TRADE AND ECONOMIC COOPERATION BETWEEN THE USSR AND ASIA-PACIFIC REGION COUNTRIES

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The program of the Communist party of the Soviet Union (CPSU) says that the party "stands for the development of extensive long-term and stable contacts between states in the sphere of the economy, science and technology on the basis of complete equality and mutual benefit. Foreign economic cooperation is of great political importance, for it helps to strengthen peace and relations of peaceful coexistence between states with different social systems. The Soviet Union rejects all forms of discrimination and the use of trade, economic, scientific and technical contacts as a means of exerting pressure, and will work to ensure the economic security of states."1

The party's principled course lies behind the Soviet practical initiatives to develop trade and economic cooperation with all countries and regions of the world. In his famous Vladivostok speech on peace and security in the Asia-Pacific region, CPSU General Secretary Mikhail Gorbachev said that the experience of history, the laws of growing interdependence, and the integrational needs of economics make us search for ways to agreement, to establishing open ties among states.2 While emphasizing questions of settling regional conflicts, non-proliferation of nuclear weapons, reduction of conventional armaments, confidence-building measures and non-use of force, Mikhail Gorbachev also spoke of how to establish economic cooperation in the region. On behalf of the Soviet leadership, the general secretary of the CPSU expressed the readiness to participate without prejudice in discussing the idea of Pacific cooperation, to join in the thinking over possible foundations of this cooperation, provided of course it is not conceived according to an antisocialist scheme of blocks imposed by somebody, but as a result of free discussion without any discrimination.3

This presentation is an attempt to review briefly the state and development prospects of the Soviet Union's trade and economic relations with countries of the Asia-Pacific region, and to contribute, even modestly, to the discussion of problems of Pacific economic cooperation and measures for building confidence between the actors.

In recent years the Soviet Union has maintained regular trade ties with

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145 countries of the world, including twenty-nine Asia-Pacific nations. In 1985, the country's foreign trade turnover reached a record 142.1 billion roubles, with the region accounting for 18.8 billion or 13.2 percent. In 1986, the slump in the prices of oil, petroleum and some commodities, and the reduction of grain purchases by more than two times brought the Soviet trade down by 7.9 percent to 130.9 billion roubles. The USSR's exports decreased by 5.9 percent to 68.3 billion roubles, with imports falling off by 9.9 percent to 62.6 billion. The figures reflect the dynamics of Soviet foreign trade in current prices. Its volume increased by 2 percent in comparative prices in 1986.

Trade with the APR countries also decreased in 1986 for the above reasons, amounting to 16.2 billion roubles or 12.4 percent of the Soviet Union's foreign trade.

Soviet imports from the region were particularly affected, diving to 8.6 billion roubles, a 20.7 percent reduction which was mostly due to such a positive event as reduced purchases of grain. In 1986, Soviet imports dropped only by 4.3 percent stopping at 7.6 billion roubles.

The Soviet Union's partners in the APR, as well as in the entire world, can be divided into three groups in accordance with their socio-economic systems and character of trade and economic relations: socialist, industrialized capitalist and developing countries. For obvious reasons, the Soviet Union attaches primary importance to the continued development and strengthening of friendly ties with Socialist countries.

In 1986, trade with the region's Socialist countries grew 2.6 times compared with 1980, or 9 percent compared with the preceding year, amounting to 6.38 billion roubles, which is more than 39 percent of the country's trade turnover with the region. The fact is encouraging, for the figures reflect not only the pure growth of trade, but also the expansion of fraternal economic cooperation.

Soviet exports are twice as big as imports thanks to the extensive assistance in the construction of some important projects and supplies of equipment and materials for the projects which will be paid for later.

The Soviet Union steps up its direct production cooperation in industry and other sectors with some of them, namely Mongolia and Vietnam. The process is promoted by the CMEA long-term program for socialist economic integration.

The PRC has recently become once again the USSR's biggest partner among the Socialist countries of the APR. In the June interview with the Indonesian paper Merdeka, Mikhail Gorbachev indicated that relations with the PRC are characterized by a gradual extension of contacts. A noticeable shift in the development of trade, economic, scientific and technical, and cultural ties has become apparent, and substantial reserves have been identified in all these spheres.