Minsk-Beijing: What Kind of Strategic Partnership?

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Abstract

Sino-Belarusian relations are characterized by a gap between the quality and depth of the countries’ political partnership on the one hand, and the more limited economic reality of bilateral cooperation on the other. Since they signed a “comprehensive strategic partnership” agreement in 2013 though, military-industrial cooperation has intensified, thereby substantiating Belarusian hopes for closer ties with China, which are meant to counterbalance Minsk’s complex relations with Moscow and Brussels. In the eyes of its Chinese partners, however, Belarus seems to enjoy only limited appeal compared with other central and eastern European (CEE) countries, which are more advanced on the road to economic transformation and better integrated into the global system. Belarus has no access to the sea, no raw materials, and no strategic assets to offer China. As Belarus borders the European Union (EU), it could nonetheless be of interest to Beijing as a springboard for China’s Silk Road Economic Belt project. Unless structural reforms making the Belarusian economy compatible with market principles are adopted, however, Chinese investors are likely to prefer other countries in the region for advancing their interests vis-à-vis the Eurasian Economic Union or to access the markets of the EU.
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Introduction

Minsk carefully maintains the myth that Belarus is “neutral” (the country forms part of the Non-Aligned Movement), a stance that would allow it to conduct a multi-vector foreign policy. In reality, however, Russia undoubtedly dominates this policy, making integration within the Eurasian region a priority for Belarus.¹ By contrast, the western/European axis of Belarus’s foreign policy has been limited over the last 20 years by the “self”-isolation of President Alexander Lukashenka’s authoritarian regime, until recently subject to sanctions imposed by Brussels and Washington.²

This situation has led Belarus, since 2006, to embark upon a strategy of diversification of its foreign relations. For several years now, the country has been strengthening its ties with what its Foreign Affairs Ministry calls “third” countries, such as Venezuela, Nigeria, Iran, the United Arab Emirates and China.³

Belarus’s foreign policy has thus tilted decidedly towards Asia, with China at the forefront. This somewhat unexpected partnership (given that 6,500 km separate Minsk from Beijing) has intensified since the signing of a “comprehensive strategic partnership” agreement between the two countries in July 2013. For around a decade, the government has presented China as a key aspect of its foreign policy.⁴ It has made countless official statements in praise of China, such as the speech President Lukashenka gave to students at Peking University on 30 September 2016:

Translated from French by Frances Thomas.

1. Belarus, along with Russia and Kazakhstan, is a founding member of the Eurasian Customs Union and, since 2015, of the Eurasian Economic Union (EEU), which has subsequently been joined by Armenia and Kyrgyzstan.
2. Except during a “thaw” between September 2008 and December 2010, dozens of officials and businesses have been targeted by “restrictive measures” (visa bans and asset freezes) imposed by the West. Following the release of the last six political prisoners in August 2015, and given that the 2015 presidential elections proceeded without protest or massive repression, the EU and the United States suspended their sanctions for four months. In February 2016, Brussels almost completely lifted its sanctions, heralding the beginning of a normalization of relations with Minsk.
“No system will survive with only one pillar. [...] China is currently one of the pillars [of a multipolar system] and its consolidation is in our interest. In this respect, we both are pragmatists. [...] A prosperous and powerful China means a sovereign, independent Belarus. Because China is a friend we can always rely on”.

What is the real nature of this partnership, which Minsk has long inaccurately presented as “strategic”? True, the introduction of a third actor in the geopolitical bargaining the regime carries out with its Russian and European neighbors is a political opportunity for Lukashenka, since it gives him more room to negotiate; furthermore, trade and financial flows from China to Belarus have increased significantly. However, the deepening asymmetry within this relationship, along with the meager economic benefits that Belarus actually obtains from it, has led to a certain sense of disillusionment in Minsk. The low level of investment and the tied loans coming from China are insufficient to resolve the structural problems facing Belarus in the absence of reforms, both at home (recession, devaluation, plummeting labor productivity and real purchasing power, rising hidden unemployment) and in its economic relations with other countries (trade deficit, debt, marginalization).

This article will, firstly, recap the main stages and recurring problems of Sino-Belarusian economic cooperation. It will then move on to analyzing the strategic partnership between the two countries, which was formally launched in 2013. Necessarily asymmetrical due to the differences between the two countries in terms of size and global significance, the relationship with Belarus is of little importance in China’s eyes, particularly in comparison with other countries in the EEU (Kazakhstan, Russia), or in central and eastern Europe (Hungary, Poland, Ukraine), which are much more open to the principles of the market economy. Nevertheless, these constraints have not prevented the two countries from intensifying their military-technical cooperation recently. Finally, the article will analyze the role that Belarus will (or will not) be called to play in China’s Silk Road Economic Belt projects and Russian-Chinese integration projects, as part of a hypothetical “Greater Eurasia.”

Economic Aspects: Dissatisfaction for Both Partners

China’s economic opening and its “march west” since the 2000s have led to a rapid acceleration in trade with European countries over the last decade. Trade with Belarus has enjoyed stronger growth than that with any other country, multiplying 15 times between 2000 and 2011. However, the asymmetry of this trade relationship is taking on critical proportions for Belarus.

Trade balance: a widening deficit for Belarus

The value of Sino-Belarusian trade flows has multiplied almost 100 times over a 25-year period. These flows rose from USD 34 million to USD 2.5 billion between 1992 and 2010\(^6\), going on to exceed USD 3.2 billion in 2015. Having been Belarus’s sixth-largest trading partner in 2010, China replaced Ukraine in 2012 as the country’s third-largest supplier. It remained well behind Russia (which accounted for 55% of Belarusian imports) but was snapping at the heels of Germany (7%), which it overtook in 2015, when Chinese imports (worth USD 2.4 billion) reached 7.9% of total Belarusian imports, compared with just 4.6% for those from Germany. Despite this increase, China’s share of Belarus’s total foreign trade (3.3% in 2011 and 5.6% in 2015)\(^7\) remains limited, and well below the average for EEU countries (13.6% in 2015)\(^8\).

Sino-Belarusian commercial relations are characterized by a growing asymmetry. Belarus’s trade balance with China has been in deficit since 2006 and this deficit has deepened, reaching a record of about

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\(^8\) Data from the EEU’s Eurasian Economic Commission on EEU foreign trade (by country), 2015, [http://eec.eaeunion.org](http://eec.eaeunion.org).
USD 2 billion in 2013 due to structural trade problems and an unfavorable economic context.

Belarusian exports are not very diversified, and their value added is much lower than that of the products that the country imports from China (IT products, electronics, mobile phones). In fact, potash (the basis of the potash fertilizers used in industrial agriculture) represents between 75% and 90% of Belarus’s exports to “third” countries. From 44% in 2011, the share of total exports to China represented by this commodity rose to 77% in 2014 and 83% in 2015. Belarus’s second-biggest export is caprolactam, a polyamide used in the production of nylon (25% of total exports to China up to 2010). The country’s metallurgical products have barely penetrated the Chinese market.

The Chinese have proven to be tough business partners for Minsk. For example, they took advantage of the drop in the global price of potassium to negotiate favorable prices. In the absence of other outlets, Belaruskali, the Belarusian giant of the sector (which produces 20% of the world’s potash), had to grant China a discount after the latter closed its market to the company in 2009, thus forcing it to lower its prices the following year. In 2016, Beijing negotiated a fee of USD 219 per ton, 30% lower than that applied in 2015. These commercial pressures have aggravated the difficulties experienced by Belaruskali since the attempted takeover of the company by its Russian partner Uralkali in 2013, which led to the break-up of their cartel, in turn sending global prices tumbling over the long term. It also turned out that the cartel’s Chinese partners were working exclusively with Uralkali. Following the dismantling of the cartel, the Belarusians had to find other trustworthy partners in China, which, like India and Russia, has ambitions to buy Belaruskali.

As a result of the global economic crisis and the slowdown in Russian growth since 2014 — itself caused by falling oil prices and western sanctions — Belarus went into recession in 2015. Its exports to China in the first seven months of 2016, valued at USD 107 million, reached only a fifth of their level over the same period in 2015. This situation led Lukashenka on 31 August 2016 to adopt a directive on the development of bilateral

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relations, which aims to boost exports to China to USD 1.5 billion by 2020. The document does not detail how this is to be achieved, other than through certain simplification measures (such as the introduction of electronic quality certificates) and by assigning more diplomatic cadres and experts to relations with China.13

Despite the insistence of its potential creditors (Russia, the International Monetary Fund – IMF –, the European Bank for Reconstruction and Development – EBRD), the Belarusian government refuses to enact any real structural reforms. Unlike China’s market authoritarianism, the Belarusian model is incompatible with market laws and the rules of the World Trade Organization (WTO). Maintaining the “social contract” with Belarus’s people (who relinquish individual freedoms in exchange for a paternalistic state) implies preserving the country’s semi-planned economy.14 Yet restrictions on free enterprise and the subsidizing of public companies in deficit put foreign investors off. A combination of inertia and inexperience is preventing the implementation of reforms that could increase workforce productivity and boost the competitiveness of Belarusian products on global markets.

**Investment and tied loans China style: limited gains for Belarus**

The asymmetry of the China-Belarus relationship can be seen in the levels of financial flows and investment between the two countries. Belarus’s presence in China is limited: other than Belaruskali and Belpetroleum (petrochemical processing), only a handful of Belarusian firms have opened branches in China. Two such companies are MZKT and MTZ, which export tractors, diggers, combine harvesters and dual-purpose chassis worldwide. Only Gomselmash (which manufactures agricultural machinery), the carmaker BelAZ and Minsk Tractor Works (MTZ)15, all of which involve productive investments, have set up assembly lines in China, mainly in the city of Harbin.16

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The presence of Chinese capital in Belarus still appears to be very limited. The regime is pinning its hopes on Chinese direct investment, but this has yet to materialize. According to BelStat, Chinese foreign direct investment (FDI) (excluding loans and repayments) in Belarus totaled only USD 28.5 million in 2010, USD 9.4 million in 2011 and around USD 40 million in 2012.\textsuperscript{17} In 2015, Chinese investment accounted for just 3.1% of total FDI into the Belarusian economy, and 0.3% of China’s global FDI flows.\textsuperscript{18} For several years, official Belarusian media have been claiming that China is going to invest billions in the country, which will enable it to import new technologies, create jobs and free itself from Russian subsidies. In actual fact, China primarily provides indirect investment, most of which is conditional (50% of the funds must be used to purchase Chinese goods and services) and bilateral, meaning that it involves Chinese partners established in Belarus, or possibly joint ventures.\textsuperscript{19}

China primarily invests in sectors that are key to its economic and food security (energy, mining, agriculture, etc.). Chinese companies send their own engineers, workers and equipment to the host countries. Based in special economic zones with attractive tax regimes, such Chinese firms make scant contribution to the state budget and do little to improve purchasing power in the host country.

The same applies when it comes to credit: to date, Belarus has received only “tied loans” from China. These low-interest loans (2%-3%) are conditional on the purchase by the recipient of Chinese products, meaning that at least two-thirds of the funds allocated eventually return to China in the form of payments for supplies. This causes Belarus’s trade deficit to widen, forcing the government to take out non-tied intergovernmental loans to offset this, which in turn increases public debt.

One sign of a Sino-Belarusian rapprochement since 2013 came when, as part of a tour of EEU capitals in May 2015, President Xi Jinping, when visiting Minsk, signed investment agreements estimated to be worth over USD 15 billion, a considerable sum for Belarus. In addition to five-year agreements concerning potash exports to China, a credit line worth USD 5.5 billion was extended, of which USD 1 billion was dedicated to refinancing Belarus’s banks.\textsuperscript{20} Beijing is believed to have promised an

\textsuperscript{17} A. Yeliseyeu, “Belarus and Developing Countries: Faulty Single-Commodity Export Orientation”, \textit{op.cit.} [9], p. 119.
\textsuperscript{19} V. Smok, “Belarus-China relations”, \textit{op. cit.} [11].
additional USD 2 billion for the construction of a new potash extraction complex.

A number of symbolic projects have been carried out, fueling the Belarusian regime’s propaganda and its incantatory optimism about the Chinese financial windfall. This has been the case within the regions, with the electrification of a railway line connecting Minsk with the Russian and Ukrainian borders,\(^2\) the construction of a hydroelectric power station in Vitsebsk and the modernization of two gas-fired thermal power stations (the Lukoml power station in the Vitsebsk region and the Byaroza plant in the Brest region), as well as several small-scale projects in Grodno in the petrochemical and transport sectors.\(^2\)

For lack of attractive projects in the eyes of Chinese investors, however, half of the USD 15 billion earmarked credit has not been used yet.\(^2\) The low level of competitiveness and innovation among Belarusian companies and the lack of strategic thinking within the government are not the only factors at play.\(^4\) The reticence of potential Chinese investors can be explained by the crushing weight of Belarusian bureaucracy, the absence of legal guarantees protecting property rights, and uncertainties about the solvency of the national economy, should Russian subsidies stop. Meanwhile, the terms of Chinese credit have hardened, and the funds can now only be used for financing transport and logistics projects as part of the One Belt, One Road (OBOR) initiative.

The billions of dollars announced by the authorities have failed to flow in. Whereas the cumulative flows of Chinese capital invested in Belarus between 2005 and July 2013 (including as part of tied-loan agreements) officially totaled USD 2.6 billion, which is more than Chinese FDI in Ukraine over the same period (USD 2.4 billion), figures are six times lower than initially anticipated.\(^2\)

The pro-China lobby within the Belarusian government wants to (make) believe that Sino-Belarusian cooperation is a success, but it is struggling to prove that the country is obtaining any economic benefit from it. This reality is no longer taboo in Belarus. Experts from the Belarusian Institute for Strategic Studies (BISS) previously predicted such a scenario and documented it in their reports. Since then, even the famous Sino-Belarusian “Great Stone” industrial park project, which the authorities hoped would become a symbol of Belarus’s integration into China’s global economic strategy, has failed to meet expectations, for lack of enthusiasm on the Chinese side. While Lukashenka’s opponents are quick to discredit the Chinese development model and the effect of Sino-Belarusian trade relations on Belarusian consumers (the success of either of them would justify the current command economy model), the regime also has reason to be disappointed with the economic and commercial aspects of the relationship.

26. A “hard core” of China experts has formed in Minsk since the early 2010s around Anatol Tozik, a former KGB agent who served as Belarus’s ambassador to China (2006-2010) before becoming vice premier (2010-2014). Within the President Administration — a sort of cabinet that is responsible for implementing the country’s policies — Kiryl Rudy embodies the regime’s pro-China activism. A brilliant economist trained in Chicago, this young, Mandarin-speaking businessman was an economic adviser to the Belarusian ambassador to China under Tozik. After being promoted to a position of economic adviser to President Lukashenka in 2013, he returned to China as Belarus’s ambassador in 2016.


Political-military Cooperation: How Valuable Is the Strategic Partnership?

Since the establishment of diplomatic ties between Minsk and Beijing in January 1992, nothing has overshadowed what tends to be referred to as a “solid friendship” based on respect, mutual trust and, since July 2013, a common desire to forge a strategic partnership.

Unconditional mutual political support

From their onset (in 1992), Sino-Belarusian relations have been characterized by an unfailing mutual support in dealings with international bodies. Minsk states that the two countries have similar views on the international system and the same mistrust in a unipolar world dominated by the United States. In particular, they defend the same fundamental principles of international law—the primacy of states, their sovereign equality, the intangibility of borders, peaceful conflict resolution and the rejection of any form of interference in internal affairs. Belarus fully subscribes to the “One China” principle (and therefore does not maintain official relations with Taiwan) and supports China’s position in the South China Sea conflict. Minsk also systematically supports Beijing at the United Nations (UN) when Chinese policy on Tibet or the Xinjiang Uighur Autonomous Region is criticized. Convinced that territorial integrity should take precedence over a people’s right to self-determination, Belarus has won the goodwill of the Chinese authorities on an issue that upsets Moscow.  

Beijing, for its part, opposes any kind of interference in international relations, particularly when it is carried out in the name of democracy and human rights, and considers western sanctions to be a form of such interference. At the UN Human Rights Council, China has systematically voted against resolutions condemning Belarus for its human rights violations

30 Pursuant to this same principle and in spite of pressure from Russia, Minsk refuses to recognize the independence of Abkhazia and South Ossetia, and recognizes the “reintegration” of Crimea into Russia only de facto, not de jure. This position of neutrality, which is difficult to maintain, has to date enabled it to preserve good diplomatic relations with Tbilisi and Kiev.

31 N. Nedzhvetskaya, “China and Belarus: A Special Relationship”, op. cit. [6].
or ordering it to free political prisoners. Lukashenka believes that this mutual support, modeled on the relationship between Minsk and Moscow, should result in an influx of Chinese capital, which would enable the country to resolve its liquidity problems. In so doing, he is overestimating the link between political relations and an economic partnership.  

The Belarusian authorities have repeatedly talked of “Great China” as a “friend” of Belarus—since 2010 this became the Foreign Ministry’s credo too. In September 2015, meeting with Chinese Vice Premier Zhang Gaoli, Lukashenka went so far as to declare that “the modern history of Belarus is completely linked to the People’s Republic of China.” With China, Lukashenka benefits from a bilateral relationship stripped of all value judgment, since the Chinese have traditionally not been interested in how a country is governed, provided that it serves their economic interests. Therein lies a sharp contradiction: with the exception of its potash and its diplomatic support, today’s Belarus has nothing to offer China that it could not find elsewhere.

While China is a regime that does not make its aid conditional on criteria of political governance (democracy, human rights, free elections), it is nevertheless circumspect concerning Belarus’s (poor) economic governance—but without ever being openly critical. China satisfies itself with the fact that the Eurasian Customs Union in 2010, and subsequently the EEU in 2015, (paradoxically) gave it entry to the Belarusian market of 9.4 million people, which it is now flooding with Chinese merchandise. Nevertheless, and running against Alexander Lukashenka’s hopes, the gap between Belarusian expectations and the level of Chinese interest accentuates the imbalance of the bilateral relationship. While high-ranking officials represent Belarus in negotiations—the president, his prime minister, the foreign minister or the speaker of parliament—the Chinese government often delegates mere second fiddles. Lukashenka has made nine official visits to China since 1994, whereas his Chinese counterpart has traveled to Minsk only twice, in 2001 and 2015. While on a tour of former Soviet states (Russia, Kazakhstan, Ukraine) in summer 2011, then president Hu Jintao snubbed Minsk.

33 Cited by S. Bohdan, “China as an Epic Failure of Belarusian Foreign Policy”, op.cit. [13].
A promising field: military-industrial cooperation

It is not for its resources or infrastructure that Belarus features in China’s “Go West” strategy. The geopolitical aspect may be more relevant: by cooperating with Minsk, Beijing is helping to reduce Belarus’s dependency on Russia, which offers a way for China to limit Russian influence in its European backyard, thereby reshaping spheres of influence on the continent. It is probably from this perspective that the intensification of Sino-Belarusian relations in the military-industrial and defense domains over the last few years should be analyzed.

Independent Belarusian experts agree that, of all the economic sectors, it is the cooperation with businesses from Belarus’s military-industrial complex (MIC) that interests China the most. There are three aspects of the Sino-Belarusian rapprochement and military cooperation worthy of discussion here.

First and foremost is the fact that Beijing sponsored Belarus’s entry into the Shanghai Cooperation Organization (SCO) in 2009. Although it only has observer country status within the SCO, Belarus is de facto the only European country involved in this Asian collective security organization, which was founded in 2001 on China’s initiative and which Beijing uses to counterbalance Russia’s influence in central Asia and Eurasia more broadly.

Secondly, China is the first — and, to date, the only — country outside the Commonwealth of Independent States (CIS) with which Belarus has conducted joint military exercises (if we exclude its cooperation with NATO as part of the Partnership for Peace, which never included war games as such). Joint Sino-Belarusian maneuvers were carried out between June 16 and 27, 2015 in the Brest region (where the 38th mobile brigade trains), near the Polish border, and brought together Chinese and Belarusian aerial forces, parachute units and the ground units of the 382nd battalion of the Belarusian special forces. The exercise, named Fast Eagle 2015, simulated a coordinated response to a terrorist attack — one of the three “great evils” that the SCO aims to fight, along with separatism and extremism. The first exercise of this kind involving the mobilization of Belarusian soldiers took place in China in 2013. No information was released concerning the number of soldiers involved — probably 100 times fewer than for the Russo-

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35. N. Nedzhvetskaya, “China and Belarus: A Special Relationship”, op. cit. [6].
Belarusian exercises, which mobilize at least 8,000 men each year — but this cooperation between armed forces certainly has symbolic value in terms of consolidating the autonomy of the military partnership between Minsk and Beijing.

Lastly and most importantly, the first rocket launcher developed and produced by Belarus is the result of close industrial collaboration with China’s MIC. The Polonez (Polonaise), a multiple-launch rocket system with a maximum range of 200 km that can hit eight targets simultaneously with unrivaled precision, was publicly presented during a parade in Minsk on 9 May 2015, and tested from the Gomel military base on 30 May 2016. The development of this state-of-the-art equipment designed for the Belarusian army and, in all likelihood, for subsequent export (the Ukrainian army seems interested), took place very quickly (in just two years). Belarus’s decision to produce its own missile launcher capable of replacing the Smerch and Grad systems is a direct result of the cooling of relations between Minsk and Moscow, especially following Russia’s annexation of Crimea.

Lukashenka has long appealed to his Russian partners to provide him with the equipment or the funds needed to modernize his country’s aerial defense system. The Russians, who hoped to obtain some concessions in return, cited the economic crisis as the reason behind the slowing of their military aid to Belarus. It was not until spring 2016 that they delivered a fourth battalion of S-300 surface-to-air missiles. Meanwhile, Russia’s military intervention in the Donbass convinced Minsk of the need to diversify its military cooperation and, in particular, to accelerate the production of its own missile launchers, with China’s help. According to official accounts from Belarus, the Polonez will be used to deter the newly deployed NATO forces in Poland and the Baltic states. However, the system could also be used to counter a land intervention from the east.

The Russian media have made sarcastic comments about the release of the Polonez, citing Russian military experts who claim that the chassis is probably the only part of the rocket launcher to have been made in Belarus, and that the other components (artillery, fuel) must have come from China. With its near-monopoly in former Soviet countries in the production of dual-purpose chassis, Belarus did provide the chassis on which the Polonez system is mounted: the MZKT-7930 chassis (for the 8x8 version) and the MAZ-6317 (6x6). However, other elements also definitely come from

Belarus, such as the guidance and pursuit systems and the optoelectronic correlator — high-tech pieces of equipment that some Belarusian companies, such as Peleng, have specialized in over the last few years. The Polonez is therefore more than just a copy of a Chinese rocket launcher; it is the result of advanced industrial cooperation between the two nations. For now, Belarus states that 30% of the components are Chinese-made, but says that the Belarusian MIC aims to reduce this share to 5%, namely by arming the system with longer-range missiles (300 or even 500 km) produced in Belarus (with the help of Ukraine).

The performance of the Polonez makes it a device that could well compete with equivalent Russian-produced rocket launchers. It is extremely versatile, as its launching system can accommodate different missile models, making it very competitive on the export market. Specifically, it operates using a space-based guidance system, meaning it can use Russia’s GLONASS satellite navigation system to locate and pursue its target... but it can also operate without GLONASS. Belarus actually launched its first satellite, Belintersat-1, on 15 January 2016. The satellite was sent into orbit by a Chinese rocket launched from the Xichang site in Sichuan. The purchase of the satellite and launching services, insurance and nine months’ training in China for the Belarusian engineers (all of which cost USD 280 million in total) was funded by a 15-year loan — to match the estimated lifespan of the satellite — from the Export-Import Bank of China. As well as releasing Belarus from its traditional dependency on the Russian satellite network, which is essential in the military and intelligence domain, Belintersat-1 is also expected to generate profits through the sale of part of its capacity to Chinese and African operators.39

It therefore illustrates how the Sino-Belarusian relationship can help Belarus to break away from its dependency on Moscow in the field of defense. Indeed, China could seek to cooperate with Belarus with a view to “copying” Russian military technology, as it did with Ukraine for the development of Shenyang aircraft that were clearly inspired by the SU-27SK and the SU-33. The negative consequences of this for Russia would be twofold: as Beijing develops its own weapons, Moscow both loses its positions on the Chinese market and is exposed to competition from China in its traditional export markets (Asia, the Middle East and Africa). Kazakhstan and Turkmenistan have already begun to buy drones from

China. The Sino-Belarusian cooperation could also develop this type of device in the future.

Unfounded hopes lead to disappointments

The deepening of military-industrial and defense cooperation between Minsk and Beijing gives the impression that these Sino-Belarusian ties are part of a strategic partnership. However, to believe so would be to misunderstand the meaning that the Chinese attach to the concept of “strategic partnership.”

Lukashenka believes there is an ideological convergence between the two regimes, due to their common communist origins and shared disdain for Western democracy. If Singapore was the model for a “strong state” that Belarus looked to in the 1990s, the Chinese model of development is now considered the one to emulate. The former ambassador to China — a role that is now as prestigious as that of ambassador to Russia or the United States in the hierarchy of Belarusian diplomacy — Anatol Tozik (2006-2010), advocates imitating China in all areas: management, certification standards, the education system, and so forth. Tozik’s appointment as vice premier (2010-2014) confirmed Minsk’s fascination with the Chinese model, which appears to combine growth, social welfare and a state monopoly on power.

The two countries certainly do maintain increasingly intense and frequent political ties and cooperate on a wide range of issues. Nevertheless, a gap persists between the respective visions that the Belarusian and Chinese authorities have about the nature and institutional depth of their partnership. In the decade that followed Lukashenka’s first official visit to China, in January 1995, Belarus’s political contacts with Beijing increased considerably in intensity and frequency. Following his December 2005 visit, the Belarusian president made China a foreign policy priority. The importance of bilateral cooperation between the two countries within Belarus’s foreign policy has continued to grow ever since. The same could not be said for Beijing.

Between 2005 and 2013, Lukashenka and his government inaccurately likened their relations with China to a strategic partnership, when in fact they were nothing of the kind. During a visit to Minsk in 2010 by Xi Jinping, then China’s vice-president, a joint statement described the evolution of bilateral relations towards a strategic cooperation—not a strategic partnership in the strict sense of the term, as had been used to describe agreements signed with Russia in 1996 and Poland in 2011.

A press release was published specifying that the statement constituted a “solid base for the development of Sino-Belarusian relations in a spirit of friendship and mutually beneficial partnership.” The benefit was palpable for Belarus, to which China granted USD 11 million in aid and a USD 1 billion loan to help it to boost its potash export capacity to China by 300% within a year. However, the cooperation did not equate to a strategic partnership in the sense understood by the Chinese.

Beijing attaches great importance to the choice of words used in diplomatic agreements, since this has implications in terms of the level, depth and intensity of the relationship and the resulting protocol. The hierarchy of the partnerships that China enters into with foreign countries is fairly strict, though certain nuances may be lost when translated from Chinese. Thus, a strategic cooperation (战略合作)—mentioned initially in a Sino-Belarusian statement in 2005—is not the same as a strategic partnership (战略伙伴), which, before becoming more common under Xi Jinping, was the most selective and prestigious form of international engagement undertaken by China. Based on the American diplomatic cables published online by WikiLeaks, the Belarusian researcher Andrei Yeliseyeu claims that, from China’s point of view, the country’s relationship with Belarus during the 2000s was nothing more than a constructive partnership.

Chinese diplomats believe the Belarusian authorities and media have exaggerated the scale and scope of the bilateral political relationship in order to boost the country’s importance on the international stage, the value of its relations with Beijing and the room for maneuver of its foreign policy in the public opinion. Chinese officials are somewhat less enthusiastic, describing

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44. A. Yeliseyeu, ibid., p. 5-7.
47. T. Iwanski, “Ukraine, Belarus and Moldova and the Chinese Economic Expansion in Eastern Europe”, op. cit. [16], p. 2.
the Sino-Belarusian relationship as “good,” “friendly” and “mutually
beneficial,” but without going any further.48

However, a series of events combined to help Lukashenka’s wish come
ture in July 2013 when, on his seventh official visit to China, the two
countries signed a declaration calling for the establishment of a
“comprehensive” strategic partnership.49 For the Belarusian regime, this was
the crowning achievement of years of lobbying Beijing aimed at “elevating”
the status of the relationship between the two countries.50

However, this step forward came in a specific context, shortly after
Xi Jinping came to power. Xi embarked on a change of direction in Chinese
diplomatic traditions by engaging his country on the world stage to a much
greater degree than his predecessor, Hu Jintao (2002-2012). The country’s
agenda for signing strategic partnership agreements since 2010 reveals a link
with the international financial crisis, which largely spared the Chinese
economy. Taking advantage of this piece of good fortune, and of the great
powers’ disengagement from their regional areas of influence, the Chinese
regime signed strategic partnerships with countries well beyond its
traditional (Asian) sphere of interest.51 Whereas previously only Russia and
Kazakhstan had benefited from a strategic partnership with China
(agreements signed in 1996 and 2005 respectively), between 2011 and 2013,
China signed strategic partnership agreements with six other post-Soviet
European countries: Ukraine (June 2011), Uzbekistan (June 2012),
Tajikistan (May 2013), Belarus (July 2013), Turkmenistan and Kyrgyzstan
(September 2013).52

Viewed in this light, the signing of a “comprehensive strategic
partnership” agreement between Beijing and Minsk is nothing out of the
ordinary, and does not represent a significant qualitative leap. Moreover, the
Chinese regime continued to use more moderate terms than its Belarusian
counterpart to describe the bilateral relationship, stressing the process
intended to lead to a relationship of strategic partnership, and referring to
the 2013 agreement as the starting point from which to strengthen this
relationship.

48. A. Baijie, “Xi Says Belarus is a Good Partner”, China Daily, 30 September 2016,
49. “всесторонний” in Russian and 战略互惠关系 in Chinese, which could be translated as “in all
directions”, in the sense that it covers all aspects of the bilateral relations, from the economy to culture
via military cooperation.
51. M. Lopes de Souza, “The Logic of China’s Strategic Partnerships”, op. cit. [41]; F. Zhongping,
H. Jing, “China’s strategic partnership diplomacy”, op. cit. [45].
52. K. Andrijauskas, “China’s Economic Penetration into Post-Soviet Central Asia and Eastern Europe”,
op. cit. [25].
In May 2015, during a three-day visit by Xi Jinping to Belarus (as part of his tour of EEU capitals), a Sino-Belarusian Treaty of Friendship and Cooperation was adopted, as well as a joint declaration “on the future development and deepening of a comprehensive strategic partnership”. This provided an opportunity for the two parties to review the issues affecting the Great Stone industrial park and to discuss the comparative advantages of Belarus within the EEU and how the country could participate in China’s new Silk Road project (see below).53 More than 40 agreements and memorandums were signed, for a total value of USD 3.5 billion. Furthermore, China promised Belarus a USD 7 billion loan, half of which available at a very low interest rate.54 Despite being showered with praise by Belarusian official media, the visit failed to convince skeptics that Belarus would gain any benefit from it at all. Once again, the question of the transition from Chinese tied loans to direct investment in the Belarusan economy went unanswered.

From September 26 to 28, 2016, it was Lukashenka’s turn to make another trip to Beijing. Once again, his meeting with Chinese officials failed to make any substantial progress in terms of the qualitative and strategic development of the two countries’ bilateral cooperation: some thirty technical agreements were signed, and the matter of the transition from tied loans to FDI was tackled, but not resolved.55 The main agreement that was signed concerns Belarus’s participation in a future “Digital Silk Road” (or “e-SilkRoad”): the two parties agreed on the establishment and joint use, with Chinese firms, of data centers in Belarus.56 In practice, this could allow the city of Minsk to benefit from Chinese investment in the 5G internet as part of the Silk Road Economic Belt project, while Belarus could become a platform for cross-border e-commerce between China and the future digital single market of the EU.57

The two parties also undertook to boost synergies between OBOR and Belarus’s forthcoming five-year plan, and to deepen their cooperation on infrastructure, transport, logistics and IT. This new boom in cooperation was formalized at the Silk Road Business Summit held in September 2016 in Xi’an (the historical starting point on the ancient Silk Road), when Belarus joined the Silk Road Chamber of International Commerce.

54. J. Daly, “China, Belarus Deepen Ties”, op cit. [22].
Belarus on the Silk Road Economic Belt

On September 7, 2013, on a visit to Kazakhstan, President Xi Jinping proposed establishing a new “Great Silk Road.” This “Silk Road Economic Belt” project quickly came to resemble a global strategy, although its outlines have remained deliberately vague. The initiative aims to develop or modernize land (three routes across the Eurasian landmass) and maritime transportation networks towards Europe, the biggest market for Chinese exports. China has committed to fund the project through a Silk Road Fund for which it provided the seed capital of USD 40 billion and, indirectly, via the Asian Infrastructure Investment Bank, which has funds of USD 100 billion with which to finance large projects. The fact that 57 countries have acquired shares in the Bank shows how much interest the initiative is generating.

The project aims to shape globalization in accordance with Chinese interests. The “economic belt” concept encompasses a series of existing bilateral agreements and covers several other axes of economic expansion — towards central Asia, south-east Asia and Asia-Pacific — in sectors that will be key to China’s future (commodities, energy, agriculture). In order to extend its cooperation with more distant markets, such as Europe, China must develop routes for multimodal transport and the related logistics through its north-south or continental interface. For Beijing, the idea is not to establish a closed regional bloc, extend its sphere of influence or impose its development model on neighboring countries. Chinese diplomats claim that this megaproject, which is an integral part of the OBOR initiative, is both inclusive and cooperative. Belarus has a legitimate place within the project, since China plans to include all its trading partners.

59. Ibid.
The springboard illusion

Decisions on which transportation infrastructure to modernize or develop in order to connect China to Western Europe come down to the investors themselves, who can choose from among several different routes, taking into account both costs and the time factor. Experts believe that, of the three potential land routes, the Eurasian continental route, which crosses Belarus (followed by Poland and Germany, before connecting with the port of Rotterdam), is the one that presents the best cost-to-time ratio for Chinese exporters. The first trains used it in 2011, and it has continued to be modernized ever since.

On 25 June 2015, a freight train made its first journey between the port city of Yingkou, in northeastern China, and Belarus. The cargo, which was transported in just 10 days, consisted of 50 containers of mechanical equipment (worth USD 6 million) to be delivered to the Tsentrolit foundry in Gomel. Since then, trainloads of freight have been transported along the route on a weekly basis.

Despite its location at the crossroads between the markets of the EEU and the EU, Belarus is of only moderate interest to Chinese investors. As we have seen, Chinese FDI in Belarus remains limited, whereas at the same time China has invested heavily in Kazakhstan, Russia and the CEE countries covered by the “16+1” initiative, particularly Hungary and Poland. This is because these countries, in China’s eyes, have comparative advantages over Belarus, such as access to the European single market, legislative stability and, in Ukraine’s case, access to the Black Sea that Belarus cannot offer. China has changed its tune since autumn 2016, however, with official commentators stressing that the two countries have a shared interest in becoming allies, since they are suffering “the same type of pressure from their international environment.” At a conference on OBOR held in Minsk in February 2017, China’s ambassador to Belarus, Cui Qiming, explained that China’s renewed attraction to Belarus was down to its “unique” geographical location at the junction of the EEU and

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60. Considerable investment would be required to upgrade the alternative route, which bypasses Russia in the south (and which covers a very similar path to that planned under the TRACECA program).
62. J. Daly, “China, Belarus Deepen Ties”, op cit. [22].
the EU, its well-developed transport and other infrastructure and its social stability, a factor which has been sorely lacking in Ukraine since 2014.

For some years now, official Belarusian rhetoric has boasted of the role of “stepping stone,” “springboard” or “vestibule” that the country could play for China. Even before the establishment of the Customs Union with Kazakhstan and Russia, the Belarusian authorities argued that their country could serve as an entrance to the markets of the Customs Union for Chinese investors, a claim that went against all geographical logic. They have also suggested on countless occasions that China should use Belarus as a strategic platform from which to promote Chinese interests in Western Europe.

However, rather than geographical proximity to the EU, it is institutional proximity — the existence of partnership and free-trade agreements with Brussels — that counts in China’s eyes, insofar as it might need a “vestibule” through which to access the single market, or intermediaries to lobby for its economic interests in Brussels, Paris or London.65 This is why Chinese diplomacy has above all deepened its political and economic ties with CEE countries, particularly the new EU members and accession candidates, such as Serbia (which is also covered by the 16+1 initiative) and even Turkey.66 Beyond this sphere of action, it has naturally preferred to work with Ukraine, which in 2014 signed a Deep and Comprehensive Free Trade Agreement with the EU. (Belarus, for its part, does not even have a Partnership and Cooperation Agreement with the EU.) The rapprochement with these countries aims to create a pro-Chinese lobby in Europe that is capable of influencing the EU’s decisions on China, something Minsk is hardly in a position to do.67

However, the situation has once again turned in Belarus’s favor since 2014 due to Russia’s intervention in Ukraine. The annexation of Crimea in 2014 put an end to Chinese plans to build a deep-water port on the peninsula. The agreement on the provision and modernization of port infrastructure, which had been negotiated with the former president, Viktor Yanukovych, was frozen after Russia annexed Crimea, forcing Beijing to carry out a full review of its road map in southeastern Europe. The war in the Donbass also compromised a number of Sino-Ukrainian projects in the areas of logistics, transport and, in particular, military-

industrial cooperation. Lukashenka, who systematically stresses that no “color revolution” could take place in his country, hopes to take over some of the contracts (and investment) that China initially intended to enter into with Ukraine, and that China wants to turn to a country that is more stable and, for now, less vulnerable.  

**Sino-Eurasian integration: what role for Belarus?**

On May 8–9, 2015, during celebrations for the anniversary of the end of the Second World War in Moscow, to which Xi Jinping was invited, Russia and China adopted a joint declaration of plans to “connect” their respective regional integration projects (the EEU and China’s Great Silk Road initiative). The establishment of a “Eurasian bridge” of this kind would involve the ongoing convergence of interests between Moscow and Beijing, a rapprochement which is not self-evident and which is, in reality, less advanced than Russian rhetoric would have people believe. Therefore, the actual realization of this integration will depend largely on the capacity of other EEU members to promote “the alignment of the OBOR project with the EEU,” which Belarus has undertaken to do, though it is too soon to judge whether it is capable of rising to the challenge.

The place that Belarus will occupy in this “Greater Eurasia” project in the future will depend above all on how Sino-Russian relations develop. The Chinese Silk Road initiative worried Russia at first, since it felt excluded from the process. Russia saw the project as an affront and a threat to the EEU, which Vladimir Putin had been personally trying to get off the ground since October 2011. For the Kremlin, Eurasian integration is a priority in terms of both prestige and power in a geopolitical space that is key to its security. The intensification of trade and cooperation between China and the countries of central Asia, and even Belarus, is theoretically in competition with Russia’s Eurasian project.

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70. M. Makocki, N. Popescu, “China and Russia: An Eastern Partnership in the Making?”, op. cit. [40].
71. Joint declaration by Xi Jinping and A. Lukashenka during the latter’s visit to Beijing, 29 September 2016.
Some believe that the EEU and Silk Road projects are fundamentally incompatible. Chinese diplomats made an effort to show that this was not true, however, arguing that Xi Jinping’s initiative did not resemble the Marshall Plan and that China had no (geo)political ambitions in Eurasia, but merely wished to establish economic ties that were as open as possible and in the interests of all. There are also plans to establish free-trade zones, though it is not yet clear whether China will seek to sign more bilateral free-trade agreements (its preferred form of interaction with the rest of the world), or whether it will adopt a regional and multilateral approach to cooperation, for example by signing a free-trade agreement with the EEU.

After a few months of hesitation, Russia admitted that the Chinese project did not threaten its hegemony in the post-Soviet region. The Kremlin and Russian business circles probably realized that it was better to take part in the project than to remain on the outside, and possibly even be sidelined. Some went so far as to suggest that the two initiatives could complement one another, with the EEU providing the institutional framework for integration, OBOR its economic and financial aspects, and the SCO its security. Since Beijing does not want to assume the international responsibilities that would come with political leadership in the region, it is feasible that it could share duties with Russia, which enjoys undisputed soft power on the Eurasian landmass and has clear geopolitical ambitions.

Thus, on May 8, 2015 a joint declaration was published that announced a “new phase” in the Sino-Russian strategic partnership: the operational connection of the EEU to China’s Silk Road Economic Belt. The text states that the two countries are also committed to developing...

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74. L. Zuokui, “The Role of Central and Eastern Europe in the Building of Silk Road Economic Belt”, op. cit. [61].
75. M. Kaczmarski, “China and Russia: Two Approaches to Integration”, op. cit. [73].
regional economic cooperation within the framework of the SCO, with a focus on improving the investment climate between member countries and boosting their industrial capacities. The Sino-Russian cooperation project was formally presented to the other EEU members shortly afterwards, on the sidelines of a joint summit of the SCO and the BRICS countries (Brazil, Russia, India, China and South Africa) organized by Russia in Ufa.

In 2015-2016, several dozen Sino-Russian bilateral agreements were signed, concerning in particular the extension towards China of a high-speed railway line between Moscow and Kazan and the preparation of a roadmap for connecting Russia’s Trans-Eurasian Belt initiative with the northern section of the Silk Road Economic Belt. According to Vladimir Yakunin, the former head of Russia’s railways and the main architect of this cooperation, the connection between the two initiatives is “an interstate and inter-civilizational project. It should be an alternative to the current (neoliberal) model, which caused the economic crisis. This project should set an example for the world to follow in the future, based on technological leadership, not the appropriation of technologies.” In reality, Russia is seeking in particular to capture rail transport flows, which, as a result of OBOR, as well as the Russian blockade of Ukrainian trade flows via Russia, have tended to bypass its territory.

The role that Belarus may or may not be able to play in the future development of Greater Eurasia will depend on the evolution of China’s relations with Russia, Kazakhstan and the United States, which are politically and economically much more important to Beijing than Belarus is. The “partnership of convenience” between Moscow and Beijing, which could lead to a genuine strategic alliance, could reshape the entire Eurasian landmass completely, even if for the moment it is hard to predict what direction it will take, or whether this rapprochement will be deep and long-lasting enough to make “Greater Eurasia” a sustainable reality.

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78. This initiative, which was presented in early 2015, aims to modernize and complement the existing (Trans-Siberian) rail infrastructure and to extend it with a view to eventually connecting the Atlantic Ocean with the Pacific. This transportation belt would involve the construction of new infrastructure, including roads, oil pipelines, intermodal nodes, and electricity and water networks. The megaproject, if it were to be carried out, would involve the creation of dozens of new towns and cities and thousands of jobs, thereby helping to resolve the problem of the isolation and depopulation of Siberia and the Russian Far East.

79. A. Lim, “China and the EEU. Prospects for the Silk Road Economic Belt”, op. cit. [20].


82. M. Duchâtel and F. Godement, “China and Russia. Gaming the West”, op. cit. [77].

83. M. Makocki and N. Popescu, “China and Russia: An Eastern Partnership in the Making?”, op. cit. [40].
Another unknown concerns the agenda of the Silk Road project, the routes it will take and the pace of the work involved. Belarus, like other junior partners of Russia within the EEU, will therefore have to carry out a delicate diplomatic balancing act, seeking to pursue its rapprochement with China, without giving Russia cause for concern or irritation. 

84. L. Zuokui, “The Role of Central and Eastern Europe in the Building of Silk Road Economic Belt”, op. cit. [61].
85. B. Düben, “Can the China-Russia Warmth Last?”, op. cit. [72].
Conclusion

The partnership between Minsk and Beijing has not yet met Belarus’s expectations. Due to the persistence of the practice of tied loans, the Belarusian economy has obtained only a modest benefit from Chinese investment and aid. Furthermore, the ongoing fall in Belarusian exports is exacerbating the structural imbalance in the two countries’ trade relations. A growing proportion of the political elite is therefore beginning to share the skepticism of Belarus’s population about President Lukashenka’s “Chinese dream.”

Nevertheless, China remains a key vector within Belarus’s foreign policy. The emergence of this vector is due in particular to the activism of pro-Chinese factions within the regime, who see the diversification of Belarus’s foreign economic relations as a way to gain more autonomy from Russia, including in political terms. Seen from this perspective, the move in 2013 to a “comprehensive strategic partnership” with Beijing represents a big step forward. This evolution has been reflected in particular through the intensification of economic and military-industrial cooperation. While Belarus is militarily very dependent on Russia and closely integrated into the joint air defense system of the Union State of Russia and Belarus, the fact that it has obtained its own missile launch system thanks to credit and technology transfers from China appears to be a provocation directed at Moscow, given the increasingly strained Russo-Belarusian bilateral relations of recent years.

If Belarus’s tilt toward autonomy irritates the Kremlin, Russia does not seem too worried about the intensification of Sino-Belarusian political-military relations. The prospect of a normalization of Belarus’s relations with the EU and the US is of greater concern. Russia is fairly certain that Beijing would not allow Belarusian interests to put its own relations with Moscow in danger, knowing that the Sino-Russian partnership is much more “strategic” from the Chinese point of view. Nevertheless, so as to avoid being sidelined on its post-Soviet turf, Russia has proposed that several logistics projects hitherto envisaged separately by the EEU and the Silk Road Economic Belt should be integrated in future. Russia therefore intends to limit opportunities for direct bilateral dialog between China and

86. P. Yurintsev, “Alexander Lukashenko’s Chinese dreams”, op. cit. [18].
the EEU member countries, thereby consolidating its domination of the Eurasian region, to the detriment of smaller EEU members like Belarus. For its part, China seems to want to use its privileged relations with Kazakhstan and Belarus to counterbalance the weight of Russia within the EEU and central Europe. Using Minsk as an intermediary, Beijing also plans to bolster the economic component of regional cooperation within the SCO, despite Moscow’s opposition to the “economization” of this security organization.87

Since the launch of the Silk Road project in 2013, China has diversified and intensified its foreign relations across all continents. In Europe, this has prompted fierce rivalry among several countries vying to become the preferred transit point for Chinese exports along the new Silk Road Economic Belt. From China’s perspective, though Belarus currently offers more advantages than Ukraine, it still offers fewer than most of the neighboring CEE countries and EU member states. This means that the Sino-Belarusian partnership is destined to have a relatively marginal impact on the EU, unless Belarus were to play a key role as an intermediary between OBOR and the EEU. For now, it is only the military dimension of the Sino-Belarusian partnership (which is also the most important aspect for China) that really merits any attention. In particular, it will be interesting to see whether and how China could use the strengthening of its military cooperation with Belarus to compete with Russia in its traditional export markets.

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