INTERNATIONAL ECONOMICS

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REGION FOREIGN ECONOMIC RELATIONS AS A FACTOR OF REINDUSTIRALIZATION[1]

At present, the strengthening vector of the developing economies, in particular, of the countries of Eurasian Economic Union and BRICS, in the geographic structure of Russian foreign economic activity is observed. The subject matter of the article is to see, how the development of this direction can be economically favorable. For this purpose, the forms and degree of the development of economic partnership including collaboration with the Russian regions are investigated. The agreements on the economic partnership with the regions of partner countries of Russia, their production relations are considered. The analysis of foreign trade shows that in the case of the partner countries within Eurasian integration and the BRICS group — Russian economy gets the high possibility to become the supplier of products of relatively high degree of processing which is the key factor of development of its processing industry, i.e. the factor of reindustrialization and export-oriented import substitution.

Keywords: Eurasian economic union, BRICS, regional level, agreements about partnership, production relations, processing industry, reindustrialization, export-oriented import substitution

At present, the strengthening vector of developing economies, in particular, of the countries of Eurasian economic union and BRICS, as well as Latin America and other Asian countries, in geographic structure of Russian foreign economic activity is observed. It appears to be relevant to see in what extent and in what forms this economic partnership is developed, how the Russian regions participate there, how the involvement of regions into international labor division can be characterized, and what might be economically favorable development of Russian foreign economic activity and its regions in this direction.

Basic trends in development of integration processes of Russia and its regions

Russia is one of the organizers of regional economic integration association — on Eurasian economic space — of Eurasian Economic Union (EAEU: Russia, Belarus, Kazakhstan, Kyrgyzstan, Armenia). According to the Treaty on creation of Customs Union of Russia, Belarus and Kazakhstan of 06.10.2007, its purpose is achievement of free movement of goods in mutual trade of member countries and of favorable conditions of their trade with the third countries, as well as a development of economic integration of member countries. The final purpose is to unite the customs territories of member countries in a uniform customs territory. By that, the final purpose of the Treaty on the establishing of Eurasian Economic Community (EurAsEC) of 10.10.2000, on which platform the creation of Customs Union is canalized, — is an effective advancement of the process of Single Economic Space (SES) development. According to the Resolution of Eurasian Economic Council of 19.12.2011 No. 9 "On the entry into force of international treaties developing the SES of Russia, Belarus and Kazakhstan", is planned to establish the common markets (for instance, oil products) of participant countries, united rules of technical regulation, subsiding, conforming to macroeconomic policy, etc. This international economic integration association has developed as EAEU (established by the treaty of 29.5.2014, entered into force in 1.1.2015), where Kyrgyzstan and Armenia are also entered. One of the basic targets of EAEU is to form a single market for goods, services, capital, and labor resources.

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Customs union and SES are important apostasies of EAEU. Within EAEU, the reallocation of resources among member countries is widely presented (1, p. 89); the functioning institutional structure was formed (2, p. 38); significant investment possibilities exist. According to B.A. Kheyfets, the volume of accumulated Russian investments in Kazakhstan has increased in 2009-2013 by 4.4 times, and in Belarus — in 2.4 times. Accumulated investments of Belarus and Kazakhstan in the Russian economy in the period of 2005-2013 have increased almost in 1.9 times (composed and calculated on: 3, p. 29-30, 32). It is obvious that EAEU is oriented on the development of investment-reproduction model of foreign economic relations, i.e. on the development of the innovative economy (4, p. 245). Apart from that, such regional integration improves the protection of Russian market from threats caused by the globalization of the world economy (5).

Together with that, the Russian economy also participates in the trans-regional partnership represented by the BRICS group. Its summits from the beginning have been having an economic orientation (6, p. 21-22). This group is formed by the biggest fast growing economies of the world economy (Table 1). Their growth in physical expression can be shown on the example of car production: in 1980–2012 in Brazil it is grown in 2.87 time, in India — in 36 time, in China — in 86 time (for comparison: in the USA — in 1.29 time) (7, p. 56).

The BRICS countries are transforming from the periphery of the world economy to the dynamic centers of the industrial growth, the centers of the attraction of transnational corporation investments (8, p. 5).

As it follows from the declarative base of meetings and summits of the heads of these states, being carried out since 2009, within the Group the gradual development of economic partnership in a number of directions takes place.

As for general economic partnership, it can be mentioned that, if in 2009, the first agreements on development of dialogue and partnership were achieved; in 2011, it was already agreed to extend and deepen economic, trade and investment partnership, in 2012 Economic investigation of the BRICS countries with discussing potential of their interaction was prepared; in 2013 the Council of Expert

Table 1

GDP dynamics in national currency, in constant prices, in % to the previous year

Country	2009	2010	2011	2012	2013	2014
Developed countries, G7						
Great Britain	−4.3	1.9	1.6	0.7	1.7	2.6
USA	−2.8	2.5	1.6	2.3	2.2	2.4
Canada	−2.7	3.4	3.0	1.9	2.0	2.5
France	−2.9	2.0	2.1	0.3	0.3	0.4
Germany	−5.6	3.9	3.7	0.6	0.2	1.6*
Italy	−5.5	1.7	0.6	−2.8	−1.7	−0.4
Japan	−5.5	4.7	−0.5	1.8	1.6	−0.1
The biggest fast developing countries						
Brazil	−0.2	7.6	3.9	1.8	2.7	0.1
India	8.5	10.3	6.6	5.1	6.9	7.2
Indonesia	4.7	6.4	6.2	6.0	5.6	5.0
China	9.2	10.4	9.3	7.8	7.8	7.4*
Mexico	−4.7	5.1	4.0	4.0	1.4	2.1
Pakistan	0.4	2.6	3.6	3.8	3.7	4.1
Russia	−7.8	4.5	4.3	3.4	1.3	0.6*
South Africa	−1.5	3.0	3.2	2.2	2.2	1.5
World	−0.01	5.4	4.2	3.4	3.4	3.4
World (current prices)	−5.2	9.2	10.7	1.8	2.7	2.4
World (PPC. current internat. dollar)	0.4	6.5	6.1	4.9	4.9	4.8

* Estimations.

Composed and calculated on: World economic outlook database (April 2015). International monetary fund. Available at: http://www.imf.org/external/pubs/ft/weo/2015/01/weodata/index.aspx (date of access: 15.5.2015).

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Table 2

Agreements of the Sverdlovsk region about partnership with administrative structures of the EurAsEC countries

Agreements of Government of the Sverdlovsk region with		Spheres (together with economics and trade)
Ministry of Industry of Republic Belarus; 1997	economics and trade	production-technical
Administration of Tashkent (Republic of Uzbekistan); 1997		culture, governing, science and education, health care
Ministry of external trade and industry (Kyrgyz Republic); 1998		—
Government of Republic Belarus; 2001		science, education, culture; change of experience between municipal authorities
Administration of Astana (Republic of Kazakhstan); 2003		scientific-technical; culture
Government of Republic of Tajikistan; 2004		science, culture
Government of Kyrgyz Republic; 2006		scientific-technical and humanitarian
Administration of Karaganda region (Republic of Kazakhstan); 2013		scientific-technical and humanitarian; environment protection
Administration of Qostanay region (Republic of Kazakhstan); 2013		

Composed by: Soglasheniya [Agreements]. Web-stranitsa Ministerstva mezhdunarodnykh i vneshneekonomitcheskikh svyazey Sverdlovskoy oblasti [Web-site of Ministry of international and external economic relations of Sverdlovsk region]. Available at: http://mvs.midural.ru/soglasheniya (date of access: 28.11.2014).

Centers of BRICS and the Business Council of BRICS were created; in 2014, the annual report of Business Council of BRICS for 2013/2014 year was prepared, now a question on development of the economic partnership road map within the Group is being discussed, the development of "Strategy of economic partnership of the BRICS countries" and "General principles of deepening economic partnership of the BRICS countries" are approved; the Council of Expert Centers of BRICS is recommended to work out plans of actions for realizing the long-term strategy for the Group in 5 basic areas, the platform for the change of information within the Group called for promoting development of trade and investment partnership is being created (hear and further: composed on: (9)).

Among certain areas, the partnership, particularly in the sphere of finances and agriculture, is developed.

In financial area of 2010, a question about regional currency agreements within the Group was charged to study; in 2012, the opportunity of realizing an initiative on creation of the Group development Bank was charged to study; and in 2014, the agreement on creation of this bank was sign out, as well as the agreement on creation of Pull of conditional currency reserves of the Group. Apart from them, the agreement on the credit lines in local currency within inter-banking partnership of BRICS and the Agreement on confirmation of letters of credit among export-import banks of the Group's countries (2012) were made, as well as the Memorandum of mutual understanding in the question about partnership among institutions for crediting export and ensuring export credits of the BRICS countries (2014). The payments among Group members in the national currencies have already been fulfilled: so, in Russian-Chinese and Chinese-Brazil relations they are already represented (10, p. 86).

In the agriculture sphere of 2010, the decisions on the single database creation, on development of the strategy of providing access to food for vulnerable groups of the population, on lowering influence of climate change and on extending technological partnership were taken.

In terms of intensifying regional economic integration within EAEU, the regions of Russia are actively carrying out the foreign economic activity. Apart from commodity trade, the foreign trade of services, technologies, production cooperation, and visits of specialists are being developed. Regions make agreements about the economic partnership in different spheres with the regions of the partner countries of Russia. Thus, the Sverdlovsk region within the economic zone of the Eurasian Economic Community has a number of agreements and acts that foresee partnership in trade-economic, production-technical, scientific production, and other spheres (Table 2).

In the trade sphere, the help for creating of joint-stock companies, financial-industrial groups, trade houses, markets is foreseen, as well as in the sphere of foreign investments — creating favorable conditions for attracting investments in the economies of the Parties. The carrying out of change of information by different directions of trade-economic relations, by needs on raw, components, finished

products and possibilities of mutual deliveries of material resources is foreseen. The Parties can build common commissions and groups for carrying out these measures.

Region integration measuring methodic for international division of labor

It appears to be relevant to consider how Russian regions are involved in the international division of labor. For this estimation, the index of involvement of regional economy into international movement of goods and factors of production (IMGFP) can be proposed, that is calculated as a sum of "shares" of four kinds of IMGFP at production of goods and use of corresponding factors of production in region multiplied on gravities of region at common Russian volumes of corresponding kinds of IMGFP (1).

$$I_I = \frac{I_E G_E + I_{II} G_{II} + I_M G_M + I_T G_T}{G_E + G_{II} + G_M + G_T}, \tag{1}$$

where I_I — index of involvement of region economy into IMGFP;

$I_E = \dfrac{export}{gross\ regional\ product}$ — index of involvement on export;

$I_{II} = \dfrac{foreign\ investments\,(inflow)}{investments\ in\ basic\ capital}$ — index of involvement on foreign investments;

$I = \dfrac{international\ migration\,(inflow)}{number\ of\ population}$ — index of involvement in migration;

$I_T = \dfrac{export\ of\ technologies\ and\ services\ of\ a\ technical\ character}{the\ volume\ of\ manufactured\ innovative\ goods,labors,and\ services}$ — index of involvement in technologies;

gravities of the region at common Russian volumes of corresponding kinds of IMGFP:

$G_E = \dfrac{export\ of\ the\ region}{export\ of\ Russia}$ — share on export;

$G_{II} = \dfrac{inflow\ of\ foreign\ investments\ into\ the\ region}{inflow\ of\ foreign\ investments\ into\ Russia}$ — share on foreign investments;

$G_M = \dfrac{iflow\ of\ international\ migrants\ into\ the\ region}{inflow\ of\ international\ migrants\ into\ Russia}$ — share on international migration;

$G_T = \dfrac{export\ of\ technologies\ and\ services\ of\ technical\ character\ into\ the\ region}{export\ of\ technologies\ and\ services\ of\ technical\ character\ into\ Russia}$ — share on the export

of technologies.

Calculation on the data of Federal State Statistics Service of Russia shows that medium index for Russia achieves 0.188 (2013). Based on this value, the graduation of values for certain regions according to 5 levels is proposed. The 1st level (high index) includes the regions with the values twice higher than the Russian medium; the 2nd level (higher than medium) considers the values higher than the medium; and the other levels get diapason of 25 % each: the 3rd level is 75 % of the medium value and higher (close to the medium), the 4th level is 50 % of the medium value and higher (moderate index), the 5th level is lower than 50 % of the medium value (low) (Table 3).

Thus, a half of the Russian regions (46 of 83 subjects of the Russian Federation 2013) have a low index, i.e. these subjects of the Russian Federation are oriented on the internal market. However, the common contribution of the most numerous group in the total gross regional product of Russia is less than 1/4 (23,0 %).

Foreign economic relations of the Sverdlovsk region within the EAEU economic zone

The Sverdlovsk region is chosen for a reason: it is an old industrial region, and through that differs from those regions in which the economy's structure prevail the products of mining industry, fishery, etc. (11, p. 93). The volume of output of industrial products in the Sverdlovsk Region of 1998–2013 increased 2.35 times (12, p. 46). Namely, in such regions "industrial districts", clusters uniting scientific, production and entrepreneurial potential can appear (13, p. 189-190). As for Eurasian integration, it

can be mentioned that the Sverdlovsk region is located relatively close to the Kazakhstan border. It is the second foreign economic partner for the region with the share of 10 % at its foreign trade turnover structure. One more member of EAEU — Belarus — is the seventh partner with the share of 3-4 % (Table 4).

Table 3

Grouping of subjects of the Russian Federation by the value of the index of involvement in international movement of goods and factors of production, in the order of its decreasing, 2013

High (twice higher than the medium for Russia)
Murmansk Oblast (1,175); Moscow (1,156); Vologda Oblast (1,039); Nenets Autonomous Okrug (0,658), Kaliningrad (0,523), Sakhalin (0,477), Kemerovo Oblast (0,389)
Higher than medium for Russia (0,188)
Tuva Republic (0,296); Sankt-Petersburg (0,250); Republic of Khakassia (0,234); Leningrad, Lipetsk and Arkhangelsk Oblast (each 0,222); Chelyabinsk Oblast (0,213); Khanty–Mansi Autonomous Okrug — Yugra (0,203); Krasnodar Krai (0,202), Samara Oblast (0,193), Sakha (Yakutia) Republic (0,192), Republic of Tatarstan (0,190)
Close to the medium for Russia
Astrakhan Oblast (0,185), Republic of Bashkortostan and Perm Krai (each 0,180), Tyumen Oblast (0,179), Republic of Buryatia (0,176), Irkutsk Oblast (0,175), Krasnoyarsk (0,167) and Primorsky Krai (0,162), Tula Oblast (0,160), Yamalo-Nenets Autonomous Okrug (0,156), Komi Republic (0,143), Rostov Oblast (0,141)
Moderate
Volgograd (0,131), Kaluga (0,130), Moscow Oblast (0,114), Vladimir (0,103), Novgorod (0,096), Sverdlovsk Oblast (0,094)
Low (orientation on internal Russian market)
Smolensk (0,083), Magadan (0,078), Orenburg Oblast (0,075), Republic of Karelia (0,074), Chukotka Autonomous Okrug (0,065), Nizhny Novgorod Oblast (0,050), Udmurt Republic and Mari El Republic (each 0,047), Kirov (0,044), Yaroslavl (0,043), Amur (0,036), Saratov Oblast (0,035), Kamchatka (0,030), Zabaykalsky Krai (0,028); Khabarovsk Krai, Omsk and Novosibirsk Oblast (each 0,027); Kurgan (0,022), Voronezh (0,020), Astrakhan (0,017), Bryansk (0,016), Tambov Oblast (0,015), Ivanovo and Kostroma Oblast (each 0,014), Kursk Oblast (0,013); Stavropol Krai, Pskov Oblast and Mordovia (each 0,011); Oryol and Tomsk Oblast (each 0,010), Tver and Ulyanovsk Oblast and Altai Krai (each 0,009), Ryazan and Penza Oblast (each 0,008), Jewish Autonomous Oblast (0,007), Republic of Adygea (0,006); Chuvash, Karachay-Cherkess and Altai Republic (each 0,004), Republic of North Ossetia-Alania (0,003), of Dagestan and Kalmykia (each 0,002), Kabardino-Balkar Republic (0,001), Republic of Ingushetia (0,0004), Chechen Republic (0,0003)

Calculated according to the equation (1) on: Ofitsialnaya statistika: natsionalnyye shcheta [Official statistics: national accounts]. Veb-stranitsa Fed. sluzhby gos. statistiki [Web-site of Federal service of state statistics]. Available at: http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/accounts/# (date of access: 13.3.2015); Regiony Rossii. Osnovnye kharakterisitiki subektov RF. 2014: Stat. sb. [Regions of Russia. Basic characteristics of subjects of Russian Federation. 2014: Statistical bulletin]. (2014). Moscow, Rosstat [Federal State Statistics Service of Russia], 652 p.; Regiony Rossii. Sotsialno-ekonomicheskie pokazateli. 2014: Stat. sb. [Regions of Russia. Socio-economic indexes. 2014: Statistical bulletin]. (2014). Moscow, Rosstat [Federal State Statistics Service of Russia], 900 p. — P. 37-38, 734-735, 838-839, 859, 861, 894-895, 898-899; dollar course 2013 was taken for 32,73 rubl according to the data of Central bank of the Russian Federation (http://www.cbr.ru/statistics/credit_statistics/print.aspx?file=ex_rate_ind_13.htm).

Table 4

Shares of Russian partner countries within Eurasian Economic Community at the structure of foreign turnover of the Sverdlovsk region, %

	2000	2001	2003	2004	2005	2006	2007	2008	2009	2011	2012	2013
Kazakhstan	11.55	10.25	8.79	9.91	11.72	11.64	9.74	10.83	9.34		n/a	
Belarus				n/a				3.35	2.93	4.06	4.61	4.77
Kyrgyzstan	0.17	0.10	0.40	0.34	0.43	0.56	0.61	0.53	0.76	0.80	0.48	0.48
Uzbekistan	1.11	1.30	1.38	1.16	0.87	1.59	2.12	1.85	1.82	1.82	1.47	2.00
Tajikistan	0.27	0.27	0.35	0.42	0.19	0.35	0.23	0.19	0.22	0.35	0.26	0.25

By the color are highlighted the biggest shares in the period considered.

Calculated on: Vneshneekonomicheskaya deyatelnost Sverdlvoskoy oblasti v 2001 godu: stat. byulleten [Foreign economic activity of Sverdlovsk region 2001: statistical bulletin] (2002). Yekaterinburg, Sverdl. obl. komitet statistiki [The Sverdlovsk regional committee on state statistics], 20 p. — P. 4-5; (14); for Belarus: Resultaty vneshneekonomicheskoy deyatelnosti [Results of foreign economic activity] (2008–2013). Web-stranitsa Ministerstva mezhdunarodnykh i vneshneekonomicheskikh svyazey Sverdlvoskoy oblasti [Web-site of Ministry of international and foreign economic relations of Sverdlovsk region]. Available at: http://mvs.midural.ru/itogi-ved (date of access: 31.3.2015).

Strengthening near-border cooperation of Ural with the regions of Kazakhstan is highlighted by a number of economists as an important aspect of strengthening foreign economic positions of the region (15, p. 473). In some cases, the Sverdlovsk enterprises have the production relations with Kazakhstan. Thus, bauxites of the Turgay district of the Qostanay region have been delivered to aluminum enterprises of the Sverdlovsk region (16). Development of the production-technological chains between the regions of the countries of the SES seems to be the most prospective. Enterprises of the Sverdlovsk region have already participated in innovative renovation and technological development of production economic and infrastructural complexes of Kazakhstan. Among them, the Ural Carriage Plant, Ural Mountain Metallurgical Company, Pipe Metallurgical Company, etc. can be mentioned. The Russian Copper Company is the big investor for the Kazakhstan's economy. Thereby, the Russian enterprises get a market for the goods.

Foreign economic relations of the Sverdlovsk region with BRICS

Table 5

Shares of Russian partners within BRICS at the structure of foreign turnover of the Sverdlovsk region, %

	2000	2001	2003	2004	2005	2006	2007	2008	2009	2011	2012	2013
Brazil	0	0	0.11	0.06	0.04	0.05	0.08	0.04	0.05	0.10	0.08	0.16
China	3.60	6.81	6.76	4.20	6.15	4.25	4.26	5.54	6.54	6.88	5.75	6.61
India	1.77	4.74	8.50	3.64	0.54	1.73	3.29	4.91	8.92	2.77	2.92	1.99
South Africa	0.18	0.39	0.24	0.15	0.76	0.29	0.20	0.37	0.10	0.23	0.31	0.25

Calculated on: Vneshneekonomicheskaya deyatelnost Sverdlvoskoy oblasti v 2001 godu: stat. byulleten [Foreign economic activity of the Sverdlovsk Region 2001: statistical bulletin] (2002). Yekaterinburg, Sverdl. obl. komitet statistiki [The Sverdlovsk Regional committee on state statistics], 20 p. — P. 4-5; (14).

As for foreign economic relations within the BRICS group, it can be mentioned that China is the fifth foreign trade partner of the region. India has the next importance within the Group, in 2009, it even became the third partner with the medium share of 2-3 % (Table 5).

Foreign economic relations as a factor of reindustrialization and export-oriented import substitution

It appears to be relevant to consider in what part the foreign economic relations of Russia and its regions between the EAEU and BRICS countries contribute to the reindustrialization of Russian economy and export-oriented import substitution. The need in reindustrialization (re-shoring — coming back of productions) became noticeable by the countries with high income. So, in the USA, the common employment in 2001–2012 was decreased by 27.4 % (17, p. 35-36). The development of industry, according to the idea of reindustrialization, foresees the creation of institutional conditions favorable for strengthening sector of the industry with renovated technologies (18, p. 23). The policy of reindustrialization and import substitution is often carried out "pointwise" (19, p. 45). In whole, the two types of the model of the state foreign economic, industrial policy are allocated: stimulating of the economically effective export of industrial goods, on the one hand, and protection of internal market with the purpose of providing self-containment, on the other hand (20, p. 133). At that, the import substitution is being carried out gradually: first, the transition from the import of finished products to the import of some components for that production is being carried out, after that — to the import of details for internal production of those components, etc. (21, p. 114). In Russia, the realization of import substitution program in the sphere of production of the pipes of big diameter in 2000–2012 can be mentioned as a successful example of import substitution. Today, Russia has the most modern industry in this sphere (22, p. 120).

Analysis of Russian trade according to the commodity groups with different countries shows that in the case of the countries of EurAsEC and BRICS, the share of products of mechanical engineering at the structure of Russian export is higher than in the case of developed countries. At the structure of import, the situation is the other way around (Table 6). In the other words, from the G7 countries, the Russian economy gets commodities of the high degree of processing, whereas supplies there the goods of a low degree of processing. And in the case of the partner countries within the Eurasian integration

Table 6

Share of machines, equipment, and transport facilities at the structure of Russian trade with the partner countries within the EurAsEC and BRICS countries and developed countries of G7

Country		Share, %	
		in export	in import
at a whole for Russia (2013)		5.4	49.0
by developing countries:			
EurAsEC partners	Kazakhstan (I half of the year 2010)	16.8	3.2
	Belarus(2012)	10.4	40.8
	Uzbekistan (2013)	19.0	48.3
	Tajikistan (2013)	15.0	57.5
	Kyrgyzstan (2010)	5.4	8.8
BRICS partners	China (2013)	0.7	37.9
	India (I half of the year 2012)	50.1	23.9
	Brazil (2012)	3.0	3.5
	South Africa (2012)	16.9	31.0
other partners	Mongolia (2010)	8.0	1.8
	Vietnam (2013)	47.9	56.8
	Cuba (2013)	74.8	6.1
	Argentine (9 months of 2013)	10.0	4.7
	Nicaragua (8 months of 2013)	41.3	10.2
by developed countries of G7:			
USA(2011)		0.4	56.9
Canada (2012)		4.2	48.0
Japan (2010)		1.8	84.0
Germany (2013)		1.1	60.6
France (2013)		2.8	48.2
Italy (2012)		0.4	41.8
Spain (2012)		0.4	37.4

Composed by: Strany mira i torgpredstva [Countries of the world and trade representations]. Edinyy portal vneshneekonomitcheskoy informatsii Minekonomrazvitiya RF [United portal of foreign economic information of Ministry of economic development of Russian Federation]. Available at: http://www.ved.gov.ru/exportcountries (date of access: 24.9.2014); Spravki o torgovo-ekonomitcheskom sotrudnitchestve Rossii so stranami-partnyorami [Inquiries about trade and economic cooperation of Russian with countries-partners]. Web-stranitsa Minekonomrazvitiya RF [Web-site of Ministry of economic development of Russian Federation]. Available at: http://www. economy.gov.ru (date of access: 24.9.2014); Regiony Rossii. Sozialno-ekonomicheskie pokazateli. 2014: Stat. sb. [Regions of Russia. Socio-economic indexes. 2014: Statistical bulletin] (2014). Moscow, Rosstat [Federal service of state statistics of Russia], 900 p.; Web-stranitsa MID RF [Web-site of Ministry of international affairs of Russian Federation].

and the BRICS group, it gets the opportunity to become a supplier of the products of the relatively high degree of processing.

It can also be seen on the regional level. As for the regional foreign economic relations within the EAEU economic zone, the export of the Sverdlovsk region to Kazakhstan (before establishment of the Customs Union, while statistics was being collected) the share of metals and products made from them (i.e. goods of not high degree of processing) was of 35 %. At the same time, the similar share had the products of mechanical engineering (about 31 %: mechanical, electrical, railway equipment) (23). This characterizes the foreign economic relations with Kazakhstan as favorable, taking into account that in the region gross export, the share of the products of mechanical engineering is lower, it is about 15.0 % (calculated on the data from Federal State Statistics Service of Russia (24, p. 894-897)). It is important because production aspect is one of the key factor of regional wealth (25, p. 226) and also one of the factor of the wealth of the regional population, including the level of production development and quality of goods production (26, p. 28).

Defined value for the development of Russian industry, including manufacturing industry, has agreements on the partnership made by the Sverdlovsk region with the regions of partner countries of Russia in EAEU. Thus, a plan to the agreement on partnership with the Karaganda region of Kazakhstan

for 2014–2016, foresees, among others, development of collaborative between special economic zone of Karaganda region's "Saryarka" and Sverdlovsk's "Titanium Valley" in the area of industrial production. Through the technopark, a transfer commercialization of Russian high-tech goods and technologies can be carried out (27, p. 140). Such relations with foreign colleagues help to create and develop a chain "fundamental research — applied elaborations — output of high-tech products", which importance is recognized by many countries of the world (28, p. 37).

If to characterize the foreign trade of the Sverdlovsk region within the BRICS economic space for separate product groups, it was possible in 2012 to mark out two strengthened commodity groups:

1) raw commodities and products with low added value;

2) finished products with high added value.

Exports of the Sverdlovsk region in EU and NAFTA is characterized by a low degree of processing (Table 7). Thus, in the export structure of ferroalloys, the total share of EU and NAFTA is 66.7 % (Kazakhstan was not taken into account in these statistics due to the functioning of the Customs

Table 7

Structure of external trade of the Sverdlovsk region by certain commodity positions, 2012

Commodity position	Share of country groups in the external trade	
	SCO* and BRIC(S)	EU and NAFTA
1. Export		
1.1. Raw commodities and products with low added value		
Ferro-alloys	3.6	66.7
Semi-finished products of iron or plain steel	0	72.2
Rods (other) of iron and plain steel	0	97.9
Formed angle bars and special forms of iron or plain steel	7.1	16.9
Flat mill products of other alloyed steels with min. width of 600 mm	1.1	79.6
Rods (other) of other alloyed steels	8.7	23.0
Pipes and hollow forms of ferrous (except iron cast)	4.9	37.4
1.2. Finished goods with high added value		
New pneumatic rubber tires and covers	73.0	0
Piston combustion engines	32.9	12.3
Metal-cutting machines	2.4	1.8
Electrical transformers, static electric converters	19.1	0
Electrical batteries	79.0	0
Light vehicles and other motor transport	100	0
2. Import		
2.1. Raw commodities and products with low added value		
Onions, garlic, and other bulbous vegetables	62.0	37.7
Ferro-alloys	23.9	0
Mill products of iron or plain steel with min. width of 600 mm, plated	91.3	0
Pipes and hollow forms of ferrous (except iron cast)	84.3	3.6
Pipes and hollow forms (other) of ferrous	53.4	41.7
2.2. Finished goods with high added value		
Machines and mechanisms for gathering, threshing of vestures	0.3	99.7
Equipment for industrial preparing of food	21.3	78.3
Metal-cutting machines	2.7	72.9
Computing machines and their blocks, read-out equipment	14.0	47.0
Ball and roll bearings	10.1	46.7
Electrical motors and generators (except stationary electrical generators)	27.4	40.8
Tractors	0.3	97.0
Apparatuses and arrangement applied in medicine and veterinary	4.6	55.0

* Kazakhstan isn't taken into account because of functioning of the customs union.

Calculated on: Vneshneekonomicheskaya deyatelnost Sverdlvoskoy oblasti v 2001, 2003, 2012 godu: stat. byulleten [Foreign economic activity of Sverdlovsk region 2001, 2003, 2012: statistical bulletin] (2002, 2004, 2013). Yekaterinburg, Territorialnyy organ Feder. sluzhby gos. statistiki po Sverdl. obl. [Territorial branch of Federal service of state statistics on Sverdlovsk region]; (14).

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Table 8

Share of the BRICS and SCO, EU and NAFTA countries at the structure of export[*] of machines, equipment and transport facilities of the Sverdlovsk region, 2013

Commodity position[**]	Share of country groups at the structure of export, %	
	BRICS and SCO[***]	EU and NAFTA
Internal combustion engines	18.1	0
Metal-cutting machines	41.7	0
Ball and roll bearings	30.0	0
Electrical motors and generators	45.4	5.4
Electrical transformers and converters	35.2	18.7
Receiving apparatus for tele- and video communication	0	81.3
Isolated wires, cables	2.4	48.6
Light vehicles and other motor transport	100	0
Tracks	22.2	0
Components of motor transport vehicles	0	14.6

[*] By calculation is accounted the physical expression of export.

[**] Only those commodity positions are accounted which are exported even though into one of the country groups considered.

[***] Kazakhstan isn't taken into account because of functioning of the Customs union of EurAsEC.

By the type are marked out the cases then the share of BRICS and SCO prevails.

Calculated on: (14).

Union). The situation with a number of other export items in the region (mostly related to metallurgy) is similar.

Import of the region, by contrast, is represented mostly by finished goods with high added value, as well as by the products of agricultural complex (29). In this structure, the share of traditional integration organizations — EU and NAFTA — formed by developed countries, exceeds 40 % for a number of items. This concerns such commodity items as agricultural machinery, machine tools, bearings, motors, tractors, etc.

However, the certain part of the Sverdlovsk region's export structure is represented by the goods of deep processing. The advantage in such export is kept by the country groups in which the integration processes of new type are passing, — SCO and BRIC(S): for example, the share of these countries in the tires export structure is 73.0 %, in the batteries export structure — 79.0 %, in the light vehicles and other motor transport structures — 100 % and etc.

For 2013, it can be mentioned, that in geographic export structure of the Sverdlovsk region by the majority of positions of the products of mechanical engineering prevail (as well as for 2012) the share of developing BRICS and SCO countries in opposition to the share of developed countries of EU and NAFTA (Table 8).

From 10 commodities positions that in 2013 were supplied at least to one of the considered country groups, in 7 ways, the majority stays with the groups of developing partner countries of Russia. So, in the structure of the export of light vehicles and other motor transport in the of BRICS and SCO countries falls the whole export of the region, in the case of electrical motors and generators — almost 1/2, in the case of metal-cutting machines — 2/5, in the case of transformers and bearings — 1/3 etc. — at much lower, sometimes zero, shares of EU and NAFTA. That is the trade with the countries of BRICS and SCO in the higher extent corresponds to the vector on import substitution changed of 2014 (30, p. 23).

Thus, the following conclusions can be made:

— for Russia, more and more relevant in foreign economic activity becomes the vector of developing partner countries. In particular, the regional Eurasian economic integration has been developing, where the customs union functions and the SES has been forming. Together with that, Russian economy participates also in the trans-regional partnership represented by the BRICS group within which the strategy of economic partnership and common financial institutions are planned to be developed;

— in terms of strengthening regional economic integration within EAEU economic zone, the regions of Russia actively lead foreign economic activity. At that, they make agreements on economic partnership in different spheres with the regions of partner countries of Russia;

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— it appears, that involvement of regions into international labor division can be conditionally measured through the integral index that accounts the role of foreign trade, international investments, international migration, and movement of technologies — by production of goods and use of corresponding factors of production in the region;

— the level of the region — of Sverdlovsk Oblast — shows, that the EAEU and BRICS countries play an important role in its foreign trade;

— the analysis of Russian trade according to the commodity groups with the different countries shows that in the case of the countries of the Eurasian economic space and BRICS group, the share of the products of mechanical engineering at the structure of Russian export is higher than in the case of developed countries. At the import structure, the situation is the other way around. It can be also seen on the regional level. In other words, in the case of partner countries in the Eurasian integration and the BRICS group, Russia gets opportunity to become a supplier of the products of relatively high processing degree, that is a factor of development of its processing industry, i.e. the factor of reindustrialization and export-oriented import substitution.

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