
The Transport System of the Russian Far East: Contemporary Possibilities and Problems

Yaroslav Semenikhin

The impressive rate of economic growth of the Asian and Pacific nations during the last two decades, especially in East and Southeast Asia, has drawn worldwide attention. According to World Bank data, the share of East and Southeast Asia in the world's exports has grown from 7% to 12% during the last 25 years, or twenty-ninefold, and has reached \$850 billion.

Of special interest in this connection are integration processes gaining force in this region, which is an objective reflection of the trend toward the internationalization of economic life and liberalization of foreign trade relationships.

The Russian Far East (RFE) has the best potential among Russia's regions for cooperation with Asia-Pacific nations. Foreign economic linkages are of special importance for its economic development. First, the RFE is located much farther from the major industrial centers of Russia than from some rapidly developing Asia-Pacific economies. Therefore, foreign economic relationships with countries of this region—with Northeast Asian countries in the first place—may become more attractive to the RFE than economic linkages with other Russian regions. For example, transport costs per ton from Japan are one-third to one-fifth the costs from the European part of Russia. Second, the RFE economy is connected with the national economy through intersectoral exchange, not through cooperation in production of technologically related products. Third, the structures of production and consumption in the RFE and in a number of Asian Pacific nations complement each other in many cases.

It should be noted that the transport sector is a driving force of the RFE's economic cooperation with Asia-Pacific nations. It would be impossible to mutually integrate the economies of the Asia-Pacific nations and that of Russia without giving priority to transport-sector development.

The unique geographic position of Primorsky Krai predetermines its special role in the realization of Russia's geostrategic and economic interests in the Asia-Pacific region. This stems from a number of national strategic functions performed by Primorsky Krai, which have effects on the economic security of Russia, its integration into the world economy, and the prosperity of millions of its citizens.

These functions may be defined as follows:

- the provision of RFE interregional economic linkages
- the foreign trade function for the region—namely, transport and customs services for export and import operations
- the transit function.

Today, all transport modes are facing difficulties related to the problems of insufficient cargo flows. Delivery of cargoes to the Far North areas has practically halted, coastal shipping is lacking stable cargo flows, trade turnover with CIS states has decreased, and export-import traffic is also declining.

As a result, only 50% of the capacity of Primorye's transport complex, which was designed for considerable cargo volumes, is currently being used.

Handling capacity is in excess. For instance, in southern Primorye seaports this excess totals 18 million tons annually.

The problem of Primorye's transport system could be resolved by attracting transit cargoes from third parties moving in the following directions:

- Northeast China → ports in southern Primorye → U.S. and Canadian West Coast, and in the reverse direction
- Northeast China → ports in southern Primorye → ports in Japan, South Korea, and other Asian and Pacific countries
- Asian and Pacific countries → ports in southern Primorye → Europe, and in the reverse direction.

The geographic position of Primorsky Krai, its ice-free ports, and its existing transport infrastructure organically fit into the conceptual framework of multi-modal transport systems (corridors). These features will enable traffic operators to make the best use of each transport mode's advantages and to offer customers a service with high quality and at an acceptable price.

Given these advantages, Primorsky Krai is taking part in a number of international projects, such as the UNDP's Tumen River Area Development Programme and the East by West Corridor.

In the future, the role of Primorsky Krai in Russia's foreign trade will inevitably grow. In this connection, the task of adequate development of all foreign trade infrastructure is coming to the fore. Analysis shows that, after minor renewal, Primorye's seaports would be capable of handling cargo volumes one and a half to two times as high as the current level.

All the foregoing considerations reflect the potential for using the transport infrastructure of the Russian Far East, in relation to the interests of the Asia-Pacific nations, and substantiates the prospects for these developments.