

Are India and Japan Challenging the Belt and Road Initiative (BRI) in Russia's Far East?

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Although the Russian Far East has huge investment potential in the fields of raw materials, mineral resources, fisheries, forestry's and tourism, it still remains a sparely populated area of only around 7 million people. With China, India, Japan, Indonesia and Russia projected to be some of the world's biggest economies by 2030 according to many experts, the 21st Century has been dubbed as the "Asian Century," and it is for this reason that Russian President Vladimir Putin has prioritized the rapid development of the Russian Far East.

The region is not only resource rich, but is also conveniently located in northeast Asia, bordering Mongolia, China and North Korea, while sharing a maritime border with Japan. It is so strategic and rich that only weeks ago French President Emmanuel Macron expressed his belief that Europe stretches from Lisbon on the Atlantic Coast to the Russian Pacific port of Vladivostok. Vladivostok has hosted the Eastern Economic Forum annually ever since its establishment 2015, in part to attract foreign investors to diversify from only Chinese investments in the Russian Far East. China has invested tens of billions into the region, making it easily the biggest foreign investor in the region.

However, with Indian Prime Minister Modi on the eve of Vladivostok's 5th Eastern Economic Forum proposing a trilateral cooperation between India, Russia and Japan by jointly developing the Russian Far East, it appears that China's economic influence in the region will be challenged. Although China emphasizes peaceful relations through mutual economic development and prosperity, it still has frosty relations with Japan and India. It is therefore unsurprising that India and Japan have opted to invest in the Russian Far East to challenge China's economic might in a region that also shares a vast border with China.

India, Japan and Sri Lanka signed an agreement to build a new container terminal in the port of Colombo, demonstrating that New Delhi and Tokyo have experience in cooperating in a trilateral format. With India opting to be the only South Asian country not involved in the Belt and Road Initiative (BRI), India continues to show coldness to China as the latter continues to rapidly develop neighboring countries, especially with Nepal and rival Pakistan. With the BRI developing Sri Lanka, it appears India and Japan are creating a new economic duo to match China's economic strength, and are now prepared to take this to a new front away from Sri Lanka and to the Russian Far East.

Japan's investments in the Russian Far East's economy already exceeds \$15 billion and will continue to develop, according to Japanese Prime Minister Shinzo Abe. And with India also expressing its interest, the Russian Far East has become a promising place for all prospectors. With Russian President Vladimir Putin offering free land handouts in the Far East to Russians and naturalized citizens in May 2016, it demonstrates that Russia has identified that if it wants to benefit from Asia's rapid development and economic dominance in the 21st century, it needs to develop its regions in Asia.

With the development of the region naturally meaning increased trade and cultural exchanges with China, tens of thousands of Chinese citizens have now migrated to the region in search of opportunities and establish themselves as merchants and entrepreneurs. Whether we begin seeing Indian and Japanese merchants in the Russian Far East remains to be seen.

With India and China competing in Nepal and border issues on the Indian-Chinese frontier remaining unresolved in New Delhi's eyes, it appears that India is now wanting to compete against China in a region that has had connections with China for millennia. Russia has been encouraging more and diversified investments in the Far East and Japan and India will take every opportunity to do this.

Russia and China remain strategic partners and are also pragmatic international players that continue to pursue a policy of non-interference. Therefore, although China has frosty relations with Japan and India, it can respect Russia's ties with both countries. This pragmatism has now allowed India and Japan to engage in a friendly competition for economic influence over Russia's resource rich region. Although both Japan and China invest in raw material and energy projects in the Far East, India will be a new player to this sector with Indian Oil and Gas Minister Dharmendra Pradhan expressing his long-term interest in the Russian coal and steel sector during his visit to Russia last week.

With India becoming increasingly energy hungry because of its enormous and growing population, alongside its economic development, it is easily seen why the resource rich Russian region is of critical importance to it. For Japan, the region presents unmatched economic opportunities. Most interestingly to observe is whether India and Japan will continue to work in trilateral formats to continue expanding their economic interests and challenge the BRI in other regions. It appears now that after their cooperation in Sri Lanka, their second step is to challenge the expansion of the BRI in Russia's Far East by competing for lucrative contracts and opportunities that the region can offer.

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Paul Antonopoulos is Director of the Multipolar research centre.

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