

FEATURES OF CHINA-BELARUS BILATERAL TRADE AND PROSPECTS FOR ITS DEVELOPMENT

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Trade relations have always been the backbone of China-Belarus relations. Over the past years, it can be witnessed a widening and deepening of bilateral trade relations between the two countries, as China became one of the most important trade partners to Belarus. This article mainly points out the importance of bilateral cooperation for both countries, and emphasizes that expansion of exchanges and cooperation and strengthening of the strategic partnership will be critical engines of growth in the two countries. Meanwhile, it assesses the features of China-Belarus trade relations, and identifies promising areas for further development.

Key words: trade relations; the Belt and Road Initiative (BRI); industrial park “Great Stone”; China; Belarus; COVID-19 pandemic.

ОСОБЕННОСТИ КИТАЙСКО-БЕЛОРУССКОЙ ДВУСТОРОННЕЙ ТОРГОВЛИ И ПЕРСПЕКТИВЫ ЕЕ РАЗВИТИЯ

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Торговые отношения всегда были основой китайско-белорусских отношений. За последние годы можно наблюдать расширение и углубление двусторонних торговых отношений между двумя странами, так как Китай стал одним из важнейших торговых партнеров Беларуси. В этой статье в основном указывается на важность двустороннего сотрудничества для обеих стран и подчеркивается, что расширение обменов и сотрудничества, а также укрепление стратегического партнерства будут важнейшими двигателями роста в двух странах. Между тем, в нем оцениваются особенности китайско-белорусских торговых отношений и определяются перспективные направления для дальнейшего развития.

Ключевые слова: торговые отношения; инициатива «Один пояс, один путь (ОПОП)»; индустриальный парк «Великий камень»; Китай; Беларусь; пандемия COVID-19.

Since the establishment of diplomatic ties in 1992, China-Belarus exchanges and cooperation in various areas have been growing by the day, and

have reached the highest point – ironclad brotherhood and all-weather partnership. On the one hand, the development of relations with China is always a priority direction of the foreign policy of the Republic of Belarus. On December 3, 2021, Belarus President Aleksandr Lukashenko signed Directive No.9 on advancing Belarus-China bilateral relations, which is designed to further advance Belarus' strategic partnership with China across a broad spectrum of avenues in 2021-2025. According to Directive No.9, in the near future the priority tasks for Belarusian government agencies and other economic entities involved in cooperation with China include the reinforcement of cooperation in politics, preservation and augmentation of values of friendship and mutual support, the enhancement of trade, economic, financial, and investment interaction, and the realization of the Belt and Road initiative (BRI). Important tasks also include the expansion of interregional ties, the advancement of military cooperation and military technical cooperation, cooperation in digital economy and information and communication technologies, the enhancement of R&D cooperation, the advancement of relations in humanitarian affairs (education, health care, culture, tourism, etc.) [1]. On the other hand, for China, Belarus is a key transit point for Eurasian links, considering geographically it is located near the port cities of the Baltic Sea and next to the European Union's market. More specifically, enhanced collaboration with Belarus helps China develop relations with the Eurasian Economic Union (EAEU), while simultaneously providing a geographic avenue for the BRI into the central and eastern European regions [2].

Thus, it can be noted that expansion of exchanges and cooperation between China and Belarus and strengthening of their strategic partnership are essential for the implementation of policies and strategies of the two countries, and to a certain extent, they will be critical engines of growth in the two countries (more obviously for Belarus).

Trade relations have always been priority area of bilateral interaction between China and Belarus. Since the early 1990s, China and Belarus have established trade relations and started trade transactions. Especially, since the launch of BRI and their relations have reached the level of comprehensive strategic partnership in 2013, bilateral trade volume between China and Belarus has witnessed relatively fast growth, and Belarus' imports of goods from China have grown consistently. In 2019 alone, China-Belarus trade turnover reached 4.48 billion US dollars [3], a new record in terms of their trade relations (in 1992 trade turnover amounted to 34 million US dollars [4]). The significant growth in China-Belarus bilateral trade in recent years is mainly based on the implementation of agreements at various levels. However, in 2020, due to the COVID-19 pandemic, trade volumes between the two countries below the indicators of 2019. Nevertheless, from January-September

2021, bilateral trade turnover has increased, growing to 4.2 billion US dollars [5]. And, China became Belarusian second biggest trading partner (Russian retained the largest partner).

Meanwhile, China-Belarus bilateral trade is also characterized by a growing asymmetry: Belarusian trade balance with China has been in deficit since 2006 and this deficit has expanded, reaching a record of about 3.13 billion US dollars in 2019. According to the National Statistical Committee of the Republic of Belarus, this deficit in 2020 totaled 2.96 billion US dollars [3].

As to the trade commodity structure between China and Belarus, it is unfavorable for sustainable development of bilateral trade relations: Belarusian merchandise exports to China are not very diversified, and most of the products are low-processed or low value added [6]. Potash fertilizers traditionally take the leading place in the structure of Belarusian exports to China. In second place is meat and edible meat offal. Next - dairy products and bird eggs, food products of animal origin. Other products, which are supplied by other Belarusian industries and large enterprises, are not competitive on the China's market, either in price (taking into consideration high prime and transport costs), or quality and after-sales services.

While, the value added of the products that Belarus imports from China are much higher. The main commodity groups are electrical machinery and equipment; sound recording and reproducing equipment, their parts and accessories, reactors, boilers, equipment and mechanical devices, their parts, vehicles (except for railway or tram rolling stock), their parts and accessories, as well as organic chemical compounds, plastics and products from them, products from ferrous metals and light industry products (shoes, toys, sports equipment).

There are also highlights in areas other than trade. By far, China-Belarus industrial park "Great Stone" as the largest joint project of the two countries and China's largest project abroad has already attracted more than 1.2 billion US dollars in investments and 85 resident companies. It includes the fields of electronics and mechanical engineering, biotechnology and fine chemistry, new materials, pharmaceuticals and logistics, storage and processing of large amounts of data, socio-cultural activities, and implementation of research, development and technological works [7].

In conclusion, according to the results of the study, to realize the mutually beneficial and sustainable bilateral trade between the China and Belarus, in particular, during COVID-19 pandemic, promising areas of development include the followings:

- strengthening cooperation in combating COVID-19;
- expanding and implementing highly effective projects (especially related to digital economy, high-tech sectors) within the framework of the BRI;
- encouraging more Belarusian exporters (primarily small and mid-size

enterprises) to participate in the implementation of the BRI in order to expand opportunities in the Chinese market;

– promoting local cooperation through pairing key provinces and oblasts of the two countries.

In addition, Belarus, considering its membership in EAEU, could promote the further integrating the BRI and the EAEU, thereby forming a broader market, in particular, for products supplied by China–Belarus industrial park “Great Stone”.

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