On May 12, the Russian government held a meeting in Moscow to discuss developing partnerships with countries in the Asia Pacific region. Prime Minister Dmitry Medvedev noted the main prospects of fostering closer economic ties with these countries: "60% of the global GDP and almost 45% of the entire volume of accumulated foreign direct investment is clustered in the Asia Pacific region, and this enormous market opens up very significant opportunities. Of course, we need to utilize these opportunities to their full extent."

These opportunities should also be taken advantage of because the economic state of the European Union (Russia’s main trading partner today) cannot be called stable. Meanwhile on the political arena, under pressure from Washington, the EU is presently showing pronounced aggression towards Russia. It appears that the European Union is not an independent government institution and it is plainly clear that it is under Washington’s full political and military control. The latter is hardly interested in gains for its junior partner and is ready to sacrifice them for its own profits. American claims to rule through global diktat cannot be called an adequate representation of the country’s actual position, while their behavior has recently become increasingly more opportunistic and irresponsible. In this situation, skewing the Russian energy trade towards Europe seems fairly dangerous. It is necessary to instead deeply diversify this trade and this can be accomplished practically only through China, Japan, Korea and a few other countries in East Asia.

There is a possibility to trade energy resources (gas in particular) with India, but there are a host of problems here, mainly linked with Afghanistan, Pakistan and the U.S. The latter see Afghanistan as a heroin manufacturing plant and any sort of pipelines in Afghanistan are of no use to Washington. Correspondingly, developing economic ties with East Asia is not simply a profitable affair with hefty prospects, but it is practically a vital necessity.

What can Russia offer on the East Asian market? The main goods would be:

- Oil and gas (majority of the goods)
- Nuclear energy
- Weapons
- Space services and GLONASS
- Transit potential

Since 2010 (considering separate countries), China has had the largest amount of trade with Russia and is in fourth place for accumulated investment.

In expanding into the East Asian markets, Russia faces problems caused by the government of Japan, a country that is politically subordinate to the U.S. Japan has known territorial disputes with Russia. Until the Land of the Rising Sun gains real independence from Washington, these territorial issues will not be resolved.

Meanwhile, Japan has accumulated a whole host of very difficult problems as of late, and several of them are related directly to its dependence on the U.S.

According to its finance ministry, Japan’s foreign trade deficit shot up to ¥10.87 trillion ($107 billion). The deficit
increased by 19.6% due to the large amount of imports in the previous fiscal period and amounted to ¥80.67 trillion ($791 billion). After operations at all nuclear power plants were halted due to the accident at Fukushima, Japan has been forced to buy additional energy resources to meet its needs. This is why oil import expenses increased by 18.4% and liquefied natural gas imports increased by 18.2% in the last fiscal year. Up until now, Japan has imported most of its LNG from Australia, Qatar and Brunei.

It would appear that in a situation like this, it is necessary to immediately foster good neighborly ties with Russia and to invest in developing oil and gas deposits in Siberia and the Far East. Alas, national interests are not as important to the Japanese government as those of the White House. On Friday, March 29, the U.S. Department of State announced its intentions to begin exporting shale gas to Japan. This begs a fairly logical question. In what way could natural gas from Sakhalin possibly be more expensive than shale gas from the U.S?

Exploiting its vassal states is a very lucrative business for the White House and is a good plan for keeping the American economy afloat. Washington orders its trusted henchmen to refuse Russian gas under the pretext of sanctions and offers them its own shale gas instead, with a hefty markup of course. After all, someone has to fund democracy, isn’t that right?

Head of the State Duma Committee on Energy Ivan Grachev stated last year in Tokyo (RIA Novosti) that Japan needs to realize the following: there will be no utopia, there will be no cheap shale gas and there will be no cheap renewable energy. Gas prices will only continue to rise. One can only see lower prices by participating in projects with high added value and by receiving additional profits. Ivan Grachev stated, “For the Russian Federation, this is the best scenario. The eastern oil and gas-rich provinces have very complex gas: it contains a lot of helium, ethane, propane and butane. Using propane and butane separately increases the added value ten-fold. Thus the opportunities for everyone involved in the project are simply colossal.” Grachev stated that Japan has cutting-edge technology to separate helium. For the Russian Federation, using it “would mean lowering the investment and the technological risks”.

At a session of the Government Commission on the Socio-Economic Development of the Far East which took place on April 25 of this year, Prime Minister Dmitry Medvedev confirmed that the Far East is the absolute strategic priority for Russia, although a very challenging one. According to the prime minister, to develop the region’s economy, it is necessary to first overcome certain inertia, primarily bureaucratic, to stimulate the creation of import-substituting technologies and to move towards exporting finished products and services with a high added value.

The Far East needs to find its own niche both within Russia and in the international division of labor while also integrating into the international chain of industrial cooperation. The first order of business is to raise various parameters to the levels exhibited in the developed economies of the Asia Pacific region, which include taxation and administrative burden.

There is presently a host of promising projects for the Far East, the ambitious Eastern Petrochemical Company project in particular that mainly follows along the Rosneft line, which is currently headed by Igor Sechin.

Rosneft has increased its investments into the Far Eastern Federal District from 19 billion rubles to 37 billion rubles between 2011 and 2013, which is almost double. By 2015, the company plans to once again double this to 79 billion. From 2012 to 2015, the annual growth will be around 25-30% in constant price, which roughly corresponds to the dynamics seen in China.

The volume of investments into current Rosneft projects in the Far East and in East Siberia amounted to 158 billion rubles in 2013. These facilities employ around 20,000 people who contributed around 300 billion rubles into the budget in 2013. This is the present situation.

According to Igor Sechin, Rosneft’s new projects will ensure that the annual volume of investments into the country’s eastern regions reach over 300 billion rubles by 2020. Budget revenue during the life cycle of these projects is estimated to be almost 14 trillion rubles. In this way, Rosneft’s investment activities turn into a key factor influencing the economic development of the Far Eastern Federal District.

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