



ALEXANDER PANOV

Member of the Advisory Board of the Security Council of the Russian Federation

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Thank you. If I heard you correctly, you are saying that politics and the Ukraine crisis in particular pose a challenge to the geo economic enterprise that we have just heard about from Professor Foucher. Our next speaker is Alexander Panov, who is a member of the Advisory Board of the Security Council of the Russian Federation, who will give us a Russian view on the evolution of geopolitics and geo economics in Eurasia.

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Thank you. I cannot say that I will speak about the Russian position; it is more my position, and I would like to explain my views on how the integration process is going on in this vast area, what the perspectives are and what we might expect.

First of all, I would like to say that the idea of a united Eurasia is not a new one. Many politicians, starting with President De Gaulle of France in the 1960s during the last century, have put forward the idea of a united Europe or Eurasia, from Lisbon to Vladivostok. This was in the Cold War period when Europe and the world was divided but this great statement put forward the idea which we are now discussing more concretely. President De Gaulle therefore had a real vision of the future.

Russia also viewed itself as being both European and Asian, as Eurasia, and in January of this year President Putin proposed in Brussels that as a first step negotiations could be started for the integration and creation up until 2020 of free trade between the European Union and the Customs Union, with Russia, Belarus and Kazakhstan. Foreign Minister Lavrov in his public speech in November this year mentioned the concept of forming a united economic and humanitarian space from Lisbon to Vladivostok and it is important that the Minister talked about this despite the current crisis in European Russian and American Russian relations.

The crisis is now in a difficult stage but we need to understand that every crisis will be settled in the end. However, ideas exist and work despite crises. We also have the concept of President Xi Xin Ping of China for the Silk Road economic belt and the 21st Century Maritime Silk Road, known in short as the One Belt and One Road Initiative. This concept was put forward without any clear explanation and not only was this put forward without a clear explanation, but politicians usually put forward all initiatives of this type without any concrete explanation. Later, scholars, advisers and business people have to try to understand what is behind them all and we here are now trying to understand what it is and what it might be. The Chinese explained to Russia that Russia was included in the concept and that China will be cooperative. However, as we have just heard from our Chinese colleague, any country in the world can participate. This is still a very vague idea and it is not clear to Russia what its role might be. Might it be that Russia will just see high speed trains travelling from Beijing to Europe and wave at them as they go by? Perhaps Russia will be a passenger in the train with its own commodities or it may even be driving the train. There are therefore a lot of questions that are not clear.

I would also say that it is very important that the President of the Republic of Korea, Mme Park Geun hye, declared a Eurasian initiative which envisions connecting the Eurasian continent, and removing obstacles that hinder exchanges to make the continent a viable single entity. In this sense, we have the concept of a united Eurasia from Lisbon to Busan. This is therefore another concept.



It is difficult to foresee a united Eurasia, but perhaps the first step on the road could be the integration of integrations within these vast territories. However, returning to the initiative from the President of the Republic of Korea, Russia has supported this idea from the very beginning and President Putin has explained his approach to it. Moreover, the initiative is fully in line with Russian proposals, with one of the initiatives linking the trans Korean and trans Siberian railways to ensure quick, reliable, safe low cost transportation of goods between Asia and Europe.

In implementing large scale plans for developing the Far East, Russia is interested in using obvious advantages, namely the developed relations with North Korea and the Republic of Korea. There are a number of projects in which Moscow, Seoul and Pyongyang are already involved in, particularly those in the transport and energy sectors. During his visit to Seoul in November last year, President Putin said the following at the press conference: 'This tripartite cooperation should not be a hostage of politics; on the contrary, it should become an important consolidating and reconciling factor'.

Russia has already taken certain practical steps aimed at renovating the railway system and developing port facilities in North Korea. The results of that are visible. In November of this year, 40,000 tonnes of coal from Russia was transported by a railway that was modernised by Russia to a new port at Rajin in North Korea that was built almost completely by Russia and coal was then shipped to the Republic of Korea. This is just a first step but we are subsequently planning for container transportation to make use of the port facilities. Russia, the Republic of Korea and North Korea are also discussing a project to build a gas pipeline from Russia through the territory of both Korean states and if both Koreas can reach agreement, this plan could be carried through quite quickly and will help create an atmosphere of trust between the two Korean states. For the Eurasian initiative to succeed, the Korean Peninsula must first of all dismantle the wall of distrust. We understand that this will not be easy but we should try to move things in this direction.

We have already heard about the Eurasian Economic Union (EEU), which will begin its activity on 1 January of next year and I would like to add to what our chairman has said in terms of what the Eurasian Economic Union means. Firstly, it is seen as being very rich in energy, producing 20.7% of the world's natural gas and 14.6% of the world's oil. It also produces 9% of the world's electrical energy and 6% of the world's coal. Six of the eight major Asian highways go through the territory of the Eurasian Economic Union and these connect the EEU to many countries in Europe and Asia. The EEU has already established the Eurasian Development Bank and the bank has provided finance totalling more than USD 4.5 billion to investment projects in the member states. There is a plan to have a common currency union in a span of five to 10 years and under the programme of creating the single market of the Single Economic Space there is a goal to achieve four freedoms: the free movement of goods, capital, services and people. Experts predict a 25% growth in the EEU's member states by 2030. We have already heard that Armenia and Kazakhstan will join the organisation and China has already reacted positively to its creation and foresees the prospect of combining the Silk Road strategy with the activity of the EEU. It is also interesting that when the Foreign Minister of Germany, Frank Walter Steinmeier, was visiting Moscow in November of this year he stated that it was important to establish dialogue between the European Union and the Eurasian Economic Union.

However, there are not only supporters of this union; there are also opponents. Some politicians and scholars see the EEU as a Russian idea for reuniting many of the former Soviet Republics and restoring the Russian Empire. When she was Secretary of State for the USA, Hilary Clinton openly expressed opposition in December 2012 to the creation of the Eurasian Economic Union, claiming that it was an attempt to re establish a USSR type union among the former Soviet Republics and she promised to figure out effective ways to slow down or prevent it. Unfortunately, what we are now seeing in the Ukraine may be regarded as one of those types of efforts.

For Russia, it is natural that one of its main geopolitical interests lies in ever closer integration with the former Soviet Republics that are part of Eurasia. It is clear that this has nothing to do with any intention to restore the Soviet empire. It may not of course be the same approach but when we see the strong interest of the United States in creating a transatlantic partnership, there are no objections. However, you could also say that what the United States is trying to do is to control Europe economically. Some people may of course say that, but Europe will perhaps reject that interpretation. Why is it a bad thing when Russia is trying to develop economic cooperation but when the United States is planning a partnership of that kind and not only a transatlantic partnership but also a trans Pacific partnership it is a good thing?



In conclusion, we not only now have declarations of intentions but already some concrete plans and arrangements for the creation step by step of a united economic Eurasia. This is not an easy process and there are many obstacles in the way, which are not only economic but are also political. I would repeat that under the circumstances perhaps the most practical approach will be what I would call 'the integration of integrations'.