

## БЕЛАРУСЬ В СТРУКТУРЕ ИНИЦИАТИВЫ «ОДИН ПОЯС И ОДИН ПУТЬ»

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### CHINA-BELARUS TRADE UNDER THE FRAMEWORK OF “BELT AND ROAD” INITIATIVE

*Belarus is an important node country of the “Belt and Road” initiative and an important gateway from Asia to Europe. The economic and strategic significance of China-Belarus economic and trade cooperation to the development of the two countries has become increasingly prominent. The overall trade intensity between China and Belarus, especially Belarus’ exports and China’s imports, is relatively low. Although the scale of trade between China and Belarus has expanded rapidly, the overall trade potential of the two countries, especially the intra-industry trade potential of the manufacturing industry, has not been effectively exploited.*

**Key words:** *bilateral trade, import and export, Belt and Road Initiative.*

*Беларусь является важной страной-узлом инициативы «Один пояс, один путь» и важными воротами из Азии в Европу. Экономическое и стратегическое значение китайско-белорусского торгово-экономического сотрудничества для развития двух стран становится все более заметным. Общая интенсивность торговли между Китаем и Беларусью, особенно белорусского экспорта и китайского импорта, относительно невелика. Несмотря на быстрый рост масштабов торговли между Китаем и Беларусью, общий торговый потенциал двух стран, особенно внутриотраслевой торговый потенциал обрабатывающей промышленности, используется неэффективно.*

**Ключевые слова:** *двусторонняя торговля, импорт и экспорт, инициатива «Один пояс, один путь».*

## **Introduction**

Belarus and China established diplomatic relations in 1992. After the two countries established a “comprehensive strategic partnership” in July 2013, the bilateral trade volume between China and Belarus has grown steadily. Belarus regards foreign trade development as an important measure to boost economic development. In 2013, China’s “One Belt, One Road” initiative is committed to promoting open, inclusive and shared development of the global economy. Belarus, as an important node country of the “One Belt, One Road” initiative and an Asian link as an important gateway to Europe, trade cooperation between the two countries is of great significance to safeguarding the economic and trade development of the EU and the Asia-Pacific region.

## **Relevant research literature review**

A large number of studies have found that spatial distance, degree of trade facilitation, cultural connection, exchange rate, economic scale, economic system, infrastructure construction, policy communication, financial market, etc. are all important factors affecting bilateral trade. A study on trade cooperation between China and Belarus. Zhang Jianguang and Zhang Peng pointed out that China’s export efficiency to Belarus is lower than the average level of China’s export efficiency to the world. At the same time, Belarus’ export efficiency to China is also lower than Belarus’ average export efficiency to the world [1, p. 12]. F de Soyres found that the BRI significantly reduced transit times and trade costs. The Belt and Road Initiative has shortened the global average transportation time by 1.2 to 2.5 % and the total trade cost by 1.1 to 2.2 % [2, p. 14]. Tan X and Zhou M used the stochastic frontier gravitational model to study and found that from 2005 to 2013, a total of 13 “maritime” seas in China, Malaysia, Indonesia, Singapore, Thailand, Vietnam, the Philippines, India, Pakistan, Sri Lanka, Oman, the United Arab

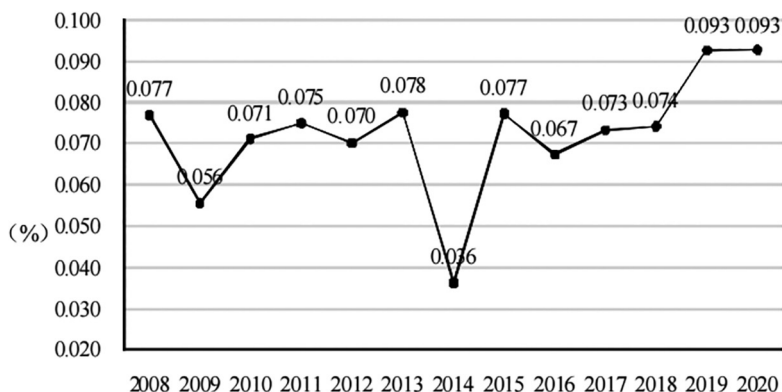
Emirates and Qatar. The trade efficiency of the “Silk Road” countries continues to improve, and China’s exports to the “Maritime Silk Road” countries still have great potential. Trade efficiency can be improved by increasing trade facilitation through free trade agreements, improving maritime and other transport infrastructure, reducing tariffs and reducing customs clearance times, and focusing on financial risk prevention [3, p. 10]. Liu A uses the product-level bilateral trade data between China and 99 trading partners (38 of which are countries along the “Belt and Road”) from 2002 to 2016, adopts the extended gravity model, and uses the Poisson generalized estimating equation (GEE) measurement method to study the results. It is found that cultural distance and institutional distance inhibit bilateral trade between China and countries along the “Belt and Road”. Bilateral trade between China and countries along the route is more sensitive to changes in cultural distance than changes in institutional distance [4, p. 3]. Li Z pointed out that Belarus has become China’s third largest potash fertilizer importer. China and Belarus are highly complementary in potash resource market, development technology and capital, and have great potential for cooperation. However, China-Belarus potash fertilizer resources cooperation faces problems such as slow progress, increased risks, and third-party intervention. In this regard, it is necessary to actively promote the equity cooperation of China-Belarus potash fertilizer enterprises, and jointly establish a risk prevention mechanism to avoid possible political and economic risks in the process of potash fertilizer cooperation [5, p. 1302].

At present, there are many studies on exploring the economic and trade cooperation, trade potential and influencing factors between China and the countries along the “Belt and Road”, but there are few studies on the subject between China and Belarus in the context of the “Belt and Road”, especially empirical research. The “Belt and Road” initiative has brought new institutional frameworks, cultural exchange opportunities, trade facilitation conditions, infrastructure construction, etc. to trade cooperation among countries along the

route, providing new opportunities for trade cooperation between China and countries along the route.

### **China and Belarus current bilateral trade status**

The overall bilateral trade between China and Belarus has shown a trend of continuous growth. In 2020, the total value of China-Belarus merchandise trade reached 3.687 billion US dollars (at constant prices in 2010), an increase of 78.36 % over 2008. From 2008 to 2020, the average annual growth rate of the bilateral trade volume between the two countries was 4.94 %, but the bilateral trade volume between China and Belarus accounted for less than 1 % of the total foreign trade between the two countries (Figure 1). The proportion of the overall scale of China’s trade is very small.



***Figure 1. The proportion of bilateral trade volume between China and Belarus in the total foreign trade of the two countries from 2008 to 2020 (Organized from UNCTAD data)***

From the perspective of the trading partners of the two countries, in 2020, Belarus’ exports will be 24.643 billion US dollars (the price unchanged in 2010), and the main export markets are neighboring countries, such as Russia (accounting for 44.57 % of Belarus’ total merchandise export trade, the same below), Ukraine (10.79 %),

Poland (4.28 %), Lithuania (3.54 %), the total export trade to China ranks seventh among its export partners, and the total scale only accounts for 2.55 % of Belarus's foreign exports. In 2020, Belarus's total imports of products were 27.673 billion US dollars (at constant prices in 2010), mainly from neighboring European countries and China, such as Russia (accounting for 49.60 % of Belarus's total imports, the same below), China (11.05 %), Germany (5.13 %), Ukraine (4.22 %).

In the same year, China's total export trade was 2,187.849 billion US dollars (at constant prices in 2010), and China's exports to Belarus ranked 83rd, accounting for only 0.08 % of China's total exports; China's total imports were 1,736.015 billion US dollars (not in 2010). Variable price), the import value from Belarus ranks 78th, accounting for only 1.00 % of the total import value of Belarus. Overall, among the two countries' respective foreign trade partners, China has a greater closeness to Belarus than Belarus to China.

From the perspective of the bilateral trade balance between China and Belarus, there are obvious differences in the foreign trade balance between China and Belarus. China has always been a country with a large trade surplus, while Belarus has always been in a deficit in foreign trade relations. In bilateral trade between China and Belarus, Belarus has been in a deficit for a long time (Figure 2).

Period	Trade Flow	Reporter	Partner	Commodity Code	Trade Value (US\$)	Netweight (kg)	Qty Unit	Qty	Flag
2008	Import	Belarus	China	TOTAL	\$1,414,812,000	0	No Quantity	0	0
2008	Export	Belarus	China	TOTAL	\$613,371,400	0	No Quantity	0	0
2008	Import	China	Belarus	TOTAL	\$497,824,135	0	No Quantity	0	0
2008	Export	China	Belarus	TOTAL	\$361,362,946	0	No Quantity	0	0
2008	Import	China	China	TOTAL	\$92,461,200,149	0	No Quantity	0	0
2008	Re-Import	China	China	TOTAL	\$92,461,200,149	0	No Quantity	0	0
2018	Import	Belarus	China	TOTAL	\$3,011,388,000	0	No Quantity	0	4
2018	Export	Belarus	China	TOTAL	\$476,390,700	0	No Quantity	0	4
2018	Import	China	Belarus	TOTAL	\$571,053,716	0	No Quantity	0	4
2018	Export	China	Belarus	TOTAL	\$1,141,588,557	0	No Quantity	0	4
2018	Import	China	China	TOTAL	\$146,221,550,788	0	No Quantity	0	4
2018	Re-Import	China	China	TOTAL	\$146,221,550,788	0	No Quantity	0	4

**Figure 2. China-Belarus bilateral merchandise trade balance from 2008 to 2018**

(United Nations Comtrade Database. Mode of access: <https://comtrade.un.org/data/>)



Institutional differences and imperfect institutions are one of the important constraints affecting the development of trade. The stages of economic development and economic systems of China and Belarus are different. Compared with China, firstly, Belarus is a small country with low anti-risk ability so the country is easy to get affected by the financial crisis, Belarus' economic development was stagnant for a time, although the difficulties have been overcome, the backward economic structure has not been improved, therefore more help and support from other countries is necessary; secondly, Belarus is highly dependent on imported energy, and trade imbalance also hinders its own economic development.

### **Conclusion and suggestion**

As the largest economic and technological cooperation project between the two countries, the China-Belarus Industrial Park is China's largest overseas industrial park project. Manufacturing and advanced technology industries are clustered in the park, building a large platform for cooperation between China, the European Union and the Eurasian Economic Union, and becoming a breakthrough for China's pragmatic cooperation projects in Belarus.

The governments of China and Belarus should continue to promote bilateral trade cooperation, strengthen policy communication, and promote friendly negotiation, so as to achieve mutually beneficial and win-win economic and trade cooperation between the two countries. Through intergovernmental cooperation committees, economic and trade cooperation forums and other means. The governments of the two countries should avoid blindness in investment cooperation through cooperation and negotiation, and apply policy support to industries that encourage investment to ensure the efficiency of investment cooperation.

China and Belarus have broad space for trade cooperation and huge trade potential. The two countries should promote the continuous deepening of cooperation in the field of trade, promote in-depth cooperation in the economic and technological fields of the two countries. China has strong advantages in production capacity,

capital, equipment manufacturing, organization and management, etc., while Belarus has strong advantages in food, agriculture, chemical industry, etc. In this regard, the two countries should give full play to their respective comparative advantages, promote trade cooperation, and expand trade scale.

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