

СЕКЦИЯ 3

КРЕДИТНО-ИНВЕСТИЦИОННЫЙ ПОТЕНЦИАЛ ВЗАИМОДЕЙСТВИЯ БЕЛАРУСИ С КИТАЕМ

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Investment cooperation between Belarus and China

Abstract. *The inflow of foreign direct investment into the Belarusian services market will become one of the most effective channels for accumulating advanced technological knowledge and a tool for increasing competitive pressure. The introduction of sanctions in 2022 against Russia and Belarus contributed to the shift of the interests of these countries towards the Chinese global world. This article analyzes the economic cooperation of our country with the economic associations created by China – the Belt and Road Initiative (BRI) and the Shanghai Cooperation Organization (SCO).*

Keywords: *foreign direct investment; Chinese global world; economic cooperation.*

Инвестиционное сотрудничество между Беларусью и Китаем

Аннотация. *Приток прямых иностранных инвестиций на белорусский рынок услуг станет одним из наиболее действенных каналов накопления передовых технологических знаний и инструментом усиления конкурентного давления. Введение санкций 2022 г. в отношении России и Беларуси способствовало смещению интересов этих стран в сторону китайского глобального мира. В данной статье анализируется экономическое сотрудничество Республики Беларусь с экономическими объединениями, созданными Китаем, – инициативой «Один пояс, один путь» (ОПОП) и Шанхайской организацией сотрудничества (ШОС).*

Ключевые слова: *прямые иностранные инвестиции, китайский глобальный мир, экономическое сотрудничество.*

In order to accelerate economic growth, it is important to use the mechanism of attracting foreign direct investment (FDI) more actively. According to G. V. Turban, Head of the Department of International Business at BSEU, the influx of FDI into the Belarusian services market will become both a source of dissemination of advanced technologies and a tool for increasing competitive pressure, which will affect price reduction, quality improvement and increasing the diversity of services provided [1, p. 68]. Studies show that the net effects of attracting foreign direct investment are almost always positive. The largest absolute increase in the level of economic development in 2001–2018 was demonstrated by countries where the net stock of attracted foreign direct investment is above the trend level [2, p. 17].

Foreign direct investment not only opens up access to foreign financial resources, it is one of the most effective channels for accumulating advanced technological knowledge, a source of learning from developed countries how to promote their own innovations. As a rule, FDI is carried out by large and mature “consolidator” companies, which together with financing bring new knowledge and skills, expand the possibilities of distribution, customer service, the use of complementary technologies, brand development and marketing, the launch of new productions, etc. Consolidators not only have the necessary skills and resources for successful commercialization and business development, they are also close to the business of the recipient companies, since they work in related industries.

Attracting consolidators to Belarus is also important for the development of innovative industries based on startups, since there are no domestic investors capable of making large-scale financial investments in “innovators” firms in the country. The main large business in Belarus is represented by state-owned enterprises, which themselves need investments and financial support. In addition, state-owned enterprises are not inclined to take risks, and the world experience of investing in venture capital shows that out of hundreds and thousands of startups, only a few projects become successful (such as Amazon’s investments in Uber) [2, p. 18].

The introduction of sanctions against Russia and Belarus contributed to the shift of the interests of these countries towards the Chinese global world. Minsk expects to replace the closed European financial markets with Russian subsidies and Chinese loans and expects Beijing to act as a generous investor and lender in the continuation of close political relations. The Directive No. 9 signed by Lukashenka in December 2021 “On the development of bilateral relations between the Republic of Belarus and the People’s Republic of China” presupposes the expansion of trade, financial and investment cooperation. From the point of view of Minsk, the document is a kind of relevant roadmap for cooperation with China instead of the previous directive No. 5 on the development of bilateral

relations, adopted in 2015 [6, p. 12]. And here, economic cooperation with economic associations created by China – the Belt and Road Initiative (BRI) and the Shanghai Cooperation Organization (SCO) comes out on top.

Among the factors favorably influencing trade and economic cooperation between Belarus and China, Chinese researcher Zhao Huizhong identifies the following:

- good political relations (in particular, Belarus' division of the “one China” concept);
- Belarus' support for the Belt and Road Initiative and “One Belt, One Union” initiative;
- favorable business climate in Belarus for the development of Belarusian-Chinese trade [5, p. 41].

The researcher also highlights the main problems inherent in the Belarusian-Chinese economic relations:

- economic and political systems differ, as well as the degree of financial and investment independence;
- the underdevelopment of the financial system of Belarus: its instability to economic shocks, low creditworthiness;
- China's economic growth decline;
- the difficulty of expanding the market for cooperation;
- the influence of external factors on trade and economic relations [5, p. 41–42].

Nevertheless, based on the current state of trade and economic relations, it can be assumed that, despite the existing problems, they continue to develop actively, largely due to political cooperation, which laid a favorable foundation for their development.

In Samarkand, in September 2022, it was decided to start the procedure for Belarus' admission to the SCO (the standard duration of the country's transition from observer to member takes one year, and the admission of Belarus is planned at the end of 2023 at the Council of Heads of SCO Member States in India) [3, p. 14].

China is pursuing an active credit and investment policy aimed at strengthening bilateral economic cooperation with the Republic of Belarus. The credit support of Chinese banks and the government for a number of years has helped Belarus achieve high rates of economic growth, ensured the modernization of production facilities and the creation of a developed infrastructure.

A significant impetus to the development of relations in the credit sphere was given by the opening in 2015 by the Chinese side of new preferential credit lines to the Republic of Belarus in the development of the agreements of the heads of state [7, p. 155].

In the SCO in 2005, the SCO Interbank Association (IBO) was established on the basis of the development banks of the member countries.

Therefore, the entry of the Development Bank of our country into this association will contribute to the de-dollarization of Belarusian trade with the SCO countries and expand the possibilities of financing investment projects, since the first area of cooperation of the leading IBO banks is the development of financing mechanisms and banking services for priority investment projects approved by the SCO, and the second area is the de-dollarization of mutual trade [3, p. 20].

In the large-scale flow of Chinese investments into the SCO countries, investments in Belarus are still insignificant – about 2.6 billion US dollars accumulated by 2022, including direct, according to the National Bank, 0.5 billion US dollars [3, p. 21]. Because of the sanctions for Russia, Belarus and Iran, China has become the main external source of capital. The slow speed of the process of increasing Chinese investment in the economy of Belarus will certainly increase after the signing in Samarkand of the Joint Declaration on the Establishment of relations of all-weather and Comprehensive Strategic Partnership, in which the priorities are defined as “expansion of mutual direct investment, creation of joint high-tech innovative industries, creation of joint ventures in the field of mechanical engineering, assembly of cars/electric/mobile, agricultural production, energy”. So far, Belarusian investments in China amount to only 11.3 million US dollars (Figure 1).

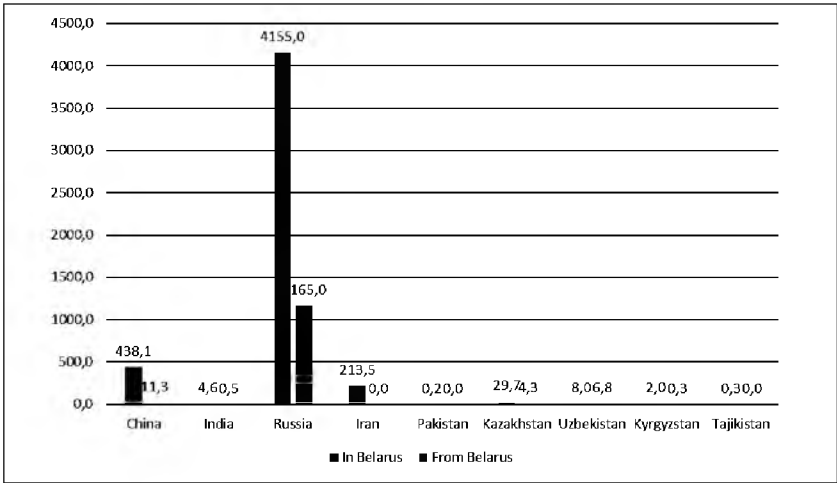


Figure 1 – Foreign direct investment in Belarus and from Belarus to the SCO member states (methodology balances (accumulated) at the end of 2021), USD million

Source: [3, p. 21].

To deepen investment cooperation between Belarus and the SCO, it is necessary:

- to borrow the Chinese experience of implementing the “Made in China 2025” plan to create effective mechanisms for implementing import substitution projects based on their own innovations and organizing their financing, it is especially necessary to use the Chinese experience of partnership between science (innovation), business and the state;

- to create a system of stimulating entrepreneurship in the country, starting from school, university, to ensure a favorable business climate and improve preferential financing of small businesses with their participation in innovative development [3, p. 21].

Belarusian-Chinese cooperation in the field of trade and investment is actively developing, a vivid example of which is the Great Stone Industrial Park. Its purpose is to intensify trade, economic and investment cooperation between different countries by providing residents with concessions and benefits. The creation of the park plays a significant role in the further development of relations between China and Belarus in both economic and technical spheres [4, p. 8].

Both sides attach special importance to the Chinese-Belarusian Industrial Park. According to the head of the Park administration Alexander Yaroshenko, KBIP is “an element of the global positioning of Belarus and a fulcrum for China”, “one of the key platforms of the New Silk Road and the only one in our region”, and in the future – “an international smart eco-city of the future for 10 thousand people with the most advanced industries of tomorrow” [6, p. 14].

The Chinese side, in turn, calls the KBIP a “landmark and exemplary project” within the framework of the One Belt, One Road initiative Hu Zheng, former chief executive Officer of the Chinese-Belarusian joint-stock company “Industrial Park Development Company”, called KBIP “a symbol and a model” of the practical implementation of the Belt and Road Initiative. According to him, the implementation of the CBIP became possible thanks to the personal support of Alexander Lukashenko and Xi Jinping.

According to the Chinese Ambassador to Belarus, the KBIP is a “pearl project” within the framework of the “One Belt, One Road” initiative and “a key project of mutual interest and actively promoted by the heads of the two states”.

As of mid-November 2022, 99 companies with declared investments of more than 1.2 billion US dollars were residents of the park, while at the end of 2019, 60 resident companies were registered in KBIP, 33 of which were Chinese (Table 1). An example of a large production project at this point can be considered “MAZ-Veichai”, focused on the production of diesel engines for trucks, special vehicles and buses.

Table 1 – The number of residents of the “Great Stone” as of the end of the year

2019	2020	2021	2022 (November)
60	68	85	99

Source: [6, p. 14].

Thus, trade, economic and investment cooperation between China and Belarus has been successfully developing in recent years. Despite the fact that the share of direct Chinese investments amounted to only 11.3 million US dollars at the end of 2021, the speed of the process of increasing Chinese investment in the economy of Belarus will certainly increase after the signing in Samarkand of the Joint Declaration on the Establishment of relations of all-weather and Comprehensive Strategic Partnership. Along with the reconstruction of large industrial enterprises producing complex products, attention should be paid to the private sector, capable of producing a wide range of goods that have disappeared from the domestic market [7, p. 156]. To do this, it is necessary to create comfortable conditions for the development of small and medium-sized businesses, freeing them from burdensome taxes and excessive control by government agencies. An example is the residents of the Great Stone Industrial Park and the Hi-Tech Park, who have received unlimited tax and other advantages compared to other enterprises.

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Валютный курс в экономике Китая: факторы, риски и вызовы

Аннотация. В статье рассмотрены основные направления влияния валютного курса юаня на экономику Китая. Проанализирована взаимосвязь между оншорным и оффшорным валютным курсом. Выявлены тенденции изменения валютного курса и факторы, их определяющие.

Ключевые слова: валютный курс; юань; факторы; экономическое развитие; вызовы; государство.

Currency exchange rate in the Chinese economy: factors, risks, and challenges

Abstract. In the article, the main directions of the influence of the yuan exchange rate on the Chinese economy are considered. The relationship between onshore and offshore exchange rates is analyzed. Trends in changes in the exchange rate and the factors that determine them have been identified.

Keywords: exchange rate; yuan; factors; economic development; challenges; state.

Экономика Китая в последние десятилетия пережила значительный рост и сегодня является одной из крупнейших в мире. Однако с этим