



POLICY BRIEF

Russia and China: Cooperation in a New Era. Results of the 19th National Congress of the Communist Party of China and of the Russian Presidential Election

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Russia and China: Cooperation in a New Era. Results of the 19th National Congress of the Communist Party of China and of the Russian Presidential Election

The 2018 Presidential Election in Russia and Russia-China Relations*

The period of 2017–2018 marks the beginning of a new political cycle in the internal development of both the Russian Federation and the People's Republic of China. The starting points for this cycle were the 19th National Congress of the Communist Party of China (CPC) that took place in October 2017 and the victory of Vladimir Putin in the Russian presidential election held on March 18, 2018. The National Congress set the priorities for further reforms and introduced amendments to the Constitution of the Communist Party of China. The National People's Congress of the People's Republic of China that followed in March 2018 defined the new structuring of the state bodies.

The Russian presidential election also served as a stock-taking of a kind of the previous political cycle. A great deal of expert work was carried out in the run-up to the election, and the public was presented with various scenarios of the country's development during the new presidential term (2018–2024). The Presidential Address to the Federal Assembly delivered by Vladimir Putin on March 1, 2018 served as the President's manifesto for the next six years.

To what extent are the internal political cycles in Russia and China synchronized? And to what extent are these cycles linked not only with domestic policy but with Russia–China relations? It seems that they have an influence on bilateral relations. Three circumstances would suggest that this is the case:

1) the role that Russia and China have assigned themselves in reforming the world order and the commonality of their approaches to key issues of global security; 2) the continued interest of the two countries in developing trade and economic, scientific and technological, educational and cultural cooperation;

3) the growing similarity in the political agenda of reforms being carried out in the two countries.

Russia, China and the World

During his 2012 presidential campaign, Vladimir Putin set forth his foreign policy beliefs in an article entitled "Russia and the Changing World" that was published in the newspaper Moskovskiye *Novosti* on February 27, 2012. Despite the fact that a number of significant events have taken place in the six following years – from the Ukrainian crisis and the reunification of Crimea with Russia to the sanctions war with the West and the severe deterioration in U.S.-Russia relations - the basic approaches of the Russian leadership to building relations with the external world have not undergone any major changes. The essence of these approaches is reflected in the following excerpt from Putin's 2012 article: "...everything we do will be based on our own interests and goals, not on decisions other countries impose on us. Russia is only treated with respect when it is strong and stands firm on its own two feet. Russia has practically always had the privilege of pursuing an independent foreign policy and this is how it will be in the future. Furthermore, I strongly believe that the only way to ensure global security is by doing it together with Russia, not by trying to 'demote' it, weaken it geopolitically or undermine its defensive potential."1

Putin did not publish a similar article on foreign or domestic policy in the run-up to the 2018 elec-

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¹ Putin, V. "Russia and the Changing World." Moskovskiye Novosti, 27.02.2012.

tion. Instead, he used his Presidential Address to the Federal Assembly to set forth his political programme as a candidate for the post of President of the Russian Federation.² The proximity of the Address to the election day makes it possible to consider it in a broader context than simply an annual "state of the Federation" message by the President.

In the foreign policy part of his Address, Putin stated, "Our policies will never be based on claims to exceptionalism. We protect our interests and respect the interests of other countries. We observe international law and believe in the inviolable central role of the UN. These are the principles and approaches that allow us to build strong, friendly and equal relations with the absolute majority of countries." These ideas were preceded by a lengthy segment in which the President emphasized the futility of attempts to "outdo" Russia in terms of military-political competition, which clearly resonates with the ideas he expressed in his 2012 article.

The part of the Address dedicated to the defence industry was the most striking, partly because it was accompanied by a number of video packages demonstrating the capabilities of Russian weapons, and was the focus of much of the attention of both Russian and foreign observers. At the same time, most Russian experts believe that the noticeable attention being afforded to defence issues in the wake of the Presidential Address on March 1, 2018, does not mean that the country has definitively and irrevocably embarked upon a course of mobilization, or that it is the priority development path.

On the other hand, Putin's Address to the Federal Assembly does not mean that Moscow is counting on an uncontrollable arms race and a return to the days of the Cold War. Rather, it is an invitation to other powers to think about how technological progress is changing the playing field in global security, rendering a number of military systems (such as missile defence systems

that appeared to be extremely effective) useless. The overarching idea of the President's speech was that the U.S. strategy to achieve decisive military superiority over Russia on the basis of its missile defence systems and other next generation weapons had failed.

Director for Development of the Russian International Affairs Council Alexander Kramarenko sees the significance of the military-political section of the President's Address in the fact that it reflected the important processes that concern Russia's role in the global security system. According to him, "Russia has been emancipated from the threat of nuclear blackmail, which could have become a reality if the United States had succeeded in undermining strategic stability by establishing a global missile defence system close to Russian borders, including in Europe."⁴

Meanwhile, Russian Academy of Sciences full member Vladimir Baranovsky sees the signal being sent by Moscow as being not only somewhat confrontational in nature, but also containing the potential for cooperation.5 Another Russian analyst, Vasily Kashin, also believes that Putin's speech contains an appeal for a new round of discussions on arms control – discussions in which Moscow can adopt a position of power thanks to its military and technical achievements. The President of the Russian Federation "states that Russia has managed to overcome the negative consequences of the development of American missile defence technologies for its security and calls for fresh discussions on international security."6 Despite the harsh rhetoric towards the United States and the West, Putin nevertheless expressed the hope in his Address that Russia and Western countries would be able to work together to take on the global challenges currently facing humanity.7

Russia and China share the belief that the destructive steps taken towards the unilateral development of strategic missile defence systems and their deployment in various regions around

²During the 2012 election campaign, Putin published seven articles over the course of January and February outlining his programme.

Presidential Address to the Federal Assembly // Official Website of the President of the Russian Federation. 01.03.2018. URL: http://en.kremlin.ru/events/president/news/56957

Kramarenko, A.M. Putin's Presidential Address: A Little Geopolitics // Russian International Affairs Council. 02.03.2018.

URL: http://russiancouncil.ru/analytics-and-comments/columns/military-and-security/poslanie-prezidenta-v-v-putina-nemnogo-geopolitiki (In Russian).

⁵Baranovsky, V.B. With All Due Respect – As Commitments Dictate // Russia in Global Affairs. 06.03.2018. URL: http://www.globalaffairs.ru/global-processes/ldu-na-vy--v-ramkakh-obyazatelstv-19401 (In Russian).

Kashin, V.B. Address of the President of the Russian Federation: A Membership Application // Russia in Global Affairs. 06.03.2018. URL: http://www.globalaffairs.ru/global-processes/Poslanie-prezidenta-Rossii-zayavka-na-uchastie-19402 (In Russian).

⁷Putin Sets a Goal for the State: The Russian Citizen who Lives Long and Prospers //TASS. 01.03.2018. URL: http://tass.ru/politika/4999765http://tass.ru/politika/4999765 (In Russian).

the world adversely affect the international and regional strategic balance, security and stability. Furthermore, Moscow and Beijing constantly stress that such steps undermine the basis for the development and use of multilateral political and diplomatic methods of countering the proliferation of missiles and missile technologies.⁸

The strategic priorities outlined in the Presidential Address lay the foundation for Russia and China to coordinate their international security efforts. The approaches of the two countries in this area converge on a consistent basis. This is manifested above all in the shared vision of the basic principles of the world order, which President Putin emphasized in his speech – namely, the central role of the UN and the priority of international law. His words about respecting the interests of other countries as a basis for equal international relations echo the Chinese concept of the "community with a shared future for mankind" included in the revised Constitution of the People's Republic of China.⁹

STRENGTHENING PARTNERSHIPS IN EURASIA

In the foreign policy section of his Address to the Federal Assembly, Vladimir Putin highlighted the need to develop a comprehensive strategic partnership with the People's Republic of China as one of the country's key priorities. Examining the multilateral initiatives, Putin announced that Russia will continue its work on the project to create a Greater Eurasian Partnership. This flagship foreign policy project of the Russian President should be seen in official discourse as an "assemblage point" for the country's various interests: developing integration in the post-Soviet space; strengthening mutually beneficial partnerships with European and Asian countries; and using multilateral formats to devise new rules of the game in Eurasia. All these efforts are aimed at creating an interconnected, balanced and safe environment for the co-development of all interested states on the Eurasian continent.

A large part of the success of this initiative is down to the bilateral cooperation between Russia and China, as well as to the work of international organizations of which Russia and China are members or with which they actively cooperate. Vladimir Putin stressed this at the Belt and Road Forum for International Cooperation held in Beijing in May 2017. As the President of the Russian Federation explained, combining the potentials of such integration organizations as the Eurasian Economic Union (EAEU), the Belt and Road Initiative, the Shanghai Cooperation Organization (SCO) and the Association of Southeast Asian Nations (ASEAN) could serve as the basis for the formation of the Greater Eurasian Partnership. "This is the approach that, we believe, should be applied to the agenda proposed today by the People's Republic of China," Putin stated. 10 Thus, the flagship initiatives of the Russian and Chinese leaders (the Greater Eurasian Partnership and the Belt and Road Initiative) have a common agenda, which in the current circumstances resists the growing chaos in international political and economic relations.

The concern expressed by Vladimir Putin at the opening of the Forum in connection with the fragmentation of the global economic and technological space resonates with one of the key ideas presented by Xi Jinping in his speech at the World Economic Forum in Davos in January 2017.¹¹ Both Russia and China thus speak from similar positions against the fragmentation of international relations and de-globalization, supporting the idea of openness and free trade and emphasizing the key role of international institutions.

As the Director of the Carnegie Moscow Center Dmitri Trenin believes, the top priority of Russia's foreign policy in the coming years is to strengthen the country's status as a great power outside of the former Soviet space and overcome its political isolation. The key factors determining the international situation around Russia are the escalated confrontation with the United States and the growing alienation from the Euro-

⁸ Joint Statement Between the Presidents of the People's Republic of China and the Russian Federation on Strengthening Global Strategic Stability // Official Website of the President of the Russian Federation. 25.06.2016. URL: http://kremlin.ru/supplement/5098 (In Russian).

⁹ Urgent: The Concept of the "Community with a Shared Future for Mankind" included in the Constitution of the People's Republic of China // Xinua News. 11.03.2018. URL: http://russian.news.cn/2018-03/11/c_137031769.htm (In Russian).

¹⁰ Belt and Road Forum for International Cooperation // Official Website of the President of the Russian Federation. 14.05.2017.
URL: http://en.kremlin.ru/events/president/news/54491

¹¹ Full Text of Xi Jinping keynote at the World Economic Forum // CGTN America. 17.01.2017.
URL: https://america.cgtn.com/2017/01/17/full-text-of-xi-jinping-keynote-at-the-world-economic-forum

¹² Trenin, D.V. Looking Five Years Ahead. The Main Goals of Russia's Foreign Policy // Carnegie Moscow Center. 30.03.2018. URL: https://carnegie.ru/commentary/75892 (In Russian).

pean Union.¹² Like most leading Russian experts, Trenin does not see such a sharp conflict in the Asian vector of Russia's politics.

According to the President of the Russian International Affairs Council Igor Ivanov, an experienced diplomat, having served as Minister of Foreign Affairs of the Russian Federation from 1998 to 2004, Russia's foreign policy will be effective if it is truly multi-vectored in its approach. Russian diplomacy has achieved a great deal on the Asian front in recent years, particularly with regard to developing bilateral relations with China. However, Russia is just to find its feet in Asia, which is far from ready to perceive Russia as an integral part of the continent.¹³

Thus, according to Russian experts, Russia–China relations will be a relatively predictable and positive element of the country's Asian policy in the medium term. Nevertheless, the expert community views the development of these relations in a broader context – against the background of worsening relations with the West and the attempts of Moscow to diversify its foreign policy with a pivot towards Asia.

Mutual Interests and Coordinated Strategies

Despite some serious differences in the domestic agendas of Russia and China and unequal economic potential of the two countries, as well as separately developing relations with other global players, the two states are faced with a number of common challenges in the new political cycle, as well as objective opportunities for deepening their mutual interests. Like the Chinese authorities, the Russian political leadership sees improving the quality of public administration as an important factor in ensuring the country's future development. While the specific details of their respective development tasks may dif-

fer, Russia and China have similar priorities when it comes, for example, to improving executive discipline within the power vertical, fighting corruption and cybercrime, creating an innovative and "green" economy and reforming the armed forces and other important spheres of public life. All this objectively increases the interest of the parties in exchanging best practices and developing joint activities at this new stage in the development of the two countries. The foundations for this level of trust have already been laid. This much is evident from the frequent contacts at the highest level and the truly unique mechanism of cooperation and exchanges between the Administrative Directorate of the President of the Russian Federation and the General Office of the Central Committee of the Communist Party of China.

The new political cycle in Russia and China involves re-evaluating domestic and foreign policy priorities, thus creating a number of pressing tasks for the expert communities in both countries to deal with, including: harmonizing their positions on the regional and global agenda; identifying key problems and searching for new growth points in bilateral relations; pinpointing the coinciding trajectories of domestic reforms; and developing proposals aimed at better coordination of the national strategies of the two countries.

The two great neighbours have reached a historically vital point in their respective development. Now is the perfect time to study each other carefully and initiate a frank and open dialogue at all levels. Not only will this create opportunities for the two sides to explore new avenues for the development of practical cooperation, but also allow them to find additional resources to further their internal development and strengthen their positions in the world against the backdrop of the unstable development of the global economy and sharp aggravation of international competition.

la Ivanov, I.S. Russia's Post-Election Foreign Policy: New Challenges, New Horizons // Russian International Affairs Council. 27.03.2018.

URL: http://russiancouncil.ru/en/analytics-and-comments/analytics/russia-s-post-election-foreign-policy-new-challenges-new-horizons-/

Building Stable and Equal Relations among the Leading Countries and China–Russia Strategic Cooperation*

China–Russia relations are among the most important relations between great powers in the modern world. As the two countries move into a new period of development, a new understanding of their respective foreign policy courses is beginning to emerge, and there is the need to redefine, with the help of new concepts and frameworks, the relations of comprehensive partnership and strategic interaction they enjoy. The 19th National Congress of the Communist Party of China in 2017 set out clearly China's strategic goals for the upcoming period.

In his report at the 19th National Congress of the Communist Party of China, Xi Jinping gave a deep and accurate assessment of the changes in the international situation. He said that there is the need to find points of convergence and common interest in the relations with all states, promote coordination and cooperation with other leading countries and work to build a framework to support stable relations that develop in an equitable manner.

In his report delivered to the 19th National Congress of the Communist Party of China, Xi Jinping noted that the world is going through a period of rapid development, profound changes and serious reorganization. Peace and development remain the key motivations in the modern era. We are witnessing the gradual formation of a multipolar world, the development of economic globalization and informatization and the growth of cultural diversity. The system of global governance and the world order are transforming at an accelerated pace. Countries are developing ever closer ties and becoming increasingly dependent on one another. The balance of power on the international stage is growing more even and there is an irreversible trend towards peaceful development. The assessment given by the Chinese leader of the changes taking place in the world order is clear, accurate, objective and entirely convincing. In these new circumstances, no single world leader can unilaterally determine the course of international cooperation, the so-called "priority of one's own country." Following a policy of unilateral actions can have an adverse effect on global governance. As far as the President of the People's Republic of China is concerned, the leading global powers need to adhere to constructive ideas, adopt a tolerant approach and build strategic relations of a new kind together. This will promote global development, rather than development in a single country.

1. Stable Relations between Leading States as the Basis for Improving Global Governance

The participants of the 19th National Congress of the Communist Party of China clearly pointed out the need to build a "healthy" system of global governance. To begin with, the major powers need to sustain new relations based on trust, strengthen contacts at all levels, working on the establishment of a framework of stable cooperation, and avoiding unnecessary confrontation and unfair competition. Furthermore, it is necessary to look for new models of cooperation and select a new path for inter-state interaction, one that focuses on dialogue rather than confrontation and creates partnerships rather than political blocs. For example, China and Russia two leading world powers - endured a period of confrontation during the Cold War but were nevertheless able to leave their disagreements in the past and not only overcome their differences, but also consistently improve the level of their bilateral relations. We also need to validate new development concepts, rid ourselves of the influence of the Cold War mentality and "power politics" and encourage all states to pursue a policy of openness and tolerance, thus creating a positive environment for development. New mechanisms and platforms for dialogue should also be formed, which could also serve to help leading nations build stable relations - the importance of dialogue at various levels and through various mechanisms cannot be overemphasized.

At the same time, there are fundamental differences of opinion regarding global governance.

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Some leading powers ostensibly calling for a "reform" of the United Nations are actually only interested in increasing their own geopolitical influence. The policy of populism being pursued by certain major powers in the West leads to the emergence of xenophobia, which in foreign policy takes the form of isolationism. In reality, these countries are not prepared to make political or economic concessions to developing countries.

China has put forward a global governance project that calls for equal development opportunities for all countries and opposes the notion that a minority of developed countries should monopolize the right to set the rules of the game to the detriment of developing countries. There is no question that the leading powers should assume the greater responsibility for global governance - interaction among them has a direct impact on the system of international processes. The foreign political activity of the global leaders – Russia, China and the United States – affects all the regions of the world, and certain regional groups of states intend to create mechanisms jointly with them. For example, ASEAN and the African Union have set forth plans for cooperation that involve the leading powers. The role of the latter in these plans should be to emphasize the development of the regions, rather than secure their dependent positions. Strategic interests should be used as a basis for supporting mutual coordination and eliminating unhealthy rivalries, which could lead to regional crises. The Ukrainian crisis is the result of such policy. Not only did it lead to a comprehensive deterioration of relations between Russia and the West, but also caused a deep schism of the Ukrainian state and society.

Xi Jinping appealed to the entire world with the initiative of creating "community with a shared future for mankind," which has become a key element of diplomacy alongside the Belt and Road Initiative. The leaders of China and Russia have reached a political consensus on the plan to integrate the Belt and Road Initiative and the Eurasian Economic Union, thus allowing the regional policies of the two countries to be coordinated. China and Russia both emphasize the fact that they determine their own development paths on the basis of the national characteristics of their respective countries. They also intend to strengthen cooperation in terms of their domestic politics. At the same time, Beijing and Moscow both oppose the interference of major powers

in the internal affairs of other countries. In the modern world, the great powers play the role of "guiding line," but the trend towards multipolarity is irreversible, and a single power or a group of powers can no longer unilaterally direct the course of world affairs. Only with equal action, mutual respect and tolerance can we achieve real benefits for all.

2. China–Russia Cooperation as an Example of the Building of a New Kind of Relations between Major Powers

The accelerated growth of China's economic power has been accompanied by the unprecedented rise in the country's international status and influence, and the role and impact of China's cooperation with Russia, the United States and other leading nations on international affairs and global governance continues to increase. This is a special time for China, which has announced that it is embarking upon a new path of economic construction and universal openness. Now close attention will be paid to the implementation of the course proclaimed at the 19th National Congress of the Communist Party of China to form a new kind of international relations based on mutual respect, fairness, honesty, cooperation and universal good. China must play an even more constructive role in international affairs, demonstrating the duties and responsibilities of a leading power more clearly. In order to create the most favourable external conditions for achieving the "Two Centenaries" goals for the country's domestic development set forth by the Chinese leadership, China must above all establish relations of competition and cooperation with other leading states.

China and Russia have continued to deepen cooperation in all spheres since the establishment of strategic cooperation and partnership was announced in 1996, thus supporting one of the most significant bilateral relationships between leading nations in the world. On the one hand, the stepping up of these relations to the level of comprehensive partnership and strategic interaction in recent years has led to the further strengthening of the basis for bilateral cooperation in the political, legislative and public spheres. On the other hand, it has also expanded the areas and levels of that cooperation. At the same time, Beijing and Moscow have worked together on international platforms and developed multilevel contacts on global and regional issues. The parties have achieved a greater mutual understanding, rendered mutual support, promoted the development of the world order towards greater justice and viability. Bilateral relations based on the principles of equality, consent, mutual benefit and common good, create a foundation for security and a qualitatively new type of cooperation and become a model of a new kind of relationship between leading states.

Following his re-election to the post of President of the Russian Federation, Vladimir Putin will ensure that a number of adjustments are made to the country's domestic and foreign policies during his next term in office, particularly with regard to continuing efforts to improve the international situation. Given the hostile attitude towards Russia on the part of the West (which will be difficult to change), Moscow will inevitably step up its cooperation with new non-Western economic powers and developing countries. In particular, Russia will attach even greater strategic significance to its partner relations with China and actively promote changes in the international situation that are favourable to China, Russia and non-Western countries. However, such changes cannot be achieved in conditions of universal confrontation, uncooperativeness and conflicts; what we need is an initiative that can put forward completely new ideas and methods of cooperation in order to develop attractive projects and algorithms for the actions of government bodies.

3. Priority Areas for China–Russia Bilateral Cooperation in Future

The relations of comprehensive partnership and strategic interaction China and Russia are currently enjoying extend into almost every sphere of political life, and significant results have been achieved in all of them. In the coming years, the two countries will continue to develop cooperation in all areas, while at the same time emphasizing the following five priority directions:

1. Strengthening mutual political trust. China and Russia will, in a bilateral context, observe the norms of international law and international relations and pursue an equitable and friendly policy. Beijing and Moscow will support each other's efforts to protect their sovereignty, guarantee their security and carry out other measures that are in their vital interests. The two countries

must also support close contacts at the highest level, develop the leading role of the two heads of state in bilateral cooperation, expand the dialogue between the governments of the two countries through various communication mechanisms, ensure mutual understanding and eliminate doubts, step up dialogue and cooperation between the legislative bodies of the two countries, develop bilateral regional and nongovernmental exchanges and promote friendship between the Chinese and Russian peoples.

- 2. Deepening business cooperation, promoting the steady increase of China-Russia trade and improving the structure of this trade. It is important to increase mutual investments, implement large-scale joint projects, encourage small and medium-sized businesses to take an active role in cooperation initiatives and promote financial cooperation in order to provide guarantees for economic and technological partnerships. It is also necessary to develop cooperation at all levels in the oil and gas, coal, electricity and nuclear power sectors; strengthen the China-Russia strategic partnership in the energy sector; facilitate the implementation of transport and infrastructure projects; continue to improve freight transport conditions between the two countries; and develop ties in agriculture, industry, science and technology, aviation, space technology and other areas.
- 3. Expanding cooperation in the field of security. There are plans to develop links between the national defence and state security agencies of the two countries; enhance the role of consultations and other mechanisms for working on strategic security issues; step up contacts with a view to building security potential, countering global security threats and dealing with other issues; elaborate plans for further cooperation; develop military-technical cooperation; exchange military technologies and carry out joint research and production; develop in-depth interaction in other spheres. Joint military exercises (land, sea, anti-ballistic, using computer models) can be used to help strengthen the potential of coordinated military actions, providing the two countries with the capabilities to jointly repel threats to international security, including the fight against non-traditional security threats.
- 4. Expanding cultural end educational cooperation. There are plans to develop educational

contacts; train experts in all areas of cooperation; promote exchange programmes for Russian and Chinese students; arrange joint cultural events, days of culture, film and television festivals, crossyears and other large-scale events; promote the development of exchanges and deepen cooperation among professional cultural organizations, arts colleges and performance groups; support events organized by Chinese and Russian cultural centres aimed at spreading the cultures of the two countries; and develop contacts in tourism, science, healthcare, sport and other areas.

5. Strengthening cooperation on global and regional issues. A constant exchange of views on the global situation and pressing international problems is needed in order for China and Russia to work out a common position and develop foreign policy interaction. It is necessary for China and Russia to continue coordinating their positions on and cooperate in the promotion of a multipolar world and the key role of the United Nations in international affairs; jointly oppose the deployment of missile defence systems in Europe and the Asia Pacific; ensure global and regional strategic stability; jointly promote multilateral security and the development of trade and economic partnership within the framework of the Shanghai Cooperation Organization, thus boosting its influence on the international stage; and establish fruitful foreign political cooperation on the North Korean and Iranian nuclear issues, as well as on Syria, Afghanistan, counterterrorism, information security and other global issues through multilateral mechanisms such as BRICS, G20 and the Asia-Pacific Economic Cooperation (APEC).

4. Conclusions and Recommendations

Real opportunities for bilateral cooperation

1. China and Russia have already reached a political consensus on the integration of the Belt and Road Initiative and the Eurasian Economic Union. China and the Eurasian Economic Union have concluded negotiations on the substance of the agreement on trade and economic cooperation. The EAEU member states are taking an active role in the construction of the Belt and Road Initiative. Interaction between Chinese and Russian transport and communication companies has already yielded results. Thus, the joint efforts of the two countries in the alignment of the Belt and Road Initiative and the Eurasian Economic Union look promising.

- 2. The Chinese economy continues to demonstrate moderately high growth rates. Its ongoing structural reform creates favourable conditions for developing trade and economic relations with Russia. China and Russia are expected to further expand bilateral trade and investment cooperation, moving into new areas.
- 3. The Russian economy is recovering. Vladimir Putin singled out economic growth and the development of an innovative economy as the priority areas of Russia's domestic policy for his fourth term as President. Russia's economic and political situation will contribute to the positive development of trade and economic cooperation between China and Russia. The Russian government is expected to expand the construction of transport and infrastructure facilities, including the Trans-Eurasian transport route, in order to increase international shipments through Russia. This will also have a positive effect on trade and logistics contacts between China and Russia.
- 4. China and Russia plan on intensifying their economic ties. Active political coordination and a streamlined trade regime will allow Beijing and Moscow to simplify trade and investment procedures, thus taking the bilateral trade and economic relations into a new era. The gradual liberalization of trade and investment between the two countries will play an increasingly important role in bilateral economic cooperation.
- 5. China's energy requirements are growing, and natural gas imports are in particular demand. At the same time, Russia's share of the European gas supply market is shrinking. This creates the perfect conditions for China and Russia to step up their cooperation in this area. New gas pipelines are being built, and supplies via the existing pipelines between China and Russia are increasing. The development of the energy partnership between the two countries at all levels will continue to strengthen the strategic cooperation in this area.

Specific Proposals

- 1. Support the practice of carrying out mutual visits and bilateral dialogue, eliminate misunderstandings and strengthen strategic trust between the two countries.
- 2. Step up contacts between think tanks, the academic community and the relevant agen-

cies in China and Russia. Media outlets in both countries should cover agreements reached between the two parties in various spheres in an objective manner. They should also help to avoid misunderstandings and rally public support for cooperation in aligning the Belt and Road Initiative and the Eurasian Economic Union.

- 3. Expand the role of market mechanisms in China–Russia trade and economic cooperation. It is necessary to strengthen the regulatory role of market mechanisms; promote cooperation in the development of production capacities, high technologies and the services and other industries; and broaden the scale and improve the quality of the trade and economic partnership.
- 4. Jointly promote the practical development of a multilateral partnership within the framework of the Shanghai Cooperation Organization on security, trade and economic relations with a view to increasing cohesion within the SCO and expanding its influence.
- 5. Strengthen strategic interaction in order to maintain strategic stability on a global scale, as well as in the Asia Pacific Region and in Asia itself, and to counter the "export of democracy" by the United States. Given the negative impact of the United States on the financial and investment cooperation between China and Russia, the two

countries should respond in a rational manner and search for suitable avenues for cooperation.

- 6. Prioritize practical cooperation on concrete projects, rather than "road maps," within the framework of the plan to align the Belt and Road Initiative and the Eurasian Economic Union, including planned joint projects under the Trade and Economic Cooperation Agreement between the People's Republic of China and the EAEU.
- 7. Increase the share of hi-tech products and machinery in China–Russia trade and optimize the structure of this trade.
- 8. Work together to expand the openness of the Chinese and Russian markets and increase agricultural trade and the exchange of services.
- 9. Develop cooperation in customs regulation and logistics and promote cross-border e-commerce.
- 10. Develop cooperation in the oil and gas, coal, electricity and nuclear power sectors.
- 11. Facilitate the implementation of large-scale projects in aviation and space technology.
- 12. Develop military-technical cooperation between China and Russia.

Notes







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