CHALLENGES AND OPPORTUNITIES IN RUSSIAN-CHINESE RELATIONS

Kerekes Anasztázia
University of Szeged, Hungary
1st year PhD’ student in PhD School in Economics
Contents

• Trading turnover, FDI
• Plans for the future
• Challenges, expectations
• Summary
Why is it so important to talk about the economic relationship between China and Russia?
Trading turnover, FDI

- Treaty on Good-Neighborliness, Friendship and Cooperation in 2001
- Bilateral trade has recovered to the level seen prior the global economic crisis
- 2010 China overtook Germany’s place
- Bilateral trade between the two countries increased 10.9 percent year on year
- Setting up of a $4 billion investment fund aimed at boosting joint trade and cooperation.
Chart 1 Russia’s Top Import and Export Partners in 2011

<table>
<thead>
<tr>
<th>Imports, in billions</th>
<th>Top exports markets, January-August 2011</th>
<th>Top import sources, January-August 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500 Full year</td>
<td>Netherlands $34.6 billion</td>
<td>China $23.1 billion</td>
</tr>
<tr>
<td></td>
<td>Italy 17.7</td>
<td>Germany 15.8</td>
</tr>
<tr>
<td></td>
<td>Germany 15.9</td>
<td>Ukraine 8.4</td>
</tr>
<tr>
<td></td>
<td>Ukraine 13.9</td>
<td>U.S. 6.2</td>
</tr>
<tr>
<td></td>
<td>Turkey 13.9</td>
<td>Belarus 6.1</td>
</tr>
<tr>
<td></td>
<td>China 12.8</td>
<td>Japan 6</td>
</tr>
<tr>
<td></td>
<td>Belarus 10.9</td>
<td>Italy 5.9</td>
</tr>
<tr>
<td></td>
<td>Poland 9.8</td>
<td>France 5.7</td>
</tr>
<tr>
<td></td>
<td>France 8.2</td>
<td>South Korea 4.3</td>
</tr>
<tr>
<td></td>
<td>U.S. 7.8</td>
<td>Poland 3.5</td>
</tr>
</tbody>
</table>

Source: http://topforeignstocks.com

Kerekes Anasztázia
Asymmetrical relations

• China:
  - The trade with Russia makes up a minuscule fraction of the total turnover, while China is its first import partner replacing Germany in 2011
  - As a rising power, is increasing its influence across the world

• Russia:
  - One-dimensional energy-based structure of economy
  - Inability to remain the only centre of gravity even for the CIS countries
Plans for the future

• 2012 ambitious plans for a closer strategic and economic partnership

• Doubling bilateral trade from $83.5bn to $200bn in 2020.

• Amount of investment and trading deals: cooperation on areas such as energy development, spaceflight and aviation, nuclear power, mechanics, high-tech industry
Challenges, expectations

• Set the Co-operation in a more fair and rational direction
• Still far away from a union
• Several pending questions, rivalry
• Relations become more and more asymmetrical
Summary

- Strengthening cooperation
- Asymmetrical relations: One-dimensional energy-based structure of economy contra rising power with increasing influence across the world
- Rivalry, pending questions
Thank you for your attention!

Jelen előadást „Az SZTE Kutatóegyetemi Kiválósági Központ tudásbázisának kiszélesítése és hosszú távú szakmai fenntarthatóságának megalapozása a kiváló tudományos utánpótlás biztosításával” című, TÁMOP-4.2.2/B-10/1-2010-0012 azonosítószámú projekt támogatja. A projekt az Európai Unió támogatásával, az Európai Szociális Alap társfinanszírozásával valósul meg.