



Eastern Economic Forum

For Prelims: Significance of Russia's Far East, IPEF, China's RCEP.

For Mains: Eastern Economic Forum and India's Balancing Act.

Why in News?

Recently, Russia hosted the 7th [Eastern Economic Forum \(EEF\)](#) at Vladivostok.

- The forum is a platform for entrepreneurs to expand their businesses into [Russia's Far East \(RFE\)](#).



What is the Eastern Economic Forum?

- **About:**
 - The EEF was established in 2015 to encourage **foreign investments in the RFE**.
 - The EEF displays the **economic potential, suitable business conditions and investment opportunities** in the region.
 - Agreements signed at the EEF increased from **217 in 2017 to 380 agreements in 2021, worth 3.6 trillion roubles**.

- The agreements focus on **infrastructure, transportation projects, mineral excavations, construction, industry and agriculture.**
- **Key Players:**
 - China, South Korea, Japan and India are the Key Players in the region, where China is the biggest investor.
 - China who sees potential in promoting the **Chinese [Belt and Road Initiative \(BRI\)](#)** and the **Polar Sea Route** in the RFE.
 - China's investments in the region **account for 90% of the total investments.**
- **Objectives:**
 - Russia has strategically developed the region with the **aim of connecting Russia to the Asian trading routes.**
 - With the fast modernisation of cities like Vladivostok, Khabarovsk, Ulan-Ude, Chita and more, Russia aims to **attract more investments** in the region.
 - To **survive the economic crisis and the sanctions** with the help of China and other Asian powers.

What is the Significance of the RFE?

- The region encompasses **one-third of Russia's territory and is rich with natural resources** such as fish, oil, natural gas, wood, diamonds and other minerals.
- The small population living in the region is another factor for encouraging people to move and work in the Far East.
- The region's riches and resources **contribute to 5 % of Russia's [GDP \(Gross Domestic Product\)](#).**
 - But despite the abundance and availability of materials, **procuring and supplying them is an issue** due to the unavailability of personnel.
- The RFE is **geographically placed at a strategic location**, acting as a **gateway into Asia.**

What does India Seek at the Forum?

- **India** seeks to expand **its influence in the RFE.** During the forum, India expressed its **readiness in expanding trade, connectivity and investments** in Russia.
- India is keen to **deepen its cooperation in energy, pharmaceuticals, maritime connectivity**, healthcare, tourism, the diamond industry and the Arctic.
 - In 2019, India offered a USD 1 billion **line of credit to develop infrastructure in the region.**
- Through the EEF, **India aims to establish a strong inter-state interaction** with Russia.
 - Business representatives of Gujarat and the Republic of Sakha (Russia) have **launched agreements in the diamond and pharmaceuticals industry.**

How does India act at Balancing Between the EEF and IPEF?

- Since the coming together of countries like Myanmar, Armenia, Russia, and China for EEF seems like the forming of an **Anti-Sanctions Group** in the international order, India has vested interests in both the forums, EEF and **[IPEF \(U.S.-led Indo-Pacific Economic Framework\)](#).**
- India has **not shied away from investing** in the Russia-initiated EEF despite the current international conditions, where western countries impose Sanctions on Russia.
- At the same time, India has given **its confirmation and acceptance to three of the four pillars in the IPEF.**
- India understands the benefits of being involved in the development of the RFE but it **also perceives the IPEF as a vital platform to strengthen its presence in the Indo-Pacific region.**
- The IPEF also presents an ideal opportunity for India to act in the region, without being part of the China-led **[Regional Comprehensive Economic Partnership](#)** or other regional groupings like the **[Comprehensive and Progressive Agreement for Trans-Pacific Partnership](#).**

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims

Q. India is a member of which among the following? (2015)

1. Asia-Pacific Economic Cooperation
2. Association of South-East Asian Nations
3. East Asia Summit

Select the correct answer using the code given below:

- (a) 1 and 2 only
(b) 3 only
(c) 1, 2 and 3
(d) India is a member of none of them

Ans: (b)

Exp:

- Established in 1989, Asia-Pacific Economic Cooperation (APEC) cites minimum eligibility that countries must share borders with the Pacific Ocean to be a member. India is not a member and was invited to be an observer for the first time in November 2011. It is a 21-member body. **Hence, 1 is not correct.**
- Established in 1961, Association of Southeast Asian Nations (**ASEAN**) is a regional intergovernmental organization comprising ten countries in Southeast Asia, which promotes intergovernmental cooperation and facilitates economic, political, security, military, educational, and socio-cultural integration among its members and other countries in Asia. India is located in South Asia and is not a member of ASEAN. **Hence, 2 is not correct.**
- Established in 2005, the East Asia Summit (EAS) is an 18 member States body for strategic dialogue and cooperation on the key political, security, and economic challenges facing the Indo-Pacific region. It comprises the Association of Southeast Asian Nations (ASEAN) member states along with 8 members-Australia, China, Japan, India, New Zealand, the Republic of Korea, Russia and the United States. **Hence, 3 is correct.**
- **Therefore, option (b) is the correct answer.**

Mains

Q. What is the significance of Indo-US defence deals over Indo-Russian defence deals? Discuss with reference to stability in the Indo-Pacific region. **(2020)**

Source: TH