

# The Russian Rouble in the Regional and Global Dynamics

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## Abstract

The article deals with the issues of Eurasian monetary integration. The topic is especially time-relevant today, for the deepening of the integration in Eurasia is really dependent upon the development of European Economic Union regarding a potential currency union. These regional economic relations require a common monetary market. The prospects of the future regional monetary market of the EEU member states have been proven in the article by an identified link between the mutual trade flows and the currency pair trading at the Moscow Exchange. The author strongly believes that the Eurasian monetary market is going to be an additional and transitional step on the path to achieving the integration in banking, financial and monetary spheres of the EEU member states in the unified economic environment. The author founded his conclusions on the hypothesis that this integration stage can be accomplished through the trading of the national currencies of the EEU member states at the Moscow Exchange.

*Keywords:* the BRICS; internationalisation of rouble; international monetary system; Eurasian Economic Union, Eurasian monetary integration

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In modern history, the Russian government started to promote the rouble's internationalisation right after the default of 1998. In 2008 converting the rouble into a world reserve currency became one of the objectives of the foreign economic strategy by the end of 2025. To make this happen the government needed to take some steps to internationalise the rules. The internationalisation stages of the rouble we summarised in *Table 1*.

Basically, the rapid liberalisation did not result in a significant spread of transactions in roubles in the international foreign exchange market (Butorina, 2011). It can be explained by the absence of a distinctive idea among the Russian politicians and economic scientists about the direction and the scope of the rouble's internationalisation. For example, given the policy measures were taken by the Russian government to support the rouble's internationalisation it is really difficult to say at which level this is going to be done — on micro level (or on the foreign exchange market), medium level (meaning cross-border currency

and trade transactions), macro level (within the regional free trade agreements, customs unions, economic unions, currency unions, etc.) or mega level (global or international currency use and transactions with capital).

We believe that the problem of the Russian approach to currency internationalisation reveals itself in the willingness of the government for the immediate success of the rouble at the mega-level, a wish to take part in establishing a world multi-currency system, issuing rouble-denominated bonds in the international market, etc. Such a policy excludes a gradual approach. It significantly differs it from the policies of other BRICS countries which consider the currency internationalisation at the mega-level as a long-term or extremely long-term goal (Kaufman, 2001). They, first of all, intended to strengthen the positions of their national currencies within regions or integration agreements. In contrast, the Russian plan practically does not touch the issues of the rouble internationalisation at the macro level, i.e. within

the borders of the CIS or EEU (Avdokušin, Kovalenko, 2012). Trading in the rouble/ renminbi currency pair at the Moscow Exchange, whose first aim was to expand the use of these currencies in the Far East, serve mostly the interests of the Chinese economy and renminbi's internationalisation in Russia, for in the foreign exchange market of Russia renminbi deals and transactions dominate (Binder, 2013).

Rouble's internationalisation, though, may go on at the micro and medium levels, for example, in cross-border settlements in the Far East and trades in currency pair rouble/ renminbi at the Moscow Exchange, as well as at the macro level within the CIS and EEU. The mega level currency internationalisation looks like a longer-term goal, to achieve which special approaches are required (Griesgraber, 2009).

In 2015 there began a search for a new Eurasian idea and conditions to deepen the integration processes between Russia, Belorussia, Kazakhstan, Kyrgyzstan, and Armenia were laid down, which in turn intensified the potential for direct settlements in the national currencies, especially in the period of international sanctions against Russia.

The Agreement on EEU came into power on January 1st 2015. The Agreement was partly dictated by the need to survive in the wave of the international sanctions since Russia hoped to strengthen the link between the former republics of the Soviet Union. Another significant point of the Agreement was determined by the fact that the EEU and the EU are the only integration groupings in Eurasia. The interrelations of the EEU member nations intensify both in cooperation and as separate entities. Within this cooperation, the projects to build common transportation, trade and energy routes are being proposed, reflected in the idea and dream of a new Great Silk Road. The roadmap of the EEU is about filling in each dialogue separately between the member states by specific programmes, projects and plans.

The creation of the Eurasian common market is becoming a global challenge and is a more significant goal in comparison with Russia's participation in the BRICS, because the BRICS is a supranational format of a virtual character, whereas the EEU is an institutionally based sort of integration grouping (Burlačkov, 2012).

The data in *Table 2* show that Russia is a major foreign trade partner for the EEU member countries. For example, Russian products in Kazakhstan and Kyrgyzstan accounted for over 30 per cent of their imports taken together in 2004–2015. Belorussia imports more than 50 per cent of its goods from Russia. And the figure for Armenia exceeds 20 per cent. In the EEU's exports, though, Russia's share is less impressive. In 2015 Kazakhstan exported 5.2 per cent of its GDP to Russia, Belorussia — 38.5, Armenia — 23.5 and Kyrgyzstan — 7.2. What is important to note in the EEU's trade flows is that Russia's share both in the imports and exports of the member nations gradually declines from year to year. For example, if in 2004 Belorussia imported from Russia 68.2 per cent of all imported goods, then by 2015 this figure declined to 51.2 per cent. An exception to the rule is Armenia whose imports from Russia remain quite stable. In 2010–2015 Russia's share had even increased a little bit. Decreasing share of Russia in the foreign trade of the EEU's countries can be explained by increasing the volume of Chinese goods in their exports and imports. So, in 2004–2015 Kazakhstan's exports to China almost doubled, whereas its imports from China even more than tripled. In the same period, the share of the imported goods from China to Kyrgyzstan went up from 8.5 to 27.4%. However, Kyrgyz's exports to China dropped from 5.5 to 1.4%. In the Belorussian imports, China's share increased from 1.0 to 5.7 per cent (*Table 3*).

For Russia itself, the significance of the EEU in foreign trade in the period under consideration remained almost unchanged. The share of Russia's exports to Kazakhstan fluctuated within 2.7–3.0 per cent, Armenia — 0.1–0.2, and Kyrgyzstan — 0.1–0.4 per cent. The sharpest decrease in Russian exports and imports to EEU took place in the mutual trade with Belorussia whose exports went down from 6.2 to 3.5 per cent, on the other hand, the imports decreased from 8.6 to 3.3 per cent.

For China itself, though, among the EEU's member states, Russia is the most important of trading partners. China's share in the Russian exports increased in 2004–2015 from 1.5 to 2.3 per cent. Russia's share in the Chinese exports remained almost unchanged in the same period — 2.1 per cent. All other EEU's member states account for a very little share in the regional trade.

The exception is Kazakhstan that exported to China 0.6 per cent of its products in 2015, i.e. 0.2 per cent bigger than in 2004. On the other hand, Chinese imports to Kazakhstan doubled from 0.4 to 0.8 per cent (*Table 4*).

These dynamics mean for Russia a decrease of potential to integration within the EEU. And with it, the country loses opportunities for wider use of the rouble in the region, i.e. at the macro level of the currency internationalisation process. For China, though, this situation lays the foundation for the renminbi's internationalisation in the EEU. The central banks of the EEU's member nations, except for Armenia, have existing swap agreements with the People's Bank of China to the total amount of 177 billion dollars, namely 150 billion is accounted for Russia, 20 billion — Belorussia, and 7 billion — Kazakhstan. So, it all helps more Chinese yuan than Russian rouble.

For deepening the currency cooperation within the borders, it is needed intensifying the EEU trading in currency pairs of rouble to Belorussian rouble and Kazakhstan's tenge at the Moscow Exchange. These could become the basis to purchase the national currencies in mutual settlements as currencies of the commercial contact. Trades in the currency pair KZT/RUR began on November 29th 2012 and in the currency pair BYR/RUR on June 13<sup>th</sup> 2013 (*Fig. 1*).

Initially, trading in these currency pairs was occasional, and the volumes were very small. Regular trading in these currency pairs started from August 2014. Nevertheless, by the end of 2014 — early 2015 the trading in the currency pair KZT/RUR became irregular. The trading was now occasional and characterised by long breaks in the sessions. In contrast, the trading in currency pair BYR/RUR was distinguished by quite a stable and regular pattern. The volume of trades in currency pair BYR/RUR rose more than 30 times at the Moscow Exchange from 0.16 million dollars in 2013 to 4.3 million dollars in 2015. The trades in currency pair KZT/RUR also increased. They skyrocketed 60 times its original volume and amounted to 0.4 million by the end of that period. Regarding other currency pairs, this is a still very small volume, but this is the start. However, despite the high growth rate in these currency pairs their total is not enough to cover the mutual trade between Russia and Belorussia and Russia and Kazakhstan (*Fig. 2*).

A factor which seriously hampered the process of the rouble's internationalisation in 2014–2016 at the macro level has been the unfavourable foreign economic environment, namely the embargo on imports from the advanced countries of Western Europe and America and a drop in world oil prices. These factors under the free-floating regime caused a sharp decrease in the rouble's foreign exchange rate and devaluation, namely:

1) A drop in world energy prices led to a significant decrease in budget revenues in the form of a convertible currency and tax payments which forced the government to increase taxes and led to a fall in aggregate demand;

2) The embargo on imported products into Russia resulted in an overall reduction of merchandise and aggregate supply in the national marketplace, which stimulated inflation and precipitated the rouble's devaluation;

3) The rouble's devaluation made economic actors accumulate hard foreign exchange, thus raising demand for the dollar or the euro and hence provoking a further devaluation of the rouble;

4) under free float of the rouble the foreign exchange supply at the interbank market was very limited so that the demand for the highly liquid convertible currencies could not be fully satisfied when speculative pressure would have stopped influencing the rouble's demise;

5) The conditions of the free-floating regime dictated the use of indirect methods of foreign exchange market regulation, including the increase in the rate of refinancing. It, in the end, led to a decrease in providing loans necessary for the business;

6) Weakening purchasing power resulted in an acute situation in the sphere of credit. There was an increase in consumer debt and a sharp drop in new loans;

7) Fewer loans led to the reduction of banks' income, and the liquidity crisis could have become a possible outcome.

At the same time, supposing that if Russia still stuck to the regime of the currency corridor, then the attempts to regulate the rouble's exchange rate using central bank interventions could have exhausted the gold and foreign exchange reserves of the country, which in the end again precipitated the liquidity crisis. It means that the rouble's devaluation under the free-floating regime

became a factor which prevented the spread and deepening of the economic and financial crisis in the country. However, due to lack of diversified manufacturing in the country, when the drop in price competitiveness of the imports and the volume of imports could have stimulated the development of exports and import substitution as well as the reduction in financial capital outflow that had been before used to cover the deficits, the financial and economic crisis in Russia took a prolonged aspect and showed that to overcome it the rouble's devaluation alone was not sufficient under the free-floating regime (Jordà, Schularick, Taylor, 2011).

The period of 1999–2008 was relatively sustainable. The rouble even strengthened on a regular basis. However, in August 2008 because of the world financial and economic crisis of 2008–2010 the rouble began its overall weakening (Lane, Milesi-Ferretti, 2011).

By March 2009 there came a period of a relative exchange rate stabilisation. However, the overall trend pointed out to its gradual drop. Starting from January 2012 this common trend became evident, and the rouble continued to devalue. However, the pace of the devaluation was not high in 2012–2014. A drop in the rouble's exchange rate at this time we link with the foreign exchange policy of the US, when the dollar issuance inside the country to overcome the crisis caused significant fluctuations in the raw materials' prices, food supplies, etc., which in the end destabilised the exchange rates of many countries including the BRICS. The stability and sustainability of the WSC largely depend on the stability and sustainability of the US economy and the dollar as the world currency. Thus any changes in economic growth rate in this country and the value of its national currency immediately affect the performance of the world and national economies which can be seen in exchange rates fluctuations, rising unemployment, current account deficit, etc. (Wade, 2008).

For the Russian economy rouble's internationalisation means:

- 1) Decreasing reliance on the gold and foreign exchange reserves on the dollar accumulation;
- 2) A possibility to carry out international transactions in the national currency, first of all, with the neighbouring countries and leading trade partners, especially China;

- 3) Far-reaching reforms of the national financial market, in particular, the creation of an international financial centre in Moscow;

- 4) Attracting foreign capital of the countries that are ready to transact with Russia in national currencies and to purchase roubles at the Moscow Exchange to denominate Russian imports, which will increase the demand for roubles and strengthen its foreign exchange rate;

- 5) Taking full responsibility towards the foreign trade partners of Russia which requires a special monetary policy that excludes uncontrolled issuance and accumulation of enormous debt.

To achieve these goals the Bank of Russia declared in 2010 that the rouble is to become a free-floating currency. This process was completed by 2014. However, despite accepting this regime, the Bank of Russia is still responsible for sustaining the exchange rate of the rouble in case of force-major circumstances, which requires active interventions to stabilise the exchange rate of the rouble to the dollar and the euro.

The process of rouble's internationalisation in 2010–2014 was characterised of expansion mainly in the regional foreign exchange market. According to a survey of VTB Bank, the share of rouble-denominated transactions accounted for about 4 per cent of the total foreign economic operations at that time. Also according to the VTB data, approximately 30 per cent of all foreign trade transactions connected with providing specific services, i.e. tourism, railroads, pipelines, etc., was expressed in roubles. Within the CIS this figure exceeded 50 per cent.

These dynamics characterise the process of rouble's internationalisation at the macro level. First of all, this is determined by very small volumes of trading in the EEU member countries' currencies at the Moscow Exchange which does not meet the needs of their mutual trade (Schindler, 2009). The rouble's internationalisation at the macro level has a chaotic character.

Not a less important cause for stalling the rouble's internationalisation process at the macro level is the autarky or unwillingness to accept the rouble in the neighbouring countries as a transactions currency. This autarky is directly connected with the liquidation of the rouble zone in 1993–1994, the increasing share of China in foreign trade with the countries within the

immediate proximity of the Russian border and a general economic instability of those neighbours which makes their residents create deposits, reserves and other funds in the hard currency (Goldberg, Cédric, 2008).

The rouble's internationalisation in 2008–2014 as the experience of other currencies suggest required the circulation of international bonds denominated in roubles. However, compare to the yuan-denominated bonds the volume of the Russian debt securities expressed in roubles in the international marketplace (rouble bonds) was significantly lower. According to the Bank for International Settlements, as of the end of 2015, the volume of Russian international bonds expressed in roubles amounted to 0.4 billion dollars, whereas the figure for China equalled to 11.3 billion dollars, that for Brazil — 1.1 and South Africa — 0.3 billion dollars. India in this period temporarily discontinued the issuance of international bonds expressed in rupees. Among the EEU member states, only Belorussia purchased government bonds denominated in Russian roubles but later refused. Large Russian companies issued a very small volume of rouble bonds abroad. The overwhelming majority of their debt abroad is expressed in dollars and euros. Such a small amount of debt issue in roubles by the Russian corporations is because their circulation cost much more expensive than the bond issue expressed in dollars or euros. That is why for the more active promotion of the rouble bonds onto the Eurobond market we have to reduce transactions costs.

One more indicator of Russia's participation in the banking sector is the rise in the number of foreign financial institutions, which may become a very important factor for the increase of rouble's use in transactions with foreign companies. For example, the number of foreign banks in Russia was at 130 in 2000–2005. At the beginning of 2006, the figure started to rise dramatically. By 2010 in this increasing trend there was a start for negative dynamics as a result of the crisis of 2008. In 2012 the number of foreign banks in Russia peaked 237. At the same time, there was a rise in the share of foreign capital in the total banking capital of Russian financial institutions. However, the situation changed completely since the start of international sanctions. And the foreign banks started to withdraw. However, after

joining the WTO this situation helped a bit, for the Russian commercial banks in their majority are not so competitive as the foreign ones, and the international sanctions froze the competition in the Russian banking market.

Foreign banks presence in Russia expanded in the pre-sanctions period due to the increase in the number of foreign companies in the manufacturing and services industry who were saturating the Russian market in expectation of high growth rates. One of the reasons behind the rise in foreign banks' presence in Russia was the liberalisation of the banking legislation, especially after Russia's joining the WTO. As a result of this, the share of foreign banking capital in the total volume of the Russian banks capital rose from 12 to 50 per cent. However, this again changed because of the international sanctions.

Besides the EEU, the prerequisites for the rouble's internationalisation in the border region started to shape in the foreign exchange markets of Moscow and Shanghai. Since Russia is still importing huge volume of Chinese manufacturing products, there is a serious potential for the development of exports and imports in roubles and renminbi between the two countries (Yu, 2014).

The economic effect for the Russian economy from direct settlements with China, for instance, we can calculate by way of determining the difference between the exports/imports value of both Russia and China expressed in roubles at the Bank of Russia exchange rate and the same amount expressed in roubles exchanged at a rate of the currency instruments to buy and sell roubles and renminbi agreements renminbi at the Moscow Exchange.

According to the author's estimates, if during 2012–2015 Russia imported from China and exported to China in terms of direct settlements in national currencies, then the excess of the import/export volume at an average exchange rate of the currency vehicles at the Moscow Exchange over the export/import value measured at the official exchange rate of the Russian central bank would have amounted to 4 billion roubles in case of imports and 2.6 billion roubles in case of exports. These figures represent a potential amount of the roubles circulating in case of direct foreign trade with China.

The outcomes of such circulation for the Russian economy could be as follows:

1) Seigniorage, i.e. the Bank of Russia's revenue as a result of the additional issue of roubles onto the foreign exchange market;

2) Strengthening rouble's exchange rate due to creating demand for it on the part of the Chinese importers of the Russian products;

3) The reduction of dollars in the gold and foreign exchange reserves and the possibility of their diversification in terms of assets denominated in the currencies of the most rapidly developing countries, especially and particularly the renminbi;

4) Intensifying speculative transactions with the rouble in the foreign exchange market, which requires a special control and monitoring on the part of the central bank;

5) cross-border transactions in roubles and renminbi between Russia and China would mean the establishment of a new foreign exchange market and may lead to creating a yuan offshore centre in Moscow and a rouble offshore centre in Shanghai.

The Russian rouble is under the influence of significant changes in the world commodity markets as well as other economic and political factors which does not allow increasing foreign investors' trust towards the national currency and the economy as a whole. The dynamics of the Russian rouble practically coincides with the world energy price dynamics, namely when world prices for oil, gas and other minerals increase, the Russian exports are driven up, rouble's exchange rate stabilises and gets sustainable. And vice versa, when energy prices decrease, exports drop as well. Together with this, the residents' and non-residents' trust towards the rouble suffers, and its exchange rate decreases. It means that it is very difficult under these circumstances to support the trust towards the rouble and try to expand its use abroad. The same goes for the rouble to become a regional or international currency.

For rouble's internationalisation the economy should be transformed to a higher level of technology and manufacturing, develop a diversified structure of the industries to expand the circulation of this currency in foreign transactions, in particular within the EEU in order to strengthen the country's competitiveness in contrast to Chi-

na which actively penetrates in the EEU member states. The rouble should also be able to generate trust to stimulate foreign direct investment and portfolio investment denominated in rouble.

The rouble should also be stored in the form of deposits and rouble bonds in the EEU. The realisation of these goals requires the re-industrialisation of the economy, the introduction of new technology and attractiveness for foreign investors to improve the international competitiveness of the country. There must also be ways to ensure the growth of the rouble's power parity in the national, regional and international marketplace.

To achieve the goals of the Russian foreign economic strategy aimed at expanding rouble's presence in cross-border transactions a mid- and long-term approach is needed. For example, in the mid-run bilateral currency swaps are required to be concluded with countries within the immediate proximity of the country's borders, especially it concerns countries with which Russia has close economic ties, i.e. the EEU, which will help internationalise the rouble at the macro level. Bargaining bilateral swaps to ensure the supply of liquid assets are required not only for the period of a crisis but also for the development of trade and investment links with these countries. A long-term goal should become the creation and development of an offshore currency centre to trade in renminbi at the Moscow Exchange, which can further incentivise the rouble's internationalisation in the future.

While modernising the economy of Russia, changing the exports structure and creating closer economic ties with the EEU and the BRICS in the long run Russian rouble might be expected first to achieve the status of a regional currency and later an international one (Kadayan, 2014). However, even optimistically, the pace of rouble's internationalisation will still longer be quite moderate and proceed during a very long time.

The crucial conditions for the BRICS currencies' internationalisation include free and full convertibility and the free-floating regime of exchange rates, unregulated by the central bank even indirectly. To ensure the efficient functioning of this regime under the conditions of openness to the outside world what is needed is the development of the currency and financial centre, which mostly translates into

the diversification of financial instruments in a portfolio of assets at a foreign exchange market. In the foreign exchange markets of the BRICS currency pair rouble to US dollar is the most frequently used. To this end, it is important to increase the supply of currency instruments in which an obligatory condition is trading in pairs with the immediate participation of the BRICS currencies. It means that a deeper internationalisation of the BRICS currencies at the macro level is significantly dependent upon the internationalisation at the micro level.

Since the foreign trade environment seriously impacts the rouble's exchange rate under the conditions of the free float, it is recommended that the mechanism of the commercial exchange rate should be used. Making use of this mechanism Russia will be able to a certain extent stabilise the rouble's exchange rate and finance current-account deficits with China, for example, using setting a specific commercial exchange

rate. This exchange rate is an invisible subsidy to domestic companies working both in the national and international markets. It could also help Russia, being a member of WTO, regulate its foreign trade using the indirect methods one of which is a commercial exchange rate of the rouble to the dollar on exports and imports for each of its foreign trade counterpart (Kasekende, Brixova, Ndikumana, 2010).

Under rouble's internationalisation, it is necessary to make clear at which level and with what sequence its circulation abroad should be expanded. For example, the macro level internationalisation of the BRICS currencies should precede their going global when their circulation takes a worldwide scope, whereas micro and medium level internationalisation requires a deeper integration of the countries within the regional agreements using creating special market niches for trading in the national currencies at the domestic, foreign exchange markets.

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Table 1  
Basic stages of the rouble's internationalisation in 1996–2018

Stage	Period	Description
1	June 1996	The liberalisation of the foreign trade deals
2	July 2006	The liberalisation of the external economic transactions with capital. Rouble becomes a fully convertible currency
3	November 2010	The complete ban on the currency board or currency corridor introduced in the mid-1990s
4	November 2010	The launch of trades in rouble/yuan currency pair at the Chinese Foreign Exchange Trading System in Shanghai
5	December 2010	The introduction of full convertibility of the yuan into the rouble and back. Belorussia issues bonds denominated in roubles. However, the latter was later abandoned in 2017.
6	June 2011	Banks in China start to receive deposits in roubles
7	July 2011	Chines commercial banks open corresponding accounts LORO and NOSTRO at their subsidiaries in the cross-border region between Russia and China. These accounts can be denominated not only in US dollars but in roubles and renminbi as well
8	September – December 2011	The governments of Russia and China sign an agreement on mutual trade stimulation by transacting in the national currencies in foreign trade deals
9	2009–2015	In the course of a series of BRICS summits, the leaders signed and developed mutual documents on the reform of the international system of currencies and the diversification of the global liquidity by introducing to it the national currencies on par with other reserve currencies such as British pounds or Swiss francs. It is believed to be a stabilising factor for the shaky international financial system
10	2014–2015	The establishment of the New Development Bank, later to be called the BRICS Development Bank which can be a platform for future transactions in the BRICS currencies
11	2015–2018	International sanctions put pressure on the rouble. Rouble devaluation. At this point hopes for wider rouble internationalisation failed
12	Prognosis	The rouble is going to stabilise at an exchange rate competitive enough to keep at least a slight economic growth. Further and deeper devaluation is possible in case of a sharp drop in the world oil prices. But even then the rouble is still going to be stabilised at a rate competitive enough to export and make foreign companies keep away from the domestic market

Source: compiled by the author.

Table 2

The share of China and Russia in EEU's exports and imports (without Russia), %

Indicator	2010	2011	2012	2013	2014	2015	2016
Kazakhstan							
The share of Russia in the exports	5.3	8.5	7.3	7.0	6.6	5.2	9.5
The share of Russia in the imports	22.8	42.8	38.4	36.2	33.3	34.0	36.3
The share of China in the exports	17.7	18.5	17.9	17.4	12.5	18.6	11.5
The share of China in the imports	16.5	13.2	16.8	16.8	17.9	19.8	14.6
Belorussia							
The share of Russia in the exports	39.4	34.8	35.1	45.0	41.8	38.5	45.8
The share of Russia in the imports	51.8	54.0	58.8	52.5	54.0	51.2	54.5
The share of China in the exports	1.9	1.5	0.9	1.2	1.8	1.1	1.7
The share of China in the imports	4.8	4.7	5.1	6.6	2.3	5.7	7.6
Armenia							
The share of Russia in the exports	15.4	16.7	20.3	22.6	19.9	23.5	21.1
The share of Russia in the imports	22.3	16.6	18.3	23.4	24.7	24.6	29.2
The share of China in the exports	3.0	1.2	2.3	4.7	11.0	10.3	10.5
The share of China in the imports	10.8	5.0	4.9	8.8	9.4	8.1	11.1
Kyrgyzstan							
The share of Russia in the exports	17.3	14.4	13.0	8.6	4.2	7.2	10.2
The share of Russia in the imports	33.6	33.6	33.2	33.2	28.2	31.7	20.8
The share of China in the exports	1.9	2.1	3.6	2.2	2.1	1.4	5.6
The share of China in the imports	20.7	21.7	22.5	23.9	23.3	27.4	38.1

Source: compiled by the author.

Table 3

The share of the EEU in Russian exports and imports, %

Indicator	2010	2011	2012	2013	2014	2015	2016
Kazakhstan							
Export	2.7	2.7	2.8	3.3	2.8	3	3.3
Import	1.9	2.3	3	1.8	1.9	1.6	2.0
Belorussia							
Export	4.6	4.8	4.1	3.2	3.3	3.5	4.9
Import	4.3	4.7	4.1	4.4	4.3	3.3	5.2
Armenia							
Export	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Import	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Kyrgyzstan							
Export	0.2	0.2	0.3	0.4	0.4	0.4	0.4
Import	0.2	0.1	0.1	0.0	0.0	0.0	0.1

Source: compiled by the author.

Table 4

The indicators of the closest correlation between the mutual trade volumes of Russia, Belorussia and Kazakhstan and the currency pay to trade in Russian and Belorussian roubles and Kazakhstan tenge at the Moscow exchange

	Belorussia and Russia		Kazakhstan and Russia	
	Exports/Trading	Imports/Trading	Exports/Trading	Imports/Trading
Q1 2014	–	0.78	0.94	–
Q2 2014	0.80	–	–	–
Q3 2014	0.99	–	0.99	–
Q4 2014	0.99	0.91	–	0.99
Q1 2015	–	–	–	0.93
Q2 2015	0.80	–	–	0.99
Q3 2015	–	0.95	–	–
Q4 2015	0.88	0.68	–	–
Q1 2016	–	–	–	–
Q2 2016	0.83	–	0.82	0.91
Q3 2016	0.93	0.86	0.78	–
Q4 2016	–	–	0.83	–
Q1 2017	–	0.82	0.98	0.98
Q2 2017	1.00	0.95	–	–
Q3 2017	–	–	0.96	–
<b>Q4 2017</b>	<b>0.74</b>	<b>0.96</b>	<b>0.99</b>	<b>0.97</b>

Source: compiled by the author.

Table 5

The basic indicators of mutual trade, labour and works and services of Russia, Belorussia and Kazakhstan and trading in currency pairs Russian rouble/Belorussian rouble and Russian rouble and Russian rouble/Kazakhstan tenge at the Moscow Exchange

Period	Belorussia		Kazakhstan		Moscow Exchange trading						
	Ex-ports, bn. USD	Im-ports, bn. USD	Ex-ports, bn. USD	Im-ports, bn. USD	RUR/BYR, bn. BYR	RUR/BYR, mln RUR	Fixing of the rouble to dollar exchange rates	RUR/KZT, M USD	KZT/RUR, mln RUR	KZT/RUR, mln RUR	KZT/RUR, M USD
Q1 2014	5.0	3.0	3.1	1.8	0.8	2.7	35.1	80.5	3.0	0.7	19.4
Q2 2014	5.3	3.4	3.8	1.9	0.6	2.2	35.0	63.4	0.0	0.0	0.0
Q3 2014	5.1	3.5	3.8	2.0	2.6	9.1	36.2	252.0	31.4	6.4	172.9
Q4 2014	4.6	2.8	3.6	1.7	5.6	26.0	47.6	497.0	29.1	7.4	161.8
Q1 2015	3.5	1.8	2.5	1.2	11.0	46.2	63.3	736.5	15.1	5.1	82.2
Q2 2015	4.1	2.4	3.0	1.5	17.5	62.9	52.7	1191.8	9.7	2.8	51.5
Q3 2015	3.8	2.5	2.6	1.2	17.8	68.3	63.1	1089.1	38.5	12.7	200.3
Q4 2015	4.0	2.3	2.6	1.0	23.3	85.0	66.0	1285.2	13.2	2.9	43.4
Q1 2016	3.2	1.8	1.8	0.8	13.2	49.0	75.2	650.8	4.2	0.9	11.6
Q2 2016	3.8	2.5	2.3	0.9	11.0	36.3	65.9	550.9	3.2	0.6	9.2
Q3 2016	3.3	2.6	2.4	0.9	11.1	36.5	64.6	565.2	81.3	15.0	231.6
Q4 2016	3.8	2.8	3.0	1.0	9.2	27.6	63.0	438.1	15.8	5.1	80.4
Q1 2017	4.0	2.5	2.7	1.2	6.0	18.5	58.7	315.9	117.9	22.4	384.1
Q2 2017	4.4	2.6	2.9	1.2	8.7	26.6	57.1	465.6	140.7	26.7	465.2
Q3 2017	3.7	2.0	2.7	1.4	–	–	–	144.5	–	–	94.2
Q4 2017	4.1	2.5	3.2	1.5	–	–	–	524.6	–	–	14.9

Source: compiled by the author.

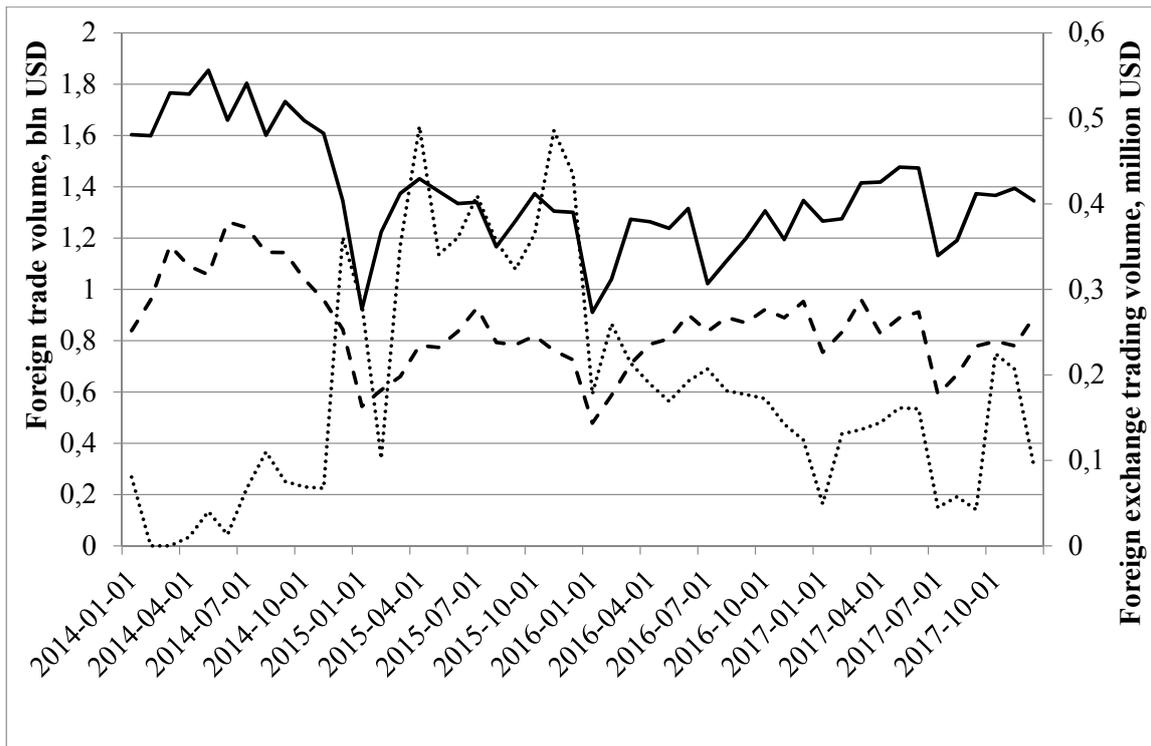


Fig. 1. The dynamics of the mutual trade flows between Russia and Belorussia and currency trading volumes at the Moscow Exchange.

Source: compiled by the author.

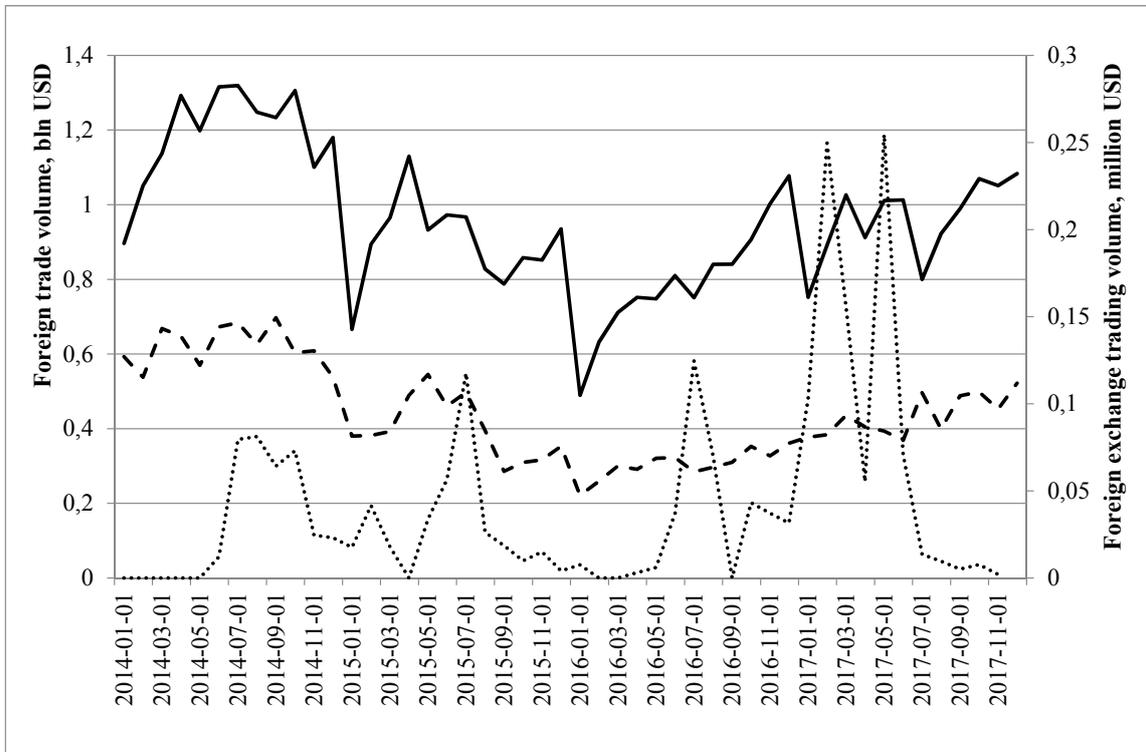


Fig. 2. The dynamics of the mutual trade flows between Russia and Kazakhstan and currency trading volumes at the Moscow Exchange.

Source: compiled by the author.

## Российский рубль в региональной и глобальной динамике

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*Аннотация.* В статье проведен анализ проблем евразийской валютной интеграции. Эта тема особенно актуальна в настоящее время, поскольку углубление евразийского интеграционного процесса напрямую зависит от качества развития Евразийского экономического союза в случае формирования потенциального единого валютного союза. Эти региональные экономические отношения требуют создания единого валютного рынка. Перспективы формирования регионального валютного рынка стран-членов ЕЭС доказаны в статье на основе высокой корреляции между взаимными торговыми потоками и торговлей валютами с участием российского и белорусского рублей и казахстанского тенге на Московской бирже. Автор утверждает, что в рамках единого экономического пространства евразийский валютный рынок представляет собой дополнительный, переходный этап на пути к достижению интеграции в банковской, финансовой и валютной сферах стран-членов ЕЭС. Основные выводы и результаты статьи опираются на гипотезу о том, что валютная интеграция в рамках ЕЭС достижима при более активном использовании национальных валют при внешнеторговых расчетах и торгах на Московской бирже.

*Ключевые слова:* страны БРИКС; интернационализация рубля; международная валютная система; Евразийский экономический союз; евразийская валютная интеграция