

# *The Sino-Russian Economic Relations Seen in Amur Oblast: Is there a way out from the increasing dependence on China?*

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## **Summary**

This paper takes up Amur Oblast which, adjoining the border with China, only has international exit-points to China; that proximity is increasing the marked dependence on China of Amur Oblast, and this paper portrays the extending of dependence on the Chinese economy as far as civil life, and discusses the future prospects for the economic development of Amur Oblast, for which unease at having a one-sided dependence and Sino-Russian border economic cooperation are expected. In the Russian Far East there are 63 checkpoints in total, yet Amur Oblast does not have routes for economic exchange via rail or maritime ports, and except for the Kani-Kurgan automotive-use border checkpoint, it only has six river checkpoints with China (in actuality four are functional) where they can use automotive vehicles when frozen over. The border trade itself with China, in terms of the degree of dependence on trade with China of Amur Oblast's international trade, is markedly high in comparison with the other federal subjects of the Russian Far East. Exports are restricted to primary products such as logs and timber, and iron, non-ferrous metals and electricity, and imports are composed of a broad range of goods such as everyday household goods and foodstuffs that permeate civil life. There is the potential for the export of electricity to become a future strategic export of Amur Oblast, and although a stabilizing enrichment of the economy of the oblast is hoped for, a relationship is taking hold of the export of Amur Oblast's raw materials and of processing in northeastern China. Amid the dependence of Amur Oblast on Sino-Russian trade increasing, unlike the large-scale investment of Western firms in mines and the like, investment from China in terms of amount is not pronounced. In terms of the number of expanding companies, however, Chinese capital participation is in the majority and the investment amount is small, but active diversification at the SME-level is being carried out in Amur Oblast. That, however, is not tied up with the local capital, technology and labor of Amur Oblast; the capital, technology and labor are all supplied from the Chinese side, and therein lies cause for a deep-rooted resistance toward expansion of companies from China. Rather than the grandiloquent logic of economic links with the Asia-Pacific region, for Amur Oblast, which can only see the way out in Sino-Russian border trade, cooperation is required to act as a lever for regional economic development, actively tying Chinese capital up with the capital, technology and labor of Amur Oblast.

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