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Unimpeded trade and the construction of the China-Mongolia-Russia economic corridor: problems and prospects

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ABSTRACT

Relevance. The China-Mongolia-Russia Economic Corridor is the fastest growing of the six economic corridors within the 'Belt and Road' initiative. At the core of the Economic Corridor project is the concept of unimpeded trade, which is seen as a way to promote economic prosperity of the countries involved in the project and the cooperation between them. **Research objective.** Our goal is to provide an overview of all the key aspects of the unimpeded trade concept in the concept of the 'Belt and Road' initiative. **Data and methods.** The paper uses the method of abstract deduction, qualitative and quantitative analysis to evaluate the performance indicators related to unimpeded trade between China, Mongolia and Russia. It analyzes the conditions necessary for unimpeded trade under the framework of the China-Mongolia-Russia Economic Corridor. **Results.** It is shown that the three countries need to accelerate the construction of the necessary transportation infrastructure, create the China-Mongolia-Russia free trade zone, facilitate trade by lowering non-tariff trade barriers, and attract additional investment. **Conclusions.** The article provides an overview of the key aspects of the unimpeded trade concept within the 'Belt and Road' Initiative. The main barriers to efficient trade cooperation between China, Mongolia and Russia are identified and measures for overcoming them are proposed.

KEYWORDS

China-Mongolia-Russia Economic Corridor; Unimpeded Trade; trade facilitation; China-Mongolia-Russia FTA

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Беспрепятственная торговля и строительство экономического коридора Китай-Монголия-Россия: проблемы и перспективы

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АННОТАЦИЯ

Актуальность. Экономический коридор Китай-Монголия-Россия является самым быстрорастущим из шести экономических коридоров в рамках инициативы «Один пояс, один путь». В основе проекта экономического коридора лежит концепция беспрепятственной торговли, которая рассматривается как способ достижения экономического процветания стран, участвующих в проекте, и сотрудничества между ними. **Цель исследования.** Наша цель – провести обзор всех ключевых аспектов концепции беспрепятственной торговли в концепции инициативы «Один пояс, один путь». **Данные и методы.** В статье используется метод абстрактной дедукции, качественного и количественного анализа для оценки показателей эффективности, связанных с беспрепятственной торговлей между Китаем, Монголией и Россией. Анализируются условия, необходимые для беспрепятственной торговли в рамках экономического коридора Китай-Монголия-Россия. **Результаты.** Показано, что трем странам необходимо ускорить строительство необходимой транспортной инфраструктуры, создать зону свободной торговли Китай-Монголия-Россия, облегчить торговлю за счет снижения нетарифных торговых барьеров и привлечь дополнительные инвестиции. **Выводы.** В статье представлен обзор ключевых аспектов концепции беспрепятственной торговли в рамках инициативы «Один пояс, один путь». Выявлены основные препятствия на пути эффективного торгового сотрудничества между Китаем, Монголией и Россией и предложены меры по их преодолению.

КЛЮЧЕВЫЕ СЛОВА

экономический коридор Китай-Монголия-Россия; Беспрепятственная торговля; содействие торговле; ЗСТ Китай-Монголия-Россия

ДЛЯ ЦИТИРОВАНИЯ

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Introduction

Since being included in the overall framework of the ‘Belt and Road’ initiative in 2014, the China-Mongolia-Russia Economic Corridor, one of the six economic corridors, has become an important part of China’s international economic and trade cooperation with neighboring countries (Sodovyn & Saneev, 2019). Policy coordination, connectivity of infrastructure, unimpeded trade, financial integration and closer people-to-people ties are the core components of the ‘Belt and Road’ initiative and the ‘Five-Prolonged Approach’ (Tian Li & Yan Nan, 2018). Policy coordination is considered to underlie the other four components. Other key areas of the plan for the construction of the China-Mongolia-Russia Economic Corridor include strengthening production capacity and investment cooperation; deepening economic and trade cooperation. Five-year cooperation between China, Mongolia and Russia within the framework of the ‘Five-Prolonged Approach’ have brought some good results (Cao Mingchun & Alon Ilan, 2020).

Although China, Mongolia and Russia are all developing countries with a number of common interests and needs, there are also considerable differences between them in their international status, economic development, scale of foreign trade etc, and these differences are bound to have a direct or indirect impact on their cooperation (Cheng Yijun, 2017). Unimpeded trade is the key component in the innovative cooperation model of the ‘Silk Road Economic Belt’, since it will help the three countries expand their imports and exports, improve the quality of trade cooperation and the overall national welfare. The construction of the China-Mongolia-Russia Economic Corridor conforms to the common interests of the three countries and is intended to build a mutually beneficial ‘interest community’, ‘community with a shared future’ through trade cooperation.

This paper aims to present an overview of all the key aspects of the unimpeded trade concept, which is at the core of the ‘Belt and Road’ initiative. We are also going to formulate recommendations for eliminating investment and trade barriers, facilitating trade and establishing the China-Mongolia-Russia Free Trade Zone.

Theoretical framework and methodology

This paper relies on the method of abstract deduction, qualitative and quantitative analysis

to evaluate the performance indicators related to building unimpeded trade between China, Mongolia and Russia.

The Economic Corridor initiative attracted much attention of academic circles, especially scholars of the three countries – China, Mongolia, and Russia. Their analysis focuses on such questions as strategic value, cooperation foundation, opportunities and challenges of the construction of the Economic Corridor, involving politics, economy, trade, infrastructure, cultural exchanges, port construction, financial cooperation, tourism development, industry convergence, and many other spheres. We are going to provide only a brief overview of the body of research dealing with these matters.

Cheng Yijun (Cheng Yijun, 2017) and Tang Xiaodan highlight out huge differences in the scale of foreign trade between China, Russia and Mongolia, which may create problems that should not be ignored during the construction of the economic corridor (Tang Xiaodan, 2017).

Wang Shumin and Dai Rui believe that non-tariff trade barriers and infrastructure obstacles have led to the deterioration of the trade structure, and the low level of economic cooperation has led to the prevalence of primary products. The three countries should use their complementary advantages to enhance trade dependence, lift non-tariff trade barriers, and invest in the construction of customs infrastructure (Wang Shumin, & Dai Rui, 2017).

Yu Qun and Zheng Ge focus on the analysis of the trade structure, low trade convenience and capital gap in the construction of the China-Mongolia-Russia Economic Corridor (Yu Qun, & Zheng Ge, 2019).

Ostrovsky A.B. believes that the first level of regional trade cooperation between China and Russia is border trade cooperation. However, the current status of the Russian transport routes and border transport channels hinders the deepening of China-Russia economic and trade relations (Ostrovsky, 2016).

Qi Haishan analyzes the strategic aspect of the economic and trade cooperation based on the ‘Belt and Road’ initiative and compares the potential of the three countries in regional economic and trade cooperation, showing that China’s higher import demand has stimulated further development of the export supply of Russia and Mongolia and enhanced the potential of the economic corridor (Qi Haishan, 2015).

Wu Zhaoli et al. discusses the in-depth trade foundations of the Economic Corridor and points out that the three countries have good trade complementarity (Wu Zhaoli et al., 2016). The construction of the economic corridor meets the interests of all the parties and will improve the level of China-Mongolia-Russia economic and trade cooperation.

Chen Guotang and Zhang Jin discuss the feasibility of China-Mongolia-Russia economic and trade cooperation, analyze its constraints and outline further development prospects (Chen Guotang & Zhang Jin, 2017).

Dondokov Z. & G Borisov analyze the challenges faced by China's 'Silk Road Economic Belt' based on the results of the meetings among the leaders of the three countries in 2014 and 2015. They explore the possibility of realizing the development strategy of the three countries on the basis of construction of the economic corridor and consider the main areas of cooperation including trade (Dondokov Z., Borisov G., 2016).

Regarding the policy recommendations for China-Mongolia-Russia economic and trade cooperation, Mi Jun and Li Na believe that the potential of the China-Mongolia-Russia Economic Corridor is huge, but there are also problems that need to be considered such as weak economic ties, large financing gaps, poor border economic driving effects, and lagging Mongolian/Russian infrastructure construction. Regional cooperation should be achieved through institutional innovation (Mi Jun & Li Na, 2018).

Borisov G.O. et al. analyze the problems to the creation of the trilateral economic corridor and propose to establish a trilateral intergovernmental committee to facilitate healthy operation within the project (Borisov G.O. et al. 2017).

Zhan Li elaborates theoretical foundations of the regional economic integration within the China-Mongolia-Russia Economic Corridor and discusses the feasibility and necessity of establishing this free trade zone within a broader economic and political context as well as by looking at micro-level conditions such as specific economic investment cooperation (Zhan Li, 2015).

Bagenova E.C. believes that one of the measures to promote Sino-Russian economic and trade cooperation is the development of cross-border trade. China-Russia trade tariff zones, free economic zones and economic and technological development zones can be established in several steps (Bagenova E.C., 2017).

Thus, in this article we are going to concentrate on the conditions required to achieve unimpeded trade, the problems of building trade cooperation between the three countries, and the specific countermeasures that can be used to facilitate trade.

Results and discussion

The three countries' cooperation within the Economic Corridor project is based on a number of framework documents. In 2015, the 'Mid-Term Roadmap for China-Russia-Mongolia Development Cooperation' and the 'Memorandum of Understanding on the Preparation of the Outline for the Construction of the China-Mongolia-Russia Economic Corridor Planning' were signed. In 2016, the 'Outline for the Construction of the China-Mongolia-Russia Economic Corridor' was signed, which clarified the fundamental purpose, specific content, cooperation principles, funding sources and implementation mechanism of the project. In 2017, the three countries held a meeting of the working group for the implementation of the project, which became an important milestone in the development of their tripartite cooperation. In total, the leaders of the three countries have so far held five meetings.

In the China-Mongolia-Russia channel, several routes of the 'China-Russia-Europe' railway international freight train have been opened one after another (Komsta, et al., 2018). The construction of the first standard overseas railroad – the cross-border railway of Ceke port – started in 2016¹. When completed, it will become the west wing of the Economic Corridor and the fourth Eurasian Continental Bridge.

It should be noted that the 'Belt and Road' initiative encompasses the following six economic channels or 'development corridors': the New Eurasian Land Bridge Economic Corridor (NEL-BEC); China-Mongolia-Russia Economic Corridor (CMREC); China-Central Asia-West Asia Economic Corridor (CCWAEC); China-Indo-china Peninsular Economic Corridor (CICPEC); Bangladesh – China-India-Myanmar Economic Corridor (BCIMEC); and China-Pakistan Economic Corridor (CPEC). The advantages of the China-Mongolia-Russia Economic Corridor within the 'Belt and Road' initiative have become

¹ China Daily (2016). China breaks ground on northern cross-border standard-gauge railway line. Retrieved from: http://www.chinadaily.com.cn/m/innermongolia/2016-05/31/content_25551196.htm

increasingly prominent. The total foreign trade of the three countries is increasing year by year. With close economic and trade exchanges, there is still much room for growth in cooperation and development (Xiaoguang Qi, et al., 2020). In terms of finance, China-Russia cross-border e-commerce has developed rapidly, with free exchange of the yuan and ruble in border areas, cross-border financing by Chinese and Russian companies, and cross-border e-commerce payments.

The signing and continued renewal of the China-Mongolia local currency swap agreement will play a positive role in promoting Mongolia's economic recovery. In terms of culture and education, there are China-Russia and China-Mongolia culture and folk art exchange projects as well as a number of bilateral educational and research institutions (Yanan Zhao, 2020). The establishment of China-Russia-Mongolia 'Tea Road' International Tourism Alliance is also conducive to cultural exchange between the countries (Cai, Lingli, 2017).

Thus, the China-Mongolia-Russia Economic Corridor has become among the first projects within the 'Belt and Road' initiative that led to substantial cooperation. It was also the fastest-growing of the 'Belt and Road' six strategic channels.

Unimpeded Trade is the Key Content of Promoting the Construction of the 'Belt and Road'

The concept of unimpeded trade was formalized put forward in China's 'Vision and Actions for Promoting the Joint Construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road' released in 2015 (Koboevic et al., 2018). The concept of unimpeded trade has two main interconnected aspects: trade liberalization and investment facilitation. On the other hand, cross-border investment can enhance the countries' competitive advantages and create some new advantages, thereby promoting trade development.

In the light of the above, it seems reasonable to recommend that countries and regions involved in the Belt and Road initiative should take the following measures: creating mechanisms to facilitate free trade and remove investment and trade barriers; opening free trade areas to create a business-friendly environment at the regional and national levels and unleash the potential for cooperation; improve the transparency of technical measures and reduce non-tariff barriers in order to liberalize and facilitate trade; expand trading

areas and explore new growth areas in order to attain trade balance; integrate investment and trade; promote ecological conservation, protecting bio-diversity and addressing climate change, as part of investment and trade strategies; optimize industry, value, supply and service chains, and promote economic complementarity, interaction and mutual assistance between countries and regions; explore new opportunities for development and create an open economic environment that encourages the search for win-win solutions, promotes diversity, enhances security and increases efficiency.

The purpose of unimpeded trade is to meet the needs of economic globalization and regional economic integration, build a trading platform for consultation and cooperation between governments, trade organizations, and business groups along the route, deepen economic and trade exchanges between China and other countries, promote the regional economic factors, an efficient distribution of resources and market integration, and help countries to jointly create an open, inclusive, and balanced regional economic cooperation framework, laying a solid foundation for the common development of countries along the route. Thus, the concept of unimpeded trade is of considerable practical significance for strengthening the economic and trade cooperation and industrial research between China and the countries along the 'Belt and Road' route.

Challenges to unimpeded trade within the China-Mongolia-Russia Economic Corridor project

There has been a certain progress in the China-Mongolia-Russia Economic Corridor project as far as unimpeded trade is concerned (see Table 1). Compared with 2015, China-Russia, China-Mongolia, Mongolia-Russia trade increased by 74.4%, 69.3% and 63.9% respectively by 2019. However, the traditional trade structure – China's exports of mechanical and electrical products, metal products, textiles and raw materials to Russia and Mongolia and Russia's and Mongolia's exports of mineral products to China – has not changed.

At present, China's total investment in Russia has reached 50 billion US dollars, with energy and chemical industries accounting for 80% of this amount. Until 2017, Chinese companies established 27 economic and trade cooperation zones in Russia, with a total investment of US

\$ 3.225 billion. China is the second largest source of investment of Mongolia. By the end of 2018, cumulative investment in Mongolia was US \$ 4.76 billion, accounting for nearly 30% of Mongolia's total foreign direct investment. On August 23, 2018, China and Mongolia officially announced the launch of a joint feasibility study in preparation of concluding a free trade agreement.

All the three countries face certain difficulties in establishing 'unimpeded trade' relations with their partners. There are discrepancies in national policies, reflected in infrastructure construction and market access, national treatment, land use, labor quotas, visas, taxation system, customs clearance efficiency, and extreme environmentalist tendencies, investment and trade barriers.

On February 22, 2017, the World Trade Organization's 'Trade Facilitation Agreement' came into effect, and the agreement deepened the relevant provisions of General Agreement on Tariffs and Trade (GATT) regarding the publication and implementation of trade regulations, import and export fees and procedures, and freedom of transit. The agreement is aimed at encouraging countries to establish a modern comprehensive governance system of ports and stimulate them to create a more convenient customs clearance environment for product imports and exports, thereby facilitating trade and reducing transaction costs. On September 4, 2015, China announced its decision to accept the protocol of the WTO Agreement on Trade Facilitation. Russia and Mongolia also accepted the Agreement on Trade Facilitation on April 22 and November 29, 2016. The measures are undoubtedly of great significance to the realization of the regional trade facilitation among China, Mongolia and Russia. However, the level of China-Mongolia-Russia's trade facilitation is not

high, especially when the Northeast China participates in the construction of the China-Mongolia-Russia Economic Corridor. There are problems like insufficient transportation, lack of adequate infrastructure, low freight carrying capacity, and low customs clearance efficiency. It remains to be seen whether the three countries will manage to effectively implement the provisions of the 'Trade Facilitation Agreement', establish a modern port governance system and effectively improve their customs clearance capabilities.

Eliminating barriers to investment and trade. In recent years, in order to attract investment and improve domestic investment environment, China, Mongolia and Russia have reforms the corresponding national legislation. For example, in 2013, Mongolia promulgated a new foreign investment law. In 2014, Russia revised the 'Russian Federation Foreign Investment Law' and other relevant laws. After the 'Foreign Investment Law' being promulgated in 2015, China put into force the 'Foreign Investment Law of the People's Republic of China' on January 1, 2020.

The 'Agreement on Encouragement and Mutual Protection of Investment' between China and Mongolia was signed in 1991. A similar agreement between China and Russia was signed in 2009. These two bilateral investment agreements have so far failed to adapt to the development of the economic and trade relations and changes in domestic policies and laws. Therefore, it is imperative to further enhance the depth and breadth of trade cooperation between China, Mongolia, and Russia, and sign a new agreement in line with the new situation.

Tackling business environment problems. Although Chinese economy enjoys stable development, and business environment has greatly im-

Table 1

Bilateral Imports and Exports of China, Mongolia, and Russia in 2015–2019 (billion dollars)

Characteristic		Year				
		2015	2016	2017	2018	2019
Russia's total import and export		5264	4681	5853	6871	6720
Mongolia's total import and export		84.67	82.75	105.38	128.87	137.00
China-Russia	Import and export	636.00	661.16	869.60	1082.8	1109.2
	Proportion of Russia's import and export	12.1	14.1	14.9	15.7	16.6
China-Mongolia	Import and export	52.58	49.63	66.82	85.00	88.58
	Proportion of Mongolia's import and export	62.1	59.9	63.4	65.9	64.7
Mongolia-Russia	Import and export	10.98	9.36	12.88	17.86	18.00
	Proportion of Mongolia's import and export	12.9	11.3	12.2	13.9	13.1
	Proportion of Russia's import and export	0.2	0.2	0.2	0.3	0.2

Source: Russian Board of Customs, ERINA, Analysis of Trends in Northeast Asia National Bureau of Statistics of Mongolia.

proved in the recent years, there are still many challenges that need to be addressed at the current stage. The system of administrative control and the corresponding state policy should be reformed. Moreover, Chinese companies are having difficulties with overcoming the high market entry threshold and administrative barriers.

According to the Economic Evaluation of Russia published by the Organization for Economic Cooperation and Development in 2014², Russia needs to make certain changes to its business environment, for example, lower the administrative barriers, especially on the regional level, and harmonize the tariff system in each region. There are many problems in the Russian investment environment because of the monopoly of local oligarchs and due to constantly changing local legislation (Li Xin, 2015). Since 2014, the United States and Europe have been taking turns to impose economic sanctions on Russia. The sanctions, coupled with the slow recovery of the world economy and the fall in international oil prices, hit the Russian economy hard, making its already unhealthy market environment even worse (Gao Yijie, 2015).

In the last three years, Mongolia has made amendments to its laws on foreign investment, which resulted in a large number of foreign-funded companies entering the market. Nevertheless, although the Mongolian government passed the new Foreign Investment Law in 2013 and announced the ‘Three Pillars Development Policy’ in 2018, making an effort to improve the investment environment, the country’s legislators often need to balance the interests between the supporters of the ‘opening-up’ policy and proponents of resource nationalism. Thus, Mongolia’s investment environment still remains uncertain (E Xiaomei, 2017).

Constructing free trade zones. China regards negotiation and establishment of free trade zones as an important economic policy. According to the statistics of the Free Trade Service Zone Network of the Ministry of Commerce, China has signed in total 15 free trade agreements, involving 23 countries and regions³. For China it is important that Mongolia is striving to develop its

cooperation with other Asian countries, which means that it is necessary to create conditions that would be conducive to such cooperation. For instance, the Economic Partnership Agreement between Mongolia and Japan entered into force on June 7, 2016⁴. On July 18, 2016, Mongolia and South Korea launched a joint study of the ‘Economic Partnership Agreement’, and the feasibility report was soon completed⁵. The negotiations between the two governments are likely to be held in the near future, which shows that Mongolia is willing to develop its own economy in the form of free trade agreements. On May 12, 2017, China and Mongolia announced the launch of a joint feasibility study to sign a free trade agreement, thus officially starting the process of building a bilateral free trade zone⁶. Russia is also planning to establish a free trade zone to promote economic integration in the Asia-Pacific region. According to the WTO statistics, Russia has signed in total 10 free trade zone agreements⁷. Most of the free trade agreements signed by Russia are with CIS countries and countries of the Eurasian Economic Union. The Joint Communiqué of the 21st Meeting of Chinese and Russian Prime Ministers stated in November 2016⁸ states the following goals: ‘Jointly promote the negotiation of the Economic and Trade Cooperation Agreement between the People’s Republic of China and the Eurasian Economic Union, increase the level of trade facilitation, and promote the development of trade and investment’. China and Russia, however, have not yet made a formal announcement of their plans to sign a free trade agreement. Both Russia and

⁴ Ministry of Foreign Affairs of Japan (2016). Entry into force of the Agreement between Japan and Mongolia for an Economic Partnership and holding of the first Joint Committee meeting. Retrieved from: https://www.mofa.go.jp/press/release/press3e_000062.html#:~:text=The%20Japan%2D-Mongolia%20Economic%20Partnership,legal%20procedures%20in%20both%20countries.&text=Lundeg%20Purev-suren%2C%20Minister%20for%20Foreign%20Affairs%20from%20Mongolian%20side

⁵ UN Partnership for Action on Green Economy (2019). Trade and Green Economy in Mongolia. Retrieved from: https://www.un-page.org/files/public/trade_and_green_economy_in_mongolia-technical_report.pdf

⁶ China FTA Network (2017). China and Mongolia launch joint feasibility study of free trade agreement (In Chinese). Retrieved from: http://fta.mofcom.gov.cn/article/china-mongol/chinamongolnews/201705/35064_1.html

⁷ Russian Federation and the WTO. Retrieved from: https://www.wto.org/english/thewto_e/countries_e/russia_e.htm

⁸ The Russian Government (2019). 24th regular meeting of Russian and Chinese heads of government. Retrieved from: <http://government.ru/en/news/37872/>

² OECD (2014). OECD Economic Surveys. RUSSIAN FEDERATION. Retrieved from: http://www.oecd.org/economy/surveys/Overview_RUSIA_2013.pdf

³ OECD (2018). China’s Belt and Road Initiative in the Global Trade, Investment and Finance Landscape. Retrieved from: <https://www.oecd.org/finance/Chinas-Belt-and-Road-Initiative-in-the-global-trade-investment-and-finance-landscape.pdf>

China have proposed to establish a free trade zone through the Shanghai Cooperation Organization, but it is only under discussion, and it remains still unclear how these plans will be realized in practice⁹.

Various challenges in the establishment of unimpeded trade between China, Mongolia and Russia are bound to create obstacles to the construction of the economic corridor and economic integration.

Conclusions

The trade relations between Russia, Mongolia and China currently follow the ‘raw materials for consumer goods’ models, which means that China buys in Russia raw materials for processing and manufacturing and then exports the manufactured goods. In this situation, the range of commodities purchased by China is rather limited. Further development of their cooperation requires the parties to adjust the trade structure and cultivate new trade growth points, for example, promote cooperation in the high-tech sphere and implement strategic large-scale projects in biotechnology, aerospace, military industry, nuclear energy industry, and modern agriculture. These important moves may still be difficult to realize in the short term due to trade restrictions. The governments of the three countries need to go to great lengths in order to create a good business environment. In terms of unimpeded trade, the three countries need to actively promote infrastructure construction, build the China-Mongolia-Russia free trade zone, and facilitate trade.

For unimpeded trade, infrastructure construction is crucial. One of the key areas for cooperation in the construction of the Chi-

na-Mongolia-Russia Economic Corridor is transportation. However, the existing infrastructure often cannot meet the requirements of transportation and customs clearance to varying degrees. Therefore, the three countries must increase their investment in infrastructure, build electric power and communication facilities, accelerate the construction of roads and bridges at the border ports, improve the transportation capacity of highways, railways and waterways, and further reduce the logistics cost of trade.

The Chinese, Mongolian and Russian leaders have reached the consensus that they should build modern border crossings in accordance with the WTO’s Trade Facilitation Agreement, and on this basis, they will make persistent efforts to formulate more advanced Eurasian trade facilitation agreements. We believe that for effective cooperation between Russia, China and Mongolia, it is necessary to do the following: first, create expert groups comprising specialists from each of the three countries to explore the prospects of implementation of the agreements that are currently in force; second, use the experience accumulated in the Test Free Trade Zone; third, follow through with the ‘Trade Facilitation Agreement’; and, finally, to create an integrated information platform for exchange of data between the three countries’ governmental agencies.

The construction of the China-Mongolia-Russia Economic Corridor can stimulate the construction of the China-Mongolia-Russia Free Trade Area (FTA) to promote economic and trade exchanges between the countries. Although in the current conditions China, Mongolia and Russia are yet unable to build a free trade zone, pilot projects for creating smaller-scale cross-border free trade zones and bonded areas can lay the foundation for more extensive cooperation in this sphere.

⁹ Cankao Xiaoxi (2016 – 03 – 05). China and Russia are planning to join hands to build the Eurasian Free Trade Zone. (In Chin.)

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