

Лай Вантао

студент магистратуры, Гуандунский университет иностранных языков и внешней торговли, г. Гуанчжоу, Китай, Программа академического обмена совместно с ФГБОУ ВО «Государственный университет управления», г. Москва, Российская Федерация

e-mail: 893255697@qq.com

Е Донгмей

студент магистратуры, Гуандунский университет иностранных языков и внешней торговли, г. Гуанчжоу, Китай, Программа академического обмена совместно с ФГБОУ ВО «Государственный университет управления», г. Москва, Российская Федерация

e-mail: 3033749470@qq.com

Женг Дуанан

студент магистратуры, Гуандунский университет иностранных языков и внешней торговли, г. Гуанчжоу, Китай, Программа академического обмена совместно с ФГБОУ ВО «Государственный университет управления», г. Москва, Российская Федерация

e-mail: 1174203489@qq.com

Lai Wantao

Master of degree student, Guangdong University of Foreign Studies, Guangzhou, China, Academic Exchange Program with State University of Management, Moscow, Russia

e-mail: 893255697@qq.com

Ye Dongmei

Master of degree student, Guangdong University of Foreign Studies, Guangzhou, China, Academic Exchange Program with State University of Management, Moscow, Russia

e-mail: 3033749470@qq.com

Zheng Duanan

Master of degree student, Guangdong University of Foreign Studies, Guangzhou, China, Academic Exchange Program with State University of Management, Moscow, Russia

e-mail: 1174203489@qq.com

Новые направления в китайско-российском предпринимательстве

Аннотация

Не только долгая история китайско-российской экономической коммуникации, но и удачные сроки, географическое удобство и хорошие человеческие отношения помогают создать прочную основу для современного сотрудничества между Китаем и Россией, а также предоставляют предпринимателям подходящие возможности для глобальной работы на российском и китайском рынке. В статье исследованы некоторые новые тенденции в предпринимательстве, которые наблюдаются как в Китае, так и в России. Выявлены причины, лежащие в основе этих новых тенденций. Изучены правовые основы развития китайско-российских торгово-экономических отношений. Рассмотрена двусторонняя торговля России и Китая с внедрением инновационных технологий. Проанализирована работа китайских предпринимателей в России. Дана оценка российского рынка и его потенциала китайцами. Описаны заключение двусторонних китайско-российских соглашений, создание совместных предприятий, а также трудности, с которыми приходится сталкиваться китайским бизнесменам в России. Исследована работа российских предпринимателей в Китае. Показаны возможности для ведения бизнеса россиянами в Китае. Отмечена заинтересованность китайского правительства и деловых кругов в российских инвестициях, двустороннем экономическом и культурном сотрудничестве. Китайцы рассматривают такие хорошие отношения между Китаем и Россией как «медовый месяц». В рамках «медового месяца» хочется верить, что китайские и российские предприниматели воспользуются предоставленной возможностью, расширяя трансграничные связи в сфере электронной торговли, содействуя техническому обмену и создавая беспроигрышную ситуацию как для китайцев, так и для россиян.

Ключевые слова:

предпринимательство, товарооборот, торговое сотрудничество, взаимное инвестирование, торговые партнеры, G20, БРИКС, ШОС, международные рамки АТЭС, устранение торговых барьеров, снижение затрат в торговле и инвестициях, повышение скорости и качества регионального экономического цикла, Индустриальный парк высоких технологий Шелковый путь.

Цитирование: Лай В., Е Дуанан, Женг Д. Новые направления в китайско-российском предпринимательстве // Управление. 2019. № 1. С. 72–76.

New trends in Sino-Russian entrepreneurship

Abstract

Not only the long history of Sino-Russian economic communication but also Good timing, geographical convenience and good human relations help build up a solid foundation for modern cooperation between China and Russia as well as provide entrepreneurs with good opportunities to process global operation in Russian market or Chinese market. This paper explores some new trends in entrepreneurship, which are both in China and Russia and pinpoint the underlying reasons behind those new trends. The article studies the legal framework for the development of Chinese-Russian trade and economic relations. The bilateral trade of Russia and China with the introduction of innovative technologies has been considered. The work of Chinese entrepreneurs in Russia has been analyzed. The assessment of the Russian market and its potential by the Chinese has been given. The conclusion of bilateral Sino-Russian agreements, the establishment of joint ventures, as well as the difficulties that Chinese businessmen have to deal with in Russia have been described. The work of Russian entrepreneurs in China has been examined. The opportunities for Russians to do business in China have been shown. The interest of the Chinese government and business circles in Russian investments, bilateral economic and cultural cooperation has been noted. Chinese regard such good relationships between China and Russia as "honeymoon". Under "honeymoon", it is believed that Chinese and Russian entrepreneurs should seize the opportunity, expanding cross-border e-commerce communication, promoting technical exchange, and creating a win-win situation for both Chinese and Russians.

Keywords:

entrepreneurship, bilateral trade, trade cooperation, mutual investment, trading partners, G20, BRICS, SCO, APEC international framework, trade barriers elimination, trade and investment costs reducing, regional economic cycle speed and quality improvement, Silk Road hi-tech Industrial park.

For citation: Lai W., Ye Dongmei, Zheng D. New trends in Sino-Russian entrepreneurship (2019) *Upravlenie*, 7 (1), pp. 72–76. doi: 10.26425/2309-3633-2019-1-72-76

© Лай В., Е Дуанан, Женг Д., 2019. Статья доступна по лицензии Creative Commons «Attribution» («Атрибуция») 4.0. всемирная. (<http://creativecommons.org/licenses/by/4.0/>)

The Author(s), 2019. This is an open access article under the CC BY 4.0 license (<http://creativecommons.org/licenses/by/4.0/>)



Background information

Speaking of Sino-Russian relations, the two countries are each other's largest neighbors. The friendly relations between China and Russia can be traced back to the former Soviet Union. In 1949, the Soviet Union was the first country in the world to establish diplomatic relations with People's Republic of China. In 1991, after the disintegration of the Soviet Union, Russia inherited the diplomatic relations between the Soviet Union and China.

At the beginning of the new century, the leaders of two sides signed the "The Treaty of Good-Neighborliness and Friendly Cooperation Between the People's Republic of China and the Russian Federation", a twenty-year strategic treaty [1]. This is a milestone document for the development of Sino-Russian relations as it laid a solid legal foundation for long-term good-neighborly friendship and mutually beneficial cooperation between the two countries. Furthermore, China has established "Comprehensive Strategic Partnership of Coordination" with Russia [2]. Also, both countries stay close coordination in some international framework such as G20, BRICS, SCO and APEC. China and Russia are good partners, good friends and good neighbors, which provides a fair, harmonious and safe political environment for bilateral trade.

China and Russia not only have a friendly relationship on the political front, but also have a mutually beneficial cooperation in economy and trade. As an important part of the "Comprehensive Strategic Partnership of Coordination", the economic and trade cooperation between the two countries has been deepening during these years.

In the whole, Sino-Russian import and export trade volume maintains double-digit growth and has reached 69,5 billion US dollars in 2016 [3]. At present, the promotion of the cooperation of large projects in the fields of finance, energy, nuclear energy, aviation, aerospace, science and technology, transportation and communication lead to flourishing of local economic and trade cooperation. In the future, the two countries will continue to broaden the areas of cooperation and become increasingly active in mutual investment. China has become Russia's largest trading partner for six consecutive years from 2011 to 2016. Total direct investment from China to Russian non-financial sector has reached 4,42 billion US dollars and average annual growth of more than 40 % in the past 10 years [5].

When President Putin came to power in 2000, the national economic development strategy was brought on the agenda. Investment policies conducive to investment were introduced, which has actively promoted Sino-Russian economic and trade cooperation. Regular meeting mechanism between Chinese and Russian Prime Ministers is built up to maintain and gradually normalize high level development of Sino-China pragmatic cooperation.

On the other hand, in 2015, China has initiated the "One Belt, One Road" development strategic framework, which respectively stands for "The Silk Road Economic Belt" and "The 21st-century Maritime Silk Road", to rekindle and boost the connection and cooperation between countries included. Under this great initiative, countries could communicate economic development strategy and countermeasure to each other to eliminate trade barriers, reduce trade and investment costs, and improve regional economic cycle speed and quality. Furthermore, cross-border transport infrastructure will be constructed to facilitate the countries' economic development and personnel exchanges. Russia as a significant node in this framework will benefit.

Due to economic sanctions imposed by US and European countries in 2015, the ruble has devalued dramatically. But in the recent two years, the ruble exchange rate has gradually stabilized recently and has risen slowly. This will undoubtedly regain trust of investors in the future.

According to the above analysis, the macro-environment for Sino-Russia trade development is in a relatively ideal situation, which lays a substantial and fertile soil for entrepreneurs to display their innovation, creativity and entrepreneurialism and realize their career goals.

Chinese entrepreneurs in Russia

Sino-Russian economic and trade relations, business cooperation has been strengthening. Since 2010, China has been Russia's largest trading country for six years. Recently, Sino-Russian trade has entered the "structural adjustment period" from the "rapid growth period". Development of economic and trade cooperation is insufficient, but bilateral trade still has a good foundation and great potential for cooperation and needs to be generated on cultivating and excavating new growth points of bilateral trade [4]. Many economic factors boom in this stage: Sino-Russian cross-border e-commerce potential is enormous, innovation field coincidentally become the common ground of Sino-Russian Economic development. Both of China and Russia actively invest in cooperation to promote trade growth. Based on this reality, how can Chinese entrepreneurs actively seize the opportunity, enter the Russian market, and help promote a win-win situation for both China and Russia?

First, seize the huge potential of the e-commerce market. Data from Russian Electric Business association shows the first half of 2016, the Russian electricity market size up to 405 billion RUB (about 6,3 billion US dollar), grew by 26 % compared with last year. To be detailed, 143,1 billion RUB (about 2,2 billion US dollar) for cross-border electricity trade, a year-on-36 %, accounted 35 % of the total Russian trade. The association

expects that the Russian electricity market will reach 900 billion rubles (about 14,1 billion US dollar) in 2016, and 18,4 % increase in the year [7]. Nowadays, Russia has two major Chinese electric business platforms – Jing Dong and Alibaba fast-selling. Half of Russia's cross-border electric business undergoes with China. Since 2011, Russia's cross-border electronic business turnover has been increasing, and as forecast, end in 2016, Sino-Russian cross-border electricity trading volume can reach 2,5 billion US dollars [10].

Besides, Russia also actively encourages Chinese brands to enter into Russian market through the e-commerce. In 2016, the largest Eastern European e-commerce expo was held at the Moscow Exhibition Centre. Rufavor (as the ECOM Organizing committee OBOROT, Russia's largest e-commerce Portal) designated China as exclusive joint organizers, performing Sino-Russian Trade ambassador identity.

Jack Ma, founder of Alibaba Group, Chairman of the Board of directors attended the St. Petersburg International Economic Forum, and published a lecture on the topic from information technology to data technology: A new era of commerce and trade, he said, Russian market has enormous potential in Europe and "Fast Selling" has become the most popular web site in Russia in the last three years. Alibaba processes rapid development by virtue of the enormous market share in the Russian market. At the beginning of September 2018 after the resolutions of the Annual Meeting of the World Economic Forum in Davos (January 2018) the Chinese e-commerce giant Alibaba Group and Russian telecommunication company Megaphone, Internet-corporation Mail.Ru Group and the Russian Fond of Direct Investments (RFDI) declared on the new joint project AliExpress Russia which will run the social e-commerce. It will cover both Russia and the former Soviet republics. Its goal is the key e-commerce and Internet platforms integration within Russia. Chinese entrepreneurs should rely on reference to supplement other marginal markets and improve China's electricity market in Russia net. "Global trade must be simple and modernized; it must be inclusive, so everyone has the same opportunity. The next generation of globalization must be inclusive" [9].

Second, Sino-Russian economic Development focuses on the construction of innovation. It will also be a chance for Chinese entrepreneurs to open the Russian market. In 2014, Russian President Vladimir Putin announced that Russia began implementing national technology innovation strategy. In 2016, the CPC Central Committee and the State Council issued the "National Innovation-driven Development strategy". October 2014, China and Russia signed a memorandum

of cooperation on the development and construction of the Sino-Russian Silk Road hi-tech Industrial park, "Sino-Russian Silk Road innovation and entrepreneurship plan and US pace project", which all provides fundamental support and encouragement for Chinese entrepreneurs to set up emerging industry. Entrepreneurs can take this as the benchmark, grasp the overall cognition of trade structure, focus on the basic situation of Sino-Russian trade, conduct product industry analysis, chose the most powerful breakthrough point. The theme of Russia's sixth Innovation Industry Exhibition 'Made in China' is a good example. Exhibitors of Chinese enterprises are 133 in total, including high-speed rail, aerospace, aviation, ships, electric power, automobiles, electronics, machinery, nuclear energy, satellite navigation and other 10 plates [12]. For example: The latest standard high-speed railway EMU model "CRH" and the alpine wind-resistant sand train model; the independent design of the C919 large aircraft and ARJ-21 feeder aircraft, and the space Technology of Chang's No. 3 detector. All of these have made a benchmark model for Chinese entrepreneurs in the field of innovation [8].

Last, Chinese entrepreneurs' R&D are required to be based on Russian economic situation and bilateral trade structure. For example, Russia has an absolute competitive advantage in energy, but is slightly thinner in light industry development. Therefore, Chinese entrepreneurs need to consider the structure of export products, as well as the high inflation of Russia, and the current situation of declining disposable income in Russia. More practical export product at a relatively low price is preferable, compared with expensive luxuries.

In short, under the background of the growing era of e-commerce trade, Chinese entrepreneurs should seize the enormous development potential of e-commerce, combine innovative product demand, optimize export structure, clarify product positioning, and strive to open the Russian market, promote good trade cooperation and economic exchanges between the two countries.

Russian entrepreneurs in China

One of our friends who have settled in Jixi (Jixi City, located in the southeastern part of Heilongjiang Province; because the city is in the foot of the Jiguan Shan Mountain, it got its name. In east and southeast part of Jixi, there are two rivers – the River Ussuri and the River Song'acha. Russia is in the opposite of these two rivers) for a long time told us that, "Every day I can see a lot of Russians. They are beautiful, generous and strong, and they have the features that are generally owned by the Russians. They are shouting at the top of their voice to attract the attention

of the people in order to do their businesses even though the weather is cold. We communicate with each other, we buy each other's goods ... The interesting thing is that in Manchuria, a city of Inner Mongolia, you will see a large group of Russians, who have never met before, have arrived from the opposite of the river. It's really surprising and funny".

From our friend's story, we can see that today's Sino-Russian relations are developing soundly. We regard this period as honeymoon. Under this background, there will be some new changes about the fact that Russians start up business in China. We can predict that on the one hand, there will be fewer barriers and more opportunities to Russian entrepreneurship in China. On the other hand, inevitably there exist some challenges.

For the Russian entrepreneurs in China, today is an essential opportunity. As an old Chinese proverb goes: "Good timing, geographical convenience and good human relations".

We start from good timing. First, China and Russia maintain close cooperation in many aspects such as politics, military, natural resources and so on. Under the strong oppression from the United States, Sino-Russian relations are heating up, which is like China and the Soviet Union's friendly diplomatic relations during the Cold War. Under the strong influence of political factors, the Sino-Russian relations seem indestructible. Secondly, as college students, we have been able to deeply feel the power of Mass entrepreneurship and innovation in the campus. Mass entrepreneurship and innovation is a new policy in China, which aims to improve the employment environment and strengthen innovative power. China is strongly supporting innovation and entrepreneurship, and in this context, the Russian entrepreneurs will enjoy the Chinese government's various welfares.

Now we come to geographical convenience. China and Russia have the geographical advantage which other countries are difficult to surpass. On October 20th, 2016, "Russian entrepreneurial street" was opened in the Sino-Russian border Suifen River (or River Razdolnaya in Russia) and many Russian entrepreneurs stationed here [6]. "Russian entrepreneurial street" is the first business street, which concentrates on serving the Russian businessmen in Chinese history. This business street aims to provide a good platform for entrepreneurship in China. In the street, the Russians reap many benefits from Chinese government, such as free rent for two years, assisting in handling business license and so on, which greatly improved the confidence of the Russians to start their own business in China, but also help more and more Russians to complete the dream of entrepreneurship.

The last, but not the least, we begin to discuss good human relations, communication and cooperation. Since the time the cross-cultural communication theory appeared with its key question "Why don't we understand each other?", the debates have not stopped, yet they have grown stronger all the time. But we have been asking the rhetorical question. We communicate with the representatives of other cultures. The answer being evident at the first glance is not so easy. We may choose the exhaustive answer as an ultimate destination: we, obtaining our own cultural code, will never understand the alien. Keeping it in mind we can do the only rational thing, we can speculate about it [11]. The fact of being here in Moscow gives us a room for it. We don't come to the final outcomes, but we induce our logical thinking for our better comprehension of the reasons of this sort of misunderstanding. Since we have studied in Moscow, we can see that many things are clear to us and we can easily cooperate and communicate with the Russians, more over we can deeply feel the friendly relations among us. In Arbat Street, we can see Chinese tourists everywhere. In Suzdal town, the seller of honey wine can easily speak fluent Chinese. Here in Moscow, there are several Chinese markets and restaurants... And in China, Russian dramas "Catherine the Great" or «Как я стал русским» (How I turned into Russian) become more and more popular among the university students (without speaking on Nikolay Ostrovsky's autobiographical movie); Chinese regard Russian as fighting nation which is intrepid and lion-hearted; President Putin has become a lot of Chinese people's idol... In 2015, China Fengdong town implemented "USpace remote incubator" project. At the same time, Russia has also established a "Startup" platform. Through the combination of USpace and Startup projects, etc., young people from China and Russia are supported to innovation and entrepreneurship and the youth on both sides can have good cooperation with each other because of mutual interest and desire to be involved in this process of communication.

Библиографический список

1. Договор о добрососедстве, дружбе и сотрудничестве между Китайской Народной Республикой и Российской Федерацией, подписан в Москве 16 июля 2001 г. [Электронный ресурс]. — Режим доступа: <https://rg.ru/2009/03/20/russia-kitai-dok.html> (дата обращения: 01.02.2019).
2. Всеобъемлющее партнерство и стратегическое взаимодействие Российской Федерации и Китайской Народной Республики, подписано 8 мая 2015 г. в Москве [Электронный ресурс]. — Режим доступа: www.kremlin.ru/supplement/5218 (дата обращения: 01.02.2019).
3. 2016 Sino-Russian import and export trade volume increased by 2,2 % / Ministry of Commerce of People's Republic of China [Электронный ресурс]. — Режим доступа: <http://www.mofcom.gov.cn/article/tongjiziliao/fuwzn/oymytj/201701/20170102502299.shtml> (дата обращения: 01.02.2019).
4. Analysis of Sino-Russian trade situation in 2017 years / Heilongjiang Government's report [Электронный ресурс]. — Режим доступа: <http://www.hlj.gov.cn/ztlz/system/2017/02/24/010813976.shtml> (дата обращения: 01.02.2019).
5. China for 6 consecutive years being Russia's largest trading partner [Электронный ресурс]. — Режим доступа: http://www.twtn.com/detail_228456.htm (дата обращения: 01.02.2019).
6. China News Network Chinese first "Russian business Avenue" was opened in the border Suifen river, October 20th, 2016 [Электронный ресурс]. — Режим доступа: <http://www.chinanews.com/sh/2016/10-20/8038214.shtml> (дата обращения: 01.02.2019).
7. China's direct investment in Russia in 2016 exceeded 14 billion US dollars / Heihe People's Government [Электронный ресурс]. — Режим доступа: <http://www.heihe.gov.cn/html/2016-12/9-27-25-95167.html> (дата обращения: 01.02.2019).
8. China's largest aviation manufacturing enterprise debut in Russia's International Innovation Industry Exhibition [Электронный ресурс]. — Режим доступа: <http://world.people.com.cn/n/2015/0708/c1002-27271690.html> (дата обращения: 01.02.2019).
9. Jack Ma on the IQ of love — and other top quotes from his Davos interview [Электронный ресурс]. — Режим доступа: <https://www.weforum.org/agenda/2018/01/jack-ma-davos-top-quotes/> (дата обращения: 01.02.2019).
10. Ma Yun says future trade belongs to small and medium-sized enterprises / China electric merchants exploit Russian market / CRI online [Электронный ресурс]. — Режим доступа: <http://news.163.com/15/0620/10/ASI1KTL900014JB5.html> (дата обращения: 01.02.2019).
11. Talalova, L. N. What for do we learn the foreign languages, or why do we always have problems within the cross-cultural communication? // Youth of the XXI C. in a Scientific, Cultural and Educational Environment: New Values, Challenges, Perspectives: Proceedings of the International Youth Scientific Conf. Part I. November 20–22, 2017. M.: RUDN University, 2017. P. 451–454.
12. Zhao Jing, 133 Company "Zhi-making China" debut in Russia next week, Reporter of Shanghai Securities [Электронный ресурс]. — Режим доступа: <http://finance.sina.com.cn/roll/20150703/032322578990.shtml> (дата обращения: 01.02.2019).

References

1. Dogovor o dobrososedstve, druzhbe i sotrudnichestve mezhdru Kitaiskoi Narodnoi Respublikoi i Rossiiskoi Federatsiei, podpisan v Moskve 16 iyulya 2019 [The Treaty of good-neighborliness and friendly cooperation between the People's Republic of China and the Russian Federation]. Available at: <https://rg.ru/2009/03/20/russia-kitai-dok.html> (accessed 01.02.2019).
2. Vseob'emlushchee partherstvo i strategicheskoe vzaimod-eistvie Rossiiskoi Federatsii i Kitaiskoi Narodnoi Respubliki, podpisano 8 maya 2015 v Moskve [Comprehensive strategic partnership of coordination]. Available at: www.kremlin.ru/supplement/5218 (accessed 01.02.2019).
3. 2016 Sino-Russian import and export trade volume increased by 2,2 % / Ministry of Commerce of People's Republic of China Available at: <http://www.mofcom.gov.cn/article/tongjiziliao/fuwzn/oymytj/201701/20170102502299.shtml> (accessed 01.02.2019).
4. Analysis of Sino-Russian trade situation in 2017 years / Heilongjiang Government's report Available at: <http://www.hlj.gov.cn/ztlz/system/2017/02/24/010813976.shtml> (accessed 01.02.2019).
5. China's direct investment in Russia in 2016 exceeded 14 billion US dollars / Heihe People's Government Available at: <http://www.heihe.gov.cn/html/2016-12/9-27-25-95167.html> (accessed 01.02.2019).
6. China for 6 consecutive years being Russia's largest trading partner / China Economic.cn. Available at: http://www.twtn.com/detail_228456.htm (accessed 01.02.2019).
7. China News Network Chinese first "Russian business Avenue" was opened in the border Suifen river, October 20th, 2016. Available at: <http://www.chinanews.com/sh/2016/10-20/8038214.shtml> (accessed 01.02.2019).
8. China's largest aviation manufacturing enterprise debut in Russia's International Innovation Industry Exhibition / people.cn. Available at: <http://world.people.com.cn/n/2015/0708/c1002-27271690.html> (accessed 01.02.2019).
9. Jack Ma on the IQ of love — and other top quotes from his Davos interview. Available at: <https://www.weforum.org/agenda/2018/01/jack-ma-davos-top-quotes/> (accessed 01.02.2019).
10. Ma Yun says future trade belongs to small and medium-sized enterprises / China electric merchants exploit Russian market / CRI online. Available at: <http://news.163.com/15/0620/10/ASI1KTL900014JB5.html> (accessed 01.02.2019).
11. Talalova L. N. What for do we learn the foreign languages, or why do we always have problems within the cross-cultural communication? Youth of the XXI C. in a Scientific, Cultural and Educational Environment: New Values, Challenges, Perspectives: Proceedings of the International Youth Scientific Conf. Part I. November 20–22, 2017. Moscow: RUDN University, 2017, pp. 451–454.
12. Zhao Jing, 133 Company "Zhi-making China" debut in Russia next week, Reporter of Shanghai Securities Available at: <http://finance.sina.com.cn/roll/20150703/032322578990.shtml> (accessed 01.02.2019).