

China-Belarus industrial cooperation

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In a market economy, the successful development and functioning of the state is largely due to the effective operation of economic mechanisms. The study of economic practice shows that the importance of industrial cooperation in modern economic conditions is increasing.

China is one of the main priorities of Belarus' foreign policy. The Republic of Belarus highly appreciates the ties of traditional friendship and mutually beneficial cooperation with the People's Republic of China. In a situation where China's role in world politics and the economy is constantly growing, almost every country in the world seeks to create economically mutually beneficial relations with China.

World experience shows that cooperation between labor and production is an objective historical process and that all modes of production are inherent in countries of any socio-economic system. In industrial cooperation, fundamental science, research and development (R&D), production, design, management and information technology, as well as other areas of advanced ideas and results, are combined and specified [1].

Cooperation between Minsk and Beijing began back in the 1990s, when Belarus actively supplied to China the Soviet military equipment that remained in the country.

In the 2000s, China came to the aid of Belarus in the financial sector by providing loans. But the Belarusian-Chinese relations became especially close after the launch by China at the end of 2013 of the new «Silk Road» – the Chinese program «One Belt – One Road». This initiative is to create a new international trade corridor between China and Europe and combines two projects – the Silk Road Economic Belt and the 21st Century Maritime Silk Road.

The main advantage of Belarus is its important geographical position, the country is the last stop before Europe. This allowed Belarus to play a strategic role in the implementation of China's plans.

Every year, trade between Belarus and China is growing, as well as the volume of Chinese investments in the Belarusian economy.

The growth in Chinese investment in the period under review is due to the establishment of a comprehensive strategic partnership between the countries in July 2013 and the accession of Belarus to the One Belt, One Road initiative, which implies the inclusion of the country in the Silk Road Economic Belt project. Chinese direct investment inflow rate on a net basis in 2015–2017 was significantly lower than in 2012, where the main inflow of investments was provided by investing in the creation of the Chinese-Belarusian industrial park “Great Stone”.

In 2017, FDI from China on a net basis amounted to only 38.8 million US dollars (61.0% of the 2012 level). The active policy pursued by the state to attract

Chinese investment in the economy of the Republic of Belarus for the first time gave its tangible results in 2018.

At the end of 2018, the volume of direct investments from China on a net basis amounted to a record \$109,062.4 million, which is more than 2.8 times more than in 2017. China became the third country after Russia and Cyprus in terms of net FDI to the Republic of Belarus.

Growth in lending and investment will significantly expand ties between Belarusian and Chinese businessmen, which will become the main driving force behind a broader and more dynamic development of relations between the two countries [2].

Systematic and direct interaction has been built between the regions of Belarus and China. Each region and the city of Minsk have already become sister cities of two or more regions of the PRC, which ensures coverage of almost all provinces of China. More than 20 agreements on the establishment and development of cooperation at the “city-city” level have been concluded between the regional centers and cities of Belarus with the administrative centers and cities of central subordination of China.

In January 2014, the heads of state signed the Program for the Development of a Comprehensive Strategic Partnership between the Republic of Belarus and the People’s Republic of China for 2014–2018, which is a roadmap for the development of bilateral trade, economic, scientific and technical relations based on active cooperation in credit and investment sphere, the development of new mechanisms for interbank lending, the creation of favorable conditions for the implementation of joint investment projects, where the Chinese-Belarusian industrial park “Great Stone” was to become an important nodal platform of the Silk Road.

Within the framework of bilateral negotiations, it is planned to implement more than 90 joint investment projects, the largest of which are projects for the modernization of the cement industry of the Republic of Belarus, projects for the construction and reconstruction of electric and hydroelectric power plants, roads and railways, etc.

The number of scientific and technical projects in Belarus and China is three times more than in other countries, and the number of projects is increasing by a quarter per year. Joint projects are being implemented in the field of microelectronics, optical and laser technology, biotechnology, new materials, etc.

New production facilities for the country in the Great Stone Industrial Park are today organized within four basic clusters: automotive components, electric vehicles and electrical equipment, medical products and equipment (pharmaceuticals), as well as integrated logistics.

Currently, companies from 14 countries are taking part in their formation, which brings the project to a new level of international cooperation and rightfully gives the status of a transnational platform for the development of high-tech industries.

According to the Financial Times, the Great Stone was named the best special economic zone in 2020 as part of the One Belt, One Road initiative.

In general, the entire dialogue between the leaders of the two countries and the decision taken as a result of it once again emphasized the high degree of comprehensive strategic partnership and “iron brotherhood” between Belarus and China.

At present, an important task is to increase the attractiveness of Chinese investments, taking into account the interests of the Republic of Belarus in order to develop priority (strategic) types of economic activity. Orientation to investment resources, development of foreign markets as a focus of high-tech innovation industry.

Литература

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