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## **Russia-ASEAN Relations: Where Are They Headed?**

*By Chris Cheang*

### **Synopsis**

*Prospects for the foreseeable future of Russia-ASEAN relations are questionable, based on current trends unless Russia accords it the time, energy and resources it needs.*

### **Commentary**

RUSSIA-ASEAN relations are likely to develop in a slow, incremental fashion over the next few years. There are reasons for adopting a doubting Thomas approach. To begin with, unlike China and the US, Russia has had no tradition of strong relations with Southeast Asia. Except with Vietnam and Indonesia in the 60s, Moscow's links with the region had been little to speak of.

Secondly, without meaningful economic/trade ties no mutually beneficial relationship can develop. According to the ASEAN Secretariat, as of November 2016, ASEAN's total trade with Russia amounted to a mere US\$13.3 billion, in contrast with China (US\$345 billion) and the United States (US\$212 billion). Even President Putin noted this "modest figure compared to trade with other countries in the Asia-Pacific region" during his speech at the Russia-ASEAN Summit in Sochi in May 2016.

### **Weak Fundamentals: Other Factors**

Thirdly, the necessary time, energy and resources have not been fully devoted to developing the relationship with ASEAN. Russia's leaders and top businessmen were, are and will remain Euro- and US-centric; the "Asia-Pacific" that matters to them is really China, Japan, and South Korea.

Russia's top trading partners in 2016 were the Netherlands, China, the Federal Republic of Germany, with South Korea and Japan in 7th and 10th place respectively. It is difficult to conceive this pattern changing with respect to ASEAN in the next five, or even 10 years.

Finally, managing the current tensions in Russia's relations with the US and the European Union, the Ukraine and Syrian crises, as well as relations with China, will occupy most of Russia's attention for the next few years.

President Putin is expected to emerge the victor in the 2018 elections. His energy, attention and focus for the six years after that, will be concentrated on consolidating his legacy, being the longest-serving Russian leader, apart from Stalin.

If he devotes any time to foreign affairs, it would be focused on the areas critical to Russia's foreign policy such as the US, Ukraine and Syria. ASEAN cannot hope to be on his foreign policy agenda.

### **Economic Challenges Ahead**

The most important challenge is to realise the economic potential in the relationship. The Overview of ASEAN-Russia Dialogue Relations dated October 2017 provides a guide to the direction of the relationship. While socio-cultural and politico-security cooperation has been moving forward, it is the economic aspect which will drive the overall relationship into the future.

In his Sochi speech, President Putin highlighted cooperation in projects in agriculture; oil and gas production; joint technology and innovation alliances; fuel and energy; mining; railway construction; and Russian GLONASS satellite navigation system. It remains to be seen whether the projects will bear fruit.

Given Russia's role as top energy exporter worldwide, Putin argued that Russia could satisfy ASEAN's growing electricity needs by supplying energy on a long-term basis, and also offered ASEAN Russia's new-generation nuclear power plant projects. Indeed, the Overview also noted that "energy is viewed as a promising area for cooperation between ASEAN and Russia", including civilian nuclear energy.

### **Reservations in Relations**

However, here one encounters some reservations. Firstly, some ASEAN countries themselves are energy producers and exporters (Indonesia, Malaysia and Brunei). Secondly, nuclear power as a real alternative to fossil fuels and renewable energy has yet to take firm root in ASEAN.

Indeed, Dr Sanjay Kuttan, Programme Director in the Energy Research Institute of Nanyang Technological University rightly pointed out that given the high cost and safety concerns, "nuclear power will not feature soon in ASEAN's energy mix for at least the next 20 years". In any event, Russia would certainly face stiff competition from the US, Japan and EU in the nuclear power plant business.

Thirdly, with respect to cooperation in promoting renewable energy, there have been conflicting signals from Moscow. Igor Sechin, head of Rosneft, a leading Russian oil producer, said in an interview with Russian daily Izvestia in June 2017 that “the renewable sources of energy are yet unable to provide the necessary volume to substitute the traditional energy resources and sustainable energy supply.

This assessment by Sechin, a member of Putin’s inner circle, raises the question whether Russia could be relied upon to promote renewable energy and for that matter, become a reliable partner for ASEAN in this area.

Finally, an energy expert at the recent Singapore International Energy Week forecasted that within the next 10 years, gas and hydro-electric power would meet most electricity needs with solar contributing as well; in the longer-term, coal and gas consumption would decline, resulting in massive growth in solar, hydro, onshore and off-shore wind sectors and two-thirds non-fossil fuels making up the energy mix.

If this forecast can be relied upon, then one must cast doubt on assumptions that Russo-ASEAN energy cooperation would be feasible in the long-term.

The one bright spot in Russia’s economic links with ASEAN is weapons sales. According to a March 2017 Chatham House report, “Asia is by far the most important export market for Russian arms”. China and India constitute 56% of all Russian weapons exports from 2000-2016; however, Vietnam accounted for 5.6%, Myanmar 1.4%, Malaysia 1.3 % and Indonesia 1.1%.

However, weapons sales cannot become a strong foundation of ASEAN’s relationship with Russia, given its one-dimensional nature. Moreover, the US still remains a major source for ASEAN. Finally, any continued and growing Russian weapons sales to Vietnam runs the risk of antagonising China.

### **What Next?**

To raise the level of economic interaction requires more high-level commitment of the political and business leadership of both sides. ASEAN must pose this question: what role does, or should, Russia play in ASEAN’s overall development in the political, economic and strategic spheres?

Russia too might pose the same question; a bird’s-eye view of its place in ASEAN’s development would help it formulate the strategic dimensions of its relationship with ASEAN and devote the necessary attention and resources to raise the economic aspect of its links. Russia cannot lose as ASEAN is a fast-growing region.

The experienced and committed ASEAN experts in Russian foreign policy-making and academia are likely to continue pushing for a more meaningful relationship based on substance, particularly in the economic/trade field. It remains, however, an open question whether they would be able to exercise enough influence on their top political and business leaders to make the necessary decisions.

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