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ТОРГОВОЕ, ИНВЕСТИЦИОННОЕ И НАУЧНО-ТЕХНИЧЕСКОЕ СОТРУДНИЧЕСТВО КНР И РЕСПУБЛИКИ БЕЛАРУСЬ В КОНТЕКСТЕ РЕАЛИЗАЦИИ ВНЕШНЕЭКОНОМИЧЕСКОЙ СТРАТЕГИИ «ОДИН ПОЯС − ОДИН ПУТЬ»

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Проанализированы динамика и товарная структура двусторонней торговли между Китаем и Беларусью, состояние и перспективы инвестиционного и научно-технического сотрудничества двух стран в контексте реализации внешнеэкономической стратегии КНР «Один пояс – один путь». Показано, что по мере продвижения этого проекта китайско-российский баланс экономических отношений будет смещаться в пользу Китая, Россия будет играть роль «ведомого партнера», а ее экономические и финансовые интересы будут представлены в глобальной экономике меньше, чем китайские.

Ключевые слова: внешнеэкономическая стратегия; внешнеторговое сотрудничество; инвестиционное сотрудничество; научно-техническое сотрудничество; «гравитационная» модель двусторонней торговли; иностранные инвестиции; прямые инвестиции; портфельные инвестиции; трансфер технологий; инновационное развитие.

TRADING, INVESTMENT, SCIENTIFIC AND TECHNOLOGICAL COOPERATION BETWEEN THE REPUBLIC OF CHINA AND THE REPUBLIC OF BELARUS IN THE CONTEXT OF IMPLEMENTATION OF THE ONE BELT, ONE ROAD FOREIGN ECONOMIC STRATEGY

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This article provides insight into the dynamics and commodity pattern of the Chinese-Belarusian bilateral trade, the current state and prospects for the investment, scientific and technological cooperation between the two countries for the purposes of implementation of the One Belt, One Road foreign economic strategy. With the advancement and financial

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support of the project, the Chinese-Russian bilateral balance of economic relations will be shifting in favour of China. Russia will act as a «subordinate partner»; its global economic and financial interests will be represented less than Chinese in the global economy.

Key words: foreign economic strategy; foreign trade cooperation; investment cooperation; scientific and technological cooperation; gravity model of bilateral trade; foreign investment; direct investment; portfolio investment; technology transfer; innovation-driven development.

Introduction

A foreign economic policy becomes the main driver of China's economic development. The growth rate of domestic consumption is insufficient to compensate for losses from slowing down the foreign trade turnover growth, in general, and exports, in particular. Chinese high-technology goods can hardly penetrate the markets of developed countries. The reasons for this are contraction in demand in the main export markets of the USA and EU, a huge production of Chinese goods, as well as a partial inconformity of Chinese goods to the standards of developed countries.

The main new element of China's international strategy is its plans for a profound impact on the development of the global economy in the coming decade.

The main areas of this process are as follows:

• the restructuring of the world economic development infrastructure through the active promotion of the One Belt, One Road strategy. China offers the Silk Road member countries far-reaching possibilities for trading, economic, investment, scientific and technological cooperation;

• change in the world monetary and financial system and China's entry into the list of the world's major financial players. If the implementation of the financial component of the Silk Road strategy succeeds, China will be able to strengthen the yuan as the third (after the dollar and euro) world currency.

In the West, China's new push within the scope of the One Belt, One Road initiative is called "a Chinese version of the Marshall Plan". By creating an infrastructure along the ancient Silk Road, China proposes not only to stimulate a bilateral trading, economic, investment, scientific and technological cooperation in South, Central and West Asia, Central and Eastern Europe, but also to strengthen China's influence in this region, including the former Soviet Union.

Trade and economic cooperation between China and Belarus

The assessment of the bilateral trade between Belarus and China can be made according to E. Leamer and J. Levinsohn's gravity model developed by analogy with Newton's law of gravitation (Leamer, Levinsohn, 1995). For the comparative assessment, in order to minimize the impact of the distance factor, the indicators of European countries equidistant from the People's Republic of China (PRC) were used (table 1).

Table 1

Components of the gravity model of the bilateral trade, 2017

Country	Trade turnover with the PRC, billion US dollars	Ratio of the nominal GDP of the country with that of the PRC, times	Distance to the PRC, km	Trade turnover with the PRC per capita, US dollars
Belarus	3.1	136	6016	340
Ukraine	8.6	79	5947	202
Lithuania	0.8	214	6230	285
Poland	25.7	19	6640	669
Czechia	19.4	50	6968	1847
Slovakia	6.2	103	6736	1148

Note. Source [1, p. 17; 42].

The correlation coefficient for the countries under consideration between the size of their GDP and the volume of the bilateral trade turnover with China is –0.889, that is, the greater the economy of the country trading with the PRC, the higher their bilateral trade turnover. According to this theory, the potential of the Belarusian-Chinese trade depends on the growth of Belarusian economy. Taking into account the most optimistic forecasts, a long-term average annual economic growth in Belarus does not exceed 3 % [1, p. 16]. For example, according to the Oxford Economics Group, the average annual increase in GDP in Belarus from 2018 to 2030 is to be 2.7 % [2].

A trade deficit with China is typical of all the countries under consideration, so the potential for the trade turnover is primarily in the growth of Chinese import, which depends on the market capacity and competition.

Taking into account the capacity of the domestic market, the trade turnover per capita in Belarus is higher than in Lithuania, but it is significantly inferior to that in Poland, Czechia and Slovakia (see table 1). The competitiveness of Chinese products is confirmed, for example, by the fact that in 2017 Belarus imported from China such traditional products for its own production as onions and garlic (to the amount of 1.9 million US dollars), cabbage (to the amount of 2.1 million US dollars), fresh apples, pears (together with papaya to the amount of 33.7 million US dollars) [3].

As for exports to China, they are restricted to raw material and technological opportunities of the exporting countries. The main goods purchased by China are electrical equipment, oil, vehicles and engines; for this reason, only innovations can be a competitive advantage in the Chinese market.

It should be noted that Belarusian commodity expert proves China's investment interests in the potash industry. Besides, the popularity of Belaruskali, JSC in Asian countries accounts for the issue of its shares in Hong Kong. In its turn, direct investments from Belarus were used to promote Belarusian non-resource exports to China. For example, co-production for the MZKT, BelAZ, Gomselmash and MTZ machinery assembly was set up in China.

At the same time, Chinese investment imports in the form of procurement of processing lines and contract work serves as a prerequisite for Chinese direct investment in Belarus. However, a full-fledged transition from tied credits to the corporatization of investment projects focused on exports to China has not occurred yet. Initially, Chinese intensive direct investments in Belarus were aimed at return due to the domestic demand (the *Beijing* Hotel, the *Lebyazhy* residential community). The subsequent investments (the *BelGee* automobile plant, the *Great Stone* industrial park) were oriented to the external market. At the same time, Chinese direct investment does not imply exports to the Chinese market. Besides, to minimize risks, Chinese direct investment in Belarus often has a complex financing model with interweaving of own and borrowed capital on the part of China and Belarus.

The analysis of the Belarusian-Chinese trading pattern shows that the goods of the two countries complement each other well and cooperation has a great potential. In recent years, the main articles of the Belarusian export to China have been potash fertilizers, polyamides, machines and mechanisms for harvesting and threshing crops, processed raw flax, electronic integrated circuits, heterocyclic compounds containing nitrogen atoms, etc. (table 2).

Table 2

Commodity pattern of Belarusian export to China

Description of goods	2015		2016		2017	
	Quantity	Cost, thousand US dollars	Quantity	Cost, thousand US dollars	Quantity	Cost, thousand US dollars
Compounds containing functional nitrile group, tons	5349	4801.4	4905	4650.1	4516	2400.8
Potash fertilizers, thousand tons	4340	243 807.6	1137.4	493 849.7	13 979	646 712.0
Ethylene polymers, tons	–	–	9	3.2	3500	3034.3
Polyamides, tons	25 664	59 272.1	24 660	54 590.6	38 060	56 097.7
Heterocyclic compounds with nitrogen atoms, thousand tons	27.8	62 361.8	9.9	20 878.3	12.3	16 214.2
Rough timber, thousand m^3	160.8	8620.9	129.0	6351.8	83.0	2810.3
Unkempt wool, tons	399	2345.2	284	1194.1	886	2379.0
Raw or processed flax, tons	2225	1961.7	6120	6651.0	12 711	14 173.7
Synthetic filament tow, tons	4590	9810.1	3146	6575.6	2298	3607.6
Machines and mechanisms for harvesting and threshing crops, pcs	893	18 011.1	305	6317.9	179	10 417.4
Electronic integrated circuits, tons	1	3304.7	1	4716.7	1	4357.9
Parts and accessories for vehicles and tractors, tons	115	1494.9	36	470.6	162	1657.3

Note. Developed on the basis of [4, p. 184–185; 38].

The analysis of China's exports to Belarus according to the enlarged commodity sections (table 3) shows that China's main export position to Belarus is equipment for the production of pulp, paper and paperboard, whose volume in 2017 as compared to 2016 increased by 366.7 times (by 225.3 million US dollars as compared to 2015). Further, telecommunications equipment and its parts are followed by a large margin (8.28 % of Belarus'

imports from China in 2017), computers for automatic information processing (3.25 % of Belarus' imports from China in 2017), spare parts and accessories for vehicles and tractors (2.14 % of imports to Belarus in 2017), electrical transformers (1.72 % of Belarus' imports from China in 2017), etc.

Table 3

Chinese commodity exports to Belarus

Description of goods	2015		2016		2017	
	Quantity	Cost, thousand US dollars	Quantity	Cost, thousand US dollars	Quantity	Cost, thousand US dollars
Equipment for manufacture of paper pulp, paper and cardboard, pcs	213	736.5	24	63.3	17	232 724.0
Telecommunications equipment and equipment parts, thousand pcs	1958.7	224 392.5	2968.3	204 858.5	3278.7	192 193.8
Computing machines for automatic information processing, thousand pcs	3002.6	200 470.4	3655.4	231 905.4	1516.6	75 469.2
Parts and accessories for vehicles and tractors, tons	19500	76 919.3	17 770	71 622.4	13 234	49 675.6
Electrical transformers, thousand pcs	12 087.3	25 661.9	6773.2	19 769.2	5821.4	39 879.6
Parts of footwear, tons	3453	73 831.5	4033	79 336.7	2200	39 488.0
Centrifuges, equipment and devices for filtration of liquids or gases, thousand pcs	1437.3	16 803.7	2411.0	7051.0	4435.8	37 976.2
Antibiotics, tons	478	30 537.9	378	25 308.0	680	35 859.9
Heterocyclic compounds with nitrogen atoms, tons	1326	33 302.0	1412	32 182.0	2258	35 473.1
Ferrous metal structures, tons	8965	33 480.4	5331	14 595.7	15 820	35 049.7
Apples, pears and quinces, fresh, tons	201	253.3	318	290.0	45 404	33 751.6
Heat-treating equipment, pcs	9311	3000.4	4431	3070.1	6483	30 136.1
Insulated wires, cables, tons	2196	67 711.8	1316	11 073.5	2022	29 200.7
Accessories and fasteners from base metals used for furniture and doors, tons	7609	29 061.0	9149	33 292.8	8184	27 326.7
Vegetables, frozen, tons	141	245.5	12 493	8390.5	38 356	26 838.5
Toys and puzzles, tons	4032	31 299.6	4572	38 257.9	3146	24 296.6
Machines and devices for hoisting, transfer, loading or unloading, pcs	1856	6702.9	1364	8700.6	1026	22 715.6
Amino compounds with oxygen-containing functional group, tons	6459	17 566.6	7068	16 675.5	8675	20 422.4
Footwear with genuine leather upper, thousand pcs	1613.5	48 007.5	1455.9	38 837.2	802.6	18 839.4
Control units, panels, tables for electrical equipment, tons	489	24 407.8	449	9260.9	609	18 566.7

Note. Developed on the basis of [4, p. 319–324; 38].

After the establishment of diplomatic relations between China and Belarus (from 1992 to 2017), trade turnover increased 91 times. In 1992, a trade turnover between China and Belarus amounted to about 33.9 million US dollars, and in 2015 reached 3.1 billion US dollars, in 2017 – 2.7 billion US dollars. Throughout 1992–2005, a consistent increase in the foreign trade turnover was recorded with a fairly stable surplus in favour of Belarus. However, since 2006 the situation has been changing. Despite the fact that the trade turnover continued to grow, in 2006 a deficit was registered for the first time. In 2009, the world economic crisis reduced the flows of mutual trade in goods. The trade turnover in 2009 as compared to 2008 decreased by 38.17 %. In addition, in 2014 and 2016 the crisis phenomena still existed in Belarus, therefore during this period there was a decline. In 2017, the growth of the foreign trade turnover of the Republic of Belarus and the PRC was 119.4 %.

China is becoming one of Belarus' most important trade and economic partners. As of the end of 2015, China for the first time moved to the second place among Belarus' import partners (after Russia). A share of imports from China in Belarus' total imports was 7.9 % [4, p. 52].

Investment cooperation between China and Belarus

Trade relations between the countries are a prerequisite for investment cooperation. The PRC holds a special place among Belarus' foreign economic partners, and its investments are of great importance for the Republic of Belarus.

As from 2011 to 2017, Belarusian economy received Chinese investments to the amount of 1567.7 million US dollars, of which 655.2 million US dollars (41.8 %) was direct investment, 907.8 million US dollars (57.9 %) – other investments in the form of loans and credits (fig. 1).

In 2017, Belarus received from China 275.5 million US dollars of foreign investments on a gross basis, which is 109.6 % more than in 2016 (in 2016 it was 251.2 million US dollars). Mainly it was other investments in the form of loans and credits received not from a direct investor (in 2017 – 160.8 million US dollars or 58.3 %).

Direct investments in 2016 amounted to 99.5 million US dollars, which is 22.2 million US dollars more than in 2015. In 2017, 113.6 million US dollars of direct investment was attracted, which is 14.1 million US dollars or 114.2 % above the level of 2016.

At the same time, it should be taken into account that in the pattern of Chinese direct investments, debt instruments (accounts payable, loans, credits, etc.) also occupied a predominant ratio (in 2017 – 63.5 %).

As of 1 January 2013 the amount of Chinese FDI in Belarus was 282.1 million US dollars, which is 235.6 million US dollars higher than the value as of 1 January 2012 by (growth by 7 times) (fig. 2).

A bilateral credit and investment cooperation forms the basis of Belarusian-Chinese relations. With a loan support of Chinese banks, a number of investment projects important for the country's economy were implemented in Belarus:

1) creation of the *Best* mobile communications operator (a loan of the Export-Import Bank of China in the amount of 234 million US dollars; the *Best* mobile operator (later – *Life*) was sold to the Turkcell Company (Turkey));

2) modernization of Minsk CHP-2 (a concessional loan of the PRC government in the amount of 42 million US dollars);

3) reconstruction of Minsk CHPP-5 (a loan of the China Development Bank in the amount of 260 million euros);

4) modernization of the cement industry in Belarus (Belarusian Cement Plant, JSC and Krasnoselskstroimaterialy, JSC) (a loan from the Export-Import Bank of China in the amount of 530 million US dollars);

5) construction of CCGT-400 MW at Bereza Hydropower Plant; PGU-400 MW at Lukoml Hydropower Plant (a concessional loan of the Government of the People's Republic of China to the total amount of 633 million US dollars);

6) assembly factory for Geely passenger cars (a loan of the Export-Import Bank of China in the amount of 158.7 million US dollars), etc. [6, p. 104].

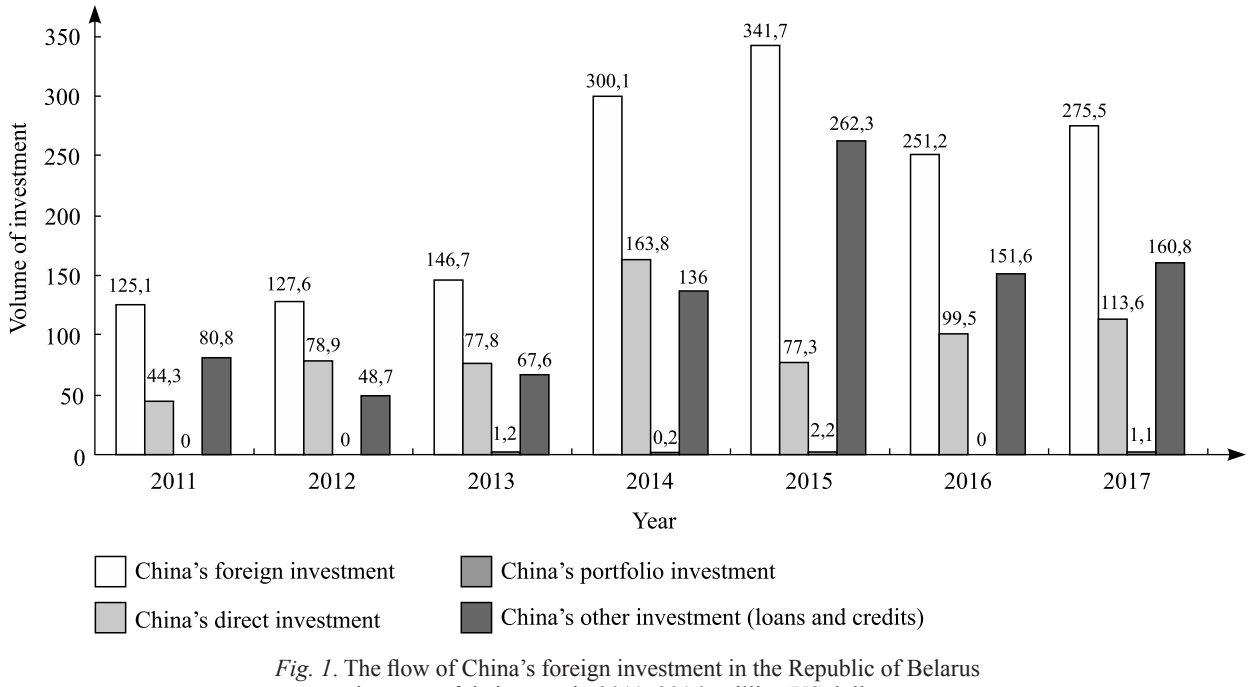

Fig. 1. The flow of China's foreign investment in the Republic of Belarus in terms of their types in 2011–2016, million US dollars.
Note: source [5, p. 168; 38]

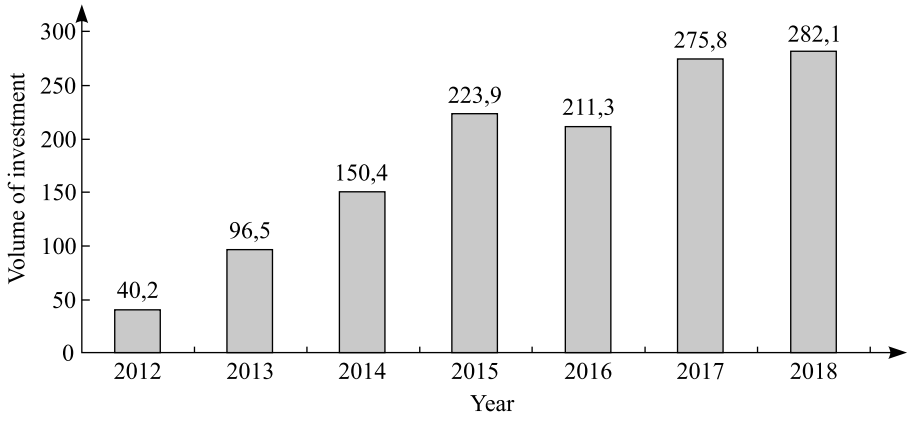

Fig. 2. Accumulated Chinese FDI in the Republic of Belarus in 2012–2017 (as of 1 January), million US dollars.
Note: source [5, p. 168; 38]

In 2017–2022, Belarus is to attract a buyer credit of the Export-Import Bank of China in the amount of 192.7 million US dollars to build a plant for the production of front loaders and energy-saturated tractors in the village of Kolodishchi (Minsk district) by the Amkodor Holding Company together with the Chinese state corporations of CITIC Group and Sinomach.

The advantages of project financing from the Chinese credit line are as follows:

- a long loan term – up to 15 years (including a privilege period – up to 5 years, repayment period of the main debt – up to 10 years);
- there is no need to obtain a guarantee from the Belarusian government for each loan provided from the credit line;
- there is no need to obtain coverage of the SINOSURE export credit insurance agency, which reduces the cost of credit resources for the final recipient.

The peculiarity of Chinese loans is that their delivery is burdened with the obligation to purchase Chinese equipment and often Chinese labor for the implementation of a specific investment project. Advantages of this format of cooperation for Belarus are favourable loan terms and conditions: relatively low interest and maturity with a delay in the first payment. But at the same time, Belarus is deprived of freedom to choose its supplier and is forced to rely on the quality of services and equipment offered by China. On the other hand, Chinese investment imports in the form of supply of technological lines and contract work is a prerequisite for Chinese direct investment in Belarus.

The development of international cooperation within the scope of the One Belt, One Road project and targeted incentives for the manufacturers in the *Great Stone* industrial park provides a competitive advantage to this facility by combining high competencies, investment and human capital, and a unique infrastructural location. The park has a significant capacity to launch quickly and increase an output of highly-demanded high-technology products in a comfortable business and legal environment with effective administrative and economic incentives. As a consequence, the development of the industrial park, as well as an industrial, scientific and technological cooperation with the PRC is generally an incentive to strengthen Belarus' economic and technological positions in the international space significantly.

Thus, the cooperation between the Republic of Belarus and the People's Republic of China in the field of attracting investments is currently being implemented both by offering privatization objects, and by creating new production facilities and building large real estate objects. The majority of Chinese investments in Belarus are related credit lines for the modernization of facilities in the energy sector, manufacturing industry and road construction.

At the same time, there is a shortage of direct foreign investment in Belarus, while indicators for other types of investments are high. The Great Stone Chinese-Belarusian Industrial Park is the key infrastructure object of economic cooperation between Belarus and China within the scope of the One Belt, One Road project.

Scientific and technological cooperation between China and Belarus

The analysis of the modern ***scientific and technological development of the Republic of Belarus*** makes it possible to come to the following conclusions:

- scientific and technological development of the country is one of the priorities of the Belarusian state. The country is implementing the State Program of Innovative Development for 2016–2020, which includes 75 scientific and engineering projects;
- the number of organizations conducting research and development in 2017 was 428, which is 3 points below the level of 2016. A decrease in the number of organizations was followed by a reduction in the number of em-

ployees conducting research and development – in 2017 the number of employees was reduced by 194 persons or 0,8 %. The current situation resulted in a decrease in the total number of researchers per population of 10 000. In 2016, the number of researchers per population of 10 000 was 17.76; in 2017 – 17.72. A ratio of the number of researchers per 10 000 employed in the economy in recent years has increased from 37.73 to 38.87 people;

• as from 2001 to 2016 there was a steady tendency towards increase in the number of new published works by Belarusian scientists in the periodicals indexed in the Scopus database. However, despite this growth, since 2001, there has been a tendency towards reduction of the Belarusian scientists' contribution to the global volume of scientific publications. For example, since 2001 this value has decreased from 0.12 to 0.05 % in 2016;

• the value of the GDP intensity indicator in 2016–2017 was 0.50 %, which is 0.02 percentage points lower than the level of 2015 and it tends to decrease;

• in 2017, the percentage of innovative products in the total shipping volume of industrial organizations was 16.9 %, which is 0.6 percentage points higher than the level of 2016. In 2017, the indicator of «the share of exports of high-tech and science-intensive products in the total volume of Belarusian exports» increased by 0.5 percentage points as compared to 2016 and amounted to 33.7 %.

The analysis of economic aspects of ***scientific and technological development of the PRC*** makes it possible to come to the following conclusions:

• the development of China's scientific and technological complex was a top-priority goal in the country. In 2016, the *Fundamental Provisions of the National Strategy of Innovation-Driven Development* determined the main objectives and areas of the country's innovation-driven development for the mid-term. The PRC State Development Plan for 2016–2020 is based on the development of technological innovation;

• China ranks second in the world for the total R&D expenses amounting to 251.9 billion US dollars in 2017, or 14.6 % more than in 2016;

• China accounts for more than 12 % of the R&D global expenses. A share of expenses for scientific, technical and innovative activity in 2017 was 2.1 %;

• China pays special attention to the staffing of the scientific field. Chinese universities hold the top spots in the world ranking. China ranked first in the world in terms of the number of students studying abroad. During the last 10 years more than 50 % of PhD holders in engineering and industrial technology sciences studied abroad. 79 % and 46 % of teachers respectively are younger than 45 and 35 years old. In 2016, China was the world second in terms of the number of international scientific publications of Chinese scientists and their citation;

• exports of medium- and high-technology products to the total exports was 54.6 % in 2017. China's contribution to the world export of ICT goods in 2017 was 30.6 %. China is the biggest manufacturer of telecommunications equipment, computers and semiconductors.

The prospects for the scientific and technological cooperation between the two countries are based on the orientation of Belarus and China to innovation-driven development. In China, in the field of information technology, special emphasis is put on the implementation of the *Made in China 2025* and *Internet+* strategies, the development of technologies that ensure the updating and ubiquity of «intellectual» computer systems.

The *Made in China 2025* strategy presupposes the country's innovation-driven development in the following areas of information technology: automated control systems and robotics, aerospace engineering, marine engineering equipment and high-tech maritime transport, railroad equipment, energy saving and vehicles on alternative energy sources, power equipment, new materials, medicine and medical devices, and agricultural machinery.

The *Internet+* strategy includes the following areas:

Internet + Entrepreneurship and Innovation;
Internet + Industry;
Internet + Agriculture;
Internet + Energy Efficiency;
Internet + Finance;
Internet + Public Services;
Internet + Logistics;
Internet + E-Commerce;
Internet + Transport;
Internet + Ecology;
Internet + Artificial Intelligence [7, p. 72–73].

To implement these strategies, special investment funds have been established in China. They are supported by enterprises operating under these strategies.

China focuses on the development of ICT technologies as the main basis for a strategic leap in such areas as industry, agriculture, energy, medicine, trade and others. In this regard, promising areas of scientific and technological cooperation between Belarus and China are as follows:

• technology transfer;

• inclusion in production chains;

- experience exchange;
- joint projects in the field of ICT;
- training of specialists;
- cooperation of the *Great Stone* Industrial Park with *Zhongguancun*, the main innovation park of high technologies in China;
- creation of a joint venture fund for the implementation of Belarusian-Chinese projects in the context of cooperation with the *Zhongguancun* Science Park;
- use of China's experience in the field of e-commerce, which is one of the main engines of the Chinese market, the Internet+ development plan, as well as Big Data, Internet of Things for their implementation in the Republic of Belarus.

The development of mechanisms of institutional support for the implementation of the policy of scientific and technological cooperation between Belarus and China as a whole, as well as cooperation in the areas specified in table 4, is important for the two countries.

Table 4

Areas of institutional support for the introduction of mechanisms of scientific and technological cooperation between Belarus and China

Areas	Activities
Political	Determination of scientific and technological priorities in the domestic and foreign policy of the countries. Development of the national technological policy, as well as a system to provide advantages in the avenues of research for the concentration of the scientific and technological potential of the country in the corresponding «technological niches»
Statutory and regulatory	Development and adoption of laws and regulations that will ensure an open procedure for production cooperation between the countries, taking into account the criteria of upgrading of the technological level of production in all types of economic activity. Harmonization of the regulatory and legal framework in the field of intellectual property management towards the more effective legislative consolidation at all levels of interstate regulation of intellectual property rights and providing the legal basis for their effective protection
Information	Development of the system of communication platforms for the selection of potential partners of the cooperation between the Republic of Belarus and the People's Republic of China. The formation of a favourable image of a scientist, an engineer of an inventor, whose contribution to the social development is highly appreciated in the country. Creation of awareness about the achievements of Belarusian and Chinese science in the technological area
Management	Provision of assistance in solving organizational issues, for example, within the framework of the functioning of the general innovation and technological infrastructure of «incubators», «technoparks», etc. Reduction of administrative barriers on the way of establishment of entities of different business structure with a focus on scientific and technological cooperation between the countries

Source: [8, p. 48].

Industrial and technological cooperation and trade in know-how between Belarus and China should become a sphere of growing international economic relations and contribute to the important changes in the structure of the economy of the two countries. It should be supplemented with scientific and technological cooperation at the product development stage; cooperation in direct production; provision of technological services at the stage of installation and commissioning of the facility; engineering during its operation.

Conclusion

As fast as the One Belt, One Road foreign economic project is promoted and rendered financial support, the bilateral Chinese-Russian balance of economic relations will shift in favour of China. Russia will act as a «subordinate partner». Its global economic and financial interests will be represented less than Chinese in the post-Soviet space.

Russia attributes the reduction of the risks associated with the implementation of the Silk Road project to the creation of balancers in case of an unfavourable scenario. These are, first, the formation of a legal, financial and institutional infrastructure to ensure Russian interests in the implementation of Chinese projects in the territory of the Eurasian Economic Union, primarily Russia, Kazakhstan and Belarus.

Secondly, the creation of strategic balancers in case of increasing dependence on China: in the military and political aspect – due to the normalization of relations with the United States, in the economic – with the European Union, Japan and South Korea.

In the context of the implementation of the One Belt, One Road project, the peculiarities of the development of trade and economic relations between Belarus and China are as follows:

• ***the key role of the political leadership in the trade of the two countries.*** Reciprocal visits, summit meetings and adoption of economic policies are sure to contribute to an increase in the volume of trade turnover between the two countries. In some cases, administrative uncoordination, lack of information from competitive markets, political willpower are constraints of the natural long term development of free trade;

• ***China's surplus in foreign trade in goods with Belarus*** has been increasing since 2006. For Belarus, this situation in the long term development of trade and economic cooperation is unprofitable.

• ***in comparison with China's imports, the structure of Belarus' export to China is not diversified.*** At the same time, the goods are not unique and have analogues in other countries, which presupposes a constant analysis of the competitors' positions and caution in the field of foreign trade pricing, where there is either little or no margin for maneuver and price increase by Belarusian exporters. In general, China's share in the total turnover of the Republic of Belarus is 4.9–5.0 % and has a tendency towards increase; the share of the Republic of Belarus in China's total trade turnover in 2009–2017 is much lower and remains at the same level (0.07–0.08 %).

• currently, despite the operation of more than 40 representative offices of Chinese companies in Belarus and the implementation of about 30 joint projects, the ***share of direct investment on a net basis from China remains low*** (in 2017 – 34.4 million US dollars, which is 2.6 % of the total FDI inflows on a net basis).

• ***from the point of view of investment priorities, Belarus is not significant for China yet in comparison with other countries of Central and Eastern Europe.*** At the same time, in 2011–2017 a share of Chinese investments in the total amount of foreign investments in Belarus increased from 0.7 to 2.9 %, while the share of China's direct investments – from 0.3 to 1.43 %.

For Belarus, trading, economic, investment, scientific and technological cooperation with the PRC is of a great importance, since the initiatives being implemented affect the economic growth. The bilateral Chinese-Belarusian cooperation is based on common goals and objectives, which include: sustainable social and economic development, increasing competitiveness, assistance in solving social and environmental problems, and protection of national interests at the regional and international levels.

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