

# **Beyond oil and gas. Russian-Chinese economic relations in perspective**

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*Presentation to the BRIC International Seminar,  
JNU, New-Delhi, India, 27 April 2015*

# 1. Developing ties: a brief record

- *First diplomatic relations of the modern era: Agreement of 1924 « On general principles of problems settlement »*
- *Perestroika* and the warming of the USSR-China relations.  
Trade growth
- 19/05/1991 : agreement on the eastern part of the common frontier.
- 1992-1995 : Consequences of the demise of the Soviet Union on Russia-China trade
- 25/04/1996 : first common declaration « on the foundations of the relations between the two countries »
- 16/07/2001 : treaty of good neighborhood, friendship, and cooperation
- 2008 : Treaty on the final delimitation of borders

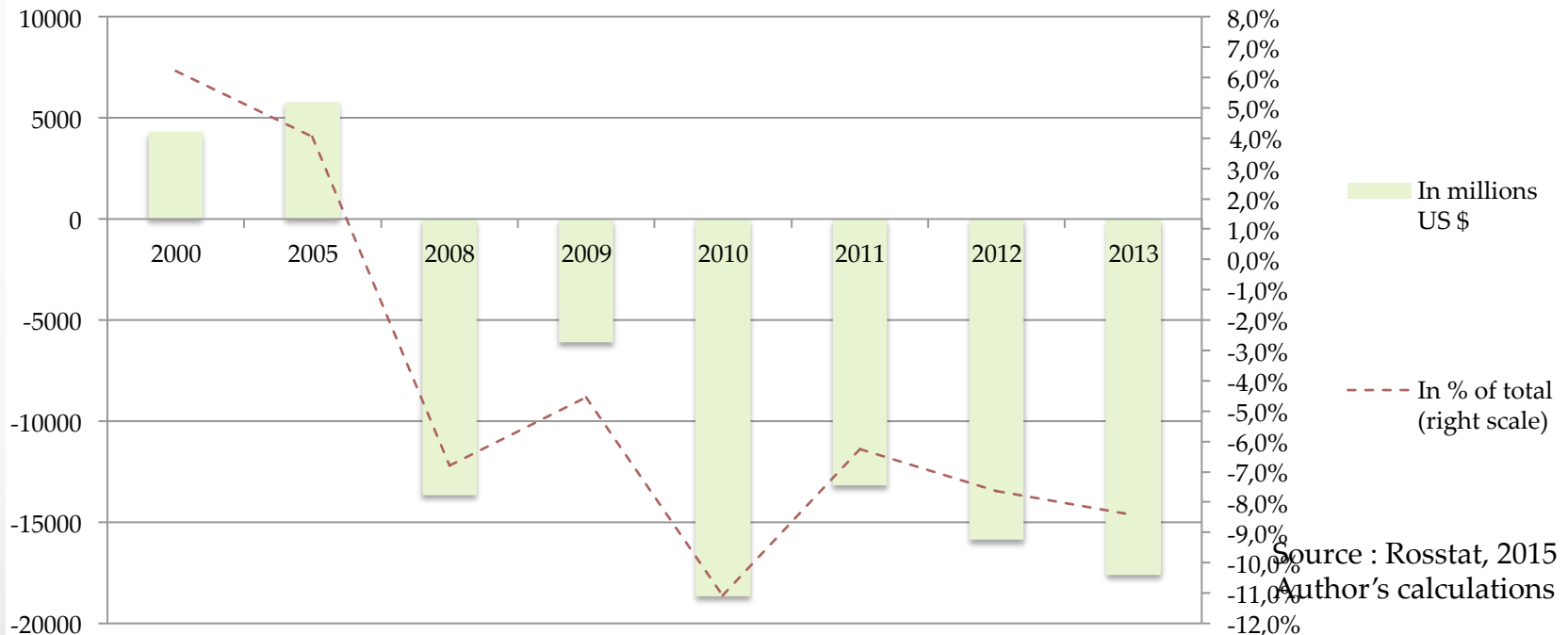
## 2. 2000's : growing by imports? (1)

- Main impediments remaining to bilateral trade : geography, infrastructures - and structure
- Anti-dumping provisions from both sides during 2000's (and Russia still outside WTO)
- Nevertheless, brisk growth since 2000's
- But practically no **infrastructure** for oil and gas shipments to China till 2009
- => role of **shuttle trade** (and central Asia) in Russian imports (Kumar, 2013)
- Continuous warming of bilateral relations : « Political relations between Russia and China are better than ever » (Voitenko, 2005, p. 1)

## 2. 2000's : growing by imports? (2)

- Trade surplus until 2005, trade deficit afterwards

**Fig 1. Russian trade surplus/deficit with China, 2000-2013**

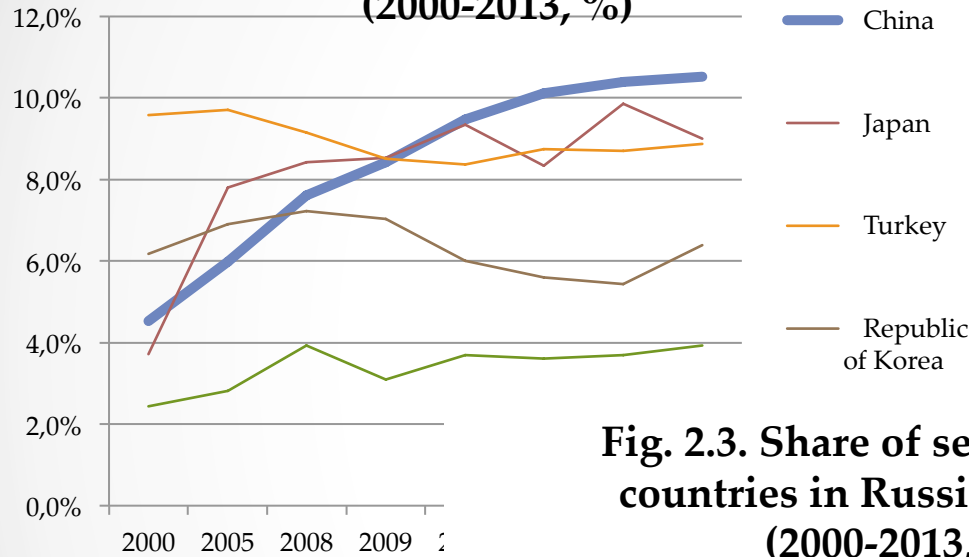


Source : Rosstat, 2015

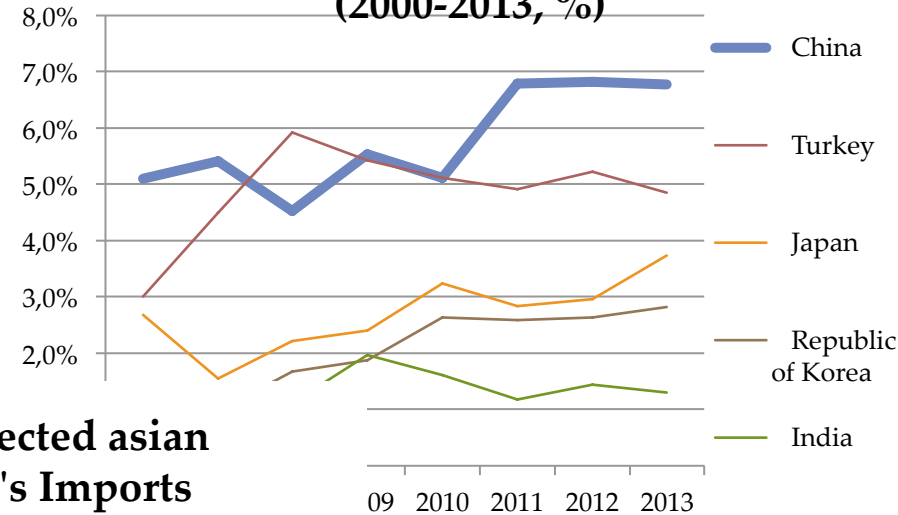
Author's calculations

# 2. 2000's : growing by imports? (3)

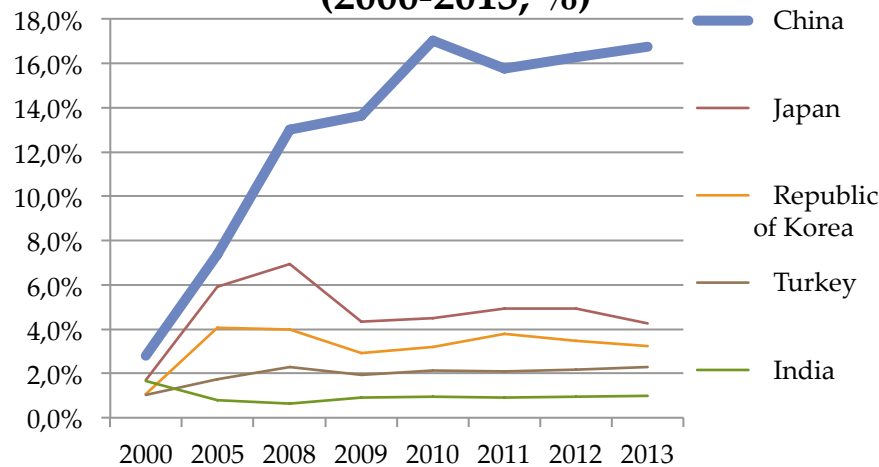
**Fig. 2. 1. Shares of selected asian countries in Russia's total turnover (2000-2013, %)**



**Fig. 2.2. Share of selected asian countries in Russia's exports (2000-2013, %)**



**Fig. 2.3. Share of selected asian countries in Russia's Imports (2000-2013, %)**



Source : Rosstat, 2015  
Author's calculations

# 3. How to foster russian exports?

## 3.1. ESPO, 2001-2015

- The ESPO case : 2001 project of Yukos, finition by transneft (ESPO1 2009, ESPO2 2014)
- Economic significance of ESPO



## 3. How to foster exports?

### 3.2. The gas « big deal » (April 2014) (1)

- Negotiations over the « contract of the century » during 10 years
- The April 2014 gas deal as a direct consequence of western sanctions
- What is known - and what is not
- The signification of the gas deal
- The november 2014 memorandum : is this only the beginning ?

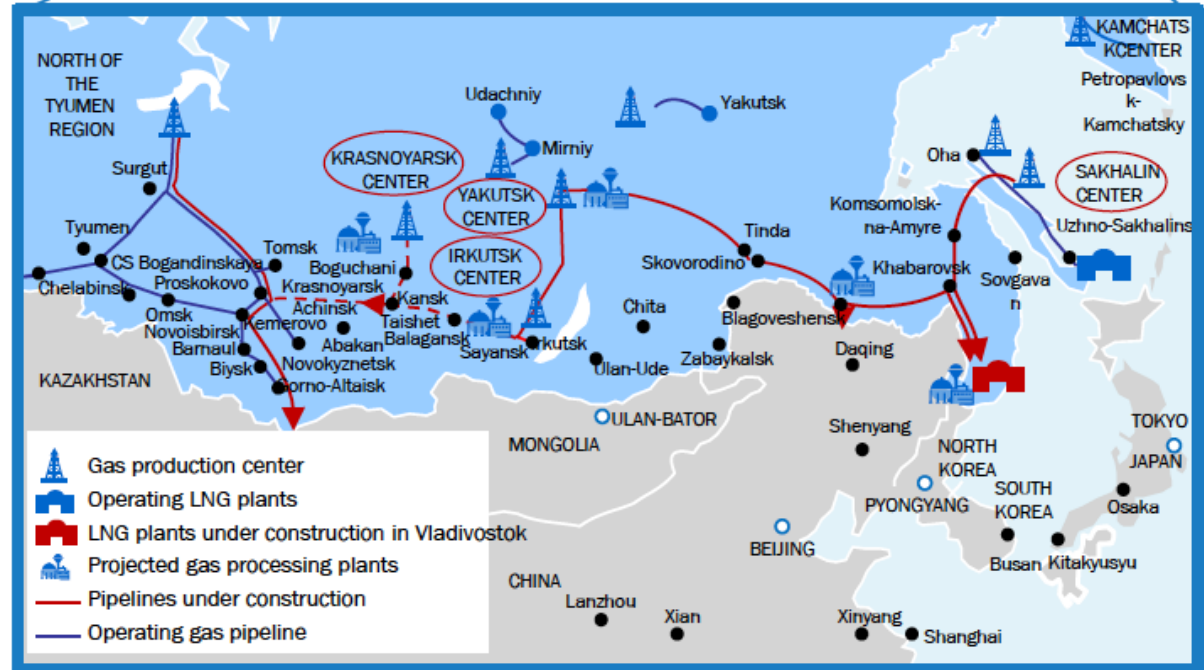
# 3. How to foster exports?

## 3.2. The gas « big deal » (April 2014) (2)

- Questions about future developments

### « EASTERN GAS PROJECT » OF GAZPROM

Source : [www.gazprom.ru](http://www.gazprom.ru)





# 4. Beyond oil and gas

## 4.1. Whither bilateral trade structure? Exports

- Bilateral trade: the data problem
- Russia's exports to China : main trends

<b>RUSSIA : main products exported to China (2012-2014)</b>	<b>Average value 2012-2014 (Bns. US \$)</b>	<b>Cumulated % of exports (2014)</b>	<b>Trend (2012- 2014)</b>	<b>Discrepancy Russia – China statistics</b>
<b>1.Mineral fuels and oil products</b>	<b>27,3</b>	<b>73%</b>	<b>+</b>	<b>-10%</b>
2.Wood, coal and thereof.	2,6	80%	+	-30%
3.Minerals	1,8	83%	-	-20%
4.Fertilizers	1,2	85%	-	-10%
5.Fishes and sea products	1,1	88%	=	-40%
6.Pulp and paper	0,7	90%	=	-10 %

Source : UN Comtrade, author's calculation

# 4. Beyond oil and gas

## 4.2. Whither bilateral trade structure? Imports

- Russian imports from China :

RUSSIA : main products <b>imported</b> from China (2012-2014)	Average value 2012-2014 (Bns. US \$)	Cumulated % of exports (2014)	Trend (2012- 2014)	Discrepancy Russia – China statistics
1.Machines, electrical equipments	12	25%	+	+70%
2.Machinery, nuclear reactors	11	46%	-	+40%
3.Vehicles, cycles, tractors	2,5	50%	-	-10%
4.Shoes and thereof.	2,5	55%	-	-20%
5.Clothes and thereof.	1,8	58%	+	-30%
6.Plastics	0,7	62%	+	-20%

Source : UN Comtrade, author's calculation

# 4. Beyond oil and gas

## 4.3. Investments on the rise?

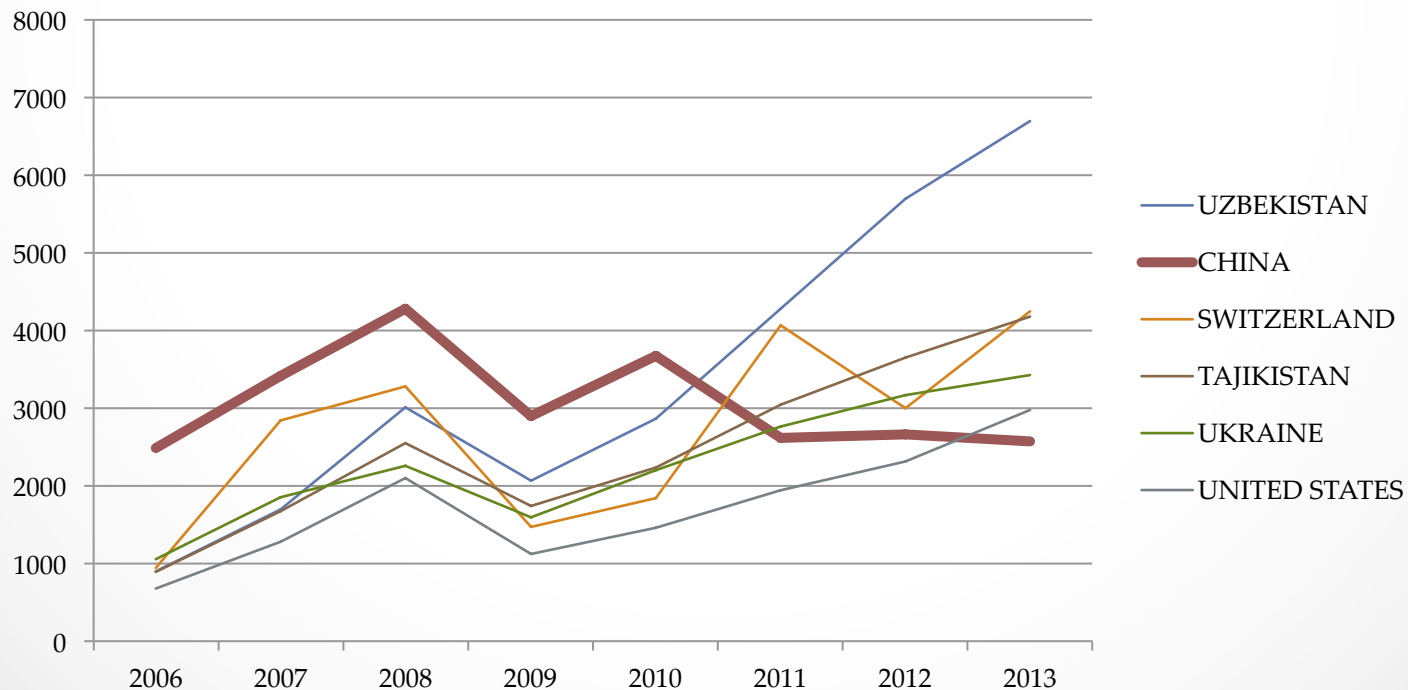
- Russian crisis and Chinese economic influence
- Financial cooperation
- Investment: a new start?
- Investment plans for the Russian Far East

# 4. Beyond oil and gas

## 4.4. Migration : contradicting policies

- The beginning of the myth of invasion
- The peculiar situation of the Russian Far East
- Shuttle trade, work migration : the numbers

**Cross-border transactions of individuals by countries  
(Outflows, mns US \$. Source : Central Bank of Russia)**



## 5. How far could it go?

### Moving toward diversification

- An asymmetric relation
- The Role of Regional Development : Far East and Central Asia
- Arms trade : the only significant russian exports to China beyond oil and gas so far
- Whither industrial **horizontal** cooperations?

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