

History of Russia China Foreign Trade Relations

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ABSTRACT

China Russian trade relations have a long history. China and Russia share a long common border, and the trade volume between China and Russia plays an important role in the trade volume of their respective neighboring countries. Since the beginning of the 21st century, the China Russia comprehensive strategic partnership of cooperation has been deepening, and the bilateral relations have gradually entered the best period in history, which provides a political guarantee for the all-round and multi field cooperation between China and Russia and has become an important driving force for bilateral cooperation. The healthy development of China Russia economic cooperation has also laid a solid foundation for the continuous development of the strategic cooperative partnership between the two countries. This paper using the method of historical research, the author analyzes the history of Sino Russian cooperation, and focuses on the cooperation in international relations from the perspective of economic and trade cooperation. Through the analysis of China Russia trade history and relations, find ites contributed to the development of the world economy.

Keywords: Ecological economy, Global trends, China's green economy competitiveness, Evaluation criteria.

1. INTRODUCTION

The diplomatic relations between China and Russia began about 400 years ago. The economic ties between the two countries began to develop from private trade in the border areas.

In the past 20 years, the economic and trade cooperation between China and Russia has shown a rapid development situation - the volume of bilateral trade has increased by more than 11 times.

In the 21st century, China and Russia have successfully become strategic partners. Under the background of the challenges and threats of globalization, the economic and trade relations between China and Russia are showing a better and better trend. Only by developing and deepening good neighborly friendship and strategic cooperative partnership can China and Russia move forward and develop confidently, and on this basis lay a better path for the friendship between the Russian people and the Chinese people.

In 2012, the bilateral trade volume between China and Russia reached about US \$88.15 billion, breaking the previous maximum compared with the previous quota in history. China has become Russia's largest trading partner for the second consecutive year. In 2013, the bilateral

trade volume between China and Russia reached US \$89.21 billion, realizing continuous growth.

China is a neighbor of Russia, and the border between China and Russia is one of the longest borders in the world. At present, China and Russia have good neighborly and friendly relations, and this friendly relationship has a long history.

The mechanism of regular meetings between the heads of state of China and Russia is gradually becoming an important platform for the management and coordination of multi-directional business cooperation between the two countries, and it has also created fruitful results. All these have played an important role in promoting and coordinating the comprehensive and sustainable development of China Russia strategic partnership.

The economic and trade relations between Russia and China have continued to develop in recent years. It can be said that China Russia bilateral economy, trade and investment have become an important part of the whole complex process of China Russia bilateral cooperation.

As we all know, China and Russia have established a comprehensive cooperative partnership of comprehensive strategic cooperation. In early 2013, China's president visited Russia for the first time after taking over, which can fully show that leaders attach

importance to the relationship between China and Russia. All this shows that China Russia relations have entered a new stage of comprehensive friendly cooperation.

The purpose of this study is to analyze the current situation of economic and trade cooperation between China and Russia, and determine its further development prospects.

2. HISTORY OF RUSSIA CHINA FOREIGN TRADE RELATIONS FROM 1689-1949

In 1689, China and Russia signed the Treaty of Nerchin, which established a formal treaty relationship. After Russia and the Manchu Qing Empire concluded the "Treaty of Nerchin", Sino Russian trade relations became more tense. However, the Qing government categorically prohibited its businessmen from going abroad, so Russian businessmen were active participants in trade. The trade relationship between China and Russia is mainly established by sending a caravan mainly loaded with fur to Beijing every three years.

The first caravan was sent in 1698, This system continued until 1762. In each of the first four caravans, there are up to 400 different categories of people. [1]

From 1706, only those who entered the caravan state could own their goods in the caravan - agents. The caravan was led by a trusted businessman, who was composed of a government Commissioner, four cavalry, a security officer and 100 Cossacks. Overall, there are 200 administrative and security personnel. The fleet is organized once every three years and drives one way for one year. The caravan followed a route called "tea ceremony". [2]

In the mid-19th century, China and Russia signed the Treaty of Argonne (1858) and the Treaty of Beijing (1860), which defined the new boundary, and Amur River (Heilongjiang) became the boundary river between the two countries. Since then, Heilongjiang has become the main link of Sino Russian border trade. [3]

In 1921, the Communist Party of China was founded. In 1928, Jiang Jiechi became chairman of the Nanjing National Government. He is a representative of the Chinese Kuomintang party. He advocated: first, the stability of domestic affairs, and then the participation in foreign affairs. In 1937, Japan invaded China and began the war of national liberation. [4] During China's war with Japan, Russia provided comprehensive assistance to China.

The Chinese affectionately call him the brother of Russia. However, Sino Russian trade stalled until 1945. On October 1, 1949, Mao Zedong announced the founding of the people's Republic of China, and Russia and China strengthened contacts. [5]

3. HISTORY OF RUSSIA CHINA FOREIGN TRADE RELATIONS FROM 1949- 1996

The Soviet Union was the first country to establish diplomatic relations with the new Chinese nation. On October 2, 1949, The Soviet Union officially announced diplomatic recognition and exchanged ambassadors with China.

From October 1949 to the end of 1950, in the heyday of Sino Soviet economic relations, the trade between the Soviet Union and China accounted for more than half of China's trade, and the Soviet Union was the main trading partner. The rapid expansion of bilateral economic and trade cooperation between China and the Soviet Union has brought considerable income to both sides and promoted economic development.

In 1957, in the era of Mao Zedong, a new trade began. This trade lasted only a short time. By 1964, after a series of military and political conflicts, trade and economic relations were completely stopped and previously signed trade contracts were cancelled.

In the history of Russia China Soviet relations, there are both difficult and tragic chapters. The period of friendly and even brotherly alliance between the two countries in the 1950s. [6] From the 1960s to the 1970s, relations deteriorated sharply, including armed border conflicts. One of the most serious conflicts occurred in March 1969. Nao Island Damanski River Wusuli and caused casualties on both sides. Tensions in the border areas between the two countries in the mid-1980s. In our century, due to internal and external factors, we began to decline. At the same time, much work has been done to determine the direction of the boundary line in order to eliminate previous controversial issues.

In 1983, the Soviet Union and China agreed to resume trade relations. The first batch of goods were traded across the border between Heihe River and blagovishensk. In September 1986, the bilateral trade between the Soviet Union and China officially began. The normalization of Soviet China relations has played an important role in revitalizing the economy, especially in the field of foreign trade of the province. 1980s. In China, the development of border trade is highly valued, and the Russian Far East and Siberia have become the main trading partners of the province. The main period of the formation of these relations is noteworthy.

1983. The border trade between Heilongjiang Province, Inner Mongolia Autonomous Region and Khabarovsk, Binhai border region, Amur Prefecture and Chita prefecture has resumed. Later, other regions of the Soviet Union and Chinese provinces also joined the border trade system.

Since 1984. Tensions between the people's Republic of China and the Soviet Union began to ease and public

relations began to recover. Over the years, a group of Russian and Chinese experts and entrepreneurs have held a seminar to discuss the economic and trade cooperation between the Soviet Union and China.

1983-1987. Border trade not only helps to increase foreign exchange income, but also helps to meet the demand for food and scarce consumer goods in the eastern Soviet Union and reduce expensive imports from European parts. The development of bilateral economic and trade relations has become an important factor in the normalization of relations. At the same time, the legal basis of China's border cooperation has also begun to be updated.

In 1987 normative laws governing border trade settlement procedures, the establishment of border technical and economic cooperation zones, border market trade activities, the organization of goods transportation through border checkpoints, and the system of individuals staying in border areas have come into force.[8]

1988-1993- Rapid development stage. 1988. The provincial government approved the government's new strategic policy, namely "contact with the South and opening up to the north". Take advantage of favorable conditions to formulate the eighth five-year plan and the socio-economic development programme for the 1990s. April 1988 The State Council of the people's Republic of China adopted the document on developing border trade and technical and economic cooperation with the Soviet Union. According to the document, the province obtained some important privileges (24 specific preferences were determined), allowed border companies to organize independently, and established 188 companies to trade with the Soviet Union.

1989. Suifenhe, Heihe and Tongjiang, three major freight ports in the province, were opened. On the other hand, the former Soviet Union also experienced an irreversible political and economic process. [7] The disintegration of the Soviet Union broke the traditional economic ties, put the economy of the Far East and its raw materials in trouble, and left almost nothing to the region, except the development of foreign economic activities with neighboring countries in Northeast Asia. [10] However, when there is a serious shortage of food and industrial products, due to the sharp decline in the purchasing power of the population, the import of cheap and often inferior products has increased sharply.

The State Council approved the special preferential treatment for border cities in Heilongjiang and Suifenhe (both in Heilongjiang Province). Hunchun (Jilin), Manzhouli (Inner Mongolia Autonomous Region). It provides for tax incentives (the income tax rate in the field of production is reduced from 33% to 24%, exempted in the first three years of profitable activities and reduced by 50% in the following four years), Tariff

preference (the import tax and the unified industrial and commercial tax on raw materials and equipment imported as investment capital have been reduced by half, etc.).

In the case of a shortage of freely convertible currencies, trade and many types of technical and Economic Cooperation (construction contracts, labor services, joint venture construction) are mainly carried out in the form of barter. [9] The price is negotiated in accordance with the principles set forth in the inter state trade protocol. The calculation is based on the Swiss franc. At the same time, the export value of Russian companies is underestimated, which helps to reduce tariffs and exchange investment funds for Chinese food and consumer goods through rapid sales in Russia's scarce market. For Chinese entrepreneurs, such transactions are very convenient because of simple document processing and less financial guarantee. In addition, due to the weak control of foreign trade, barter is beneficial to them. The turbulent situation of border trade in the early 1990s. This has led to the rapid growth of border trade. In Heilongjiang, the number of such companies increased to 8000 in a few years.

Since the second half of 1993. As Russia has strengthened barter and shuttle trade rules, raised grain import tariffs and implemented the mutual visit visa system, the trade volume has shown a downward trend. In addition, Western European producers' goods flowed into the Russian market, and Russian consumers' confidence in the quality of Chinese products began to decline. The border cooperation and difficult economic situation of some Russian enterprises, as well as the low implementation rate of contracts signed by them, have been affected. In the early 1990s. Compared with the Soviet period, the types of export commodities of the province have expanded from hundreds to thousands. Russia exports clothing and footwear, household appliances, building materials, grain, vegetables and fruits, and Russia mainly supplies raw materials.

Until the early 1990s, bilateral trade was carried out on the basis of liquidation, but it began in early 1991. The scope of liquidation has been greatly reduced. In addition, it is only used to provide services for deliveries between central foreign trade companies under intergovernmental agreements. The end of the year. [11] All Chinese citizens who have foreign exchange income or travel abroad have the opportunity to freely buy and sell currencies in RMB at state-owned banking institutions at the market exchange rate. They account for only 10% of trade. The share of decentralized trade channels (direct links, border trade, supply through third countries, barter trade) has increased. [12] At the same time, these changes have little impact on the commodity structure of Russian exports.

1992-1993. Russia's demand for Chinese goods has had an "explosive effect". Barter trade is particularly popular due to the lack of freely convertible monetary funds on both sides. 1993. This proportion has increased.

Most of the timber, trucks, tractors and combine harvesters, machine tools and mining equipment supplied to China are paid for by the deficit of food, textiles and household electronic products. In China, fertilizers, helicopter parts and automobiles are mainly used for freely convertible currencies. [13] But in early 1993, Obviously, with the improvement of China's foreign exchange capacity, Russian experts began to notice that Chinese counterparties are more and more willing to export goods to China.

1993. The bilateral trade volume between China and Russia reached as US \$7.7 billion. Weak supervision, especially the lack of control over the quality of China's exports, and a large number of fake and low-quality goods in the Russian market have damaged people's confidence in Chinese entrepreneurs and Chinese goods in Russia. A considerable part of Russia's imports from 1992 to 1993. These activities are carried out by individuals (so-called "shuttles") in neighbouring countries. The statistical data of this kind of procurement are poorly reflected. [14] If this kind of procurement is taken into account, Russia's bilateral trade surplus will be significantly reduced.

In 1994-1999 relationship settlement period. Within the scope approved by the state, small quantities of border trade have been carried out for enterprises and trade organizations in the border areas through the land border crossing points designated by the state. [15] The circular also defines the form of border trade, defines cross-border trade according to international norms, and explains the characteristics of tax policy. Thanks to the goodwill and diplomatic efforts of both sides, relations have been normalized. On April 25, 1996, the people's Republic of China and the Russian Federation adopted the Joint Declaration on the basis of relations between the people's Republic of China and the Russian Federation, which was the outcome of the first Russia China Summit, when Russian President B. Yeltsin visited Beijing.

For the first time, the declaration officially announced the establishment of an equal trust partnership with a view to achieving strategic collaboration in the 21st century. In China's view, the remarkable feature of the new relationship is strategic interaction, which is in contrast to the alliance. Interaction is considered to be a more ideal form of relationship than the Soviet Union.

By the end of 1996. China's modern legal framework on border cooperation and border trade has been formed. Through legislation, the general principles, tasks, restrictions and boundaries (transaction amount and territorial scope) of border trade are determined, and the status of participants and the authority of government agencies responsible for border trade are determined. Therefore, there is no intergovernmental agreement on border trade between China and Russia, which does not prevent China from formulating "comprehensive" national legislation to determine its system. Russia is

particularly interested in China's monetary and financial documents (encouraging the use of local currency in border trade) and documents that determine the further socio-economic development of China's region bordering Russia and the development direction of China's border trade.

By 1996, the negative trend of economic and trade cooperation between Heilongjiang Province and Russia has been overcome. The two sides have jointly chosen the strategy of promoting mutual trade, rationalized the commodity circulation structure and expanded transactions based on freely convertible currencies. [23] Year. The trade volume between Russia and China is 6.8 billion US dollars, and Heilongjiang Province accounts for about 12%. Modern forms of economic cooperation, such as production cooperation, DAWAC raw material processing and industrial assembly, have not yet developed well. Half of the total border trade volume of 19 counties in Heilongjiang was in 1996.

The Heilongjiang provincial government held a seminar on economic and trade relations with Russia in Harbin. The participants put forward the strategy of "three breakthroughs" in relations with Russia: while improving the quality of goods, expand the scale of trade transactions, expand the field of economic and trade cooperation, and implement major projects. The positive momentum of cooperation is becoming more and more obvious. By the end of 1998. A total of 600 Chinese enterprises and 1000 Russian enterprises participated in the conference (70% of them came from Primorsky, Khabarovsk border region and Amur region).

4. CONCLUSION

The smooth development of China Russia political relations is not only conducive to the economic development of the two countries, but also effectively promoted the two countries' participation in the process of economic globalization. Under the guidance of the concept of building a "community with a shared future for mankind", China and Russia have made joint efforts, and the advantages of high-level international relations have been transformed into fruitful results of more practical cooperation. The further improvement of the quality and level of bilateral economic and trade cooperation is promoting the healthy development of China Russia comprehensive strategic cooperative partnership.

At present, one belt, one road, and the Eurasian Economic Alliance are fully integrated, and the economic corridor is advancing smoothly. China and Russia are transforming development opportunities into mutually beneficial and win-win cooperation results. At the same time, in the future, how to enhance the stamina of China Russia economic and trade development, continue to improve the level of bilateral economic and trade

cooperation, and smoothly realize the transformation of China Russia economic cooperation from traditional complementarity to strategic sustainability still needs the two countries to continuously enrich the content of cooperation, break through the bottle neck of cooperation, innovate cooperation methods, and promote bilateral economic and trade cooperation to a new level according to the new situation.

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