EMERGING INSIGHTS

Russia’s Economic Pivot to Asia in a Shifting Regional Environment

Richard Connolly
INTRODUCTION

Russia’s ‘turn to the East’ (povorot na vostok) has been underway for around a decade.¹ Before 2014, the ‘Pivot’ was principally concerned with exploiting the rapid economic growth in Asia. But events in 2014 gave it a more explicit geopolitical rationale. As relations with the Euro-Atlantic community deteriorated following Russia’s annexation of Crimea and the outbreak of hostilities in southeastern Ukraine, Moscow’s need to diversify its foreign relations became urgent. The Pivot was suddenly as much away from the West as it was towards the Asia-Pacific.² The Russian leadership emphasised the importance of using the Pivot to both improve Russia’s geopolitical position and stimulate the development of Russia’s Far East (RFE) and other resource-rich regions, such as Siberia and the Arctic.

Superficially, this process has gathered momentum over the past decade. Russia today enjoys closer economic relations with China, which is now both its largest trade and most important strategic partner. Moscow has also invested considerable efforts in diversifying Russia’s relations with the wider Asia-Pacific region.³ This is important to Russia’s leadership because it might help prevent Russia from becoming excessively dependent on trade with China in the future. Some success has been achieved. India remains an important and longstanding partner, as do countries like Vietnam and Bangladesh. Moscow has also managed to achieve some success in opening new markets and building relationships with the likes of Indonesia, Myanmar and Singapore. However, for all the effort that Moscow has made to establish closer economic ties with the countries of the Asia-Pacific, the Pivot is dominated by the shift to China. Worryingly for the Kremlin, the emergence of the Indo-Pacific regional idea – conceived by Moscow largely in security terms and seen as driven by the US and its allies in an attempt to contain Chinese influence and marginalise Russia – threatens to further complicate Moscow’s plans to build closer economic ties beyond China.

² The terms ‘Asia-Pacific’ and ‘Indo-Pacific’ essentially refer to the same geographic region. However, they reflect contrasting visions of how the two regions will develop in a political sense. The US-led concept of the Indo-Pacific, built on the Quad security architecture, is seen by Moscow (and Beijing) as an attempt to contain the influence of China and Russia in the region. As a result, Moscow is hostile to this concept of the region and has instead continued to refer to the region as the Asia-Pacific, founded on the politically more neutral ASEAN institutional architecture. See Neil Melvin, ‘Russia and the Indo-Pacific Security Concept’, RUSI Emerging Insights, May 2021.
This Emerging Insights paper seeks to answer three main questions:

1. What are Moscow's ambitions for its ‘turn to the East’ policy?

2. What progress has been achieved to date?

3. How might the rise of the Indo-Pacific regional concept affect Russia’s ability to foster close economic ties with countries now being grouped within it?

To answer these questions, the paper analyses public statements from the Russian leadership, official strategic planning documents produced by Russian government bodies, Russian-language media reports, and data on trade and investment.

The paper is structured as follows. The first section outlines the economic dimension of Moscow's strategic objectives in Asia, arguing that Russia's Pivot is designed to simultaneously increase its strategic autonomy on the global stage and to help develop its economy, especially the RFE. This is followed by a brief description of the progress that Russia has made in bringing about closer economic relations with the countries of the Asia-Pacific. It is noted that while China's share of trade with Russia has grown sharply, the share of other Asia-Pacific countries has not grown at all. Furthermore, the bulk of the investment activity that is undertaken to promote Moscow's goal of more closely linking the RFE with the economies of the Asia-Pacific region is carried out by state-owned Russian enterprises engaged in ‘mega projects’ in the natural resources sector. The only significant new Asian investment in the region is from China. Very few projects of note in the Far East involve actors from countries elsewhere in the Asia-Pacific. A third and concluding section considers how the emerging US-led concept of the Indo-Pacific region might affect Moscow's attempts to forge closer economic and political ties with the countries of the region. It is argued that Moscow may find its position in the region is weakened, especially in those countries, like India, that are seeking to balance Chinese power by aligning themselves more closely with the US. This could make it even harder for Russia to establish a larger economic footprint across the region and ultimately leave Russia even closer to China.

MOSCOW’S REGIONAL ECONOMIC OBJECTIVES

Moscow's economic objectives in the Asia-Pacific are a subset of its wider strategic agenda to help create a multipolar world in which Russia's influence and strategic autonomy are enhanced.4 To this end, policymakers have

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accelerated efforts to diversify Russia’s foreign economic relations. In 2012, President Vladimir Putin expressed the hope that Russia would be able to ‘catch some of China’s wind in the sails of our economy’. This would, he argued, result in greater mutual investment and enhanced collaboration between the countries’ scientific and productive enterprises.

Moscow also hoped that the Pivot would provide a boost to regional economic development in Russia’s Arctic and Far East. Developing the RFE has been a declared objective for policymakers in Moscow since the Soviet period. Yet, in practice, the region has remained at the periphery of Russia’s political economy. The end of central planning after the 1980s meant that the true cost of economic activity in the remote and inhospitable region was revealed. As a result, investment in the region slumped and the population shrank. The Pivot was seen as a means to reverse this process. By attracting investment from Asia-Pacific powers into the region’s resource base, the RFE would be well positioned to serve as the country’s gateway to the East.

Officials stressed Russia’s commitment to developing economic ties with the wider Asia-Pacific region, an objective made explicit in numerous official strategy documents published over the past decade. These documents, which seek to define the future direction of Russia’s foreign policy and economic development, chart a clear course towards the diversification of the country’s foreign economic relations beyond traditional partners in Europe and towards new, rapidly growing partners across the Asia-Pacific. By bolstering economic ties with the countries of the region, the reorientation of Russia’s foreign economic policy is viewed by Moscow as supporting a broader shift towards a multipolar – or ‘polycentric’ – global order. A successful pivot, it is hoped, will afford Russia greater freedom as a geopolitical actor.

These objectives were articulated in, for instance, the National Security Strategy (2015 and 2021) and the Economic Security Strategy (2017), which both referenced the need to reduce Russia’s exposure to politically motivated

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economic pressure (such as Western sanctions) and to any deterioration in performance in any part of the global economy (such as Europe). This reduction in vulnerability would, in turn, help to enhance Russia's economic security and sovereignty. The Asia-Pacific, with its dynamic and rapidly growing economy, is the most important component in this respect. Other strategy documents explicitly highlight its importance in plans to expand Russia's exports of energy, nuclear power plants (NPPs), armaments and food.

The Russian Energy Strategy to 2035, approved in 2020, focuses on increasing the production and export of oil and gas, principally to the rapidly growing economies of Asia. Indeed, the energy 'pivot' is the most important component of the shift towards Asia. While demand for hydrocarbons is forecast to decline in high-income European economies, it is expected to rise briskly in China, India and other parts of the Asia-Pacific, leading the authors to declare that Russia should aim to exploit these sources of demand growth. The strategy sets an ambitious target of increasing energy exports to Asia so that they form at least half of all Russian energy exports by 2035.

The nuclear power industry is also seen as important to Russia maintaining its place as one of the world's leading energy suppliers, especially as most construction projects currently underway are in the Asia-Pacific region (Bangladesh, China and India). Rosatom's Development Strategy stated the objective of increasing the share of revenues from foreign sales from around a third in 2011 to 'over two thirds' by 2016. Russia's position as an energy superpower is, therefore, intimately linked to its ability to foster closer ties with the Asia-Pacific.

Arms sales have played an important role in helping Moscow form closer ties with politically aligned states and expanding its influence. The primary objective of arms exports, it is declared, is to strengthen 'the military-political position of the Russian Federation in various regions of the world'. This is as true of the Asia-Pacific as any other region. Arms sales have served as the basis for Russia's economic ties with the likes of India, Bangladesh, Myanmar, Vietnam and Malaysia, and Moscow is seeking to penetrate new markets in the future.

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The agricultural industry has also recently emerged as another sector of strategic importance, and one that can help Moscow foster closer ties with the Asia-Pacific region. As food production grew rapidly after 2010, Russia’s leaders began to speak of increasing Russia’s share of global food exports, especially in grain. By 2018, Putin declared the ambitious objective of exporting $45-billion worth of food products annually by 2024. A year later, food exports collectively accounted for a greater share of total exports than all other products, except for oil and gas. According to one specialist on the Russian food industry, the ‘food export target is a political goal, one that is driven by a desire to increase the international influence and prestige of Russia’. Senior Russian officials have stated the objective of increasing grain exports to 40–50 million tons by 2025, with a focus on Asia-Pacific and Middle Eastern markets.

HOW SUCCESSFUL HAS RUSSIA’S ECONOMIC PIVOT TO ASIA BEEN?

The success of Russia’s Pivot to Asia can be measured by assessing its progress in increasing trade with countries from the region and in attracting investment, especially in Russia’s Arctic and Far East regions, both of which have been earmarked as having the potential to underpin Russia’s turn to the East.

TRADE WITH THE ASIA-PACIFIC

Energy exports have been the most successful component of Russia’s Pivot. In 2019, Russian exports to the East Asia and Pacific region reached nearly $95 billion. Of this, sales of crude and refined oil accounted for $55 billion. However, the vast majority of this was sold to China ($37 billion), facilitated by the completion of the ESPO oil pipeline in 2010. Other major economies from the region, such as Japan ($3.7 billion) and South Korea ($9.7 billion), imported a much smaller volume of oil, perpetuating a longstanding failure to exploit their proximity to Russia to become more closely involved in the Russian energy sector. Across the entire Asia-Pacific region, only Singapore imported more than 1 billion dollars’ worth of oil.

19. This tendency was discussed in 2013 by two specialists on the subject. Little has changed. See Elena Shadrina and Michael Bradshaw, ‘Russia’s Energy Governance Transitions and Implications for Enhanced Cooperation with China, Japan, and South Korea’, Post-Soviet Affairs (Vol. 29, No. 6, 2013), pp. 461–99.
Exports of oil to the region are likely to rise further in the future. Rosneft’s giant Vostok project in the northern Arctic is projected to ship between 50 and 100 million tonnes of oil each year by 2030, all to be transported along the Northern Sea Route to Asia.²⁰ But whether this extra oil reaches a wider range of markets or simply reinforces Moscow’s dependence on Chinese demand remains to be seen.

Sales of gas and coal have reached a more diverse range of customers, although the value of these exports is a fraction of oil sales, with gas exports to the Asia-Pacific amounting to a mere $6 billion in 2019. Japan was the largest Asia-Pacific buyer of Russian gas, accounting for over 10% of Russian gas sales abroad. This is impressive given the absence of a pipeline connecting the two countries. South Korea accounted for 3.5% of all gas exports, while China was responsible for a mere 1.8%. Nevertheless, this will change as gas supplies along the Power of Siberia (Sila Sibiri) pipeline grow towards the annual capacity of 38 billion cubic metres, a volume that will no doubt be accompanied by rising liquified natural gas (LNG) supplies. It is therefore likely that China will be the largest consumer of Russian gas in the region by 2025 and possibly even the world by the end of the decade.

A similar story is evident in Russian coal exports to the region. China, Japan and South Korea each accounted for around 12% of total Russian sales abroad in 2019. This was supplemented by significant sales to India (3.7%), Taiwan (3.6%), Vietnam (3%) and Malaysia (2.3%). But, as with gas exports, Chinese demand is expected to outpace that of other countries in the region over the coming years. Russia’s new Coal Strategy to 2035 is focused on increasing exports to the Asia-Pacific over the next decade and a half.²¹ However, Sergei Chemezov – head of Rostec, a stakeholder in A-Property, the owner of the giant Elgin deposit – revealed that the development of the domestic rail and port infrastructure at Vanino and Vera is designed to facilitate a sharp increase in exports to China, raising the prospect of Russia replacing Australia as China’s primary source of coal.²²

NPPs have proven to be one of the few hi-tech products that Russia has been able to export to the Asia-Pacific region. Russia exports more NPPs than any other country, with Rosatom accounting for a quarter of the world’s NPP gross generating capacity under construction.²³ Rosatom is in various

stages of building four reactors at two different sites – Bangladesh (Rooppur 1 and 2) and India (Kudankulam 3 and 4) – with work scheduled to begin on a further four reactors in China (Tianwan 7 and 8 and Xudabao 3 and 4). However, efforts to expand sales to other countries in the region, such as Indonesia and Vietnam, have so far stalled. Perhaps more importantly, Russia’s position as the only supplier of reactors to India may also have come to an end after it was announced in March 2019 that US firms would help build six new reactors.\textsuperscript{24}

Exports of other products to the Asia-Pacific region are much smaller in value than hydrocarbon exports. In one of the few success stories of economic diversification over the past decade, Russia has emerged as a leading exporter of grains, principally wheat and barley. While markets in the Asia-Pacific region have been identified as key growth markets, grain exports are concentrated on markets in the Middle East and North Africa, such as Egypt and Turkey. By comparison, demand from the Asia-Pacific region is weak. The only countries to buy Russian grain on a meaningful scale are Bangladesh (6.4% of wheat exports in 2019) and Indonesia (0.9%). Therefore, while the region may represent an important market for the future, for now that potential remains largely untapped.

Russia has also traditionally served as a major supplier of weapons to the Asia-Pacific region. China and India have served as the biggest customers, accounting for the majority of sales to the region. However, Chinese demand for Russian arms has slumped over the past decade and is now restricted to a small number of high-end systems that the Chinese defence industry is so far unable to produce itself, such as the S-400 air-defence system. At the same time, China is also emerging as a competitor to Russia.\textsuperscript{25} India, which has a longstanding arms supply relationship with Russia, has also started to diversify its sources of weaponry, turning to the US for the supply of large volumes of sophisticated equipment. If the US and India continue to cooperate in this sphere, Russia’s position in its most important arms market will be under threat. Elsewhere, some headway has been achieved in increasing sales to the likes of Bangladesh, Myanmar and Vietnam. But these pockets of progress will not be sufficient to compensate for any losses from Russia being displaced from both the Chinese and Indian markets.

The trends observed in each of Russia’s principal areas of comparative advantage are reflected in the more general patterns of trade with the Asia-Pacific. Since 2014, China’s share of Russian exports (driven primarily by oil) and imports has risen sharply. China is now Russia’s single largest trade partner, a position that is unlikely to change any time soon. By contrast, the share of the wider East Asia and Pacific region in Russia’s exports has declined since 2014. Moreover, the region’s share of Russia’s imports was lower in 2019 than it was in 2008. Hopes in Moscow that the Pivot to Asia might be broad based have been dashed. Instead, the trade pivot has been dominated by a shift to China.

\textsuperscript{24} Reuters, ‘U.S. and India Commit to Building Six Nuclear Power Plants’, 13 March 2019.
**INVESTMENT FROM THE ASIA-PACIFIC**

It was also hoped that increased foreign investment from across the Asia-Pacific would help bring Russia closer to the region. Much hope was pinned
on the RFE playing an important role in attracting investment that could develop the region’s vast resources. However, as with Russia’s evolving trajectory of trade relations, hopes that foreign investment in the RFE would be attracted from across a diverse range of sources in the Asia-Pacific have been dashed. Instead, investment in the region has been limited to a small number of state-led ‘megaprojects’ that are primarily targeted at serving the Chinese market.

The Power of Siberia pipeline is by far the biggest project in the RFE to date. It was completed by Gazprom at the end of 2019, and cost about 1.1 trillion rubles in total, plus the associated investment costs for supporting upstream projects, such as the Chayanda gas field. The pipeline is perhaps the most important symbol of Russia’s close relationship with China, especially as the deal was finally signed in May 2014, just as Russia’s relationship with the West was deteriorating.

Gazprom later raised a record €11.4 billion to finance the construction of the Amur Gas Processing Plant in 2019, estimated to cost €20 billion in total and intended to supply products to Sibur’s Amur Gas Chemical Complex. Sibur’s project is estimated to cost an additional $10 billion. Since 2013, the RFE region has enjoyed cumulative business investment of around 5.5 trillion rubles (around $75 billion at average 2021 exchange rates). However, the three projects listed above accounted for nearly half of that total and all are directed at the Chinese market.

Most other investments in the region are far smaller in scale, even including spending by Russian Railways on the Baikal-Amur Mainline and Trans-Siberian route, which in 2019 amounted to about 60 billion rubles (about 26. Makarov, ‘Accelerated Development of the Russian Far East’.
While these railways are intended to help link the RFE with export markets in the Asia-Pacific, they have not so far attracted any foreign capital.

Several other large investment projects may enable Russia to increase exports to the Asia-Pacific in the future. A-Property, a new entrant to Russia’s coal sector, is seeking to accelerate the development of the Elgin coal mine in Yakutia. Spending on its associated infrastructure should help further develop the region. Again, however, the expansion of coal exports is aimed at China rather than the wider region. Elsewhere, Polyus, Russia’s largest gold miner, is now proceeding with the development of the Sukhoi Log deposit in the Irkutsk region. Although the field may allow Polyus to increase its annual output by 70%, there is no sign yet of any foreign interest in acquiring an equity share in the project.

Investment outside the energy and mining industries in the Far East is also extremely limited. The largest project is Rosneft’s Zvezda shipbuilding complex in Bol’shoi Kamen’, near Vladivostok. With an estimated initial cost of around 200 billion rubles (about $3 billion), it is envisaged that Zvezda will manufacture oil and gas transportation ships, as well as offshore equipment, that will be used to develop Russia’s Arctic natural resources and service the emerging Northern Sea Route. However, Zvezda is a distinctly Russian project. While there has been some South Korean and Chinese involvement in the form of training and equipment, no foreigners own an equity share in the facility.

37. Fortescue, ‘Zvezda’.
In short, Russia’s efforts to use the Far East as a gateway to the wider Asia-Pacific region have proven underwhelming. Investment from Japan – the other obvious source of abundant capital in the region – has been limited by the reluctance of Japanese firms to brave the notoriously poor business environment in Russia.\textsuperscript{38} The Russian Direct Investment Fund and the Japan Bank for International Cooperation have collaborated to fund targeted agricultural projects, small investments into technological industrial parks and, more recently, coronavirus-related public health initiatives.\textsuperscript{39} But the scale of this investment remains very small, a fact that is even more noteworthy given that the Japanese government under former Prime Minister Shinzo Abe had actively sought to promote investment in Russia as part of a wider effort to improve the bilateral relationship.

Despite the fact that South Korea consumes more Russian exports than Japan, investment by Korean firms into the RFE has been very low, accounting for roughly 1% of all FDI into the region thus far.\textsuperscript{40} Elsewhere, Indian investment has also been modest, although a diamond polishing project in Primorye

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region drove the trade turnover between India and the Far East up to $764 million in 2020.⁴¹ New Delhi has also signalled its intent to build a strategic economic relationship with the RFE through its ‘Act Far East’ initiative, which was announced in 2019 and includes a $1-billion credit line to promote Indian investment in the region.⁴²

Beyond the Far East, investment in the Arctic resource base to serve Asian markets has received more attention beyond China. Novatek’s $21-billion Arctic LNG project has attracted external finance from a range of investors, including France’s Total, China National Petroleum Corp, China National Offshore Oil Corporation, and the Japan Arctic LNG consortium, made up of Mitsui & Co and the state-owned Japan Oil, Gas and Metals National Corp.⁴³ While this represented a significant milestone for Japanese involvement in the Russian economy, there are few signs that it will be followed by further investment.⁴⁴ Moreover, despite rumours of significant investment in Arctic projects from South Korea, little of any consequence has transpired.⁴⁵ Elsewhere, India’s Oil and Natural Gas Corporation (ONGC) acquired a 15% stake in Rosneft’s Vankor cluster project in East Siberia in 2015.⁴⁶ But this has not been followed up by any further investment, despite rumours that ONGC might be interested in acquiring a stake in Rosneft’s giant Vostok project.⁴⁷ Consequently, despite plenty of interest from Asia-Pacific powers, China remains the most important foreign investor in the Arctic and the RFE.

The evidence clearly demonstrates that investors from the Asia-Pacific have been reluctant to increase their footprint in Russia, whether in the Far East or beyond. This is likely the result of well-documented and longer-term difficulties associated with doing business in Russia rather than Western sanctions. Japan, for instance, did not impose sanctions on the energy sector, while South Korea did not impose sanctions of any kind. Whatever

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⁴¹ Aleksandr Protsenko, ‘Rossiya i Indiya gotovyat sovmestnye investitsii dlya Dal’nego Vostoka i Arktiki’ ['Russia and India are Preparing Joint Investments for the Far East and Arctic'], Rossiyskaya Gazeta, 26 April 2021.


⁴⁵ See, for example, TASS, ‘Russia’s Investment Agency, Korea’s Kogas Agree to Operate on Arctic Shelf, Says Deputy PM’, 6 September 2019.

⁴⁶ David Keohane and Jack Farchy, ‘Rosneft Sells 15 Per Cent Stake in Vankor to India’s ONGC’, Financial Times, 4 September 2015.

the barriers to investment, the result is that China dominates foreign investment from the Asia-Pacific region. As a result, Moscow’s ambitions to integrate the resource base in the RFE and the Arctic with the wider Indo-Pacific region more broadly remain unfulfilled. As with the pattern observed in Russia’s foreign trade relations, Russia has become more dependent on China since 2014 rather than less.

THE FUTURE OF RUSSIA’S PIVOT IN A SHIFTING REGIONAL ORDER

Moscow’s failure to make serious strides in building closer economic ties with the Asia-Pacific region beyond China may prove to be a source of regret to Russia’s leadership in the years to come. As competition between the US and China intensifies, and as the US seeks to build security-focused alliances across what it sees as the ‘Indo-Pacific’ region, Russia’s ability to expand its economic influence across the region could be severely undermined. After all, if Russia is caught between much larger US- and China-led blocs, its weaker economic hand will be exposed. With the US likely to play a more active role in countries with which Moscow has traditionally enjoyed warm relations, Russia’s options beyond China may be curtailed significantly. For instance, if leaders in India and Vietnam decide to build closer security ties with Washington to counter Chinese power across the region, the importance of Moscow as a supplier of weapons and other strategically important goods could well decline.48 If this proves to be the case, Moscow could find itself increasingly dependent on its relationship with Beijing, an outcome that many in the Kremlin hoped could be avoided. Such a result would be inimical to the leadership’s desire to build a multipolar world in which Russia’s strategic autonomy is enhanced.

Ultimately, Russia’s capacity to arrest any decline in its position with the countries of the Asia-Pacific rests on its ability to diversify its economic structure at home. Unless this happens, Moscow’s economic offer to the region will be limited to the sale of energy (oil, gas, coal and NPPs), weapons and grain. Because these are strategically important goods, in which close political ties play an important role, Russia will only be able to continue to supply them if traditional customers remain outside the security orbit of the US. Any shift in this direction will pose a serious challenge to Russia’s few areas of comparative advantage in trade across the region. Without any alternative goods to offer, Russia’s Pivot to Asia could be left with very little in the way of economic substance, something that would surely undermine its political weight in the region. Moreover, if efforts to combat climate change by decarbonising the global economy prove even moderately successful, Russia’s main source of economic influence will be much diluted.

Any failure to expand ties with the wider Asia-Pacific would also have dire consequences for Moscow's plans to develop the RFE. If foreign investment in the region is restricted to just a small number of megaprojects, principally directed towards serving the Chinese market, any hopes of broad-based economic development in the region will be dashed. Instead, the RFE will continue to be an economic backwater that is only weakly integrated with both the wider domestic Russian economy and the economy of the Asia-Pacific region.

CONCLUSION

This paper sought to answer three main questions: what are Moscow's ambitions for its 'turn to the East' policy? What progress has been achieved to date? And how might the rise of the Indo-Pacific regional concept affect Russia's ability to foster close economic ties with countries now being grouped within it? The paper argued that Russia's Pivot to Asia is designed to increase its strategic autonomy on the global stage and to help develop its economy. To make this happen, Moscow has sought to exploit its comparative advantage as an exporter of hydrocarbons, NPPs, grain and arms. However, while some progress has been made, and the overall volume of trade with the Asia-Pacific region has grown, this process has largely been driven by the deepening of trade ties with China. Thus, while China's share of Russian trade has grown sharply, the share of other Asia-Pacific countries in Russia's trade has not grown at all. Furthermore, the bulk of the foreign investment activity that is undertaken to link Russia's Arctic and Far East with the Asia-Pacific region has also come from China. Very few projects of note involve actors from countries elsewhere in the Asia-Pacific. In short, Russia's economic pivot to Asia has so far really been a pivot to China.

The emerging US-led concept of the Indo-Pacific region threatens to make it even more difficult for Moscow to forge closer economic and political ties with the countries of the region. As US influence across the region grows, Moscow may find its position in the region is weakened, especially in countries like India and Vietnam that are traditional partners for Moscow but are now seeking to balance Chinese power by aligning themselves more closely with the US. This could make it even harder for Russia to establish a larger economic footprint across the region and ultimately leave Russia even closer to China, which is the principal object of the Indo-Pacific concept and the Quad security architecture.

For now, Moscow's options in dealing with the changing geopolitical environment in the region appear limited. Officials seem intent on strengthening the existing multilateral architecture that permits a stronger role for Russia across the region. The recently updated National Security Strategy declares that Moscow should promote greater multilateral cooperation within the Shanghai Cooperation Organisation (comprising Russia, China and five Central Asian states, but which could expand to include Iran, Pakistan and other Asia-Pacific powers), ASEAN and the Eurasian
Economic Union.\textsuperscript{49} The importance of closer ties with India is also mentioned. But these institutions have so far proven insufficient to satisfy Moscow’s ambitions in the region. More imagination might therefore be required. In this respect, the Strategy’s reference to a ‘Great Eurasian Partnership’ – a concept first articulated by Putin in 2015 but still undefined – may offer a hint at what is seen as necessary to push back against growing US influence in the region and to help Russia reinvigorate its efforts to extend its Asian Pivot beyond China.

For the US and its allies, Russia’s failure to foster a more diverse economic relationship with the Asia-Pacific presents both opportunities and a potentially greater challenge. The opportunities lie in the fact that Russia’s economic offer to the region beyond China might be severely undermined if the US is successful in bringing countries that have traditionally been close to Moscow into Washington’s sphere of influence. If the likes of India and Vietnam reduce their imports of arms and other strategically important goods from Russia, Moscow’s economic footprint in the region will be much reduced, along with any political influence. However, such a result could lead to an unintended outcome that might complicate efforts to counter Chinese power: by pushing Russia out of the wider Indo-Pacific region, Moscow’s ability to forge a foreign policy that is independent of China may diminish, raising the prospect of an even closer Sino-Russian relationship.

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