

Perspectives of Integration Process of Russia in South-East Asia

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The aim of this research is to identify the opportunities and forms of partnership between Russia and South-East Asia. The Association of South-East Asian countries is gaining quite rapidly the recognition in the global economy, which confirmed by the consistency of the model of regional integration as one of the most promising and rapidly developing integration groups not only in the Asia-Pacific Region, but also in the world. As for the interaction between ASEAN countries with Russia, we identified that Russia and ASEAN countries have a great interest in expanding areas of mutually beneficial economic cooperation and future business dynamic relations with Russia. The leaders of most developed countries officially declare the importance of a meaningful relationship between Russia and ASEAN. In fact there are many reasons for it and the most important among is economic issue. Analysis shows that between Russia and ASEAN it was established the foundation for the development of the future partnership.

Key words: Integration grouping, cooperation, Financial basis, Investment potential, Economic growth, Investment projects, Trade, export, Import, trade balance.

In order to determine the prospects of Russian partnership in South-East Asia, we have chosen the countries which are in the Association of South-East Asian Nations (ASEAN). It determined the fact that among the developing countries of the modern world economy ASEAN has become one of the most competent and dynamic integration groupings of multifaceted cooperation, not only in the Asia-Pacific Region, but also in worldwide.

Currently this association includes ten countries of South-East Asia, which are very different from each other in economic, social and other indicators: Brunei, Vietnam, Cambodia,

Indonesia, Laos, Malaysia, Myanmar, Thailand, Singapore and the Philippines. In 2010 it was established a free trade zone (FTZ) of China-ASEAN (CAFTA). CAFTA free trade zone was established by developing countries with the combined GDP of 7 billion USD, the total trade of 6.1 billion USD (10.9% of world trade), with a share of global foreign exchange reserves - 23%. It is the largest in terms of population - about 1.9 billion people, it is the third position of economic power, after the EU and NAFTA. Nowadays, the new association becomes the economic competitor of the EU and NAFTA, and has an impact on the world economy and politics.

There are other new features of modern international trade: the exchange of services is increasing rapidly, and their share is approximately one-third of world exports (about 1.5 trillion USD). And the main part of it is spent on new kinds of services - transportation services, engineering,

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consulting, leasing, etc. All this leads to a shift in the geographical, regional, international trade: focus shifts to the relationship between the economically developed countries to less developed country groups (60-70% of world trade). As a result, it was generated some favorable conditions for international economic integration of member countries with similar geographical location and with approximately the same levels of development. It determined our choice of analysis the South-East Asia countries.

METHODS

Methodological framework consists of traditional methods, which are characteristic for the research of the objects of international relations. Thus, for example:

- a) Method of historical analogies, which approximates the theoretical arguments to the current situation and is used to reveal the dynamics of ASEAN as a living, changing in time entity with all its consequences;
- b) Method of comparative analysis, which allows on the basis of specific data observing the general features of the ASEAN relations with Russia;
- c) Forecasting method that allows to identify the main trends and prospects of relations;
- d) Systematic method, which shows the rate of development of relations and cooperation between Russia and ASEAN as a certain

evolving system, highlighting its basic elements.

For achieving this purpose, in this research we use the functional analysis, economic, statistical, logical, conceptual analysis and others type of analysis, which allow constructing a complete system of modern Russian relations with ASEAN countries.

RESULTS

Development of cooperation between Russia and ASEAN countries

ASEAN is the most competent and dynamic integration grouping of multidisciplinary cooperation in Asia-Pacific Region and it is characterized by the following macroeconomic indicators (Table 1).

Russia is a full-scale partner in dialogue with ASEAN. At the beginning of creation the partnership dialogue between Russia and ASEAN countries, the first place occupied the issues of foreign affairs and security policy. But further the contacts of partners showed its tremendous unrealized perspective in the economic sphere. Because of the necessity to expand the economic cooperation elements it was formed the Working Group on Trade and Economic Cooperation. In 2004 Russia signed the Treaty of Amity and Cooperation in South-East Asia (TAC, 1976), which was the reason for the strengthening of Russian-ASEAN partnership (Ivanov, 2014).

It was observed a tremendous potential

Table 1. Macroeconomic indexes of ASEAN, 2012 (Baryshnikova, 2013; Official website of Association of South-East Asia, 2013)

Country	Population, million people	GDP, billion USD	GDP per capita, USD	Export of goods, million USD	Import of goods, million USD
Brunei	0.3998	16.995	42.404	11.648	6.459
Cambodia	14.8	14.215	2.400	4.350	4.419
Indonesia	247.2	878	3.556.79	190.033	191.720
Laos	6.646	9.299	1.399.2	3.444	6.244
Malaysia	29.24	303.5	10.380.54	227.625	196.831
Myanmar	61.0	51.92	858.64	8.299	16.886
Philippine	95.8	250.3	2.587.88	52.003	61.715
Singapore	5.31	274.7	51.709.49	412.204	379.975
Thailand	66.79	365.6	5.473.75	228.167	249.099
Vietnam	88.78	141.7	1.595.81	113.944	138.166
ASEAN	615.97	2306.2	122366.1	1251.68	1251.51

Table 2. Export and Import from Russia in ASEAN countries
(ASEAN Affairs; Global Trends 2020 – East Asia, 2013)

Export						Import					
Cost per million USD			Changing rates, %			Cost per million USD			Changing rates, %		
2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
2.590	2.689	4.866	56.0	3.8	80.9	6,474	11.279	13.294	26.8	74.2	17.9

of natural resource, finance, investment, science and technology in South-East Asia. During the past ten years, the economy of ASEAN countries is growing rapidly (Solidum, 2014). The global economy blocked the recession after the global economic crisis and it begins the growing up again. The most countries in South-East Asia were able to maintain high rates of economic development. Nowadays, the South-East Asian countries occupy a leading position in the global production and export of raw materials. ASEAN is one of the most important centers of economic growth and development in Asia. Modernization of the national economies of the ASEAN countries is a priority for Russia. Both partners cooperate very closely in the implementation of the Roadmap activities of trade-economic and investment cooperation between Russia and ASEAN countries. This document identifies areas of mutual economic interests of Russia and ASEAN countries, which include the sphere of energy, transport, telecommunications, aerospace, agriculture and industrial production.

The development of the cooperation in these areas is mutually beneficial, it promotes the economic growth in regions of Siberia and Russian Far East and reduces the gap between the level of development of the economies of ASEAN countries, which is relevant concerning the future form of single ASEAN Economic Community.

The economic situation in the region of South-East Asia is rather favorable. The ASEAN countries are at different stages of development: industrialization, urbanization and electrification. In the areas of cooperation between Russia and ASEAN, there are significant investment projects, combining a huge number of various forms of businesses. It is notable that the most important part will take the small and medium-sized enterprises, as well as working in the sphere of

innovation (Vasiliev, 2012). The strengthening links with small and medium-sized enterprises is the one of the forms of economic cooperation between Russia and ASEAN. Partners from Russia are more suitable in this aspects, and thus they have a rather significant potential.

By the end of 2013 the trade of ASEAN with Russia is encouraging. Even in the conditions of slowing the growth dynamics of trade with most of the situation it remains positive. In 2013, the foreign trade turnover of ASEAN countries with Russia was totaled 17.5 billion USD, which is 12% high comparing with 2012 (Global Trends 2020 - East Asia, 2013).

We can notice that in the mutual trade between Russia and ASEAN the growth of Russian exports to ASEAN increased by 16.4% on innovative products, which accounted for almost 42%. In 2013, Russian exports to ASEAN countries increased by 16.4% to 8.5 billion USD, imports are by 8.4% to 9 billion USD. Russian exports of 2010-2012, ASEAN countries generally occupy a small place - 1.6-1.8% of the total value (Asia Times Online). We considered the data on exports, imports and total trade between Russia and ASEAN countries for the period 2011-2013 (Table 2).

Concerning the trade of services, the ASEAN countries occupy a less prominent place in foreign economic relations of Russia. According to 2013 data the service exports from Russia to the members of the Association as a whole amounted to 610 million USD, it is a relative measure which has not changed since 2003. Among the members of ASEAN the exports of Russian services dominate in Vietnam and Singapore, and Vietnam came in first place in 2007.

At the same time the importance of ASEAN as service providers in Russia significantly increased - from 1.4% in 2004 to 2.9% of the total imports of services Russia in 2013

Table 3. Forecast of developing the Russian export to ASEAN countries up to 2030, million USD (Levinthal, 2013; ASEAN Regional Forum)

Year	Brunei	Vietnam	Indonesia	Cambodia	Laos	Malaysia	Myanmar	Singapore	Thailand	Philippine	TOTAL
1992		78.900	16.600	16.200	0.900	21.800		143.800	271.400	31.800	581.400
2011	0.43	809.74	579.7	3.763	8.285	417.08	228.1	2237.804	2095.61	1217.6	7598.22
2012	0.322	1037.9	802.7	21.969	16.80	608.96	153.3	1999.836	1656.01	867.49	7165.44
2013	0.518	1083.7	925.9	26.878	21.64	662.38	226.2	2175.082	1909.84	1046.1	8078.44
				Forecasting of Russian Export in ASEAN countries							
2014	0.835	1170.80	1061.9	32.61	27.66	721.45	335.4	2356.973	2194.34	1262.9	9164.95
2015	1.347	1416.58	1211.2	39.29	34.82	786.49	336.5	2545.113	2511.62	1525.5	10408.6
2016	2.171	1767.87	1374.5	47.03	43.09	857.83	402.7	2739.156	2863.86	1843.5	11941.8
2017	3.498	2197.39	1552.3	55.96	52.45	935.87	481.5	2938.796	3253.30	2228.2	13699.4
2018	5.631	2714.36	1745.3	66.22	62.91	1021.0	575.3	3143.767	3682.24	2693.3	15710.1
2019	9.054	3330.15	1954.1	77.96	74.46	1113.6	603.5	3353.835	4153.08	3255.1	17925.0
2020	14.53	3822.87	2179.3	91.33	87.08	1214.2	638.7	3568.791	4668.24	3933.3	20218.5
2021	23.30	4057.63	2421.5	106.5	100.7	1323.2	699.2	3788.451	5230.27	4751.6	22502.6
2022	37.31	4910.97	2681.2	123.6	115.5	1441.1	707.8	4012.653	5841.73	5738.4	25610.7
2023	59.63	5611.00	2959.3	143.0	131.4	1568.4	732.2	4241.251	6505.31	6927.6	28879.4
2024	95.14	5905.64	3256.1	164.7	148.4	1705.7	759.1	4474.113	7223.73	8360.2	32093.1
2025	151.5	7058.37	3572.5	189.1	166.4	1853.4	783.0	4711.123	7999.81	10085	36570.4
2026	241.0	8387.23	3909.1	216.3	185.5	2012.2	819.8	4952.175	8836.45	12161	41720.3
2027	382.7	9201.22	4266.2	246.6	205.7	2182.6	857.2	5197.175	9736.61	14657	46933.3
2028	421.8	9911.63	4644.8	280.2	227.0	2365.3	891.1	5446.036	10703.3	17659	52550.1
2029	462.8	10781.6	5045.4	317.4	249.3	2560.9	930.9	5698.680	11739.7	21266	59053.4
2030	498.3	11652.3	5468.7	358.6	272.7	2769.9	977.8	5955.036	12849.1	25601	66403.4

Table 4. Forecast of developing Russian import from ASEAN until 2030, million USD (Levinthal, 2013; ASEAN Regional Forum)

Year	Brunei	Vietnam	Indonesia	Cambodia	Laos	Malaysia	Myanmar	Singapore	Thailand	Philippine	TOTAL
1992	0.100	112.1	9.600	3.300	4.300	5.800	0.300	508.800	224.900	3.700	872.900
2011	0.000	1722	1523.2	67.832	2.020	1508.74	24.610	382.96	1504.08	397.60	7132.63
2012	0.053	1371	1099.2	74.429	3.569	2282.18	20.306	688.97	2007.52	366.32	7913.38
2013	0.103	1563	1231.8	93.591	4.399	2632.40	27.179	741.35	2321.37	427.58	9043.10
Forecasting of Russian Import from ASEAN countries											
2014	0.202	1771	1373.5	116.54	5.431	3073.10	36.048	793.93	2683.75	495.74	10349.7
2015	0.394	1995	1524.3	143.77	6.710	3610.33	47.400	847.11	3094.12	571.16	11840.7
2016	0.770	2235	1684.5	175.83	8.289	4253.01	61.824	901.20	3552.62	654.21	13527.3
2017	1.504	2491	1854.1	213.28	10.23	5012.14	80.023	956.42	4059.83	745.25	15423.3
2018	2.940	2762	2033.1	256.72	12.62	5900.49	102.83	1012.9	4616.57	844.65	17544.9
2019	5.748	3050	2221.5	306.80	15.54	6932.34	131.25	1070.8	5223.82	952.79	19910.3
2020	11.23	3353	2419.6	364.18	19.12	8123.44	166.45	1130.2	5882.63	1070.0	22540.2
2021	21.97	3673	2627.3	429.58	23.47	9490.90	209.81	1191.3	6594.09	1196.7	25458.3
2022	42.96	4009	2844.9	503.75	28.77	11053.2	262.93	1253.9	7359.35	1333.2	28692.3
2023	84.01	4361	3072.2	587.49	35.19	12830.5	327.69	1318.3	8179.53	1480.1	32276.6
2024	164.2	4730	3309.6	681.61	42.97	14843.9	406.27	1384.6	9055.77	1637.4	36256.5
2025	321.2	5115	3556.9	786.98	52.35	17116.5	501.2	1452.5	9989.2	1805.8	40697.9
2026	428.7	5517	3814.2	904.52	63.67	19672.4	615.36	1522.3	10980.9	1985.5	45504.6
2027	459.2	5935	4081.8	1035.2	77.28	22537.6	752.12	1594	12032.1	2176.9	50681.4
2028	472.8	6370	4359.5	1179.9	93.62	25739.6	778.93	1667.5	13143.8	2380.5	56186.4
2029	499.7	6822	4647.6	1339.8	113.2	29307.3	803.62	1743.0	14317.1	2596.5	62189.9
2030	503.8	7291	4946.1	1515.9	136.6	33271.5	851.30	1820.4	15553.1	2825.4	68715.1

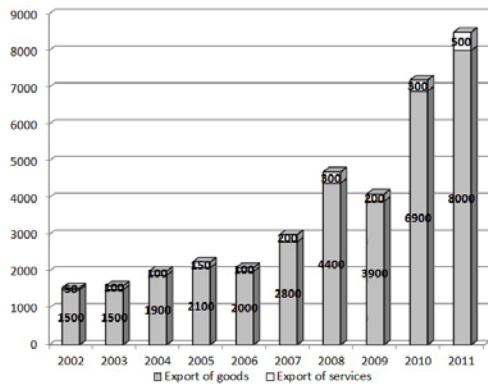


Fig. 1. The dynamic of Russian export in ASEAN countries, million USD (Official website of ASEAN Countries, 2013)

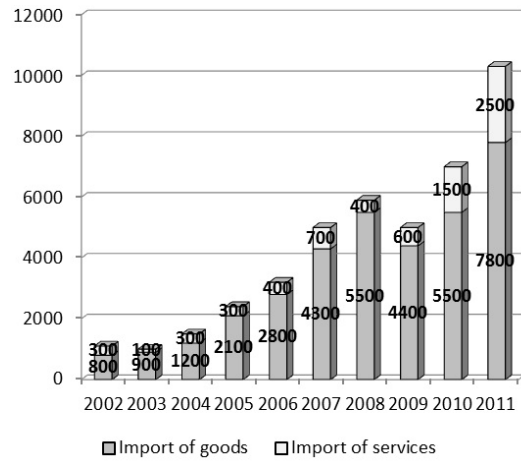


Fig. 2. The dynamic of Russian import from ASEAN countries (Official website of ASEAN Countries, 2013)

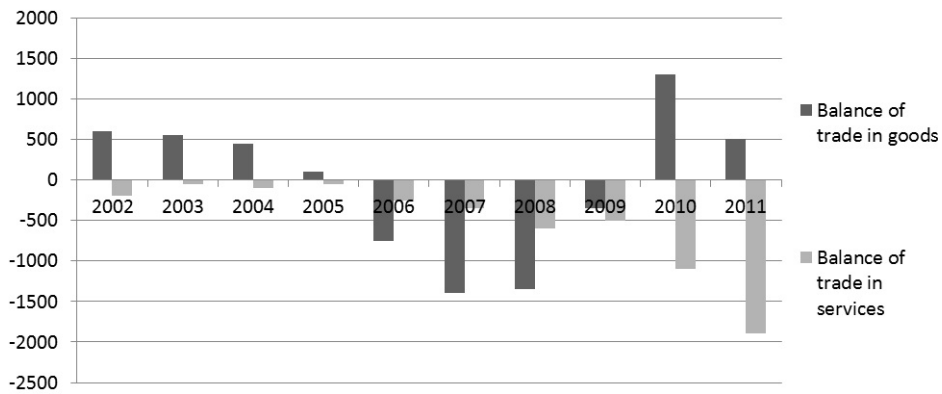


Fig. 3. Russian trade balance with the ASEAN countries, 2002-2011 (ASEAN Affairs; Institute of Southeast Asian Studies)

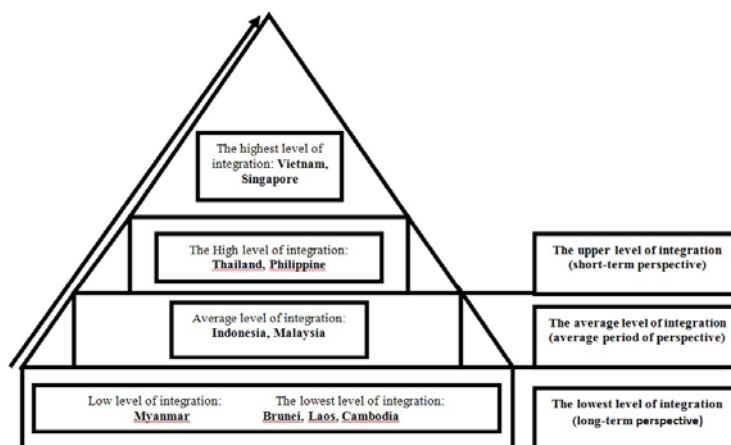


Fig. 4. Model of "integration pyramid" Russia and ASEAN countries

(Ivanov, 2014). It was illustrated on Figures 1 and Figure 2 graphically the dynamics of exports and imports and the value of goods and services on a scale of total cost values of exports and imports from ASEAN countries for 2002-2011.

The largest contribution to Russian imports was made by four ASEAN countries - Vietnam, Indonesia, Malaysia and Thailand. The role of Vietnam has increased significantly over the past decade, the result is that Vietnam occupied the second place after Thailand of imports in Russia from the ASEAN region (Karlusov, 2010). The largest volume of exports to Russia was sent from Thailand (30%), Malaysia (26%) and Indonesia (24%).

In imports of Russia the picture is quite different, for ASEAN as a whole and its individual members such as Singapore (53%) and Thailand (21%), the exports of goods and services is consistent with the average values across the world, the USA and the EU. We can say that this situation is primarily due to rapid growth of imports of services from Singapore and Thailand in recent years.

The rapid growth in imports of services against the background of limited exports can be attributed to the major causes of the deficit in the trade between Russia and ASEAN countries in recent years, or a significant reduction in the surplus (Figure 3).

Thus, a preliminary analysis of the total trade figures show that exports of Russian services disproportionately small comparing to its imports, as well as on the background of the average relative volume of exports of services in other countries. This indicates that the potential for expansion of services exports to ASEAN countries.

Beginning from 2014, it was projected a steady growth in exports between the partners, which should positively affect of the bilateral relations. By 2015, it is quite possible the growth of Russian exports to ASEAN to 10408.7 million USD, which is 36.98% higher than the level of 2011. By 2020 if the value of the expert level of ASEAN countries have positive growth, Russia could increase it to 20218.5 million USD, which is two times more than in 2015 (Table 3).

In 2025 the volume of Russian exports may increase to 36570.5 million USD, and in 2030 – 66403.5 million USD, in other words it means 7.2

times more than in 2013. If we consider the individual countries of ASEAN, we can distinguish countries such as Vietnam, Singapore, Thailand and the Philippine, which until 2030 will show a significant increase in imports from Russia. Thus, as the main centers of the inflow of export, these states will consume more than 80% of total Russian exports in 2030.

A similar situation is observed with the data of imports from ASEAN in Russia (Table 4).

Analysis of the data in Table 4 we suggest that the increase in imports from Russia in the ASEAN countries will proceed the quite rapidly growth to 2030 and have a characteristic progressive growth trend.

The forecasting indicate that the volume of imports from ASEAN in Russia during the period may be increased to 9043.1 million USD. In 2013 it will be 68715.1 million USD in 2030. Thus in 2015 the volume of imports will be equal to 11840.8 million USD, in 2020 – 22540.3 million USD, and in 2025 – 40697.9 million USD. Thus, the comparing of 2013 figures with the 2030 figures shows that the total imports to Russia from ASEAN will increase by 7.6 times.

Analyzing the forecast which was presented in Table 4 in terms of the dynamics of trade by individual member of ASEAN, it can be noticed that the main exporters of goods to Russia in 2030 will be Vietnam, Malaysia, Indonesia and Thailand. These countries today are already pretty close trade relations with Russia, which indicates the growth of imports from these countries. By 2030 the combined share of these countries in the total volume of Russian imports from South-East Asian countries will be 88.86%. The similar positive results of the research allow talking about cooperation between Russia and ASEAN in the future.

The main directions and projects of cooperation between Russia and ASEAN countries

The significant contribution to the Russian partnership is made by such ASEAN countries like Vietnam, Indonesia, and Malaysia.

One of the regional development centers in South-East Asia, which has a modern transport, energy and telecommunication infrastructure, can be identified Malaysia. In 2013 the trade with that country amounted to 2.7 billion USD, which is 53.8% higher if we compared it with 2012. Thus,

the Russian exports of goods increased by 4.6 times and reached 1.28 billion USD (Amirov, 2012).

Malaysia is one of the most perspective trade partners of Russia among the ASEAN countries. This country has reached the great world level in the development of applied technologies, including energy, electronics and biotechnology. Malaysia makes a significant contribution to the international military-technical cooperation. The equally important for the development of mutual trade has a favorable customs regime and the absence of mutual discriminatory restrictions. The economy of Malaysia and Russian economy are largely complementary, and the competition is minimal, even in the markets of developing countries. The separate direction of the Russian-Malaysian cooperation is a technology commercialization, where the result should be a creation of technological alliances with Malaysian partners who will support the joint products on the markets of both countries as well as in foreign markets of developing countries. Russia has a long period of negotiations with the Malaysian government of the issue of education of the intergovernmental commission, which will be the center of discussion of major projects (The Ministry of foreign affairs (Malaysia)).

It is actually to make more dynamic and multidisciplinary character for Russian relations with Singapore, which takes special issue in many ways as important position in South-East Asia. The large-scale and long-term cooperation with Singapore is a serious guarantee of business success in South-East Asia. Singapore is the most powerful, business, financial, marketing, information and communication and transport center of world-class in this region. In Singapore, there is a huge innovation laboratory, not only in science and technology, as well as in the sphere of management (Institute of South-East Asian Studies (Singapore)). The relation with this state is able to accelerate the adaptation of the latest Russian scientific and technological developments in relation to the conditions of South-East Asia. At the same time, this cooperation will help implement, especially in Russian Far East, a relatively new shape and direction of economic policy, including such as free economic zones, technology parks, venture capital firms, which would accelerate the integration of Russian economy and Far Eastern

regions in dynamic markets of the Asia-Pacific Region.

In 2013, the foreign trade turnover of Singapore with Russia was totaled about 2.44 billion USD, which is 21.7% higher if we compared it with 2012. The Russian exports of goods increased with 18.6%, while imports - more than a third (33.6%). In the supply of Russian products in Singapore are interested by Russian aircraft manufacturers, in particular JSC "UAC". In addition, the Russian experts had suggested the idea of organization the maintenance and repair of components of western production, which was installed on the SSJ-100 aircraft based in Singapore (Anosova, 2013).

One of the most perspective area of cooperation between Russia and ASEAN countries is cooperation in the military-industrial complex. At this stage, one of the most large-scale projects in the sphere of arms is called the project "636" for the Vietnamese Navy. The group of diesel-electric submarines of class "Kilo" of Project 636 for Vietnam's navy will be built in Russia. The Contractor of this order was selected "Admiralty Shipyards", which has already built two submarines of this class for Algeria. In the near future, "Rosoboronexport" will sign a contract, the amount of which is estimated at 1.8 billion USD. It is planned to build six submarines (Vietnamese Ministry of foreign affairs (Vietnam)).

Russian-Thai relations are basically in trade and economic spheres. Nowadays, Thailand is Russian largest trading partner in South East Asia: the sphere of energy in all its aspects, is a high technology, military-technical cooperation. Russia and Thailand are close or identical approaches to major regional and international issues. Thailand provides consistent support for Russia to engage in a variety of integration groupings in the Asia-Pacific Region, allowing more actively contribute to the development of the most promising regions of the world. The foreign economic cooperation of Russia with Thailand is the most important. The one of the latest long-term joint projects in Russia and Thailand is a program GLONASS - the Global Navigation Satellite System, which is used in the automotive and marine navigation. In addition, Russia is interested in developing cooperation in banking, pharmaceuticals, agriculture (The Institute

of Security and International Studies (Thailand). Trade and economic cooperation between Russia and Indonesia has a positive trend. In 2013 the Russian trade with Indonesia was amounted to 2.96 billion USD, which is almost 3% if we compared it with 2012. The share of Indonesian total turnover of foreign trade of Russia is 0.2% (Vision 2020). The largest share in the structure of Russian exports is raw products group (ferrous and non-ferrous metals, fertilizers, paper, and cardboard) and recycled (waste paper, scrap metal). Imports are dominated by agricultural products and raw materials of tropical origin (palm oil, tea, coffee, tobacco, natural rubber). Russian investments was amounted about 15 million USD, Indonesian in Russia is 0.7 million USD.

Russian and Indonesian companies interact in the innovation sphere. It is about creating an early warning system and monitoring system 200-mile exclusive economic zone of the Republic of Indonesia, the Republic of startup of Indonesia operator of satellite broadcasting technology-based and operated by the Russian holding GS Group, as well as a system for informing and alerting the public about emergency situations on the basis of satellite Broadcasting Technologies. In South-East Asia, there are two countries, the potential of which for various reasons has been underestimated - Myanmar and Brunei. Brunei has considerable oil and gas reserves, which is another advantage for the implementation of new joint projects in the field of extraction and processing of natural resources, taking into account Russian experience in this area. Myanmar is the country interesting for Russian business, especially with regard to the exploration and production of oil and gas, creating objects of hydro and thermal power. The only obstacle to the full cooperation is the unstable political situation in the country.

On the basis of analysis of the features of modern trade and economic relations between Russia and ASEAN countries, we have developed a model of "integration pyramid", which summarizes and graphically represents the current stage of cooperation between the parts (Figure 4). It is reflected on Figure 4 not only the level of integration between Russia and ASEAN countries, but also the prospect of further cooperation. In terms of future prospects for cooperation with the Russian Federation, the Association can be divided

into low, medium and high level of integration groups.

It can be concluded that if for the future development of bilateral business cooperation between Russia and ASEAN countries we have a well-established mechanism, the participation in various schemes of multinational integration in the region, a phenomenon for South-East Asia is relatively new, this mechanism is still only in creation stage. According to the experience of countries that do not belong to the Asian-Pacific Region and working in South-East Asia, and establishing the relations of its development should make by Russian transnational corporations and banks, large and medium-sized enterprises, as it certainly is in order to improve international competitiveness.

DISCUSSION

The issue of integration in the Asia-Pacific Region is not unique. Some authors write that the East Asian community is not in the interests of a common East Asian identity and pursue goals of individual countries (Martin, Smith, 2007). In different times the periods the authors noted the low level of economic integration in South-East Asia, due to the lack of strong regional institutionalization. Among the most successful regional groupings in Asia Pacific they noticed the Asia-Pacific Economic Cooperation (APEC), (Higgott, 1998; Aggarwal and Ippei Yamazawa, 2000; Ravenhill, 2002).

However, for many experts of East Asian regionalism, it is clear that such integration is insufficient. It is possible of replacing the formal institutionalization of regional economic integration (Ernst, 1997; Encarnation, 1999), both inside and outside the region (Dent, 2003).

The history of the institutionalization of the integration process shows that in recent decades in East Asia there were significant efforts which was made to create a strong institutional environment for the development of regional economic relations, but these efforts have not been successful (Calder and Ye, 2004).

The subject of extensive economic evaluation is that integration in East Asia may increase the potential economic benefits to countries due to economies of scale by expanding

the market for the export industries (Milner, 1997; Chase, 2003; Pempel, 2008), reduce transaction costs between the contracting parts and the declining importance of political negotiations (Aggarwal and Ravenhill, 2001).

For strong integration processes it is needed the so-called primary factors - historically established trade relations, measures of purchasing power, on the basis of which add up strong trade unions. Over the past decade there have been major changes in motivation of integration processes in South-East Asia.

The rates of economic development and rapid economic growth in the Asia-Pacific region have led to the necessity for effective inter-regional integration groupings (APEC, ASEAN, ADB, SAARC, ESCAP, ASEM, ARF). However, the success of the operation of the currently existing organizations could be called into question. Firstly, the analysis showed that the stated objectives have not been fully achieved or one of the organizations. Moreover, if the social, political and cultural spheres were used to a large extent, the economic sphere, the least cooperation. Nowadays, the institutions of international cooperation are the basis for the development of theoretical solutions and strategies for cooperation among countries. However, the region has no organizations engaged in an effective and timely implementation of practical projects undertaken by existing institutions. The experts research the organizations as areas for increased political influence, rather than for receiving economic effect.

CONCLUSIONS

ASEAN is the most viable among all Asian economic integration associations, which has withstood the test of time and has great prospects for development in future.

When we say about the interaction between ASEAN countries with Russia, it is obvious that they both have a great interest in expanding areas of mutually beneficial economic cooperation and future business relations with Russian scale and dynamic nature. The leaders of most developed countries officially declare the importance of a meaningful relationship between Russia and ASEAN. In fact there are many reasons and the most important among them is economic.

The analysis shows that between Russia and ASEAN it was established the foundation for the development of the partnership.

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