

# **Partnerships for Infrastructure Development in North-East Asia**

**North-East Asia Development  
Cooperation Forum 2017:**

***Development cooperation in SDG  
implementation  
for a more secure and prosperous  
world***

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## Infrastructure Development Level in Countries of North-East Asia and their Priority Development Partners

	Russia	Priority Partners (average)	China	Priority Partners (average)	India	Priority Partners (average)
Number of air transport registered carrier departures (2016)	67440	22027	3,073,450	-	681063	20771
Electricity consumption (kW per capita, 2010 – 2016)	6486	2423	3,298	-	684	54
Fresh water consumption (billion m3, 2013)	66,2	16,54	554,1	-	761	15,83
Internet access (number of subscriptions per 100 people, 2013)	16,62	9,94	13,63	-	1,16	1,005

Source: [\*World Bank Development Indicators, 2016.\*](#)

NB: the partner countries that are the focus of the south–south cooperation have much larger infrastructure problems than regional economic leaders

## Financial Resources

Asian  
Infrastructure  
Investment Bank

USD 100  
billion

New Development  
Bank

Silk Road  
Foundation

Eurasian  
Development Bank

USD 7  
billion

Complements, rather than  
replaces existing financial  
institutions in both the  
public and private sectors

USD  
50  
billion

economic development  
initiative primarily covering  
Eurasia

USD  
40  
billion

## The Structure of Belt and Road Initiative

### The Belt and Road Initiative



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graph TD; A[The Belt and Road Initiative] --> B[The Economic Belt of the Silk Road]; A --> C[The Sea Silk Way of XXI century]; B --> D[The goal: to connect China to Europe through Central and South-West Asia  
Participants: China, EAEU and Middle East countries]; C --> E[The goal: to connect China and Europe through the South China Sea and the Indian Ocean  
Participants: China, ASEAN countries];
```

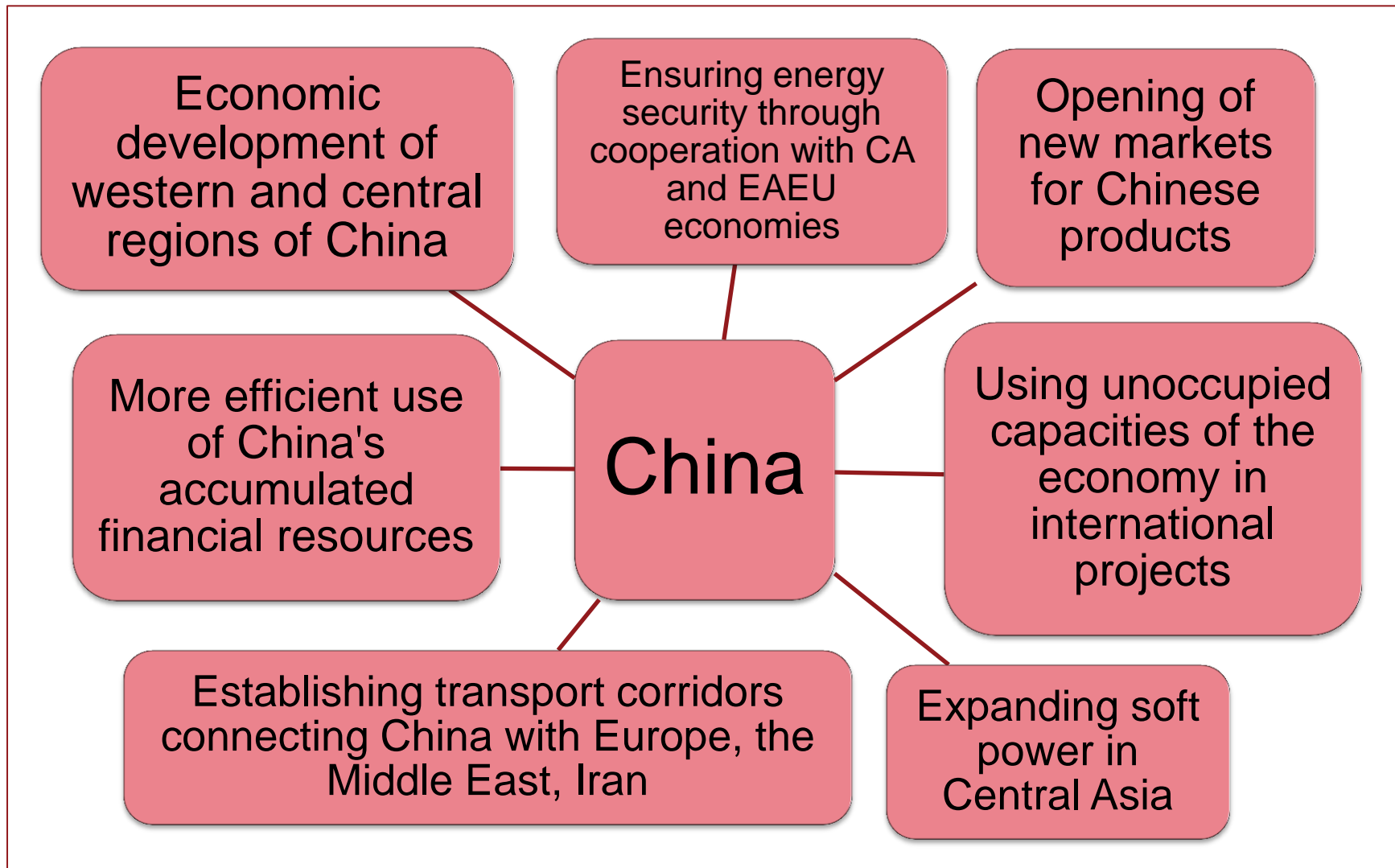
#### The Economic Belt of the Silk Road

The goal: to connect China to Europe through Central and South-West Asia  
Participants: China, EAEU and Middle East countries

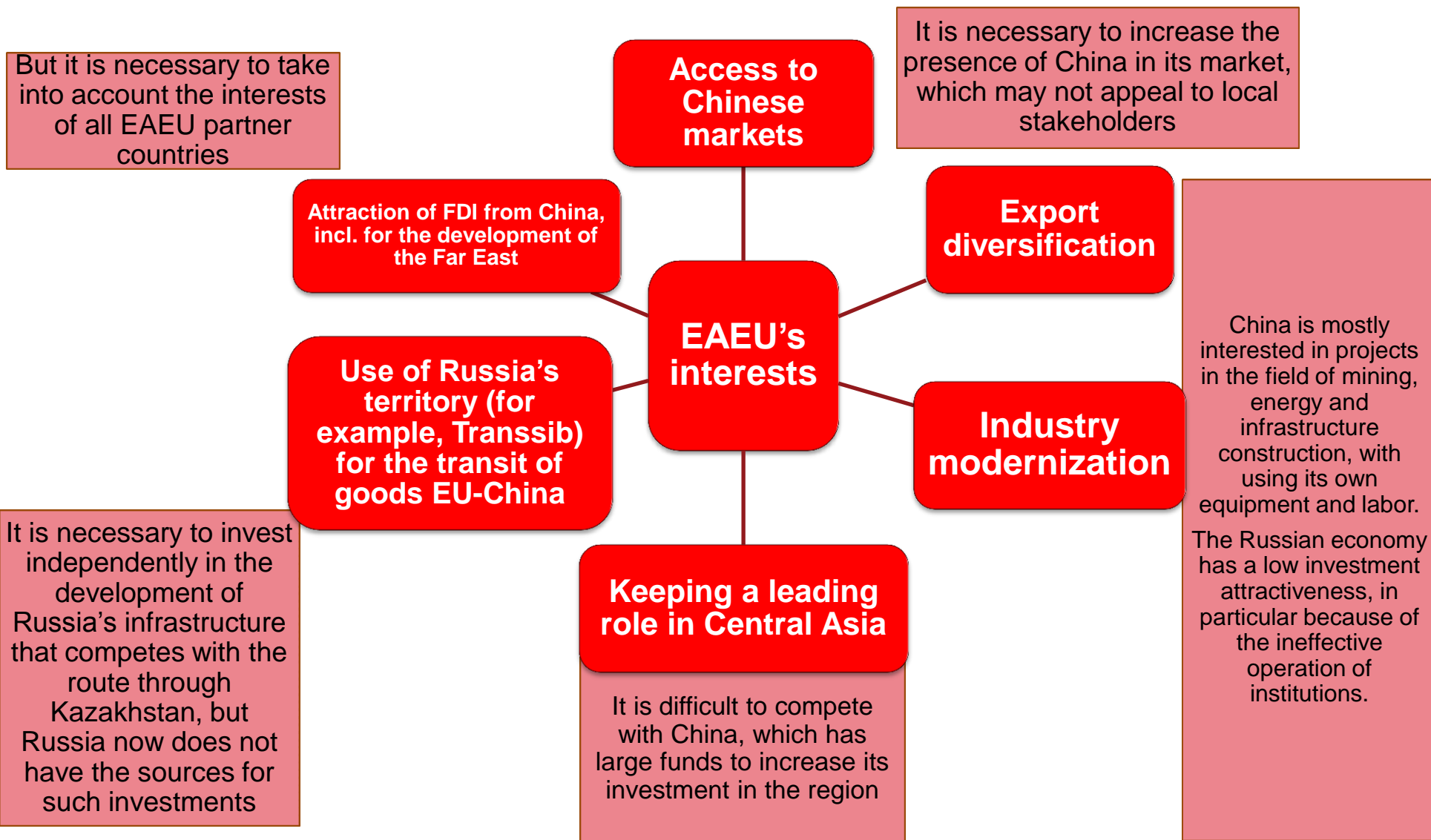
#### The Sea Silk Way of XXI century

The goal: to connect China and Europe through the South China Sea and the Indian Ocean  
Participants: China, ASEAN countries

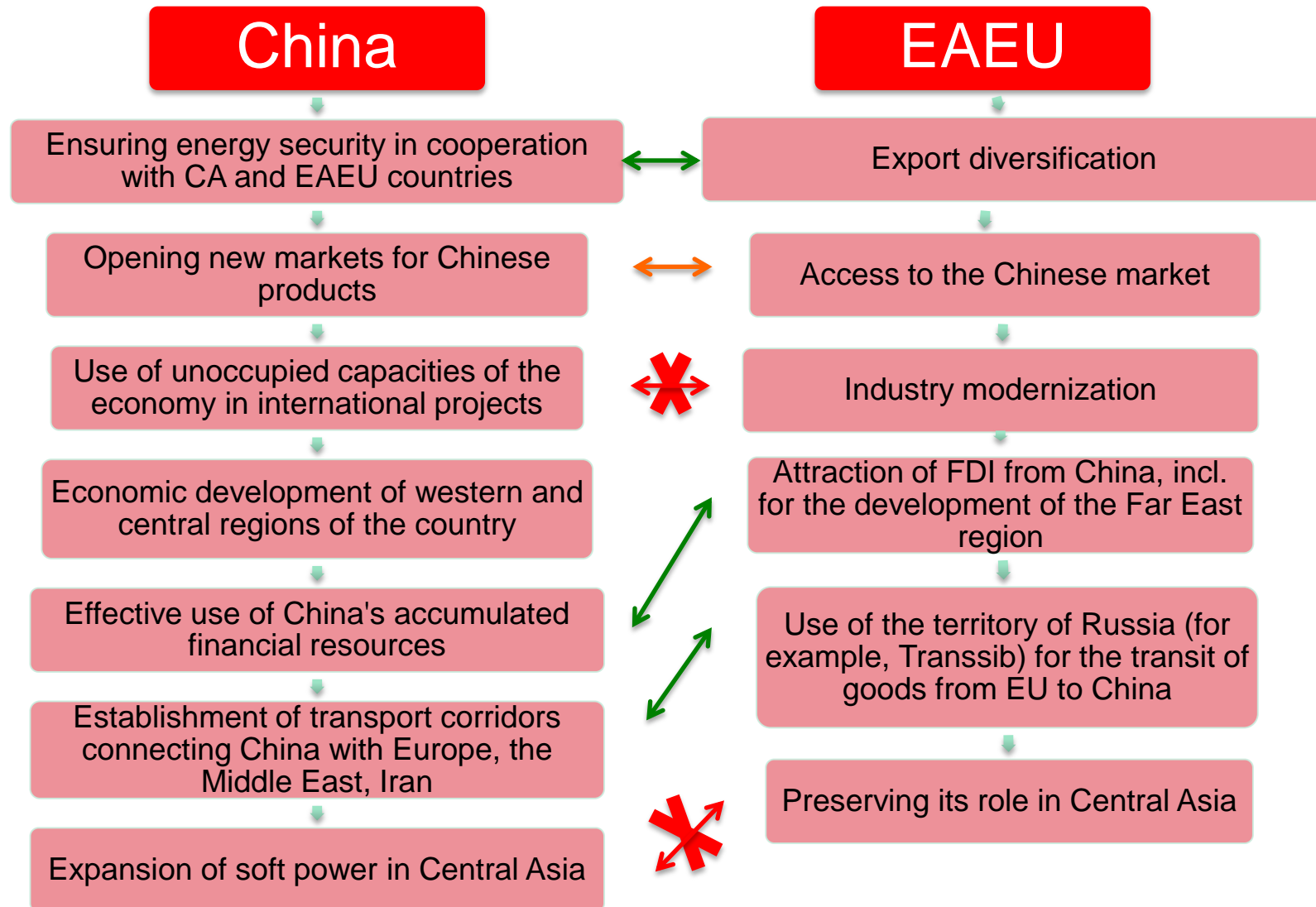
## The Goals of the Belt and Road Initiative



# Interests and restrictions for EAEU in conjunction with the Belt and Road Initiative



# The coincidence / inconsistency of the interests of the EAEU and China in the process of junction



## EAEU and the Belt and Road Initiative conjugation scenarios

### Positive (synergy)

- Active support of the Belt and Road Initiative with the participation of companies from the EAEU countries in the implementation of projects (incl. on the territory of partner countries) with the use of Chinese investments;
- Creation of joint value added chains with Chinese companies;
- Developing transport and social infrastructure network in the border areas and along the route of transit routes.

### Neutral

- Passive support to the Belt and Road Initiative, in the form of the creation of the China-Kazakhstan-Russia-Europe transport corridor;
- The minimum-level engagement of companies from the EAEU countries into the project implementation;
- Inadequate use of the Initiative's potential for the development of the economies of the EAEU countries;
- Further reduction of the transit potential.

### Negative

- Refusal of support and participation in the Belt and Road Initiative → China creates transport corridors and implements industrial cooperation projects bypassing the EAEU.



## Recommendations

The mechanisms for the implementation of investment projects in the framework of conjunction of the EAEU and the Belt and Road Initiative

### Public private partnerships

An important advantage of PPP is the use of project finance method for the implementation of the infrastructure development projects

### Joint Production

Creation of joint productions with Chinese investors providing equipment and technology

### Financial mechanisms

Financial and credit mechanisms for attracting Chinese investments (Grants, participation in charter capital, etc.)