

**THE PEOPLE'S REPUBLIC OF CHINA
IN THE AZOV-NORTH BLACK SEA
SUBREGION:
PRESENT STATE AND FUTURE PLANS**

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Introduction

The Azov-North Black Sea Subregion is one of the planet's strategically important areas; it is where the interests of different countries meet and intertwine. It is also tied by multiple threads not only to the Azov-Black Sea Region, but also to different regions of Russia and Ukraine.

The People's Republic of China (PRC) is pursuing an active policy in the above-mentioned regions. Furthermore, it is primarily interested in the Crimea, which virtually adjoins the Caucasus, the Rostov region, and Donbass (particularly the Lugansk and Donetsk regions); by establishing

contacts with them, the PRC is strengthening its position in the Northeast Black Sea and Azov regions. This kind of policy is in keeping with China's overall geopolitical strategy in the Black Sea basin; below we will look at some of its vectors.

The Crimean Vector

China is showing a clear interest in the Crimea, or to be more precise, in the various branches of the economy of this autonomous republic. The PRC is one of the Crimea's main trade partners. For example, according to the year-end results of 2011, China had the greatest share in the Crimea's total import volume (it accounted for almost 40% of the autonomous republic's total import volume).¹

The energy industry presents one of the most promising spheres of cooperation; the PRC intends to invest in building a combined heat and power plant in the Crimea.² It will be created at the site of the Shchelkino nuclear power plant, the construction of which was abandoned in 1989. The capacity of the power plant is to amount to 700 MW; its estimated cost is \$800 million, and gas will be supplied to it via a special branch from the recently laid Jankoi-Feodosia-Kerch gas pipeline. Furthermore, the gas to be produced on the shelf will also be taken into account.³

At the moment, a drilling platform is being installed at the Turkish port of Giresun, which will be the largest and most efficient facility in the Black Sea. It will be set up on the Crimean coast for producing oil and gas on the Ukrainian sea shelf. Furthermore, enough gas will be produced to meet the consumption needs of every sixth utility enterprise in Ukraine.⁴

As for China, it also intends to provide Ukraine with a drilling platform (costing \$200 million) for producing hydrocarbons on the shelf under a leasing agreement.⁵

China and the Crimea are also planning to cooperate in agriculture. At the end of 2011 in Beijing, the government of the Crimean Peninsula signed a memorandum on cooperation with the Export-Import Bank of China and China National Machinery Industry Complete Engineering Corporation (CMCEC). The memorandum envisages implementing construction projects of agricultural complexes, including a grain elevator, mixed feed plant, refrigeration facilities, a plant for manufacturing bio fuel, bio gas power plants, fruit and vegetable storage, bovine cattle-breeding farms, pig complex-

¹ For more detail, see: *The Crimean Peninsula: Macroeconomic Review for 2011*, Ministry of Economic Development and Trade of the Crimean Peninsula, Simferopol, 2012, p. 11 (in Russian).

² See: "China Will Invest in Building a Power Plant in the Crimea," *TSN*, available in Russian at [<http://ru.tsn.ua/groshi/kitay-dast-deneg-na-stroitelstvo-elektrostantsii-v-krymu.html>], 3 September, 2010.

³ See: O. Dorozhovets, "The Chinese Crimea," Industrial Policy Information Agency, available in Russian at [<http://minprom.ua/articles/70547.html>], 24 June, 2011.

⁴ See: G. Vivdenko, V. Osipov, A. Stechenko, "The Crimea is Waiting for a Drilling Platform—The Hope of Domestic Gas Production," *Re:public*, available in Russian at [<http://republic.com.ua/article/25164-V-Krymu-jdut-burovuYu-platformu-nadejdu-otechestvennoy-gazodobychi.html>], 29 April, 2012.

⁵ See: "China Will Allot 700 Million Dollars to Building a Power Plant in the Crimea," *Correspondent.net*, available in Russian at [<http://korrespondent.net/business/economics/1113229-kitaj-vydelit-700-millionov-dollarov-na-stroitelstvo-elektrostantsii-v-krymu>], 6 September, 2010.

es, poultry factories, and wholesale markets.⁶ In addition to this, there are plans to restore and develop the irrigation infrastructure and land reclamation network.⁷

China is also interested in Crimean wines. The Hainan Airlines Company (HNA), in particular, intends not only to buy wines for serving to passengers during flights, but also wants to purchase them wholesale. The company plans to supply wines, primarily dry reds and whites, to large companies and state structures in the Hainan Province and other Chinese regions. It is also looking at the possibility of supplying Ukrainian wines to China's large supermarkets.⁸

The PRC also has its sights set on developing cooperation in tourism, anticipating, in particular, that more Chinese tourists will begin visiting the Crimea.⁹ Moreover, Chinese companies in the hotel business are showing an interest in the prospect of developing the peninsula's recreation complex.¹⁰

The development of the transport sphere, particularly sea and air shipments, is a very interesting vector in cooperation between the Crimea and China. In this context, I would like to note the willingness of the Chinese side to take part in reconstruction projects of the Simferopol International Airport and the Yalta Commercial Sea Port, the cost of which amounts to almost \$500 million.¹¹ It should be noted that in terms of passenger travel volume, the Simferopol International Airport ranks second in Ukraine after Kiev's Borispol airport.¹²

The Crimean authorities intend to go even further: they believe that cooperation with the PRC will make it possible to turn the peninsula into a major transport hub (sea and air). For example, they have made a proposal to Hainan Airlines that entails carrying out joint flights with the local Krymavia company to several Ukrainian and Russian cities, in particular, along the Simferopol-Kiev, Simferopol-Moscow, and in the summer Simferopol-Nizhny Novgorod and Simferopol-St. Petersburg routes.¹³

Moreover, according to the agreement reached between the Crimean government and China National Technical Import & Export Corporation, the latter will build a commercial port on Lake Donuzlav (approximately 30 km from Evpatoria) with investments totaling more than \$1 billion.¹⁴ Building a modern port in the Crimea is a vital strategic project for China, making it possible to ship goods from the PRC to Eastern Europe.¹⁵

⁶ See: "China Exim Bank is Issuing a Loan to Develop Crimean Agriculture," *Obozrevatel*, available in Russian at [<http://finance.obozrevatel.com/business-and-finance/na-razvitie-selskogo-hozyajstva-kryimu-vyidelyaet-kredit-exim-bank-of-china.htm>], 10 November, 2011.

⁷ See: E. Yurchenko, "The Crimea is Waiting for Chinese Investors in Agriculture," Ministry of Economic Development and Commerce of the Crimean Peninsula, available in Russian at [http://www.minek-crimea.gov.ua/news_content.php?key=%D0%9A%D0%B8%D1%82%D0%B0%D0%B9&search_resultsPage=2&cid=2435], 9 November, 2011.

⁸ See: O. Tanasiychuk, "One of China's Largest Airline Companies Will Serve Its Passengers Ukrainian Wines," Ukrinform Information Agency, available in Russian at [<http://photo.ukrinform.ua/rus/current/photo.php?id=425444>], 10 November, 2011.

⁹ See, for example: "China Has Been Waiting for 10 Years to Send Its Tourists to the Crimea," *Novosti Kryma*, available in Russian at [<http://news.allcrimea.net/news/2011/11/10/1320921000/>], 10 November, 2011.

¹⁰ See: "China Will Invest in the Crimea," *Argumenty i fakty Ukraina*, available in Russian at [<http://www.aif.ua/money/news/40748>], 10 November, 2011.

¹¹ See: "Chinese Investors Have Found 500 Million Dollars for the Simferopol Airport and Yalta Port," E-Krym Information Agency, available in Russian at [http://e-crimea.info/2012/07/03/59983/Kitayskie_investoryi_nashli_500_millionov_dollarov_na_Simferopolskiy_aerport_i_YAltinskiy_port.shtml], 3 July, 2012.

¹² See: *Ibidem*.

¹³ See: O. Tanasiychuk, "The Crimea's Investment Breakthrough to China," *Kievsky Telegraph*, available in Russian at [<http://telegrafua.com/social/12550/>], 10 July, 2012.

¹⁴ See: "The Chinese Are Giving \$1 Billion to Build a Port in the Crimea," *Rosbalt*, available in Russian at [<http://www.rosbalt.ru/ukraina/2011/11/09/910481.html>], 9 November, 2011.

¹⁵ See: *Ibidem*.

In turn, the Crimean authorities think that implementing this project will help to create thousands of jobs, boost development of the building industry, build new modern highways and railroads, develop the trade infrastructure, and draw a multimillion revenue into the budget.¹⁶

It is particularly worth noting that at the end of July-beginning of August 2012, a fleet of Chinese naval ships entered the Black Sea for the first time in history. As part of the fleet commanded by Deputy Commander-in-Chief of the Chinese Navy Northern Fleet Rear Admiral Yan Jiufei, torpedo-boat destroyer Qingdao with guided missiles and Yantai torpedo escort also entered the Sevastopol fairway on the invitation of the Ukrainian Ministry of Defense and Naval Command.¹⁷ The Chinese naval ships primarily entered the Black Sea to study its special navigational and geographic features.¹⁸

It is entirely clear that the PRC is conducting an extremely active policy in the Black Sea basin, which it is continuously developing and honing.

The Azov (Rostov-Donbass) Vector

The Rostov Region

The relations between the PRC and the Rostov region, which is particularly interested in establishing cooperation in machine-building and construction, are also developing quite dynamically. These issues were discussed in particular when a delegation from the region visited China at the end of February 2008. During the visit, Ivan Stanislavov (first deputy governor of the Rostov region) said that the Rostov region was one of the largest machine-building centers in Russia and although the products manufactured by its plants were extremely competitive in the West, they were not readily available in the Chinese market, so cooperation should be developed in that vector.¹⁹

With this in mind, the possibility was examined of building an automobile complex with China's Chery Company in the Rostov region. Cooperation in construction, studying Chinese experience and technology, and involving construction companies and workers from the PRC in building various facilities in the Rostov region were also discussed.²⁰

China's interest in the Rostov region is growing with each passing year. In May 2012, a delegation of PRC businessmen arrived in the region. Building kindergartens, a sugar refinery, and a specialized center of Chinese commodities were among the possible vectors of cooperation.²¹ The Chinese businessmen noted the region's high investment appeal and expressed the desire to take part in implementing several projects.²²

¹⁶ See: "China Will Allot \$1 Billion to a New Port in the Crimea," LB.ua, available in Russian at [http://economics.lb.ua/state/2011/11/10/123265_kitay_videlit_1_mlrd_na_noviy_.html], 10 November, 2011.

¹⁷ See, for example: "A Fleet of Chinese Naval Combat Ships Enters the Black Sea," ITAR-TASS, available in Russian at [<http://www.itar-tass.com/c96/484829.html>], 31 July, 2012.

¹⁸ See: Ibidem.

¹⁹ See: "The Rostov Region of the Russian Federation Wants to Develop Economic Ties with China," *Renmin ribao*, available in Russian at [<http://russian.people.com.cn/31518/6358190.html>], 21 February, 2008.

²⁰ See: Ibidem.

²¹ See: "The Rostov Region Will Expand Cooperation with China," *Rossiiskaia gazeta*, [<http://www.rg.ru/2012/05/14/reg-ufo/china-anons.html>], 14 May, 2012.

²² See: "Chinese Investors Are Coming to the Don," Official portal of the Government of the Rostov Region, available in Russian at [<http://www.donland.ru/EventScheduler/EventSchedulerViewPost.aspx?pageid=92218&ItemID=35783&mid=83793>], 12 May, 2012.

One of the successful joint projects between the Rostov region and the PRC envisages cooperation between the Taganrog Automotive Plant (TagAZ) and the Chery Company. In 2010, TagAZ started assembling its own Vortex Corda and Vortex Tingo models, both of which are modifications of cars manufactured by Chery.²³

In the summer of 2011, TagAZ representatives said that they intended to put a new car, TAGAZ C10, on the market manufactured jointly with China's Jianghuai Automobile Co Ltd, based on JAC A138 Tojoy, presented in 2008 in the PRC.²⁴

The Rostov region and China are also cooperating at the city and district levels. In this respect, it is particularly worth noting the agreement on establishing twin-city relations between Rostov-on-Don and Xiameng (the Fujian Province), as well as between Taganrog and Jingying (the Shandong Province).²⁵ Taganrog will primarily develop economic cooperation with China in the production sphere.²⁶

Humanitarian cooperation between the Rostov region and the PRC is also of particular interest; the matter particularly concerns education and culture. For example, there are plans to establish a Confucius Institute in the region. This question was discussed when an official delegation from the Qufu State Pedagogical University headed by its president visited Taganrog at the end of June 2010. The sides examined the prospects for creating a cultural and educational Confucius center in Taganrog and an Anton Chekhov Scientific and Cultural Center in Jingying.²⁷

There are also plans to open a Confucius Institute in Rostov-on-Don (at the Rostov State Construction University).²⁸

The establishment of two Confucius Institutes will not only help to strengthen cooperation between the Rostov region and China, but will also play an important positive role in developing humanitarian ties between China and the Northern Caucasus as a whole.

The development of ties between the PRC and the Rostov region is also having an impact on the dynamics of bilateral foreign trade. According to the year-end results of 2008, the foreign trade turnover between the region and China amounted to \$388 million, increasing by \$164 million compared to 2007.²⁹ In 2011, the trade turnover between China and the Rostov region amounted to \$712 million. So, in three years, the trade turnover volume increased more than 1.8-fold. According to this index, China ranked fourth among the region's trade partners.³⁰ Furthermore, it ranked second in terms of import, accounting for 13.7% of the total import volume. In terms of this index, the PRC yielded only to Ukraine.³¹

²³ See: "TagAZ Renames Another Two Chinese Models," *PBK Daily*, available in Russian at [<http://www.rbcdaily.ru/2010/10/14/industry/519046>], 14 October, 2010.

²⁴ See: "China's JAC A138 Tojoy Will Be Assembled in Taganrog, It Will Cost No More Than \$12,500," *Gazeta.Ru*, available in Russian at [http://www.gazeta.ru/auto/news/2011/06/07/n_1873533.shtml], 7 June, 2011.

²⁵ See: "On Chinese Culture Minister's Visit to the Rostov Region," Representative Office of the Russian Ministry of Foreign Affairs in Rostov-on-Don, available in Russian at [http://www.rostov.mid.ru/doc/vizit_kitai.htm], 10 May, 2009.

²⁶ See: "Cooperation with China," *Nashe vremia*, available in Russian at [<http://www.nvgazeta.ru/business/2594.html>], 20 August, 2010.

²⁷ See: "A Delegation from China Visits Taganrog," *Studencheskaia pravda*, available at [<http://www.spravda.ru/news/10235.html>], 17 July, 2010.

²⁸ See: "Visit of a Chinese Delegation," Anton Chekhov Taganrog State Pedagogical Institute, available in Russian at [<http://www.tgpi.ru/news/01-07-2010/1>], 1 July, 2010.

²⁹ See: "Economic Cooperation Between the Rostov Region and the People's Republic of China in 2008," Official portal of the Government of the Rostov Region, available in Russian at [<http://www.donland.ru/Default.aspx?pageid=88491&mid=80407&ItemID=76857>], 28 April, 2009.

³⁰ See: "Foreign Cooperation of the Rostov Region," Official portal of the Government of the Rostov Region, available in Russian at [<http://www.donland.ru/Default.aspx?pageid=76521>], 11 March, 2012.

³¹ See: "Foreign Trade Statistics of the Rostov Region for 2011," Southern Customs Administration, available in Russian at [http://yutu.customs.ru/images/stories/2012-03-13-STATISTIKA_ROST_OBL_2011-_.doc], 14 March, 2012.

It is interesting that the Rostov region has one of the largest communities of Chinese migrants in the south of Russia. It is located in the region's administrative center, to be more precise, in one of the suburban micro regions known as Temernik.³² However, even though it is mainly populated by Chinese merchants, it is still too early to call it a Chinatown.

Donbass

Developing cooperation with the Rostov region is making it possible for the PRC to raise its relations with adjacent regions of Ukraine to a new qualitative level; the Euro-region of Donbass is of particular interest for the Chinese side. Possible strengthening of China's relations with this Euro-region in the future could help socioeconomic development of the Rostov (RF) and Lugansk and Donetsk regions (Ukraine) and development of cooperation between them in environmental protection, as well as in science, education, culture, and sports.³³

The Ukrainian side is also very interested in developing relations with the PRC; Kiev regards the PRC as one of its most strategically important partners, particularly for Donbass.³⁴

It should be noted that this interest is not accidental; Ukraine understands that establishing relations with the PRC will boost development of its own energy industry. As for Donbass, it can play a very significant role in raising the country's level of energy security. The sides have already taken several important steps in this direction. For example, in 2010, a memorandum was signed between the Chinese State Bank of Development and the Ukrainian Ministry of the Coal Industry. According to this document, more than \$1 billion will be allotted to the reconstruction of the Ukrainian power industry.³⁵

Several pilot projects have already been launched within the framework of this agreement; one of them envisages re-equipping and reorganizing three Ukrainian mines for a total of \$120 million (over 15-20 years). The PRC has also expressed its willingness to purchase Ukrainian coal.³⁶ For example, \$85 million in Chinese investments will go to the Melnikov mine in Lisichansk (the Lugansk region), in particular to assist its technical re-equipping and refurbishing with material (Ukrainian) and equipment (Ukrainian and Chinese). The Melnikov mine is to assimilate these funds within two years and return the investments in 2020.³⁷

Development of cooperation in the power industry was boosted by an agreement on investing \$3.6 billion in the construction of two coal gasification plants and the transfer of Ukrainian district heating companies to coal, signed in 2012 between the Ukrainian Ministry of the Energy Industry and

³² For more detail, see: A. Krepskiy, "Chinese Migration to the Rostov Region: A National Security Threat or Contemporary Globalization Trend?" Association of Military Political Scientists, available in Russian at [www.milpol.ru/sgs/krepskii.doc], 9 January, 2012.

³³ For more detail on this organization, see, for example: "The Donbass Euro-Region," The Donbass Euro-Region Official Internet Resource, available in Russian at [http://euroregion-donbass.ru/about.php], 15 July, 2012.

³⁴ See: N. Pilipenko, "Chinese Combines for Donbass Coal," Newspaper *Zhizn*, printed organ of the Donetsk Regional Council and Regional State Administration, available in Russian at [http://lifedon.com.ua/home/1545-kitayskie-kombayny-dlya-uglya-donbassa.html], 12 July, 2012.

³⁵ See: *Ibidem*.

³⁶ See: "China Is Giving \$120 Million to Re-Equip Three Mines in Ukraine," Environmental Portal "Climate and the Weather," available in Russian at [http://www.carnivorousplant.info/klimat/28294-kitaj-daet-120-mln.-na-pereosnashhenietrex-shaxt-ukrainy.html], 12 July, 2012.

³⁷ See: "China Will Sponsor Modernization of a Mine in the Lugansk Region," LB.ua, available in Russian at [http://economics.lb.ua/trades/2012/02/21/137833_kitay_prospensiruet_modernizatsiyu.html], 21 February, 2012.

the Chinese State Bank of Development.³⁸ The Ukrainian side believes that this will cut down on the purchase of natural gas by 11-12 billion cubic meters and so raise the level of the country's energy independence.

It should be noted that the PRC is not only developing relations with Donbass in the energy industry, but in other spheres too. China is placing particular emphasis on establishing ties with the Lugansk region, which has great economic potential and is one of the five most developed industrial and economic regions of Ukraine. The city of Lugansk is the largest industrial center in the east of Ukraine; it is the most important transport hub, through which rail, road, and air routes pass from the west and the east of the country to the northern, central, and southern regions of Russia.³⁹

China is one of the main foreign trade partners of the Lugansk region. The PRC accounted for 2.1% of its import in the foreign trade turnover structure of the region in 2011 (according to this index China ranked fourth), which amounted to more than \$100 million.⁴⁰

The Lugansk region and the PRC are also cooperating in the humanitarian sphere, particularly in education and science, where real achievements are obvious. In this context, it should be mentioned that the first Confucius Institute in Ukraine functions at the Taras Shevchenko Lugansk National University⁴¹; the Chinese language and culture are studied there.

In turn, the Taras Shevchenko Lugansk National University is actively cooperating with a whole number of Chinese educational institutions, including the International Professional College (Shanxi Province), Yongchong State University, Guangdong Scientific Technical College, Daqing Pedagogical University, Chengjiang Tourist College, Weifang Professional College, Shangxi College of Economics and Business, Zhejiang Tourist Institute, Ji Shou University, Chong Zhou University, and so on.⁴² Professors, postgraduate students, candidates for doctor's degrees, and students of the university take internships and carry out scientific research at the leading educational institutions of China, as well as take active part in different research projects (the Chinese Ministry of Science helps to fund them). Chinese citizens are also studying at Lugansk University.⁴³

One of the productive results of cooperation between the Lugansk region and the PRC in the humanitarian sphere was the decision to open a Ukrainian scientific center at Zhejiang University. A library and museum will also be established there.⁴⁴ The purpose of the center's activity, the researchers at which will be scientists from both countries, is to study the Ukrainian economy and culture.

Mention should be made of China's active cooperation with the Donetsk region. According to the results of 2011, China was the fourth largest partner of the Donetsk region in terms of import. It

³⁸ For more detail, see: O. Gavrish, D. Belikov, "China Provides Coal. The PRC Will Help Ukraine to Get Rid of its Gas Dependence," *Kommersant Ukraina*, No. 110, 2012, available at [<http://kommersant.ua/doc/1981624?isSearch=True>], 16 July, 2012.

³⁹ For more detail about this region, see: "Brief Survey of the Economy of the Lugansk Region," Regional Agency of Investment Assistance of Ukraine, available in Russian at [<http://ripa.org.ua/index.php?route=product/category&path=35>], 2 August, 2012.

⁴⁰ See: *Draft of the Socioeconomic Development Strategy of the Donbass Euro-Region Until 2020*, Secretariat of the Donbass Euro-Region, Rostov-on-Don, Donetsk, Lugansk, 2012, p. 36.

⁴¹ See: "The Confucius Institute in Lugansk is a Unique Opportunity to Learn the Chinese Language and Get to Know the Culture of the World's Oldest Civilization," Taras Shevchenko Lugansk National University, available in Russian at [<http://www.luguniv.edu.ua/?z1=b,115>], 7 March, 2008.

⁴² See: "International Activity/Cooperation," Taras Shevchenko Lugansk National University, available in Russian at [<http://www.luguniv.edu.ua/?z1=b,78>], 10 February, 2011.

⁴³ See: *Ibidem*.

⁴⁴ See: "A New Scientific Center for Studying Ukraine Will Appear in the PRC," Taras Shevchenko Lugansk National University, available at [<http://www.luguniv.edu.ua/?z1=b,2598>], 22 April, 2011.

accounted for 5% of the total import volume of the region.⁴⁵ It is very likely that China's share will gradually increase in the foreign trade balance of the Donetsk region. This is shown by the steps being taken by both sides to expand and intensify bilateral cooperation. For example, in 2010 an agreement was reached on cooperation between the Donetsk region and the Guangdong Province, which is one of the most economically developed regions of China.⁴⁶

The Donetsk region is also developing relations with other Chinese provinces. In 2011, representatives of the Donetsk region visited China and acquainted themselves with the work of the free economic zones in Shanghai and Shenzhen; several business meetings were held in Beijing, Shanghai, Hong Kong, and other cities.⁴⁷ The Donetsk region, which hopes to implement 129 projects totaling \$6.7 billion, has also invited Chinese investors to participate.⁴⁸ The region is particularly interested in attracting Chinese investments in tech parks, as well as in the development of advanced scientific inventions.

China intends to implement several joint programs with the Rostov region and Donbass. This particularly concerns a large-scale project (in which the Rostov, Lugansk, and Donetsk regions are involved) for building roads that stretch across almost the whole of Ukraine and reach the Rostov region and Volgograd, then go on to China.⁴⁹

Conclusion

The PRC is conducting a very active policy in the Azov-North Black Sea Subregion. It stands to reason that establishing ties with the Caucasus, Crimea, and Donbass is creating favorable prospects for China to expand and intensify mutually advantageous cooperation, whereby not only in the Azov-North Black Sea Subregion, but also throughout the Black Sea basin. In this respect, Chinese investments in the port infrastructure of essentially all the countries of the Black Sea basin are of vital importance.

For example, Chinese investors are interested in the Bulgarian port of Varna and want to participate in its administration under a concession agreement. According to Chinese Ambassador to Bulgaria Guo Yezhou, the question of the Varna port is always on the agenda of meetings between the leaders of the two countries.⁵⁰

Great importance is given to China's cooperation with the Rumanian authorities; this could give them a good opportunity to develop the port of Constanța and turn it into a regional trade center.⁵¹

⁴⁵ See: "Зовнішньоекономічна діяльність," Донецька обласна державна адміністрація, available at [<http://www.donoda.gov.ua/main/ua/2175.htm>], 10 August, 2012.

⁴⁶ See: V. Avdeenko, "The Donetsk Region Will Cooperate with China's Guangdong Province," *RIA Novosti*, available in Russian at [<http://rian.com.ua/economy/20100715/78451886.html>], 15 July, 2010.

⁴⁷ See: "The Donetsk Region Sends its Missionaries to China," *Novosti Donbassa*, available in Russian at [<http://novosti.dn.ua/details/157117/>], 21 June, 2011.

⁴⁸ See: "The Donetsk Region Wants an Invasion of Chinese Dollars. It Is Ready to Assimilate Almost 7 Billion," *Ostrov*, available in Russian at [<http://www.ostro.org/donetsk/economics/news/206370/>], 1 July, 2011.

⁴⁹ See: "Russian-Ukrainian Donbass Will Build a Road to China," *Rosblat*, available in Russian at [<http://www.rosbalt.ru/federal/2010/10/29/785355.html>], 29 October, 2010.

⁵⁰ See, for example: "China Interested in Concession of Bulgarian Black Sea Port Varna," *Novinite Sofia News Agency*, available at [http://www.novinite.com/view_news.php?id=138813], 25 April, 2012.

⁵¹ See: L. Liam, "Region's Infrastructure to Get USD 10 bln Chinese Boost, Romania's Constanța Port Could Be Import Hub," *Romania-Insider*, available at [<http://www.romania-insider.com/regions-infrastructure-to-get-usd-10-billion-chinese-boost-romania-constantin-port-could-be-import-hub/56270/>], 27 April, 2012.

The PRC does not exclude the possibility of implementing investment programs in Turkish ports.⁵² Cooperation is developing in port infrastructure between Batumi and the ports of Guangdong.⁵³

It is worth noting that several European Parliament deputies are also showing an interest in involving the PRC in the development of the European Black Sea ports. For example, Béla Glattfelder (a deputy from Hungary) said that China should invest in the port infrastructure of the Black and Mediterranean seas in order to boost trade with Central and Eastern Europe. He also noted the importance of investing in the port infrastructure of Rumania, Croatia, and Slovenia.⁵⁴

The Chinese side has also been focusing its attention on the Odessa port.⁵⁵ Incidentally, there is quite a large Chinese community in Odessa. It is also interesting that in July 2012, an electronic version of the regional council newspaper *Odesskie izvestia* was launched, part of the circulation of which came out in Chinese. A presentation of the Chinese-language electronic version of the newspaper was held at the Odessa Regional Council. It is called upon to become a unique information portal for the members of the Chinese community who want to find out as much as possible about life in the region.⁵⁶

Chinese representatives are also talking about the importance of the Black Sea Region. For example, according to Mo Wenhe, who is vice president of China Harbor Engineering,⁵⁷ one of the China's largest international corporations, the Black Sea regions are of immense geographic importance. In his words, they offer enormous opportunities for building ports and expanding Chinese business in the region.⁵⁸ It is obvious that Beijing will continue to expand and intensify its ties with the countries of the region. In this context, establishing stable relations with the Azov-North Black Sea Subregion is especially important for the PRC.

The importance of this region is defined both by its powerful economic potential and the geopolitical imperatives. By intensifying economic ties with this region, Beijing, in addition to everything else, is combating the penetration into China of such ideologies as Islamic fundamentalism and pan-Turkism. Furthermore, the PRC is placing its main stakes on improving the socioeconomic situation in the region's constituencies.

It should also be noted that China's stronger position in the Azov-North Black Sea Subregion is also beneficial to Russia; due to its geographic distance from China, Moscow does not see any geopolitical danger in this.

⁵² See: "Chinese Firms Seek Investment in Turkey," *Hürriyet Daily News*, available at [<http://www.hurriyetdailynews.com/chinese-firms-seek-investment-in-turkey.aspx?pageID=238&nID=18306&NewsCatID=345>], 13 April, 2012.

⁵³ See: "Friendly Relations between Guangdong Province, China, and Autonomous Republic of Adjara, Georgia," Government of the Autonomous Republic of Adjara, available at [<http://www.ajara.gov.ge/eng/index.php?page=show&id=234>], 6 August, 2011.

⁵⁴ See: Fu Jing, "Black Sea Ports Offer Much Promise," *China Daily*, available at [http://www.chinadaily.com.cn/china/2011weneurope/2011-06/25/content_12774677.htm], 25 June, 2011.

⁵⁵ See, for example: "Ministry of Transport and Communications: China Intends to Draw its Container Lines into the Odessa Port and Is Interested in Building New Terminal Complexes," Cabinet of Ministers of the Ukraine, available in Russian at [http://www.kmu.gov.ua/control/ru/publish/article?art_id=243683833&cat_id=244314008], 28 September, 2010; "The Odessa Sea Port Plans to Attract Chinese to Install Helium Collectors," *Korporativnye Novosti*, available at [<http://www.corpnews.com.ua/content/news/7/5006/>], 16 July, 2012.

⁵⁶ See: "Newspaper of the Odessa Regional Council Comes out in Chinese For the First Time," IA UNIAN, available in Russian at [<http://www.unian.net/news/513547-gazeta-odesskogo-oblastoveta-vpervyie-vyishla-na-kitayskom-yazyike.html>], 7 July, 2012 (see also the Chinese version of the newspaper *Odesskie izvestia*, available in Russian at [<http://cn.new.izvestiya.odessa.ua/>]).

⁵⁷ For more on this company, see: Official website of China Harbor Engineering Company, available at [<http://www.chec.bj.cn/tabid/67/Default.aspx>], 9 August, 2012.

⁵⁸ See: Fu Jing, op. cit.

On the whole, intensifying ties with China is having a positive effect on the socioeconomic situation in the region and making it possible to successfully fight extremism.

So the PRC is unlikely to encounter geopolitical opposition from the key players in the Azov-North Black Sea Subregion, which will help to expand and intensify its ties with this region even more.
