St. Petersburg International Economic Forum – Russia-China Relations

Why in news?

The 23rd St. Petersburg International Economic Forum (SPIEF) was recently held in St. Petersburg, Russia.

How is the relation with the U.S.?

- St. Petersburg International Economic Forum is Russia's annual investment gathering.
- The meet took place in the backdrop of heightened tensions between the U.S. and Russia and China.
- Unsurprisingly, it was boycotted by the U.S. Ambassador to Russia, Jon Huntsman.
- His absence was ascribed to the prevailing environment in Russia for foreign entrepreneurs.
- This is particularly in regards with the detention of U.S. private equity investor Michael Calvey on allegations of fraud.
- Conversely, the Chinese telecommunications equipment manufacturer Huawei signed an agreement with Russia's principal mobile operator to start 5G networks.
- This came after Washington blacklisted Huawei, prohibiting it from selling technology to the U.S.
- The U.S. also barred domestic firms from supplying semiconductors to Beijing.

What are the geopolitical irritants in this regard?

- The rift between the West and Russia began with Moscow's annexation of Crimea in 2014 and the stand-off in eastern Ukraine that continues.
- Russia's tensions with the U.S. and some EU countries are also due to their opposition to the 1,200-km-long *Nord Stream 2 gas pipeline* from Russia to Germany.
- U.S. plans to export liquefied natural gas to Europe, which is partly the reason why it objects Russia's initiative.
- Thwarting Russia's ambition to dominate the region's energy market is also one of U.S.'s objectives.

- Another more sensitive issue is U.S. Special Counsel Robert Mueller's inquiry into possible Russian meddling in the 2016 U.S. presidential election.

What is the new Russia-China bonhomie?

- Russian President Putin and his Chinese counterpart Xi Jinping made it clear that the tensions with the West had only drawn them closer.
- Amid the tensions, both leaders emphasised that bilateral relations were at a historic high, marked by increased diplomatic and strategic cooperation.
- Notably, China participated in Russian military exercises on its eastern border recently, marking a watershed.
- Also, Moscow and Beijing, hostile rivals of the Cold War era, have for a while been adopting common positions at the UN Security Council on critical international issues.
- Bilateral relations are also guided by pragmatism.
- Russia appears realistic about the growing Chinese economic influence in Central Asia.
- This is primarily driven by China's massive infrastructure investments under the Belt and Road Initiative.
- For Russia, Chinese cooperation would also prove critical for its plans to exploit the *Northern Sea Route* along the Arctic as an alternative transportation hub.
- Besides, international sanctions have not been very effective in isolating Russia.
- European states, notably Germany, recognise the importance of engaging with Russia to contain Mr. Putin's expansionist aims.
- Equally, President Donald Trump's "America first" policy is compelling potential rivals to make common cause.

Source: The Hindu

Quick Facts

Nord Stream

Northern Sea Route



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