

Crossroads on the Silk Road

KEY CONCLUSIONS

The institutional basis for development of economic relations between the EAEU and Asian partners being actively built

“Over a very short period of time, the EAEU proved to be the first well-balanced integrative economic association on the territory of the former Soviet states, demonstrated its high efficiency in the negotiation process. The agreements concluded this year as well as previously, show that the work is really being done,” Dmitry Mezentsev, Chairman of the Federation Council Committee on Economic Policy.

“This May we signed an agreement between the EAEU and China. It is not preferential, it does not concern the reduction of customs duties, but, for the first time in history, it creates a common interface between our union and China for resolving the most sensitive business issues: simplifying trade procedures and lowering non-tariff barriers,” Veronika Nikishina, Member of the Board, Minister in Charge of Trade, Eurasian Economic Commission.

“A tool that will allow investors to make strategic decisions on a predictable basis are sectoral dialogues in specific sectors of the economy with access to implementation of joint projects. An important thing here is that these are not bilateral Russia–China projects, but these are multilateral projects involving three or more countries. On 27 September, as part of the 10th meeting of the Presidium of the Business Council, the Russian metallurgical industry will be ready to present its vision of sectoral cooperation with China. For us, this is a very important response from the business that our agreement was actually needed,” Veronika Nikishina, Member of the Board, Minister in Charge of Trade, Eurasian Economic Commission.

“We are witnessing a significant intensification of negotiations with Asian partners in general and with Chinese partners in particular,” Alexey Chekunkov, Chief Executive Officer, Far East and Baikal Region Development Fund.

Cooperation between Russia and China has great potential

“Both sides, especially in the last few years, have concluded several breakthrough agreements in energy cooperation. As a result, we established a full partnership. Russia got a number of opportunities to export its natural gas. In fact, China is gradually becoming the main importer of Russian energy resources,” Wang Yilin, Chairman, China National Petroleum Corporation.

"Food supplies to the Chinese market are very important for us, because so far the meat market had been closed for Russian producers. The second project is gas-to-chemicals. We hope we'll break the ice through such locomotive projects, and now, after the first successful projects, the investments will be coming in batches," Alexey Chekunkov, Chief Executive Officer, Far East and Baikal Region Development Fund

"Russian high-tech companies have great prospects in China. On the one hand, our Chinese colleagues are developing quite rapidly, <...>, but on the other hand we understand that in such areas as biotechnology, we have great potential, because we are witnessing a situation when China's healthcare requires medications that already exist in Russia," Dmitry Morozov, General Director, BIOCAD.

PROBLEMS

The complexity of combining bilateral and multilateral relations of the EAEU members with foreign partners

"Fortunately, today there are no critical problems or contradictions, but one of the issues that should be carefully considered is the issue of combining Russia's bilateral economic relations with China, Kazakhstan with China, and other EAEU countries, and the format of these combinations. We need to avoid collapsing into unnecessary counter-productive competition, so that it does not become the basis for some format of distrust," Dmitry Mezentsev, Chairman of the Council of the Federation of the Russian Federation Committee on Economic Policy

SOLUTIONS

Strengthening financial interaction

"It is necessary to strengthen interaction between various financial structures of the countries located along the Belt and Road Initiative. Perhaps, they lack necessary coordination between them. In addition to cooperation between banks, it is necessary to strengthen cooperation between capital markets. Mainly between large financial centers," Zhou Xiaochuan, Vice Chairman of the Board of Directors, Boao Forum for Asia.

"It is very important to move from some pinpoint projects to a far-reaching use of the entire set of tools. A big role here undoubtedly belongs to multilateral banking institutions, in particular, the Asian Bank for Infrastructure Investments, and many other structures. It is very important to implement the ideology of the seamless market," Alexander Shokhin, President, Russian Union of Industrialists and Entrepreneurs (RSPP).

Widely sharing information with potential partners

“It is very important to widely inform potential participants of the projects about the opportunities that are inherent in the project itself and exist in the countries,” Alexander Shokhin, President, Russian Union of Industrialists and Entrepreneurs (RSPP).

Understanding cultural context when building relations with Asian partners

“When building long-term and stable relations, it is very important to understand the cultural context in which your counterparts operate,” Vitaliy Nesis, Group Chief Executive Officer, Polymetal.