

Asia-Pacific Center for Security Studies  
Far Eastern Federal University

**FROM APEC 2011 TO APEC 2012:  
American and Russian Perspectives  
on Asia-Pacific Security  
and Cooperation**

*Editors*

*Rouben Azizian and Artyom Lukin*

Asia-Pacific Center for Security Studies  
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This volume examines three broad and intertwined themes of significant importance for the Asia-Pacific region. Firstly, the book discusses the complex mosaic of current and emerging regional security issues and relates them to the activities of the Asia-Pacific Economic Cooperation (APEC) forum and other regional organizations. Secondly, the volume contributors offer their diverse perspectives on the evolving roles of influential regional actors, such as China, Japan, Russia, and the United States. Thirdly, the book examines the gaps and opportunities in US-Russia relations in the context of their increased appreciation of the Asia-Pacific region.

The team of book authors represents prominent regional security scholarship affiliated with the Asia-Pacific Center for Security Studies (APCSS), the Far Eastern Federal University, and the Russian Academy of Sciences. The opinions expressed in the book are those of the authors and do not necessarily reflect the official policies or positions of their organizations and governments.

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## FOREWORD

Dear Readers,

This volume examines three broad and intertwined themes of significant importance for the Asia-Pacific region. Firstly, the volume discusses the complex mosaic of current and emerging regional security issues and relates them to the activities of the Asia-Pacific Economic Cooperation (APEC) forum and other regional organizations. The 2011 summit in Honolulu demonstrated the continuing relevance of the APEC but also revealed the organization's potential in further enhancing regional development and integration. The discussion in the volume of various regional security trends indicates several new opportunities for APEC's evolution as the organization prepares for its 2012 summit in Vladivostok.

Secondly, the book contributors offer their personal perspectives on the evolving roles of influential regional actors, such as China, Japan, Russia, and the United States. Each of these important players has its own unique national perspective on the Asia-Pacific region shaped by respective historical, cultural, economic and political involvement in regional affairs. All of them, however, rely on effective multilateral institutions such as APEC.

This leads to the third theme of the volume: U.S. – Russia relations in the Asia-Pacific. America's economic prosperity is unthinkable today without close partnership with the Asia-Pacific region. Russia, too, and especially its eastern regions, increasingly depends on the economic opportunities offered by the dynamic Asia-Pacific region. This commonality of America's and Russia's regional perspectives is a good basis for bilateral cooperation on regional issues. The transition from the Honolulu APEC to Vladivostok APEC offers an opportunity to explore new areas of U.S. – Russia bilateral ties across the Pacific.

This book is a good example of productive bilateral partnership as it brings together American experts working at the Asia-Pacific Center for Security Studies in Honolulu and Russian experts working in Vladivostok and Moscow. It is worth mentioning that seven out of eight Russian authors are graduates of the APCSS.

Finally, the volume is another step in successful collaboration between APCSS and the Far Eastern Federal University in Vladivostok that goes back to 2003. While the two institutions continue to evolve and innovate, their mutual desire to work together and learn from each other remains strong and consistent.

Enjoy your navigation through the intricate topics, diverse perspectives and thoughtful insights offered by an outstanding team of authors.

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# INTRODUCTION

*Rouben Azizian and Artyom Lukin*

This book is a result of diplomatic opportunity, institutional partnership and long-standing personal, scholarly relationships. In November 2011, immediately after the Asia-Pacific Economic Cooperation (APEC) summit in Honolulu, a team of Russian academics from the Far Eastern Federal University and Maritime State University of Vladivostok were hosted by the Asia-Pacific Center for Security Studies in Honolulu, Hawaii, for a roundtable titled, “From APEC 2011 to APEC 2012: Challenges and Opportunities for Regional Security and Energy Cooperation.” It was a one-day event and could only accommodate a limited number of presentations and papers. Since the next APEC summit was going to be held the following year in Vladivostok, the APCSS and FEFU coordinators of the event decided to take advantage of the Honolulu-Vladivostok APEC-related transition to continue and broaden the dialogue between the American and Russian regional experts.

The other momentum to this publication was provided by the previous successful experience between APCSS and FEFU (then FENU) of a joint publication titled, “Russia, America, and Security in the Asia-Pacific,” which came out in 2006. This volume is an attempt to update the previous publication, continue the dialogue between the old authors, and also bring in new contributors and perspectives. The other difference is the addition of the theme of *cooperation* to the title. It was added for a number of reasons.

First, a book discussing the role of APEC has to also examine the opportunities for advancing regional cooperation.

Second, all the book authors consider cooperation as the preferred option at a time of new security challenges in the region.

Third, the editors of the volume strongly believe that cooperation is even in higher demand for the US-Russia relationship in the Asia-Pacific region today than it was in 2006.

The book is thematically divided into two parts. Part One includes eight chapters and reviews regional security trends and emerging issues. Part Two has ten chapters and discusses major actors, evolving principles, and regional architecture.

The opinions expressed in the book are those of the authors and do not necessarily reflect the official policies or positions of their organizations and governments.

Part One begins with Lori Forman's observations on "Economic Security in the APEC Region." For those concerned with economic security, the past few years have been riddled with unknowns as individuals, businesses, and governments were caught short when the global economy tumbled from its record-breaking highs in 2008. While the United States was at the epicenter of the collapse, some APEC economies were spared the worst effects, yet no one was completely insulated from the consequences of this global economic readjustment. The author argues that a strong national economy is and will continue to be a necessary component of national security. Without a strong economy, a nation's ability to project power – hard, soft, smart, or any other variety of power – is constrained. Within the APEC region, several national security strategies or national security policies specifically underscore the relationship among the economy, security, and power. While not all of the national security strategies of APEC nations openly state this connection between economic and overall power, it is hard to imagine an APEC leader who would not agree with the role the economy plays in defining national power.

In his chapter on "Climate Change and Environmental Security in the Asia-Pacific Region: Role for APEC?" Scott Hauger seems to agree with Lori Forman's premise and takes it one step further by emphasizing the importance of establishing linkages between security and climate change as a case study in complexity, illustrating the need for both interdisciplinary and international collaboration to understand and address an interactive set of complex problems. The chapter is concerned with the need and scope for



security cooperation in the Asia-Pacific region to address the problems posed by climate change. It suggests that a timely opportunity exists for APEC to play an important, leadership role in meeting that need because the climate change threatens economic security by narrowing the window for achieving sustainable development.

Energy issues are understandably at the forefront of any discussion of climate change. They are also a key element of Russia's and Northeast Asia's security. Thus the relevance of Sergey Sevastianov's chapter on "Russia and Northeast Asia Energy Security." The author argues that energy security, a stable, cost-effective, and sustainable supply of energy, is a precondition for the continued economic growth of Northeast Asia which exceeds dramatically other world regions. On the other hand, the lack of energy resources will constrain the economic and social development of Northeast Asia. In addition, energy insecurity can lead to vicious competition for resources among energy-importing countries, and may further increase political tension and hold back economic cooperation in the region.

While oil and gas continue to dominate the energy discourse in the region, the nuclear-energy factor has drawn a lot of attention recently following the disaster in Japan. Despite the rising doubts on the use of nuclear energy, William Wieninger remains optimistic about its future in his chapter on "Splitting the Atom and Enhanced Cooperation in Asia: Considering Nuclear Energy in the APEC Region". He argues that, with Asia's projected economic growth over the coming years, there will be a dramatic increase in demand for electrical energy. Given concerns about carbon emissions as well as the high level of air pollution already extant, nuclear energy will likely play a significant part in the greater demand for power. The risks associated with nuclear power are real, and there will be future accidents at nuclear facilities. However, the negative externalities of burning ever more hydrocarbons to fuel the economy are likely even more dangerous than nuclear risks. This means that, rather than eschew nuclear energy, we need to carefully

consider how best to implement nuclear energy. Asia-Pacific can and should take advantage of the advances in nuclear physics and engineering to make nuclear energy, with its zero-pollution emissions, a part of its energy mix. The 2012 APEC Summit provides an excellent forum within which to do so, while enhancing international cooperation more broadly.

The chapter on “Regional Cooperation on Disaster Management and Health Security: APEC and Comprehensive Regional Strategy,” by Jessica Ear and James Campbell, is a logical follow-on to a discussion of risks associated with nuclear energy. The authors are of a strong opinion that, to mitigate economic and human impacts of natural disasters, nations must commit greater resources to capacity development and enlist the cooperation of the whole of society. Multilateral and regional organizations such as the Asia-Pacific Economic Cooperation (APEC), Association of South East Asian Nations (ASEAN), and Pacific Islands Forum (PIF) have significant roles to play in advancing disaster cooperation in the Asia-Pacific region. However, the challenge lies in integrating policy frameworks and mechanisms that have been developed independently by these organizations into a comprehensive regional strategy, to enhance interoperability in disaster-risk reduction, mitigation, and response. It is time for APEC to move beyond trade liberalization and rethink its agenda in terms of nontraditional security by addressing challenges in disaster management and health security, including related aspects of food security and climate change, all of which pose long-term, negative impacts for regional economic development.

Sergey Smirnov’s essay on “Maritime Security and Arctic Issues: Challenges, Threats, and the Human Factor” reviews the existing and potential challenges to maritime security and its naval implications, as well as the security situation in the Arctic region. The start of the full-scale exploration of Arctic resources has become extremely fashionable these days. The claims that global warming is leading to rapid melting of the Arctic ice, thus paving the way

for oil and gas extraction and commercial ship traffic in the Arctic Ocean, are justified. However, this does not mean that Arctic exploration will start tomorrow. The reality, as usual, is much more complex and contains a number of caveats that can impede our movement toward the Arctic treasures. The technologies of drilling and extracting oil and gas on the seabed in severe geographic conditions have improved to some degree, but not radically. The remoteness of potential Arctic Ocean oil and gas extraction areas makes the construction, operation, logistics, and maintenance of oil rigs challenging and dramatically raises their costs.

Things are, however, changing on the Arctic horizon, according to Justin Nankivell and Kerry Lynn Nankivell (“Shifting Ice, Shifting Policies: The Evolution of Ocean Governance in the Arctic”). Many scientists now believe that Arctic ice is caught in a “death spiral,” and forecast that the Arctic might be temporarily ice-free in late summer as early as 2020 and altogether ice-free for most of the year by mid-century. Amid a growing appreciation of the Arctic’s new climate is the emerging realization of the Arctic’s true mineral and energy wealth. Estimates suggest that energy resources in the Arctic represent perhaps 25 percent of the world’s undiscovered oil and gas reserves. As a result, numerous international companies are investing heavily in projects meant to harvest petroleum from the seabed, and Arctic states are moving quickly to map their continental shelves in preparation to file submissions under the UN Convention on the Law of the Sea (UNCLOS). All of this activity does not indicate there is a scramble unfolding for Arctic territory and its resources. Rather, this increased interaction is only evidence of an effort by all Arctic states to advance their long-held interests in the region. The authors conclude that the future of ocean governance in the Arctic will neither be completely chaotic nor purely ordered; neither completely predictable nor a raw struggle for power. Rather, the shifting nature of the Arctic’s geology is giving rise not only to complementary adjustments in states’ Arctic policies, but to uncertainty about how to interpret international law in

the region. These shifts are unlikely to be violent, but will likely unfold as manageable processes that reflect both political and legal restraints. APEC can contribute to this process, particularly by giving voice to private-sector perspectives on APEC's core issues, including energy security and the resilience, safety and security of maritime transit, and supply-chain security.

Miemie Byrd's essay on "Education, Economic Growth, and Social Stability: Why the Three Are Inseparable" is a natural wrap-up of the discussion in Part One. While more and better education are increasingly recognized as prerequisites for successful economic and social development around the world, many governments' responses to the recent global economic crisis seem to have taken the countries in the opposite direction. The extreme fiscal austerity implemented by governments inevitably cuts education budgets. Such austere measures have undermined the countries' abilities to create increased levels of knowledge and skill to find alternative solutions in response to the crisis. Despite the apparent relationships between education and national growth, most advocates in the education sector rarely discuss broader national economic development and growth in relation to education policies and funding. Those who are advocates of education must operate in a wider circle than a narrowly defined education sector to be effective. Likewise, the economic development and growth policies must consider education policies and funding. These two policies are inextricably linked due to the reliance on human resources and human capital for economic growth and national development. APEC has been addressing the quality of higher education since 1992 through a subcommittee, the Education Network (EDNET), within the larger Human Resource Development Working Group (APEC HRD). This effort has been primarily to facilitate the portability and compatibility of higher-education diplomas among the APEC member economies. However, APEC should, as the author suggests, go beyond higher education, since existing studies indicate that in-

vestment in early childhood education yields higher labor-market outcomes later.

Part Two of the volume begins with a chapter on “United States and the Asia-Pacific: Balancing Rhetoric and Action,” authored by Rouben Azizian, who analyses the rhetoric and content of the Obama administration’s “pivot” toward Asia. The debate on Obama’s regional initiatives tends to lean to one or the other extreme, such as “there is nothing new in it” or “it is all about China.” The author believes the reality is more balanced than the rhetoric. In fact, much of the “pivot” to the Asia-Pacific is a continuation and expansion of policies already undertaken by previous administrations, as well as earlier in President Barack Obama’s term. At the same time, the author points out that the current shift to Asia does have some new features. For one thing, Washington has emphasized America’s military commitment to the region, announcing new deployments of troops to Australia and Singapore, as well as making it clear that future defense spending reductions will not come at the expense of the Asia-Pacific. Another notable feature is a broader interpretation of the Asia-Pacific that includes the Indian Ocean and many of its coastal states.

Viacheslav Amirov assesses relations between Moscow and Tokyo in his chapter, “Russia, Japan, and the Asia-Pacific.” He observes that, despite some predictions that Japan could play a counter-balancing role in Russia’s relations with China, this has not yet happened, as Russia-Japan political relations remain largely unchanged and static. Japan has also been lagging behind China and South Korea in expanding economic ties with Russia. Nevertheless, the bilateral trade has been growing, with energy as the most promising area for cooperation between the two countries. Although the territorial issue is still a factor that can poison the atmosphere at any time, the experience of Russia-Japan relations during the past twenty years has shown that, when material mutual interests exist, no political problem is an obstacle to economic cooperation. According to the author, one more reason for Russia to

have a broad dialogue with Japan is that Tokyo is a key player in various multilateral arrangements in the Asia-Pacific.

In his essay “Japan and the Asia-Pacific,” Jeffrey W. Hornung examines how Japan is responding to a complex set of economic and security challenges. Although Japan benefits from regional growth, its economy is struggling against more dynamic Asian neighbors. Among domestic challenges, particularly problematic are Japan’s high yen, increasing resource scarcity, demographic decline, and government debt. Japan is also facing external security challenges. In this regard, Tokyo’s major concerns are the growth and modernization of China’s military, North Korea’s nuclear weapons and missile programs, and increasing Russian military activities in the Far East. Japan is pursuing a mix of policies to minimize these challenges. Economically, this includes increasing taxes, concluding free-trade agreements, and engaging multilateral trade forums. In the security realm, Tokyo is prioritizing the development of dynamic defense forces, continued reliance on the US-Japan alliance, as well as the establishment of new security relationships, especially with Australia and India.

Alexander Vorontsov’s chapter, “Korean Peninsula: Old Problems and New Challenges,” evaluates the prospects for progress in resolving the peninsula’s long-standing strategic stalemate. In 2010, the confrontation reached a dangerous point, when the two Koreas were on the verge of a full-blown war. That crisis was partly triggered by the tough stance of the US-ROK alliance exerting unprecedented pressure on both North Korea and China. Fortunately, by 2012 the situation got somewhat better and remains more or less stable. Kim Jong Un’s smooth accession to national leadership has confirmed the DPRK’s internal stability and foreign-policy continuity. The author argues that the recent developments in North Korea open up new opportunities, and now is a good time to turn the page on past conflicts and start cultivating contacts with the young North Korean leader. In particular, he believes that quite unexpected scenarios may materialize in the game played out

between Washington and Pyongyang, possibly even leading to rapprochement similar to that accomplished with Burma.

The essay “China in the Asia-Pacific in 2040: Alternative Futures,” written by Mohan Malik, analyzes the geopolitical impact of China’s rise and lays out four alternative strategic futures for China and the Asia-Pacific region. China has acquired the power to force others to get out of its backyard, even as Beijing seeks to establish and expand the Chinese footprint in others’ backyards. The crucial question, of course, is how China will dispose of its newfound strength and how others will respond to it. Under the first scenario, “Weak Unipolarity,” the United States remains the predominant power, while its relationship with China will be characterized by security competition and economic cooperation. The second scenario is a “Concert of Powers in a Multipolar Asia,” wherein China, the United States, Japan, India, and Russia join forces in managing economic and security affairs of the region. This alternative envisages economic interdependence and regional integration underpinned by multilateral institutions. In the third scenario, “Bipolar Asia: A New Cold War?” China strives for mastery of Asia as a precursor to rivaling the United States as a global power. Finally, the fourth scenario, a “China-Led Asian Co-Prosperty Sphere: Back to the Future?” envisages situations that might lead to Asia accommodating itself to an exponential growth in China’s power and accepting Chinese supremacy in the region. The author believes the most probable scenario in the near future is that of a combination of weak unipolarity, both at global and regional levels, and bipolarity in Asia. However, in his view, the most desirable future in the long term would be a multipolar Asia with inclusive multilateral institutions.

In his chapter, “Russia and China: New Trends in Bilateral Relations and Political Cooperation,” Victor Larin analyzes the priorities and directions of one of the key bilateral relationships in the Asia-Pacific. There are two pillars in the current Russia-China bilateral interactions. The first is their relationship in the sphere of

“high politics,” between heads of states and top-level officials. The second is made up of cross-border and transnational relations, mostly of an economic nature. For the past two decades, the intensity of collaboration at the level of high politics has continuously grown, with the leaders of the two countries displaying mutual confidence. Russia and China have repeatedly demonstrated that they have similar approaches to key issues of contemporary world order and major international problems. The struggle against perceived American hegemony is the most powerful driver bringing Moscow and Beijing together. Furthermore, in recent years, there seems to be a growing conviction of Russian and Chinese leaders that relations between the two states could become the cornerstone of a new security system in East Asia and the Pacific region. By contrast, general economic interaction looks bleak, perhaps with the exception of the energy sector.

The success of Russia’s engagement with the Asia-Pacific hinges crucially on whether its Far East can be transformed from the country’s backyard into its Pacific front gate. This is the premise of Artyom Lukin and Tamara Troyakova’s chapter on “The Russian Far East and the Asia-Pacific: State-Managed Integration.” In recent years, Moscow has been stepping up efforts to boost the development of its Far Eastern territories. The APEC summit in Vladivostok is another step in that direction, aimed at giving an extra impetus to the Far East and showcasing it to the international community. As the authors argue, geopolitics has always been the central government’s underlying concern when dealing with the Far East. Due to the region’s remoteness from the country’s core, sparse population, poor infrastructure, as well as the presence of big and ambitious powers in its neighborhood, Moscow has always to be careful about how the Far East’s external relations are conducted. The Russian government is now pursuing a state-controlled integration of the Far East into the Asia-Pacific economy. The success of this *dirigiste* strategy depends on the continued availability of



considerable financial resources in Russia's budget, as well as on effective governance.

In his chapter, "The Responsibility to Protect and the Asia-Pacific," Vyacheslav Gavrilov takes on one of the major evolving principles of international order, examining its relevance for the region in question. He defines the Responsibility-to-Protect (RtoP) concept as a multidisciplinary "road map," based on existing legal and political doctrines and rules, that establishes actions the states and the international community should jointly undertake in order to protect populations from genocide, war crimes, ethnic cleansing, and other crimes against humanity. So far, most of the Asia-Pacific states have chosen to bypass the debate on the RtoP, claiming that any discussion of the concept could undermine their national sovereignty. However, Gavrilov suggests that future international debates about the RtoP should include the Asia-Pacific countries due to their increasing influence on the evolution and regulation of international relations as well as their quest for a solid, regional system aimed at preventing and/or minimizing the consequences of international crimes. There are already signs the Asia-Pacific nations are beginning to realize the necessity to adapt the theoretical provisions of the RtoP to the realities of the region.

Alexander L. Vuving's essay "What Regional Order for the Asia-Pacific? China's Rise, Primacy Competition, and Inclusive Leadership" poses a question on what kind of order will be most effective in maintaining peace and stability in a strategic landscape featuring the rise of China and other Asian powers. Notwithstanding its likely stagnation from the 2030s onward, China will have both the will and the wherewithal to seriously challenge the preeminence of the United States in Asia. A regional order predicated on the premise of US primacy will be ill-equipped to manage this contest. The most viable option for peace and stability in Asia, the author argues, is a form of shared regional leadership that is inclusive not only of major powers but also of other key players in the region. ASEAN, for example, constitutes a sizable coalition

of small and middle powers that could play the role of a benign center of regional architecture building. That kind of inclusive leadership has already found some prototypes in the Asia-Pacific multilateral forums, such as the Asia-Pacific Economic Cooperation, the ASEAN Regional Forum, the East Asia Summit, and the ASEAN Defense Ministers' Meeting Plus.

Unlike Alexander Vuving, who places Southeast Asia at the heart of a prospective regional architecture, Artyom Lukin sees Northeast Asia as the geopolitical core of the Asia-Pacific. In the chapter "The Emerging Institutional Order in the Asia-Pacific: Opportunities for Russia and Russia-United States Relations" he maintains that Northeast Asia seems to be evolving into an area where the foundations of Asia-Pacific's new institutional order are being laid. A likely future scenario can be drawn up in which the six party-based "Northeast Asian concert" would act as the primary core for the Asia-Pacific security and political cooperation, while the prospective China-Japan-Republic of Korea free-trade agreement (FTA) would function as a center for the region-wide economic integration. In this emerging institutional order, APEC could stay relevant as standing for a more open and globalized Asia-Pacific versus more closed and purely territorial versions of regionalism. Being non-Asian powers culturally and historically, both Russia and the United States are naturally interested in preserving the trans-Pacific dimension of the Asia-Pacific institution building.

We would like to conclude the introduction to the volume with some thoughts on opportunities for furthering Russia – US cooperation in the Asia-Pacific. Historically, Russia – US relations have mostly been defined by balance-of-power logic. Moscow and Washington moved closer to each other when they faced a common geopolitical challenge. Some argue that now is the time for the United States and Russia to seriously contemplate strategic alignment to check a rising China.<sup>1</sup> However, even if a Russian-

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<sup>1</sup> See, for example, Stephen Blank, "The End of Russian Power in Asia?" *Orbis*, 56-2 (Spring 2012), 249–266.

American quasi-alliance in the Pacific on the basis of China hedging came into being, it would be a deficient partnership, sustained merely by the existence of a presumptive common threat.

In order to move from an interaction primarily based on a balance-of-power thinking to positive and genuine cooperation, the entire content of Russian-American relations has to be transformed. This means, in particular, that Russia and the United States need to become major economic partners for each other. In 2011, Russia-United States trade amounted to \$31.2 billion, accounting for just 3.8 percent of Russia's total foreign trade (in comparison, Russia's trade with Turkey was \$31.8 billion).<sup>2</sup> As of 2010, Russia was America's thirty-seventh largest goods export market.<sup>3</sup> American business also seems reluctant to invest in Russia. With little more than US\$7 billion of accumulated investment, the United States is not even among the top ten investors in the Russian economy, behind Ireland, Japan, France, and other countries. In turn, Russian firms have invested US\$8.2 billion in the American economy,<sup>4</sup> which is, of course, a negligible amount by US standards.

It seems paradoxical that Russia's Pacific territories, despite their proximity to America, have a miniscule amount of trade with the United States. In 2011, the volume of the Russian Far East's trade with the United States totaled just US\$741 million (2.2 percent of the Russian Far East's foreign trade).<sup>5</sup> There is no single

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<sup>2</sup> Russian Federal Customs Agency, "Russia's external trade in 2011," online: [http://www.customs.ru/index2.php?option=com\\_content&view=article&id=15604:2011--&catid=125:2011-02-04-16-01-54&Itemid=1976](http://www.customs.ru/index2.php?option=com_content&view=article&id=15604:2011--&catid=125:2011-02-04-16-01-54&Itemid=1976).

<sup>3</sup> Office of the US Trade Representative, US-Russia Trade Facts, online: <http://www.ustr.gov/russia>.

<sup>4</sup> Russian Federal Statistics Agency, "Russia's accumulated investments in foreign countries" (in Russian), [http://www.gks.ru/bgd/free/b04\\_03/IssWWW.exe/Stg/d03/42inv27.htm](http://www.gks.ru/bgd/free/b04_03/IssWWW.exe/Stg/d03/42inv27.htm).

<sup>5</sup> Far Eastern Customs Department, Russian Federal Customs Agency, "Foreign Trade of the Russian Federation's Federal Subjects in the Far Eastern District" (in Russian), online: [http://dvtu.customs.ru/index.php?option=com\\_content&view=article&id=7870:2010-2011-&catid=63:stat-vnesh-torg-cat&Itemid=90](http://dvtu.customs.ru/index.php?option=com_content&view=article&id=7870:2010-2011-&catid=63:stat-vnesh-torg-cat&Itemid=90).

direct air flight connecting the Russian Pacific territories with the United States.

Russia-US trans-Pacific economic ties received some boost in 2010, when the Eastern Siberia-Pacific Ocean pipeline (ESPO) came online, bringing to the United States' West Coast crude oil from inside Siberia. Thanks to the newly built pipeline, Russia is set to climb the rankings of the top oil exporters to the United States. In 2011, 15.2 million tons of oil was shipped to the Asia-Pacific countries via the Koz'mino port, the terminal point of the ESPO pipeline located near Nakhodka. The United States topped the list of importers of ESPO oil, followed by Japan, China, South Korea, and the Philippines.<sup>6</sup>

In addition to increasing the U.S.-bound shipments of hydrocarbons, much more ambitious projects are now under discussion concerning the economic future of Russia's Far East and Eastern Siberia. In particular, there is an idea of turning Russia's eastern territories, with their abundance of water, energy, and arable land, into a major producer of food, paper, and other basic resources for Asian countries.<sup>7</sup> American financial and technological resources are well positioned to play a major role in realizing this grand project.

A promising sign of increased security cooperation between Moscow and Washington in the Asia-Pacific has been the Russian naval forces' participation for the first time in the international RIMPAC naval exercise in July 2012. Russia had three ships taking part in RIMPAC-2012 – a destroyer, tanker and salvage tug who completed an anti-piracy exercise alongside U.S. forces.

Russian-American relations may not be the most crucial bilateral relationship in the Asia-Pacific today, yet they can, and should, be a major component in the evolving regional order, contributing to political stability and economic prosperity of the Asia-Pacific.

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<sup>6</sup> "Some 15.2mln tons of oil shipped from Koz'mino port in 2011" (in Russian), *PrimaMedia.ru* (13 January 2012), online: <http://primamedia.ru/news/economics/13.01.2012/186722/okolo-15-2-mln-tonn-nefti-otpravleno-iz-porta-quot-kozmino-quot-v-2011-godu.html>.

<sup>7</sup> Sergey Karaganov, "Aziatskaya strategiya" (Strategy towards Asia), *Rossiyskaya Gazeta*, 17 June 2011.