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CHINA- RUSSIA RELATIONS

BETWEEN THE PAST AND THE FUTURE

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In the final months of 2017, the China-Russia strategic partnership continued to deepen and broaden. President Xi Jinping and President Vladimir Putin met at the September BRICS summit in Xiamen and at the annual APEC forum in Vietnam in late November. In between, the prime ministers exchanged visits. The potential to strengthen economic relations ran against a deteriorating situation on the Korean Peninsula. Security ties and coordination between the two militaries gained considerable traction as the two countries prepared for the worst. In the midst of unfolding danger, both Xi and Putin were readying themselves to lead their respective countries for the next five to six years. It remains to be seen how Xi and Putin will shape their countries in challenging times.

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BRICS summit in Xiamen: laying bricks for the next 10 years

The ninth BRICS summit was held Sept. 3 in Xiamen, where President Xi launched his political career in 1998 as deputy mayor. The [Xi-Putin meeting in Xiamen](#) on the sidelines of the BRICS summit was their fourth meeting in 2017. Just a few hours before their meeting, North Korea conducted its [sixth nuclear test](#). Not surprisingly, the Korean nuclear issue dominated the conversation. Xi and Putin reportedly held an “in-depth exchange of views” (深入交换意见), and “Unanimously agreed to uphold the goal of a nuclear-free Korean Peninsula.” They also promised to “closely communicate and coordinate” their policies to deal with the situation resulting from the latest test.

Both China and Russia intended to make the BRICS more visible in global affairs. “It is in the common interest of BRICS nations for a bigger role of the BRICS in international affairs,” Xi told Putin. “And this is also the expectation of the international community, particularly those of the emerging markets and developing countries.” The two heads of state also discussed the implementation of agreements reached during Xi’s July visit to Moscow in the areas of energy, aerospace, and nuclear power, as well as the interface between China’s Belt-and-Road Initiative (BRI) and Russia’s Eurasian Economic Union (EAEU).



1President Xi and President Putin meet at a signing ceremony in Moscow. Photo: kremlin.ru

The Xi-Putin talk ahead of the BRICS summit was also to make sure the annual forum would be a success, particularly in a rapidly changing world. Aside from the timing of the North Korean nuclear test, BRICS itself had been plagued by the months-long Sino-Indian territorial disputes in the Donglong/Doklam plateau area. The two militaries managed to

disengage only a few days before the Xiamen summit. A year before, when India hosted the summit in Goa, Prime Minister Narendra Modi tried to designate Pakistan as a terror-sponsoring state, to the displeasure of China and Russia. Meanwhile, India continues to boycott the BRI, presumably because of the [\\$62-billion](#) China-Pakistan Economic Corridor (CPEC) that passes through Pakistan-held Kashmir area.

Xi, however, was determined to press forward with bolder steps for the BRICS’ next 10 years. In [his summit speech](#), Xi emphasized the “practical results” of the intra-BRICS cooperation. One of the problems was the weak and insignificant intra-BRICS investment (only 5.7 percent of the \$197 billion invested by the members was between BRICS nations). This was the fact despite [significant growth of the BRICS economies](#) in the previous 10 years: 179 percent of the combined GDP, 94 percent in foreign trade volume, and 28 percent for urban populations. Xi asked the five member states to fully utilize their comparative advantage in economic potential. In the longer term, there was a need for more people-to-people exchanges within the BRICS context. 2017 saw the opening of various cultural activities for the five BRICS names, including a BRICS game, a film festival, a cultural fest, and a traditional medicine forum. The Xiamen summit also initiated a “Dialogue of Emerging Market and Developing Countries” as five countries from different regions (Mexico, Egypt, Thailand, Guinea, and Tajikistan) joined the summit. Ultimately, Xi called for a more “just and equitable” international order.

To encourage and impress his guests, Xi cited the persevering spirit of the city and region (southern Fujian Province) as a symbol of China’s success in the previous 40 years of reforms. To alleviate concerns of others, Xi also clarified China’s goals for the BRI: it was “not a tool to advance any geopolitical agenda, but a platform for practical cooperation. It is not a foreign aid scheme, but an initiative for interconnected development that calls for extensive consultation, joint contribution and shared benefits.” Xi proposed [four areas of development](#) for the next decade. 1) Deepening intra-BRICS cooperation by creating new impetus and new modes for economic growth; 2) promoting common, comprehensive, cooperative, and sustainable security for global peace and order; 3) contributing to an open and inclusive global economic order; and 4)

enlarging partnerships with other countries and groups. For this last point, Putin also had [high expectations](#) for the BRICS. This made more sense for Russia as the BRICS' New Development Bank (NDB) would soon launch three projects in Russia, including [\\$460 million](#) for the IT infrastructure of Russia's legal system – funding for the project was withdrawn by the World Bank after the 2014 Crimea crisis. BRICS' Contingent Reserve Arrangement (CRA), too, should step up its operation, according to Putin, for the purpose of establishing a BRICS bond fund for the integration of BRICS capital markets. Beyond calling for a much more active financial role of the BRICS to alleviate Russia's difficulties under Western sanctions, Putin did not echo Xi's call for more transparency, connectivity, and infrastructure development. Instead, he suggested developing “joint measures for ensuring [fair competition](#) [underline added] across the BRICS space,” a veiled deflection of China's vision for a more integrated economic space based on the BRI. Putin called for creation of an “energy dialogue,” an area in which Russia would enjoy some comparative advantages as a major supplier of energy in the world.

The [Xiamen Declaration](#), issued immediately after the summit, was a compromise document reflecting both the consensus and the individual countries' “wish list.” It was a comprehensive document containing 71 articles in five parts: introduction (articles 1-6; 2); economic cooperation (7-28); global economic governance (29-34); international peace and security (34-59); and people-to-people exchanges (60-71). Although it is still shorter than the 2015 Ufa Declaration (77 articles) and the massive Goa Declaration (110 articles) in 2016, the Xiamen summit is clearly more substantive with more specific actions taken by the BRICS nations. For example, the summit approved and/or adopted 69 documents covering economics, finance, security, science and technology, environmental protection, societal/humanitarian exchanges, education, and so on. Many of these actions either had been taken or are in progress. Moreover, the Xiamen Declaration also listed 23 ministerial-level meetings, 37 “expert/senior-level” workshops, and 18 cultural and societal activities that were held in 2017 prior to the Xiamen summit when China was the BRICS' rotating chair. And, 16 more conferences and activities of various kinds and levels were to be held by the end of 2017. Finally, there are nine “new suggestions” to be explored, including the

creation of the BRICS Energy Cooperation Platform with Russian sponsorship.

The rapid institutionalization of the BRICS, reflected the consensus and coordinating efforts of its “core” members, namely Russia and China (or [RC according to some](#)) that are determined to make BRICS more substantive. Beijing and Moscow may try to avoid the Shanghai Cooperation Organization (SCO) model that produces more policy declarations than concrete actions.

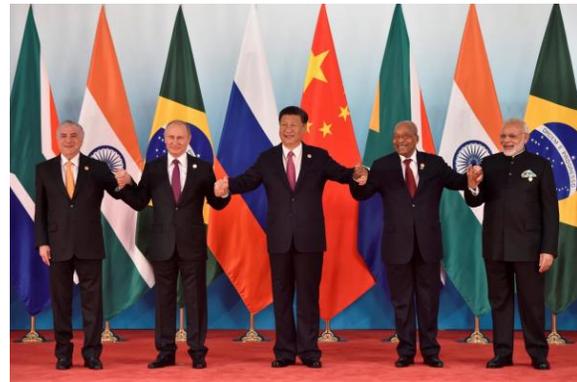


Photo by Xinhua

Part of the reason for BRICS' action-driven model is the early adoption and operationalization of the BRICS financial mechanisms (NDB and CRA). As a result, many BRICS' policy declarations quickly turned into concrete outcomes. In contrast, the creation of a SCO bank has remained for years at the talking stage without Russia's endorsement. As a result, almost all the energy projects between China and other SCO member states have been bilateral in nature. The biggest difference between the BRICS and the SCO may be geopolitical. Unlike the SCO and, to a lesser degree, the BRI, BRICS does not directly affect any particular areas of [Russia's spheres of “privileged interests.”](#) Further, Russia would have considerable jurisdiction over the nature, scope, timing and even outcome of the BRICS' NDB funding of any project in Russia. The relative success of the BRICS or RC as part of the “group of five,” demonstrates both the potential and limits of the Sino-Russian cooperation in the economic area.

Putin's pivot to Asia

From Xiamen, President Putin flew to Vladivostok where he presided over the two-day (Sept. 6-7) Third Eastern Economic Forum

(EEF). This project of Russia's own "[pivot to the East](#)" was launched in the aftermath of the Ukraine/Crimea crises in 2014, when Russia ran into huge difficulties in its relations with the West. Beyond sanctions, Russia had to do something to address the huge asymmetries between its Western/European part and the sparsely populated and poorest eastern territories.

About [6,000 people](#) from 50 different countries attended the third EEF, including Japanese Prime Minister Abe Shinzo (who also came in 2016) and South Korean President Moon Jae-in. Contracts valued at [2.5 trillion rubles](#) (\$43 billion) were signed, a significant increase from [1.63 trillion rubles](#) (\$28 billion) in 2016 and [1.3 trillion rubles](#) (\$20 billion) in 2015.

No top Chinese leaders were present in Vladivostok except Vice Premier Wang Yang, who was also in Vladivostok in 2015 for the first EEF. Despite his significantly lower ranking than the Japanese and South Korean leaders, Wang Yang's interactions with Russian leaders were more substantive and business-like. The Putin-Wang talks covered a wide range of issues, including regional cooperation, investment, joint exploration of the Arctic area, the Bering Sea, etc. Wang was already in Russia's Volgograd for the Joint Commission for the Annual Prime Ministerial Meeting. In Volgograd, Wang and Russian counterpart Deputy Prime Minister Dmitry Rogozin focused on cooperation in nuclear power, spaceflight, civil aviation, IT, agriculture, etc.

After attending the EEF, Wang traveled to [Khabarovsk](#) on Sept. 8 to inaugurate and chair the first Intergovernmental Commission on the Development of Relations between the Russian Far East and Northeast China, which will lead the 2018-19 Year of Regional Cooperation between Russia and China.

Apparently, Wang's interactions with Russian counterparts impressed Putin who signed [an executive order](#) to award Wang the Order of Friendship, an honorary title established by Boris Yeltsin in 1994 to reward foreign nationals whose work contributes to better relations with the Russian Federation and its people.



<http://en.kremlin.ru/events/president/news/55547>

Wang's honor aside, China has made considerable economic inputs into the Far Eastern part of Russia. In 2015-16, 80 percent of the total of [\\$9 billion](#) in foreign direct investments made in the Russian Far East were from China, Putin told Wang in Vladivostok.

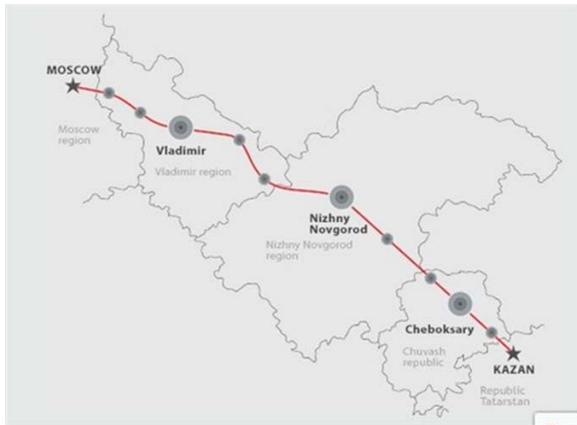
Economic reality check: 'broken bridges' and northern lights

The growth of China's economic activities in Russia's Far East was impressive. The overall economic interaction, however, continued to be plagued by deficiency, misperceptions, and inaction – deliberately or not – from the Russian side. In the last few months of 2017, even the 770-km Moscow-Kazan high-speed rail project ([1.3 trillion rubles](#) or \$22.4 billion), a "jewel" of China-Russia economic cooperation, appeared to stall, if it was not completely abandoned.

The first official "sign of fatigue" emerged in early September when [Russia's Deputy Prime Minister Arkady Dvorkovich](#) reportedly raised the option of building a much shorter rail from Moscow to Vladimir. If this worked and was profitable, the Vladimir-Kazan section would be built. In early November, China reportedly [agreed](#) with this phased approach, according to Chinese media. Russia's concern about profitability was reasonable, given the sparsely populated regions in Eastern Russian. By the end of 2017, however, China's Ambassador to Russia Li Hui indicated, albeit diplomatically, to Russia's *Sputnik News* that the project is "in question."

The Moscow-Kazan high-speed rail project was first proposed in [2009](#). In [2013](#), Putin announced the decision to go ahead with the project. The

two countries inked the [“Memo of Sino-Russian Cooperation on High-speed Rail”](#) in 2014 and the line was set [to open in 2018](#), presumably for the World Cup. In [March 2016](#), China reportedly agreed to provide a 400 billion-ruble (\$6.2 billion) loan and another 53 billion rubles (\$800 million) in equity financing for the Moscow–Kazan stretch. There was no sign of a major problem at the July 2017 Putin–Xi summit in Moscow when both spoke highly of the project. Since then, Chinese media have reported numerous issues, including projected cost and funding, Russia’s demand for certain specifications such as 400-kph speed, wide-rail (1,524 mm), cargo-passenger transportation capable, etc. There is also a [“Siemens ghost”](#) that appears whenever there is a report that the project is in jeopardy, despite the fact that the Chinese side had an [agreement with Russia’s SINARA](#) from the beginning.



http://www.guancha.cn/industry-science/2017_10_19_431409.shtml

For the “post-agreement” maneuvering, or bargaining, over the \$22.4 billion rail project, Ambassador Li Hui responded with a vague yet cautiously optimistic note that “we are willing to work with the Russian side to bring into full play the comparative advantage of the two economies and further explore their potential for economic cooperation. The goal is to transfer the strategic partnership of comprehensive coordination into specific outcomes based on pragmatic cooperation. This will make Sino-Russian relations more substantive and beneficial for the two peoples.” A Chinese media source paraphrased that [nothing is quick and easy](#) for joint ventures with Russia. Others blame underdeveloped economic relations with Russia on Moscow’s excessive [“securitization”](#) of business transactions.

The railroad may eventually be built, but not without twists and turns as well as protracted delays that have become the norm for economic interactions between the two powers. Take, for example the two “broken bridges” across the Heilongjiang/Amur River. The long-awaited Tong Jiang–Nizhnelenskoye (near Khabarovsk) [bridge](#) was proposed in 1988. The contract (\$400 million) was signed in [2008](#) after 20 years of inaction and/or negotiations. The Chinese side finished its portion of the main bridge in [October 2015](#), while the Russian side did not start until early 2017. It is set to open in the first half of [2018](#). As to the Heihe (黑河) – Plodopitomnik (Плодопитомник) bridge, the Chinese side finished its portion in 2017 and is waiting for the Russian side to finish by [2019](#). In both cases, the Chinese would have to wait for at least two years before the Russians finish their stretch. Many in China call them “broken bridges” (断桥).



The Tong Jiang–Nizhnelenskoye “broken bridge” (Photo: World News01.com)

Given these impediments and limits in bilateral economic relations, the consensus in China is that the scope and potential of Sino-Russian economic cooperation are always smaller than those with others, no matter what China does. In 2016, trade with Russia was [\\$69.5 billion](#), while figures with the US, Japan, and South Korea were \$519.6 billion, \$274.8 billion and \$252.6 billion, respectively.

The low expectations for economic relations with Russia do not mean that China has given up hope for economic dealings with Russia. It means that a sense of realism is needed when working with Russia. It also means persistence, pragmatism, and a readiness to accept a prolonged process. In the last few months of 2017, there were rays of optimism. Trade volume was reported to have increased by [22.1 percent to \\$61.4 billion](#) in the first nine months of 2017. Meanwhile, some projects were moving forward

with more tangible results. After 17 rounds of negotiations since 2015, the two sides were reportedly close to an agreement for a joint research and development project for a [heavy helicopter](#), which is exclusively designed for China's needs, particularly the Army's aviation branch. The final agreement may be inked in early 2018.



<http://mil.huanqiu.com/china/2017-09/11245183.html>

In late September, the China-Russia Commercial Aircraft International Co., Ltd. (CRAIC) named their joint venture for a long-range wide-body commercial aircraft model [CRJ929](#). Created in May 2017 in Shanghai, CRAIC is jointly owned by the Commercial Aircraft Corporation of China, Ltd. (COMAC, 中国商飞) Russia's United Aircraft Corporation (UAC, Объединённая Авиационная Корпорация). Although it is a 50-50 joint ownership, CRAIC is [headquartered](#) and aircraft will be assembled in China, while UAC will provide certain [technologies](#) and components. The maiden flight is set for [2025](#). The CRJ929 may stay on the drawing board for much longer than expected, given the past record of delays.

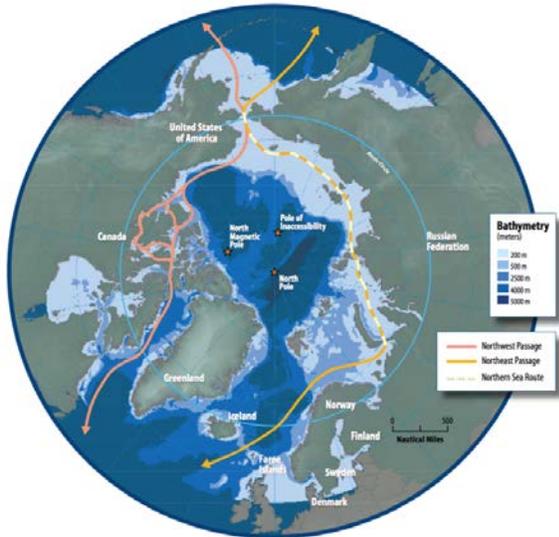


http://english.comac.cc/news/latest/201710/13/20171013_5753858.shtml

By yearend, there were lights, or Northern Lights, from the North Pole, but not from Santa. On Dec. 8, Putin inaugurated the first load of liquefied natural gas (LNG) to the China-bound *Christophe de Margerie* Arctic tanker at the Yamal LNG field in the Arctic. Moscow-based Novatek PJSC is the largest shareholder of the Yamal field with a 50.1 percent stake, China owns 29.9 percent (CNPC 20 percent and the Silk Road Fund 9.9 percent), and French Total SA 20 percent.

China and Russia started negotiations in 2013 on the Yamal LNG project. In 2016, Chinese banks lent more than [\\$12 billion](#) for the first phase of the \$27 billion project, effectively defraying the impact of US-led sanctions against Russia. Meanwhile, Chinese construction companies built [85 percent](#) of the ground facilities. By 2021 when the Yamal LNG plant is fully operational, its three trains of LNG facilities will produce 16.5 million tons of LNG per year and about [4 million tons](#) (6 billion cubic meters of natural gas) will be shipped to [China](#) until 2045. This is about [7-8 percent](#) of China's import of natural gas in 2017.

The Yamal LNG is listed as the first project for the "[Silk Road on Ice](#)" (SRI, 冰上丝绸之路) initiative according to Chinese media. In May 2017, Russian invited China to join the joint exploration of the Northern Sea Route (NSR) through the Arctic. An agreement was signed in early [July](#) when President Xi visited Moscow. At the September BRICS summit and during Prime Minister Dmitry [Medvedev's visit to China](#) in October/November, the two sides continued to hammer out the details for developing the SRI.



The NSR is one of [three Arctic shipping routes](#) that connect East Asia and Europe along the Russian coastline. On paper, it will cut nine to 10 days off a journey between China and Europe compared to traditional routes via the Strait of Malacca and Suez Canal. However, shipping through a harsh and remote environment makes considerably more demands on sailors, ships, and technologies that China does not have. Still, the NSR is tantalizing given the warming of the climate, additional energy sources in Russia's Arctic region that will produce about 60 percent of Russia's LNG in the next 10 to 15 years (see figure below), and the prospect that NSR is as an alternative route to traditional sea passes dominated by unfriendly powers (the US and India).



<https://www.bloomberg.com/news/articles/2017-10-26/china-to-get-first-yamal-lng-cargo-as-russia-says-thank-you>

Korea: crisis without opportunities?

In the [decades](#) after the end of the Cold War, the Tumen River delta development – linking Russia, China, Korea, and Mongolia – remained

on the drawing board, despite continuous UN-backed feasibility studies. The last few months of 2017 saw a real ray of hope for the “second shoe” to drop. At the EEF in Vladivostok in early September, President Putin was in a unique position to accelerate Russia’s “pivot” to the Asia-Pacific when representatives of all Northeast Asian countries were present, including a delegation from North Korea. Meanwhile, both Moscow and Beijing appeared closer to linking Russian coastal ports of Zarubino (Зарубино) and Nakhodka (Находка) with China’s landlocked trading ports of Hui Chun (珲春) and Suifenhe (绥芬河). The connection of these Russian and Chinese port facilities – known as [Primorye 1 and Primorye 2](#) international transport corridors – are also seen as a means [to link various developmental strategies](#), including China’s BRI, Russia’s EAEU, and even the NSR. The two Koreas and Japan would also be affected by the opening of large port facilities connecting Russia’s resource-rich Far Eastern and Arctic regions with Northeast Asia.



<https://www.russia-briefing.com/news/russia-china-agree-primorye-1-corridor-opens-heilongjiang-asia-pacific-markets.html/>

That opportunity, however, was overshadowed by the mounting tensions in the region. On Sept. 3, the DPRK tested a thermonuclear device. On Nov. 28, it successfully tested an ICBM, which was believed capable of reaching the US. The US reacted to these tests with more sanctions, warnings, relisting the DPRK as a “terror state,” and large military exercises with its allies. The situation appeared to have reached a point of no return as President Trump and the North Korean leader traded personal insults (“madman” vs. “dotard”). To the shock and dismay of most of the parties concerned, President Trump repeatedly undercut US Secretary of State Tillerson’s diplomatic efforts with his [tweets](#).

Chinese and Russian leaders and diplomats closely coordinated policies regarding the Korean situation in bilateral and multilateral occasions by coordinating [Russia's stage-by-stage](#) and China's "[freeze-for-freeze](#)" (双暂停) approaches to deescalate the tensions. At home, however, the Korean issue is treated very differently in Russia and China. In Russia, the Korean issue is largely confined within the policy making/deliberation domain with little effect in Russian society. As a result, Russian political elites tend to articulate their views of the Korean issue in a more straight-forward and even blunt way than their Chinese counterparts. In comments to the [media](#) in Xiamen following the BRICS summit, Putin remarked:

Everyone remembers well what happened to Iraq and Saddam Hussein. Hussein abandoned the production of weapons of mass destruction. Nonetheless... Saddam Hussein himself and his family were killed... Even children died back then. His grandson, I believe, was shot to death. The country was destroyed... North Koreans are also aware of it and remember it. Do you think that following the adoption of some sanctions, North Korea will abandon its course on creating weapons of mass destruction? ...Certainly, the North Koreans will not forget it. Sanctions of any kind are useless and ineffective in this case. As I said to one of my colleagues yesterday, they will eat grass, but they will not abandon this program unless they feel safe... In this environment, in this situation, whipping up military hysteria is absolutely pointless; it is a dead end.

In his speech to the 14th [Valdai Forum](#) on Oct 19, Putin warned that North Korea should not be cornered and a military strike against North Korea would not succeed.

In his press conference in the UN on Sept. 23, Russian Foreign Minister Sergey Lavrov went so far as to portray Russia and China as responsible adults supervising naughty children. "Together with China we'll continue to strive for a reasonable approach and not an emotional one like when [children in a kindergarten](#) start fighting and no one can stop them," remarked Lavrov. "Yes, it's unacceptable to silently watch North Korea's nuclear military adventures, but

it is also unacceptable to unleash war on the Korean Peninsula," added Lavrov (the "emotional children" analogy was not included in the Russian Foreign Ministry's [webpage](#)).

In their public articulation of China's Korea policy, Chinese leaders seldom deviated from remarks by the spokesperson of the Foreign Ministry. Behind the facade of the official uniformity, however, Korea is a highly divisive and even emotional issue. As relations with North Korea continued to deteriorate, many in China questioned the utility, wisdom, and even the legitimacy of China's involvement in the war 67 years ago. That historical "revisionism" is, in turn, infused in questioning of the current Sino-DPRK relationship and its likely consequences for China and the region. It remains to be seen how the disputes in the public space may affect China's policies toward the DPRK and the relevant parties.

There was, however, an emerging sense of Korea "fatigue" in China regarding its mediation between Pyongyang and Washington. In an editorial shortly after the DPRK's ICBM test on Nov. 28, *Global Times* (环球时报) in Beijing expressed frustration:

China will face difficult choices, but at least we can say China has tried its best. We can neither persuade Pyongyang nor sway the opinion of Washington. The only thing China can do next is to firmly uphold its principles, strive to alleviate tensions while at the same time preparing for the worst... China has done what it can for North Korea... China has done what it can for the US... [T]he US and North Korea must shoulder their own responsibility without making China the scapegoat... China owes no one anything, and other countries must know this.

The frustrating tone of the editorial is rarely seen in official Chinese media (Note: the [English version](#) of the editorial is far weaker in its emotional scale than the original [Chinese text](#)). It is unclear how much it reflected perceptions of top decision makers in Beijing. For the rest of 2017, Beijing tried different approaches, including dispatching Song Tao (宋涛), director of the Communist Party's Liaison Department, to the DPRK on Nov. 17 to brief the Koreans on China's 19th Party Congress that ended on Oct.

24. *Global Times*, however, cautioned that one should not have “[excessive expectations](#)” (过高期待) from Song’s trip.

Compared with China’s more limited options regarding Korea, real or imagined, Russia’s Korea policy seemed more flexible and unconventional. On Nov. 26, a group of Russian Duma members visited the DPRK. This was followed by the Tillerson-Lavrov meeting in Geneva on Dec. 8 when the [Russian foreign minister](#) told his US counterpart that North Korea desires [direct dialogue with Washington](#). Tillerson did not respond to Lavrov’s message until Dec. 13, when a group of Russian Defense Ministry officials, led by Deputy Director of the Russian National Defense Command Center Viktor [Kalganov](#), started a five-day visit to North Korea. Kalganov’s visit was shrouded in mystery, given its timing, the sensitivity of the location and uncertain outcomes. The Russian Foreign Ministry stated that Moscow was using “any opportunity for direct communication,” including with the help of the Defense Ministry. “North Korea is our neighbor, we must develop relations with this country... Political dialogue is extremely important,” Deputy Foreign Minister Sergey Ryabkov said.

In China, Kalganov’s visit generated speculation. A social media outlet suggested that [a battalion](#) of Russian troops may be deployed in North Korea to prevent the US from intruding into the DPRK. Before that happened, however, the US made a U-turn in its rigid stance and Tillerson announced that the US was ready for [talks with no preconditions](#).

Russia’s moves in Northeast Asia may not be able to reverse the dangerous situation. Indeed, both Russia and China were preparing for the worst. By end of year ([Dec. 24](#)), Russia’s air defense units around Vladivostok quietly replaced their S300 batteries with the [S400](#), the newest air defense system in Russia’s arsenal. The deployment was carried out [at night](#) and Russian defense specialists [downplayed](#) its significance. Vladivostok, the largest Russian city and home to Russia’s Pacific Fleet, is less than 10 miles from North Korea.

Compared with the sparsely populated Far Eastern territories of Russia, the three northeastern provinces of China adjacent to the Korean Peninsula are home to more than 100 million people and a major industrial base. On

Dec. 6, the [Jilin Daily \(吉林日报\)](#) used an entire page (page 5) to provide basic information about how nuclear weapons work, their destructive power, and emergency self-help measures. The story was the first of this kind since the late 1960s when China was preparing for possible Soviet “surgical strikes” as well as a general war against “Soviet social imperialism” in the wake of the Soviet invasion of Czechoslovakia in 1968 and border clashes with China in 1969. In the age of social media, the Jilin Daily’s report generated a ripple effect throughout China. Jilin authorities tried to minimize the impact of the story by arguing that major cities like Tokyo and Seoul had done similar things and that it is not unusual for the province to provide a necessary briefing of this kind for its people.

Military-to-military ties: embracing the Korean storm?

While Russia and China were separately readying themselves for the spillover of a war in Korea, President Putin met Gen. Zhang Youxia, vice chairman of the CCP’s Military Commission and co-chairman of the Russian-Chinese Intergovernmental Commission for Military-Technical Cooperation in Moscow. Despite his official title as co-chair of the Intergovernmental Commission for Military-Technical Cooperation, Zhang’s Moscow trip was described as an “official visit” ([正式访问](#)), not a normal session of the commission that should be its 22nd at this time of the year. The [21st session](#) of the commission was held in Beijing on Nov. 23, 2016 when Russian Defense Minister Sergei Shoigu traveled to Beijing for the meeting.

Zhang’s Moscow trip was the first high-ranking military foreign visit after the 19th Congress of the Communist Party of China (CPC) in late October. In his [meeting with Gen. Zhang](#) in the Kremlin, Putin said that the “strategic partnership with China remains a key foreign policy priority of Russia. We highly value our current relations.” The meeting was also attended by Presidential Aide Yury Ushakov, Defense Minister Sergei Shoigu, and Director of the Federal Service for Military-Technical Cooperation Dmitry Shugayev.

Zhang thanked Putin for his time with the visiting PLA group and [said](#) that the two militaries should continue to support each other to safeguard the security interests of the two

countries and stability and peace of the world. It was unclear if Zhang's visit coincided with the routine session of the Intergovernmental Commission for Military-Technical Cooperation. Zhang was accompanied by Gen. Li Shangfu (李尚福), head of the PLA's Armament Department (军委装备发展部部长) and his deputy Liu Sheng (刘胜).



Russian President Vladimir Putin shakes hands with Zhang Youxia, a top Chinese military official, in Moscow, Russia, Dec. 7, 2017. (Xinhua Photo)

Zhang's Russia visit was the culmination of a series of high-profile developments related to bilateral military relations in the last four months of 2017. On Sept. 18-25, China and Russia conducted the [second stage of their annual Joint Sea 2017](#) exercise in the Sea of Japan, and [for the first time, the Okhotsk Sea](#). The [first phase](#) of *Joint Sea-2017* was held in July in the Baltic Sea, also for the first time. The PLA Navy (PLAN) dispatched four vessels: a Type 051C-class missile destroyer, the *Shijiazhuang*; a Type 054A-class missile frigate, the *Daqing*; a Type 903A supply ship, the *Dongpinghu*; and a submarine rescue ship, the *Changdao*. A British-made [LR-7](#) deep submersible rescue vehicle was also deployed. The Russian Navy sent three vessels, including a large anti-submarine ship, a frigate, a rescue ship, and a deep submersible rescue vehicle.

The eight-day [Joint Sea 2007](#) was divided into two phases: land-based maneuvers (Sept. 18-21) and maritime drills (Sept. 22-26). In the first phase, Russian and Chinese [marines](#) trained together at the [Gornostay test grounds near Vladivostok](#). In the maritime phase, naval vessels were grouped into two "mixed" formations: One was commanded by a Chinese ship and the other by a Russian ship. They

practiced joint air defense, anti-submarine, anti-piracy, and anti-surface ship operations. A joint submarine rescue exercise was a "breakthrough" according to Chinese media. Two Russian submarines joined the exercise to simulate the scenario. The two submarine rescue crews first studied each other's equipment on land. The Russian rescue team then made the first underwater rescue effort after the "sunken" submarine was located. The Chinese team then successfully [connected](#) (对接) the "damaged" submarine within an hour. The Russian side was said to be impressed by the Chinese performance.

The *Joint Sea* exercise series started in 2012 in the East China Sea. Since then, the two navies have drilled in the Baltic Sea, Mediterranean, South China Sea, Gulf of Peter the Great (залив Петра Великого) off Vladivostok, and this time the Sea of Japan and the Okhotsk Sea. The level of interoperability in various technical areas gradually improved. Anti-submarine and submarine operations involve highly professional skills and are usually not shared except with close allies. *Joint Sea 2017*, therefore, was said to [elevate the level of cooperation](#) between the two navies. Still, the interoperability between the Chinese and Russian navies is not as deep and broad as Russian-Indian ties and Russia provides India with nuclear submarines, noted a Chinese media. [Similar mutual trust and interoperability](#) were said to be the goals for the PLAN. For this purpose, the PLAN [proposed](#) after *Joint Sea 2017* to further broaden technical areas of cooperation and exchange with more difficult and more realistic exercise items. Communication, intelligence sharing and exchange need to be optimized; specialized command-and-control system improved; and more standardization (规范化) for drill organization, tactical setting and coordination are needed.

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Perhaps more than anything else, the Russian and Chinese militaries coordinated closely on anti-missile issues. On Oct. 12, [a joint briefing on missile defense](#) (MD) was held at the UN General Assembly's First Committee (Disarmament and International Security) by Aleksandr Emelianov of the Russian Defense Ministry International Cooperation Committee and Gen. Zhou Shangping (周尚平) deputy

director of the Operation Bureau under the Joint Staff Department under China's Central Military Commission.

This was the fourth joint briefing on the MD issue: the first was in October 2016 in Beijing on the sidelines of the seventh Xiangshan Forum (香山论坛), the second in March 2017 in Geneva on the sidelines of the Conference on Disarmament, and the third in April 2017 on the sidelines of the annual Moscow Conference on International Security. The frequency of the joint briefings by the two militaries highlighted the growing importance of the issue for the two countries against the backdrop of the US deployment of the THAAD system in South Korea and the unprecedented tension in Northeast Asia. On Dec. 11-15, the two militaries conducted *Aerospace Security 2017* (空天安全-2017), an anti-missile computer simulation at the PLA Air Command Institute (空军指挥学院) in Beijing. The two sides practiced simulated scenario setting, command and control, and combat coordination in a scenario of a sudden ballistic and cruise missile attacks on land targets in Russia and China. Russian media revealed that the drill was simulated according to realistic battlefield situation with the [focus](#) on interoperability of the two air defense systems for more harmonized information exchange, data chain compatibility, and other technicalities. The drill was described as a “[breakthrough](#)” (突破).

Russia delivered another five of its advanced Su-35 multirole jets to China, making a total of [14 by the end of 2017](#) (four in December 2016, four on July 3, and five on Nov. 30). The last 10 Su-35s of the \$2 billion contract will be delivered in 2018.

The day (Dec. 7) President Putin met in Moscow with Gen Zhang Youxia, Russia revealed that Moscow would [soon deliver S-400](#) air defense system to China. They signed a \$3 billion contract in 2015 for six S-400 battalions (eight launchers for each). Since then, the delivery date was postponed several times by the Russian side.

Next five years and beyond

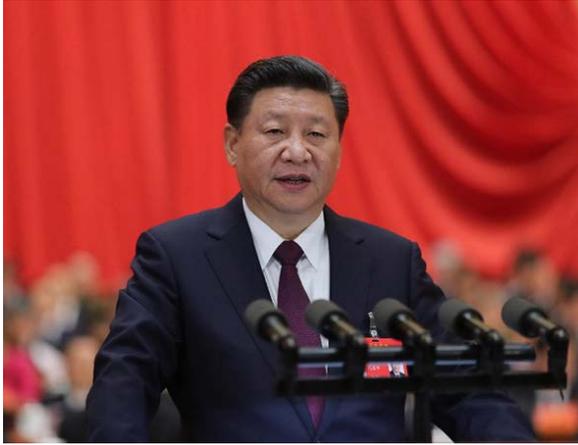
As 2017 drew to an end, both Xi and Putin were ready to govern their respective countries for the next five to six years. At the [19th CPC National Congress](#) that ended on Oct. 24, the 64-year-old

Xi Jinping secured his position as China's paramount leader for the next five years. Unlike the liberal-minded Jiang Zemin and the softer-gentler Hu Jintao, Xi is widely viewed as the most powerful leader since the first generation of Chinese leaders (Mao and Deng). Among the keenest observers of the 19th Congress was Putin. In responding to a question about Xi and the ongoing Party Congress at the 14th annual meeting of the [Valdai](#) International Discussion Club in Sochi on Oct. 19, Putin said that “During our meetings we publicly call each other friends. This speaks to the level of the relationship that has evolved between us on a human level. However, in addition to that, we uphold the interests of our states. As diplomats say, they are often very close or identical. An amazing situation has evolved and, God willing, it will continue for as long as possible.”

A few days before the end of 2017 (Dec. 27), the 65-year-old Putin submitted to the Central Election Committee (CEC) documents needed to officially start his 2018 presidential campaign. Two days earlier, the CEC denied opposition leader [Alexei Navalny](#) the right to participate in the presidential elections, citing his previous conviction. [With an 85 percent approval rate](#), Putin will be reelected as Russia's president in March 2018 for the next six years.

The Xi-Putin bond may not be unlimited, but it is quite special, and was apparently cemented in Moscow when Xi attended the 70th anniversary of Russia's Victory Day in 2015. At the main concert on May 9, both were deep into the WWII Soviet music, particularly the deeply touching [Cranes \(Журавли\)](#) symbolizing the loss and fleeing away (with cranes) of tens of millions of lives in the two countries.

That common experience of the Great War clearly outshone the once dominant ideological commonality of communism sparked by the 1917 Bolshevik Revolution. In a significant yet ironic way, the centennial of that once “earth shaking” event (Nov. 7) juxtaposed a large ideational gap for the two strategic partners. In his speech at the 19th CPC Congress on Oct. 18, Xi attributed the origin of the CPC-led revolution to the Bolshevik Revolution by repeating [Mao's exact words](#): “The salvos of the October Revolution brought Marxism-Leninism to China” (十月革命一声炮响，给中国送来了马克思列宁主义).



Xi spoke to CPC 19th Congress Xinhua

President Putin, on the other hand, described the Bolshevik Revolution in his address to the Valdai Forum on Oct. 19 as a “largely utopian social model and ideology” with “ambiguous” results. Putin’s mixed feelings about the Bolshevik Revolution may reflect a consensus among the Russian political elite that it is inconvenient, if not wholly uncomfortable, to reconstruct Russia’s national identity after a 71-year Soviet interlude.



Putin at the Valdai International Discussion Club. Russian President website

The two speeches also pointed to the different trajectories of the two powers. For Xi and his colleagues, the long-term goal of the CPC is not only China’s modernity but also “a community with a shared future for mankind (人类命运共同体)” that includes all civilizations and politico-economic systems. Such a future will also transcend, not reject, both orthodox Marxist-Leninism and the CPC’s own past. Putin’s veiled rebuff of Leninism, in contrast, suggested an uncertain Russia still searching for its own identity within the West.

The personal touch in the Putin-Xi relationship may not guarantee a perfect political relationship between the two countries. Putin recognized that problems between Russia and China exist and some of them are “controversial” and “contentious.” The trust between the two leaders, nonetheless, enabled the two sides to overcome differences and solve problems for the common interests: “We always reach consensus on every issue, even seemingly controversial ones; we always come to terms, look for compromise solutions and find them. Ultimately, these agreements benefit both states because we move forward, do not become fixated, do not stop, do not drive the situation into an impasse, but resolve contentious issues and move on, and new opportunities arise. This is a very positive practice.”

As strong leaders, Xi and Putin will preside over vast countries with enormous challenges even under the best circumstances. Both Russia and China face transitional pains: Russia needs to move beyond its resource-cursed economy, while China searches for a balance between efficiency/speed and equality/fairness. For bilateral ties, the two leaders will have to address under-performing economic relations, which has been the weakest link in their relationship. Meanwhile, there must be some fix to the seeming disconnect between the two peoples that persists no matter how strong strategic and political ties between the two leaders seem to be. There may be limits to successful bilateral relations if political trust between elites is not accompanied by mutual interests at the societal level, particularly if developmental disparities continue to grow between the two countries. Finally, the two countries will have to live with, work with and create a more stable and predictable relationship with the Trump presidency which is the key to resolving many outstanding global and regional problems.

CHRONOLOGY OF CHINA-RUSSIA RELATIONS

SEPTEMBER – DECEMBER 2017

Sept. 3-5, 2017: Ninth BRICS annual summit is held in Xiamen. Chinese President Xi Jinping meets Russian President Putin on Sept. 3 on the sidelines of the summit.

Sept. 4-5, 2017: Chinese Vice Premier Wang Yang and Russian Deputy Prime Minister Dmitry Rogozin co-chair in Volgograd the Joint Commission for Regular Meetings between the Chinese and Russian Heads of Government.

Sept. 6, 2017: Putin meets Vice Premier Wang in Vladivostok during the Third Eastern Economic Forum.

Sept. 8, 2017: First meeting of the Intergovernmental Commission on the Development of Relations between the Russian Far East and Northeast China is held in Khabarovsk. Vice Premier Wang and Russian Deputy Prime Minister Yuri Trutnev co-chair the meeting.

Sept. 17, 2017: Shanghai Cooperation Organization's "Regional Anti-Terrorist Structure" (RATS) holds its 31st meeting in Beijing.

Sept. 18, 2017: Chinese Foreign Minister Wang Yi and Russian counterpart Sergei Lavrov meet on the sidelines of the UN General Assembly in New York.

Sept. 18-26, 2017: China and Russian conduct the second stage of their annual *Joint Sea 2017* military exercise in the Sea of Japan, and for the first time, the Okhotsk Sea.

Sept. 20, 2017: SCO foreign ministers meet on the sidelines of the UN General Assembly.

Sept. 29, 2017: Russian Deputy Foreign Minister Sergey Ryabkov meets Ambassador Li Hui in Moscow and discuss "topical international issues of mutual interest."

Sept. 29, 2017: Russia and China officially name their joint project of a long-haul wide-body commercial model CR929, to be developed by the China-Russia Commercial Aircraft International Co., Ltd. (CRAIC).

Oct. 9, 2017: Ceremony held in Moscow for the 60th anniversary of founding of the Russian-China Friendship Association. Both Presidents Putin and Xi send congratulations to the event.

Oct. 10, 2017: Russia and China hold eighth consultation on North East Asian security in Moscow, chaired by Russian Deputy Foreign Minister Igor Morgulov and Chinese Assistant Foreign Minister Kong Xuanyou.

Oct. 11, 2017: Moscow hosts SCO-Afghan Liaison Group meeting at deputy foreign minister level.

Oct. 12, 2017: Joint briefing on missile defense is given at UN General Assembly's First Committee (disarmament and International Security) by Russian and Chinese defense officials.

Oct. 26, 2017: Putin initiates a telephone conversation with Xi to congratulate Xi on his reelection as Chinese Communist Party general secretary at the CCPs 19th National Congress.

Oct. 31-Nov. 2, 2017: Russian Prime Minister Dmitry Medvedev visits China to co-chair the 22nd Prime Ministerial Meeting with Chinese Premier Li Keqiang. He also meets President Xi.

Nov. 29, 2017: Presidents Xi and Putin meet on sidelines of the APEC Economic Leaders Meeting in Vietnam.

Nov. 29, 2017: President Putin meets Chinese Premier Li Keqiang in Moscow.

Nov. 30, 2017: SCO held its 16th session of the heads of government in Sochi.

Dec. 1, 2017: Russia delivers the third batch of Su-35 multirole fighter/bombers to China.

Dec. 2-13, 2017: Russian National Guard (Rosgvardiya) and China's People's Armed Police of China conduct special tactical training drills in the Chinese city of Yinchuan (银川).

Dec. 6, 2017: SCO conducts an anti-terror cyber exercise in Xiamen.

Dec. 7, 2017: President Putin meets Gen. Zhang Youxia (张又侠), vice chairman of the CCP's Military Commission and co-chairman of the Russian-Chinese Intergovernmental Commission for Military-Technical Cooperation.

Dec. 8, 2017: Putin inaugurates \$27-billion Yamal liquefied natural gas plant in northern Siberia.

Dec. 11, 2017: Foreign Ministers Lavrov and Wang meet on the sidelines of the 15th regular Russia-India-China (RIC) Foreign Ministers' Meeting in New Delhi.

Dec. 11-16, 2017: China and Russia conduct *Aerospace Security-2017*, a joint anti-missile computer- simulation exercise, in Beijing.

Dec. 13-15, 2017: 21st session of the Joint Russia-China Border Commission is held in Beijing.

Dec. 26, 2017: President Putin announces that he will join the March 2018 presidential elections as an independent candidate.

Dec. 31, 2017: Presidents Putin and Xi exchange New Year greetings.