following Putin's return to the Kremlin in 2012, being materialized in policy. "Turn to the East" is not a new motto in Russian diplomacy; since 1990, this type of phrase has often appeared. At that time, however, the meaning of "Turn to the East" was to develop relations in the East in order to add to Russia's clout when dealing with the West. In nature, it was to use diplomacy in Asia in the service of diplomacy in the West, with Asian diplomacy taking a back seat.

[4] Changbin Jiang, *The Evolution of the Eastern Portion of the Sino-Russian Border* (Beijing: Central Document Publishing, 2007): 336.
[5] "Sino-Russian Treaty of Friendship," 2001.

In implementation, Russian diplomacy did not actually turn to the East; again, its core was still in Europe and the West, with Asia remaining secondary. This had both subjective and objective reasons.

Subjectively, in the period following Russia's independence, in regards to the direction of development, Russia still identified with Europe. For example, during the beginning of his first term as president, Putin said, "Regardless of geographical position, culture, or economic integration, Russia was, is, and will be a European country. Russia will as always put the development of relations with Europe first."[6] This shows that at the time traditional Westernism was the Russian mainstream. Objectively speaking, Russia's designation of Europe as the most important diplomatic goal has natural causes. Russia and Europe traditionally have had profound relations in regards to economics, security, and the humanities. Europe as a whole is Russia's most important trade partner. Europe is the largest concern for security issues. Russia and Europe have close cultural relations. These all give Europe an important position in Russia's diplomatic structure, something that is not easily changed.

Today's "Turn to the East" does not have the same meaning it once had. Now, the "Turn to the East" has made diplomacy with Asia a strategic goal in and of itself, and it is one of the cores of Russia's diplomacy at the same level of importance as diplomacy with the West, no longer a mere tool. Some Russian analysts say the turn to the East is no longer just for show, but rather a well thought out and mature policy.[7] However, it is important to note that Russia's "Turn to the East" does not imply a withdrawal from Europe in favor of the East – that is, it does not mean that Europe and the West are no longer a central point for Russia. Although "Turn to the East" heightens the importance of Asia to Russian diplomacy, it does not mean that Russia will abandon Europe or that Asia-Pacific will replace Europe. The turn to the East will be a long process but not a quick change, and its success is not guaranteed.

There are a series of reasons for Russia's turn to the East. The international political economic center of gravity's shift toward Asia-Pacific is an important cause. Entering the 21st century, the shift of the cores of political-economic and security to Asia-Pacific is increasingly obvious. Asia-Pacific is increasingly the source of political and economic power. Under these circumstances, if Russia is not able to cement a position in the Asia-Pacific region, it risks being excluded and marginalized from the center of world politics and economic structure. In addition, Russia has a serious issue with unequal development of the eastern and western parts of the country. As the economic and social development of the Russian Far East and Siberia lags far behind, this is a serious challenge to the further development of Russia. Therefore, Russia has many goals in its turn to the East. It hopes that through this shift, it will have a place in the international political power structure; it hopes that the rapid development of Asia-Pacific's economy will support the development of Russia's economy; it hopes that through the turn to the East, it will safeguard the geo-political and

[6] "Putin Says Russia Will Prioritize Developing Relations with Russia," *Xinhua*, May 30, 2000. Accessed May 30, 2000: http://www.people.com.cn/GB/channel2/17/20000530/82466.html

[7] Aleksandr Andreev, "Povorot na vostok: podpisanie kontrakta po gazu mezhdu Rossiei i Kitaem [Pivot to the East: The Signing of the Gas Contract between Russia and China]," *RIA Novosti*, May 21, 2014. Accessed May 21, 2014: http://ria.ru/columns/20140521/1008730350.html

geo-economic security of the Asian region of Russia. Russia's strategic revision toward the East is part of a long process. There are many different assessments of the future of this policy, with both optimistic views and pessimistic prophecies.

Opening-up of Far East and Siberia: How and For What?

In Russia's turn to the East and new strategy in Asia-Pacific, opening up the Far East and Siberia is of particular importance. In 2010, the Russian government approved the "2020 Siberian Development Strategy" and the "2025 Far East and Trans-Baikal Region Socio-economic Development Strategy." Putin attaches particular importance to the development of Siberia and the Far East and has designated this goal a national priority for the twenty first century. In Putin's 2012 state of the nation address, Putin said that in the 21st century Russia must develop towards the East. As Siberia and the Far East hold enormous potential, developing Siberia and the Far East is the primary direction of the entire 21st century.[8] In July 2015, Putin signed a legal document that granted the city of Vladivostok, the capital of Primoriskii Krai, the status of a free harbor. It's the most recent significant movement of the Russian government in seeking to open up the Far East.

Russia has several goals in opening up the Far East and Siberia. One is to utilize the area's rich natural resources in order to provide Russia with more wealth, making it the source of Russia's prosperity and development in the 21st century. The second is for Russia to enter into Asia-Pacific economic cooperation by developing Siberia and the Far East, opening up the Asia-Pacific market to Russia and attracting investments, and becoming an economic and transportation center of the region. The third reason is to ensure Russia's control over Siberia and the Far East Region. This region is wide, with rich natural resources but few people; moreover, economic development lags, infrastructure is out-of-date, and the population is trickling away. It is surrounded by China, Japan, and Korea, whose economies are developed and who have great need of natural resources. Russia feels that if it is unable to develop the region, if it is unable to raise the economic and social standards of the area, Russia may one day lose control of the area.

The objectives of Russia's opening up of Siberia and the Far East is to build and extensively renew the infrastructure in the region; to fully utilize the region's natural resources; to vigorously development the secondary sector, in particular wood; to utilize the vast tracts of land available in the Far East and Siberia, developing farming and livestock; to integrate the region's technological resources and to encourage technologically advanced and innovative industries; and to open up Siberia and the Far East's energy resources, including oil, gas, and electricity.

Transportation holds an important position in Russia's strategic development of Siberia and the Far East. In 2008, the Russian government approved the "Russia 2030 Rail Transit Development Strategy" and the "Russia 2030 Transportation Strategy," which included plans for the development of railways and transportation in Siberia and the Far East. According to the content of the documents,

[8] "Poslanie prezidenta federal'nomu sobraniiu [Message of the President to the Federal Assembly]," *Kremlin.ru* December 12, 2012. Accessed December 12, 2012: http://www.kremlin.ru/news/17118

Russia is prepared to construct 5300–7300 kilometers of new railways in the region by 2030, and is planning high-speed railways from Vladivostok to Ussuriisk and from Vladivostok to Khabarovsk. During this period, Russia wants to build a second line between Baikal and the Amur Oblast. Some experts predict that after the implementation of the plan, a Northeast Asian rail transportation loop could take form in the future, connecting Russia's Far East with Japan, Korea, and Northeastern China. Russia's Far East, China's North East, and the Koreas could become an integrated railway system.[9]

Sea transport is another important link in the opening up of Siberia and Russia's Far East. Russia has many harbors on its Pacific coast. These harbors face Japan, Korea, China, and other significant trading countries, and are backed by Siberian railways. Russia hopes to utilize this advantageous natural position to build the Far East up as the center of the flow of goods between the prosperous Asia-Pacific and Europe. Russia plans to expand and modernize its out-of-date ports and to substantially increase its Eastern harbor's output capability. These harbors include Vladivostok, Vostochny, Slavyanka, Troitsk, and Vanino Harbors. Russia is preparing to create several new transportation hubs in the future, including a Vladivostok hub, an East Nakhodka hub, a Khasan transport hub, and a Vanino-Soviet harbor transportation hub. In order to achieve this, Russia must construct extensive infrastructure and related service facilities.

Establishing a passage from the Arctic Ocean to the Atlantic is another great dream of Russia's. This passage is called the Northern Sea Route. With the progression of global warming, the possibility of its realization is greater and greater. If this sea route were opened, Russia would need to build and expand harbors in Kamchatka Peninsula and other areas. In the future, this sea route would compete with the Suez Canal as a trade route to Europe. Russia believes, if the Northern Sea Route were realized, it would attract many Asian customers, of which the client with the most potential would be China.

In order to implement the Far East and Siberia development strategy, in 2012 Russia created the Ministry for Development of the Russian Far East and the Far East National Development Company. The Russian government has set aside enormous amounts of money for the development of the region, created special policies, given preferential tax codes, established broad economic development zones, supported migration from the western parts of the country, and more. In 2012, Russia hosted the 20th Asia Pacific Economic Cooperation Summit for the first time within its own borders. Russia chose Vladivostok as the host city, the goal of this being to push the image of Vladivostok forward in the minds of Asia-Pacific countries. In order to do this, Russia spent huge amounts of money on construction in the city and building facilities on Vladivostok's Russkii Island. After the conclusion of the summit, these facilities became the location of the newly formed Far Eastern Federal University. The Russian government decided to launch a Far Eastern development zone in 2015. This development zone will be guided by the export of goods and is anticipated to

[9] Anna Bardal' and E.A. Zaostrovskikh, "Dal'nii Vostok-2050: transportnaia infrastruktura mezhdunarodnogo sotrudnichestva [Far East 2050: Transport Infrastructure of International Cooperation]," *Problemy Dal'nego Vostoka* 5 (2012): 9–11.

attract over $27 billion in investment.[10]

China is an Enthusiastic and Indispensable Partner

China is an indispensable part of the development of Russia's Far East and Siberia. China is Russia's neighbor, but for the Far Eastern region in particular, it is the largest and closest neighbor. Its geographical position is unparalleled by any other country. Developing Siberia and the Far East is closely tied with China. In 2013 bilateral trade reached $90 billion, making China Russia's largest trading partner. Because the development of Siberia and the Far East requires outside markets for its goods to be exported, China is the most promising market. Building a logistical center and transportation hub requires the support of cargo flows, and the huge amounts of China's imports and exports are an important source of this flow. Developing the Far East and Siberia also requires large amounts of investment, which the Russian government cannot shoulder all by itself. As the second largest economy in the world, China has relatively ample capital that could be used on the development of Siberia and the Far East. Developing this region requires lots of manpower as well, and China can also provide sufficient labor. Simply put, China is a natural partner to Russia's development of its Far East and Siberia.

Cooperation in neighboring regions is a supremely important part of Sino-Russian relations. Amongst China and Russia's cooperation in neighboring areas, cooperation in Russia's Far East and China's Northeast (including Inner Mongolia) are the most important. The Chinese-Russian border stretches continuously for over 4300 kilometers, with a further 50 kilometers in the West. Therefore, Sino-Russian cooperation in neighboring regions is paramount. The western Sino-Russian border is very short and in a sparsely populated region, as a result, cross-border cooperation in the area is small.

Although Sino-Russian cooperation in the Far East is always accompanied by many different pessimistic predictions, the reality is that the two countries maintain a state of cooperation, even showing the possibility of progressing to a new level. This is because Chinese-Russian cooperation in this area possesses a series of beneficial conditions.

Both the Chinese and Russian governments highly value the development of their respective Northeast and Far East and Siberia regions. It is not only a matter of relations between the two regions but also an issue of international cooperation. In 2009, the Chinese and Russian governments signed the "Northeast China Region and Far East and Siberian Russia Region 2009–2018 Cooperation Plan Outline." This outline comprehensively demarcated future cooperation in China's Northeast and Russia's Far East and Siberia. It included eight major parts separated into the construction and refurbishment of port and border infrastructure, regional transit cooperation, development of the China-Russia Cooperation Park, service cooperation between the two countries, tourism cooperation, regional cooperation keystone projects, regional cultural cooperation, and

[10] Alexei Filippov, "Far East Advanced Development Zones to Open in 2015-Minister," *RIA Novosti*, August 7, 2014. Accessed August 7, 2014: http://en.ria.ru/russia/20140807/191813796/Far-East-Advanced-Development-Zones-to-Open-in-2015--Minister.html

cooperation over regional environmental protection.

In May 2014, during a meeting between Vice Premier Wang Yang and Deputy Prime Minister Dmitri Rogozin, border region cooperation was one of the main topics. Both parties expressed concrete intent to cooperate. China is preparing to invest in the construction of a smelter in the Amur River region, and is even building supporting infrastructure, such as laying railways, constructing highways, and building a power plant.[11] Russia also proposed investment programs in China, hoping that China would first invest. Of these programs, seven are in Primorsky Krai, including the construction of a port at Zarubino, modernizing information networks in Nakhodka Port, building specialized infrastructure for marine cargo transport at Dashicheng, developing Vladivostok's air transit, developing innovative agriculture in the Khasan region, constructing pig-raising enterprises in Spas-Klepiki, and building a residential zone in Primorsky Krai.[12]

In May of 2014, President Xi Jinping and Putin announced a statement of cooperation and specifically emphasized the importance of regional cooperation. This announcement indicated an active stimulation of regional cooperation, expanded the scope and territory of regional cooperation, improved the mechanism, for regional cooperation, promoted the development of planned and regular communication, and even proposed the faster development of cross-border infrastructure including a China-Russian railway bridge, improving the Russian rail network for the shipment of Chinese goods, and improving the cross-border transit conditions at the Far East Port and the Northern Sea Route.

China does not have any seaports on the Sea of Japan. This is a great restriction on the outward economy of the Northwest, particularly Jilin, Heilongjiang, and Inner Mongolia. In 1991, the United Nations Development Program initiated the Tumen River Development Program (the Tumen River Development Program is now a regional cooperation program, not a UN development program). The Tumen River flows through China, Russia, and North Korea, but the final 15 kilometers to the sea are between Russia and North Korea and do not belong to China. Although China has the legal right to thoroughfare, after the Soviet-Japanese Battle of Lake Khasan in 1938, Japan blocked the Tumen River's seaport, closing off China's entrance to the Sea of Japan via the Tumen River all the way to the present day. China is an enthusiastic participant in the Tumen River Development Program, China not only hopes to stimulate the area's economy via this development program, but also to once again open up the Tumen River's seaport.

By actively pursuing the reopening of the Tumen River seaport, China is also hoping to cooperate with Russia to realize the "borrowed port sea access." This so called borrowed Russian port sea access refers to reaching the sea through Russia's port. In May 2014, China's Jilin province and Russia's Summa Group signed a cooperation framework treaty in order to cooperate on the development of Russia's Zarubino Port. Zarubino Port is currently a small inlet, but after the

[11] "Wang Yang and Russian Deputy Prime Minister Rogozin's Hold Regular Bilateral Conferences," *Ministry of Foreign Affairs of the People's Republic of China*, April 18, 2014. Accessed April 18, 2014: http://www.fmprc.gov.cn/mfa_chn/zyxw_602251/t1148376.shtml

[12] Dar'ia Nekliudova, "Rossiia predstavila KNR sem' proektov v Primorskom Krae [Russia Proposes to China Seven Projects in Primorskii Region]," *Novyi Region*, April 22, 2014. Accessed April 22, 2014: http://www.nr2.ru/fareast/494789.html

completion of the expansion program, Zarubino's yearly output capabilities could reach up to 100 million tons. As Zarubino and Jilin's Hunchun are very close, China and Russia plan on constructing a Hunchun-Zarubino Port cross-border highway to restore the Hunchun-Makhalino-Zarubino railway and to use rail and highways to connect Hunchun and Zarubino together. The construction of Zarubino Port will open up a major thoroughfare for the trade cooperation of Northeast China and all countries along the Sea of Japan.

Difficulties and Problems Remain

There are also some problems facing Chinese-Russian cooperation in the Far East. One problem is that most economic cooperation in the region is through specific programs. It has not yet reached the level of systematic and deep economic cooperation. To be specific, Sino-Russian economic cooperation is a project, but the regional economy has not become integrated. China and Russia also have different frameworks for the integration of the regional economy and have not been able to create common or parallel frameworks. China and Russia both promote the integration of the regional economy. China has already signed and is currently engaged in discussions to sign dozens of treaties creating free trade zones, including Northeast Asia's Sino-Korean Free Trade Zone. Russia is also promoting a Eurasian economic union; it is in talks to create free trade zones with India, Vietnam, and Turkey. A disappointing issue is that although China and Russia are extremely important trade partners to one another, and China is Russia's largest trade partner, the two countries have not begun any economic integration. This issue is largely due to Russia. Russia's economy is weaker than China's and it believes that integrating with China economically would be detrimental to it.

The other issue is political obstacles in Russia – including in the Far East and Siberia – and to a certain extent there are worries and wariness of China. This is mostly manifested in fears of China's immigration threat, economic expansion, and new challenges. The immigration threat is a very popular viewpoint. This view believes that China has too many people, but too little land and resources, whereas neighboring Siberia and the Russian Far East is sparsely populated, with vast swathes of land and ample resources; this is a significant temptation for Chinese immigrants. If legal and illegal Chinese immigrants stream into the region, the proportion of Chinese people in Siberia and the Far East will continue to grow, not only making it difficult to control the Chinese immigrants, but Chinese people might eventually outnumber Russian residents, causing them to take control. The immigration threat is often spoken of in Russia, but it is more of a political dramatization that lacks true evidence. Russian officials and serious academics all deny the existence of a Chinese immigration threat. The director of Russia's Federal Migration Service K. Romodanovskii says that every year a total of approximately 13 to 14 million immigrants (representing all types of migrant status) enter Russia, of which three-fourths come from the Commonwealth of Independent States, one-tenth come from Europe, and about 400,000 come from China. The majority of foreigners are staying temporarily, with only 680,000 staying permanently. There is no China immigration threat.[13]

[13] Ivan Rodin, "FMS oprovergaet nalichie kitaiskoi ugrozy, glava vedomstva Konstantin Romodanovskii ne

The fear of an economic expansion is also quite common. This view sees China's economic activities in the Far East and Siberia as a threat to Russia. To people who hold this view, China's economic growth in Siberia and the Far East are dangerous to Russia and will eventually lead to growth depending on China, and even to total economic domination. Some people even refer to this as the "slow colonization" of Siberia and the Far East by China.[14] Together with the immigration threat, this will eventually destabilize Russia's control of the area, even threatening Russia's sovereignty.

The worry over these new challenges is not about a conventional military invasion or with the inundation of Chinese immigrants. It is the belief that China's challenge to Russia is different than before. It is one concerned with fears of Russia becoming a resource appendage for China, whereby the provision of raw materials fuels China's rise as a great power and Russia will become a political vassal.

Russia's worries have historical causes as well as realistic ones. The historical reasons are clear: Sino-Russian border relations have a complex and winding history; and there have been many conflicts and even wars. Russia subconsciously worries that China will retake its lost territory, so these sorts of concerns are always caught up in economic relations and contacts in border areas.

In regards to the realistic causes, China's rapid rise and the fact that China's economy has already surpassed Russia's puts a lot of pressure on Russia. Toward the end of the Soviet Union, China's GNP was only one-third of the Soviet Union's. In 1990 the two countries' GNPs were approximately the same, and China's current GNP is approximately four times the size of Russia's. According to World Bank statistics, in 2012 Russia's GNP was $2.017 trillion whereas China's was $8.229 trillion.[15] Due to the absolute size and rapid development of the Chinese economy, in the foreseeable future the disparity between Russia and China will only continue to grow. This is the first time in modern history that China has been stronger than Russia. Russia has not grown used to a strong China as a neighbor, and it feels uncomfortable. This is the source of Russia's China threat.

It should be appreciated that Russia's leaders have a clear and logical understanding of the issue. Putin once gave a clear answer to the China threat theory, once stating during a TV news press conference:

> I've said many times to those who try to scare us with the Chinese threat, in the modern world, no matter how desirable the mineral resources of Siberia and the Far East, the most important struggle is not about that. The most important struggle is that of world leadership […] we do not want to argue

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videt ni zasil'ia migrantov, ni ikh uskorennoi kriminalizatsii [Federal Migration Service Denies the Existence of a Chinese Threat: Head of Department Konstantin Romodanovsky does not See the Dominance of Migrants nor their Rapid Criminalisation]," *Nezavisimaya Gazeta*, March 22, 2012. Accessed March 22, 2013: http://www.ng.ru/politics/2012-03-22/3_fms.html

[14] "The Challenges of a Rising China: How will the US and Russia Respond?" *US-Russia.org*, November 20, 2012. Accessed November 20, 2012: http://us-russia.org/571-the-challenges-of-a-rising-china-how-will-the-us-and-russia-respond.html

[15] See: http://databank.worldbank.org/data/views/reports/tableview.aspx?isshared=true

> with China. China is our partner, a reliable partner. We can see the desire and readiness on the part of Chinese leaders and the Chinese people to build friendly relations, and are prepared to seek compromise on the most complex issues. We see this and we will do likewise.[16]

It also should be noted that public opinion in Russia favors a deepening cooperation with China. The part of people that regard China as a friend is growing; the influence of "Chinese threats" is diminishing.[17]

In reality, Russia maintains complete sovereignty over China's economic activities in Russia. Under these conditions, China's economic activities cannot threaten Russia and cannot lead to Chinese control of Russia's Far East. Objectively speaking, under the backdrop of a globalizing economy, economic cooperation and merging between neighboring areas is a natural trend. China is Russia's largest neighbor in the Far East, in terms of geography, economics, and population. Furthermore, China is an important resource for the development of Siberia and the Far East. It is even possible to say that it is the most important outside resource. This fact is increasingly recognized by the Russian academic world.

The enormous economic potential of the Far East Region remains untapped. Developing the Far East and Siberia is already one of Russia's national policies, and it has been further endowed with the task of helping Russia's economic Renaissance and becoming part of the Asia-Pacific economy. But the role of China in the development of the Far East and Siberia remains unclear. China and Russia are diligently trying to widen this bottleneck. China and Russia are natural partners that are difficult to fragment when it comes to geo-economics. It would be unreasonable if China were not the main partner in the development of the Far East and Siberia. This would not only limit China, but also the development of the region. It can be seen that the macroscopic view held by the Russian government is becoming clearer and clearer. In 2012, Putin proposed to "borrow the Chinese wind to help sail Russia's economic ship." He believes the growth of China's economy is not a threat to Russia, but is rather brimming with opportunities and challenges for commercial cooperation. He expressed that Russia should "knowledgably utilize China's potential to open up Siberia and the Far East's economies."[18] In May 2014, the day before his China visit, during an interview with Chinese media Putin said that Russia hopes to see Chinese enterprises jumping into the development of the Far East and Siberia. He believes this would be beneficial to both Russia and China. Putin emphasized that China and Russia should not only engage in trade, but should also create a firm technological and industrial alliance to invest together in the construction of infrastructure and the

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[16] "Interv'iu predsedatelia pravitel'stva rossiiskoi federatsii V. V. Putina [Interview with the Prime Minister of the Russian Federation, V. V. Putin]" October 17, 2011. Accessed November 17, 2011: http://premier.gov.ru/events/pressconferences/16755/

[17] In a poll held by the All-Russian Public Opinion Research Center (VTSIOM) in January, 2015, as many as 51% of those polled said China had the friendliest attitude towards Russia. This figure has more than doubled over the past six years – from 23% in 2008. See: "China Friendliest Country for Russia, the US – Most Hostile – Poll Russia," *Itar-tass*, January 28, 2015. Accessed January 28, 2015: http://itar-tass.com/en/russia/773856

[18] "V. V. Putin, Rossiia i meniaiushchiisia mir [Vladimir Putin. Russia and the Changing World]," February 27, 2012. Accessed February 27, 2012: http://premier.gov.ru/events/news/18252/

development of energy resources, to engage in joint scientific research, and so on.[19] In these respects, Russia's Far East is a natural stage for bilateral cooperation. This attitude of Putin's provides a keystone of large-scale Russian-Chinese cooperation in the Far East.

Further issues arise in the implementation of this cooperation. Although the overall direction is to promote cooperation in the Far East and Siberia between the two countries, theoretically, there are some contradictions of interest. Russia's goals are to make Vladivostok, Nakhodka, and other ports into regional transportation hubs; to stretch the Siberian railroad to North and South Korean railroads; and to make the Far East a trade corridor between Asia-Pacific and Europe. Some of China's transportation goals, on the other hand, are a substitute for Russia's projects. The second Eurasian continental bridge from Lianyungang and through Central Asia has heavily influenced the Siberian railroad. Russia is worried that China's intentions to create a new transportation corridor through the Northeast region would challenge the Siberian railway. Some Russians believe that the lease of Rason Port to China in 2008 and the construction of the railway between Rason and Northeast China will become an important part of China's Eurasian transit corridor. This transit corridor skirts Russia and is a potential threat to the Siberian Railway.[20]

There is also a problem in the Tumen River project. The Tumen River project is Russia's only multilateral project in the area, but Russia underestimates its potential. Russia's regional government is not completely energetic toward the proposal, and the academic and business worlds are not much interested in it either. The Tumen River project has stagnated in the last ten years, and from the Russian perspective, the Russian regional government believes that it is a potential threat to the Trans-Siberian Railway and Vladivostok Port. Russia does not want a competitor to Vladivostok Port and is worried that Tumen River will become China's "Bosphorus Strait." They worry that this channel will handle large amounts of Chinese products without giving much benefit to Russia. Russia also has a few territorial concerns. There is some public opinion that the Tumen Project is a Chinese outpost on Russian soil, fearing that as soon as Russia's absolute control of territories in the Far East is loosened, it might one day lead to the loss of more territory.[21] This sort of negative view came about in 1995–1997 when China and Russia were demarcating their borders. Afterwards, although attacks on political grounds of the Tumen project were few, their passive influence has still not disappeared completely.[22]

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[19] Interv'iu vedushchim SMI Kitaia.

[20] V. A. Gaikin, "Integratsionnye proekty dlya evrazii [Integration Projects for Eurasia]," *Mir i Politika* 11 (2012). Accessed November 2012: http://www.intelros.ru/readroom/mir-i-politika/m11-2012/16941-integracionnye-proekty-dlya-evrazii.html

[21] Vladimir Pankov, "Uroki 'Tumangana' [Lessons of Tumangan]," June 7, 2011. Accessed June 7, 2011: http://vapankov.livejournal.com/1793.html

[22] V. Gulidov, "Proekt 'Tumangan:' vymysel i real'nost' [Project 'Tumangan:' Myth and Reality]," *Prostranstvennaia Ekonomika* 1 (2012): 93.

Silk Road Economic Belt and Eurasian Economic Union: A New Topic for China and Russia to Cooperate in Central Asia

Chinese-Russian cooperation in Central Asia is not border region cooperation. Since Central Asia is located between China and Russia, the region has close ties with both these countries. China is the neighbor or near neighbor of all the five Central Asian countries. Russia and the countries of Central Asian have a special historical relationship, and for the past 150 years or so, Central Asia was part of the Russian Empire / Soviet Union. This has caused Russia and Central Asia to have an especially deep and integrated relationship; Russia's influence in Central Asia is particularly profound. Due to the particularly close ties of Russia and China in the region, the geographical location of the region, as well as the Shanghai Cooperation Organization which China, Russia, and the Central Asian countries have created together, this region is completely different from any other. Although it is not truly border region cooperation, in some respects it is similar to such cooperation.

The main framework for Chinese-Russian cooperation in Central Asia is the Shanghai Cooperation Organization (SCO) and the Russia-led Eurasian Economic Union. However, no real cooperation occurred between China and Russia in this framework up to now.[23] In September of 2013, the President of China, while in Kazakhstan, proposed the Silk Road Economic Belt. It provides a new platform for China and Russia to cooperate. Chinese-Russian cooperation in the SCO is already an oft-discussed topic and the related discourses are many. But the Silk Road Economic Belt and the Eurasian Economic Union are new topics in Sino-Russian relations and here mainly this issue will be discussed.

The Silk Road Economic Belt is viewed as an important strategic idea for China's new leader and received wide attention. China's envisioned Silk Road Economic Belt covers a broad area from China in the East to Iran in the West, and India in the South all the way north to Eastern Europe covering the vast region of East Asia, Central Asia, West Asia, South Asia, and Eastern Europe. Whether considered from a political or from a geographical point of view, Central Asia has an important position in the Silk Road Economic Belt. Xi Jinping's choice to announce this concept in Kazakhstan is very meaningful.

The fundamental purpose of the Silk Road Economic Belt is to realize the "five connections" -policy communication, roadway links, unimpeded trade, flow of currency, and inter-people connections. Policy communication refers preserving negotiations and reaching mutual understanding. Roadway links refers to developing transportation links, not only repairing railways and highways, but more importantly connecting the transportation of each country to the others in order to create a regional transportation network. In order to do this, roadways must be constructed and the accompanying policies must be worked on diligently. The important point of unimpeded trade is to get rid of obstacles to trade, to improve illogical regulations and to remove cumbersome and

[23]According to Putin's plan, the Eurasian Union would be divided into four successive stages of implementation, a customs union, a common economic space, a Eurasian economic alliance, and a Eurasian alliance. For simplicity, this plan is here referred to as the Eurasian Union.

ineffective procedures at border crossing in order to make trade flow more smoothly. Flow of currency refers to the promotion of using local currencies in trade and to increase the flow of these currencies; and inter-people connections refer to an increase in exchanges between different peoples in order to increase understanding and friendly feelings.

The appearance of the Silk Road Economic Belt initiative caused observers to consider the relationship in regards to the Eurasian Economic Union. In some ways, it is also an issue of China and Russia's relations in Central Asia, because these two strategies both place Central Asia in the geopolitical center stage. The Eurasian Economic Union is Russia's main stage for regional integration. To integrate the former Soviet Union republics is one of Russia's long-lasting and unchanging goals, and Putin is particularly dedicated to this mission. As early as 1995, Russia, Belarus, Kazakhstan, Uzbekistan, Tajikistan, and Turkmenistan created a customs union. In October 2000, the Eurasian Economic Community was constructed on the basis of this customs union. The main goal of this union was for member countries to create a customs union and a common economic space, and to deepen economic and cultural integration. The Eurasian Economic Community began with five countries: Russia, Kazakhstan, Belarus, Kyrgyzstan, and Tajikistan. In addition, Ukraine, Armenia, and Moldova were granted the status of observer states. Uzbekistan joined in 2006, but left in 2008. A Eurasian Development Bank operated within the Eurasian Economic Community and following the 2008 world financial crisis, the Eurasian Economic Community also created an anti-crisis fund.

In October 2007, Russia, Belarus, and Kazakhstan created a customs union within the framework of the Eurasian Economic Community. In July 2011, the customs union officially began with the three countries having unified customs procedures and realizing the free flow of goods. Beginning in January 2012, the customs union began to develop towards a common economic space. Such a common economic space represents a higher level of integration. It is based upon the blueprint of Europe's Schengen Agreement, coordinating policies and activities in many different arenas including macroeconomic policy, rules of competition, technology standards, agricultural subsidies, transportation, taxation of natural monopolies, unification of visa and immigration policies, etc. In December 2011, Russia, Belarus, and Kazakhstan created the Eurasian Economic Commission, which began its work on February 2012. This is a supranational organization headquartered in Moscow. Currently, the discussion of the entrance of Kyrgyzstan and Armenia to the customs union is on the agenda. Outside of the former Soviet Union, India, Vietnam, and Turkey have also expressed interest in joining the customs union. In May 2014, Russia, Belarus, and Kazakhstan signed a treaty to start up the Eurasian Economic Union in January of 2015. The three countries will create a common good and services market, a common gas and oil market, implement a unified tariff, and allow goods to flow freely. The three countries will also implement the same macroeconomic policies, anti-monopoly policies, and monetary and financial policies. Russia will receive 87.97% of tariff revenues from the economic union, Kazakhstan will receive 7.33%, and Belarus will receive 4.7%.

Both China and Russia are Central Asia's super power neighbors and both have countless ties to the region. Until the breakup of the Soviet Union, Central Asia had been part of the Russian Empire and later the Soviet Union. Russia and Central Asia developed particularly close ties over a

century and a half; Russia's desire to integrate with Central Asia is both understandable and reasonable. Ties between China and Central Asia go back far into the past. Additionally, during the period of Tsarist Russia and the Soviet Union, China's Xinjiang and Central Asia's economic connections were linked totally. China shares borders with three of the five Central Asian countries with a total length of over 3300 kilometers. From a geographic perspective, and understanding of traditions and culture, Northwestern China, and in particular Xinjiang, is an important part of Central Asia. This reflects China's connections to and cooperation in the area. Historically, Xinjiang and Central Asia were always well connected. It was even like this during the periods of Czarist Russian and Soviet rule, except for the period between 1960 and 1980.

The purpose of the Silk Road Economic Belt is not to contradict the Eurasian Union. Strategically speaking, China views Russia as a strategic partner and friendly cooperation is the basis of China's policies toward Russia. The Silk Road Economic Belt reflects China's own need for development, as well as China's motive to take care of Russian interests. This is apparent in several respects. One aspect is that the Silk Road Economic Belt is not completely concentrated in Central Asia. It can be determined that if Central Asia were the main target of the Silk Road Economic Belt, this would create a direct clash with the Eurasian Union. Another aspect is that the Belt did not propose any institutional goals. China had proposed the creation of a free trade zone through the SCO, but understood that Russia was opposed to this idea.

The Silk Road Economic Belt has avoided advocating such a system, which is a retreat from China's former position. This shows China's pragmatism, as an extensive free trade zone over such a large area is unrealistic, and at the same time avoids any conflicts with the Eurasian Union. Of course, this does not mean that China has given up its ideas on developing a free trade zone. Free trade zones are one form of regional economic cooperation and are not in themselves anything negative. They can lower the cost of trade, improve efficiency, and increase trade. When regional economic cooperation has developed to a certain point, the creation of a free trade zone is a natural request. While the Silk Road Economic Belt is not chasing a free trade zone, China is still promoting talks to create free trade zones with some Central Asian countries. Another important fact is that when Xi Jinping announced the Silk Road Economic Belt, he particularly pointed out that China was not seeking the power to lead in Central Asia, or to set up spheres of influence, but was instead willing to work hand in hand with Russia.[24] What this means is that the Silk Road Economic Belt neither aims to exclude Russia nor compete with the Eurasian Economic Union. Saying that the Silk Road Economic Belt might swallow up the Eurasian Union is only a play on geographic concepts. Simply put, a low level, un-institutionalized, loose economic cooperation is incapable of merging with a high-level, institutionalized economic union.

Although the presence of China and Russia – or the Silk Road Economic Belt and the Eurasian Union – in Central Asia is a consequence of the surroundings, it is not in conflict with cooperation, and there is no inherent cause for conflict. According to Chinese thought, the

[24] "Xi Jinping Speaks at Nazarbayev University," *Xinhua*, September 7, 2013. Accessed September 7, 2013: http://news.xinhuanet.com/2013-09/08/c_117273079_2.htm

harmonious coexistence of different and conflicting things is not only possible, but also necessary. This is the root of the frequently said Chinese saying "harmony without sameness." This is also a fitting description of the Silk Road Economic Belt and the Eurasian Union.

According to one understanding, the Silk Road Economic Belt does not harm Russia's interests. The Silk Road Economic Belt is a completely open system and is not exclusionary. The Belt's main purpose is to promote regional cooperation, which is beneficial to the stability and development of the whole region. The Silk Road Economic Belt is not a challenge to the Eurasian Union. For Central Asian countries, the Silk Road Economic Belt is not an alternative choice to the Eurasian Union, it is not a question of one or the other, and Central Asian countries do not need to choose between the two systems. The Silk Road Economic Belt will not influence the prospects of the Eurasian Union either. Fundamentally speaking, the success or failure of the Eurasian Union relies on relations between Russia and the Central Asian countries, in the benefits it brings to these countries, and it has no relation to the Silk Road Economic Belt.

From the perspective of development, the Silk Road Economic Belt and the Eurasian Union both have strengths and weaknesses, but both are undoubtedly important mechanisms and cooperation frameworks in the region, and both will be in the area for a long time. The greatest advantage of the Eurasian Union is historical inertia, as well as the far-reaching political, economic, security, and cultural ties of Russia and the countries of Central Asia. The Assistant Dean of Russia's Institute of International Relations, Professor Alexander Lukin pointed out that in regards to political bodies, traditional culture, education and other respects, Central Asian countries are closer to Russia.[25] During the period following the independence of the Central Asian states, their main concern was to protect their independence and to build a state; moreover, they are relatively sensitive to Russia's proposals for integration, and they had an instinctual vigilance toward Russia's institutionalized integration. This period has passed, and politically, Central Asian countries are no longer overly concerned by the fear of integration with Russia, and the importance of traditional political and economic connections is becoming clearer. For Kyrgyzstan and Tajikistan, although they are not yet members of the customs union, Russia is their most important labor market. Labor migration is also an important source of employment and revenue channel. These sorts of close economic ties cause them to draw slowly closer to the customs union.

Another great advantage of the Eurasian Union is its steady allies, such as Kazakhstan. Kazakhstan is not only Russia's dependable ally in the Eurasian Union, in reality it is the eternal member and the most devoted disciple of Eurasianism, and in some ways, it values Eurasianism even more than Russia. The Eurasian Union was first suggested by Kazakhstan, not Russia. In March 1994, during President Nazarbayev's first official visit to Russia, he first proposed the creation of a Eurasian Union at Moscow University.[26] Kazakhstan is an important country in Central Asia; it has a

[25] Alexander Lukin, "Ideia 'ekonomicheskogo poiasa shelkovogo puti' i evraziiskaia integratsiia [The Idea of a 'Silk Road Economic Belt' and Eurasian Integration]," *Mezhdunarodnaia Zhizn'* 7 (2014).

[26] A. K. Koshanov, *Evraziiskaia integratsiia: ideia, problem i perspektivy. Ideia i real'nost' evraziistva [Eurasian Integration: Ideas, Problems and Perspectives. The Ideas and Reality of Eurasianism]* (Almaty: Dail-Press, 1999): 175.

high political position and has the most influential economy in the region. With its support in cooperation with Russia, the basic framework of the Eurasian Union is guaranteed. It naturally has immense influence on the other Central Asian countries.

The weak point of the Eurasian Union is that its central country, Russia, does not have enough economic resources. The amount it can invest in the union is limited. A further weakness is that Russia views the greatest form of the Eurasian Union is both an economic and political union, but Kazakhstan is cautious of the politicization of the Eurasian Union. For example, Russia and Kazakhstan had similar ideas during the beginning and intermediary stages of the development of the Eurasian Union, but during later stages differences appeared over what direction the union should develop in. This may limit the future development of the Eurasian Union.

The greatest advantage of the Silk Road Economic Belt is China's ever-growing economic influence. In the last ten years, Chinese trade with Central Asia has increased rapidly, and Chinese economic influence in the area has rapidly expanded. In 2000, Chinese trade with all five Central Asian countries was only $1.8 billion, but by 2012 it had reached $45.9 billion. At that time, China was already Kazakhstan and Turkmenistan's largest trading partner, and the second largest partner for Uzbekistan, Kyrgyzstan, and Tajikistan. China has ample capital and it is able to offer large loans to Central Asian countries. Ending in June 2013, China offered loans of $49.1 billion to Russia and the Central Asian countries via the World Development Bank. In September 2013, during Xi Jinping's visit to Central Asia, he signed 38 trade and economic cooperation agreements. Solid economic strength and increasing economic ties to Central Asia is the strongest motivator in the Silk Road Economic Belt. Apart from this, according to geo-economics, the Silk Road Economic Belt has a relatively advantageous position.

The weak point of the Silk Road Economic Belt is that the foundation of cultural ties between China and Central Asia is not relatively weak. Although the Chinese and Central Asian governments have positive relations, some elites and citizens do not particularly identify with China and are worried about China's so-called economic expansion. This is a serious obstacle to the development of the Silk Road Economic Belt.

China and Russia must approach Central Asia from a new perspective and turn Central Asia into an area where the two countries can cooperate comprehensively. In this respect, both the Eurasian Union and the Silk Road Economic Belt are important experiments. If the Silk Road Economic Belt and Eurasian Union are able to develop together and even cooperate, this would lead to a brand new phase in Sino-Russian relations in Central Asia, and there would be a new world before Sino-Russian relations.

Chinese and Russian high officials are already advocating mutual understanding in the face of this important issue. In May 2014 when Putin was visiting China, the two countries declared a "New Period of Comprehensive Strategic Partnership." This declaration shows that China supports the Eurasian Economic Union. Furthermore, it suggests that the cooperative process of Eurasian integration is of extreme importance to securing the development of the regional economy, to strengthening and stabilizing regional security, and to promoting the creation of a common and borderless economic and culture space. Russia has also expressed the importance of the proposal for a

Silk Road Economic Belt and assessed China highly for its willingness to consider Russia's interest in the definition and implementation the Silk Road Economic Belt. The two countries are trying to find common points between the Silk Road Economic Belt and the future Eurasian Union. This consensus establishes a political basis for the harmonious co-existence and cooperation of the two countries' strategies.

Conclusion

The Russian Far East and Central Asia are the two regions most affected by Sino-Russian relations due to their geographical location and complex history of inter-state relations. In the past two decades, Russia has been reluctant to engage in large-scale economic cooperation with China in these two regions, worrying about the supposed economic dominance of China. On the other hand, these regions are, in some sense, lightly cultivated land with huge potential for economic cooperation between China and Russia. If the two countries seriously engage in comprehensive economic cooperation in these regions, it could bring significant positive impacts, both politically and economically, on China-Russia relations. Politically, it will make the Far East and Central Asia regions of cooperation. Economically, both countries will greatly benefit.

China and Russia are already heading along this trajectory of cooperation. Russia's policy of a "Turn to East" has been accelerating under the background of sanctions imposed by the West due to the Ukraine crisis. Though it doesn't mean that Russia will replace Europe with Asia, it offers a new dynamic for Russia to expand its economic relations with Asian countries, most of all with China, its biggest trading partner. In May 2015, China and Russia announced a joint statement on cooperation between China's initiative of the Silk Road Economic Belt and the Russia-dominated Eurasian Economic Union. It represents a significant political consensus that paves the way for China and Russia to conduct comprehensive economic cooperation in Central Asia and Russia's Far East.

The list of cooperation projects and plans of China and Russia in Siberia and the Far East is impressive. While some of them have already been realized, such as the oil pipeline, others are being implemented with delay or remain on paper for various reasons. To fully the realize the potential of their relationship, China and Russia should pay great efforts to settling these problems as soon as possible.