
Russia, China PMs open bilateral investment forum

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MOSCOW, October 28 (Itar-Tass) - The Russian and Chinese heads of government, Prime Minister Vladimir Putin and Premier of the Chinese State Council Wen Jiabao who arrived in Moscow on Monday on Tuesday opened the third Russian-Chinese investment forum, the press service of the Russian government told Itar-Tass. The forum is held under the motto "New realities - new level of interaction of Russia and China."

The opening of the forum precedes wide-ranging bilateral talks between the governments of the two countries. The talks are to be held in the Russian capital later in the day. Thereby the Premiers of the Russian Federation and the People's Republic of China emphasise the priority of investments in the work aimed at furthering bilateral cooperation.

"The scale remains small and major projects are being implemented quite slowly," admitted Russian Vice Prime Minister Alexander Zhukov who on October 27 took part in the preparation of the regular meeting of the two heads of government. "I believe that it is necessary to give the main attention at the forthcoming forum to detailed analysis of problems emerging in the practical implementation of pilot projects of investment cooperation between Russia and China, as well as to jointly outline the ways of removing the existing obstacles," the official pointed out.

Zhukov said that the Russian Economic Development Ministry and Chinese State Council for development and reforms are completing the preparation of a joint plan of investment cooperation that despite its "indicative and advisory nature it will hopefully help the two countries' potential investors to make decisions in choosing the objects for capital investments." "Favouring the expansion of investment cooperation we proceed from the assumption that it should be reciprocal, that is to include both Chinese investments in Russia and Russian investments in China, because little attention has been given to the latter recently," Zhukov noted. According to him, "for us the new issue is how to help Russian companies develop wide investment activities on the Chinese market." Russian investors are interested "in the investment of capital in the oil processing sector, trade in petroleum products, in the chemical industry, in the production of fertilizers and construction materials, in making portfolio investments and in the purchase of securities of state enterprises being turned into joint stock companies," the Russian vice prime minister noted.

Chairman of the board of the Russian-Chinese Centre for Trade-Economic Cooperation Sergei Sanakoyev for his part expressed a view that "Russia is already taking measures aimed at changing the structure of Russian supplies to China." According to him, "during the forum a group of Chinese big business representatives will visit Moscow, the Nizhny Novgorod and Sverdlovsk regions - the hubs of Russian heavy machine building and high technology products - with the aim of establishing business contacts with Russian producers."

"The Russian-Chinese Chamber of Commerce in Machinery and High-Technology Products is engaged in the settlement of this problem," Sanakoyev noted.

"Progress has already been achieved in this sphere," he added. Sanakoyev also believes that "Russia has a good opportunity to make use of the Chinese experience in such spheres as building of infrastructure and construction of sports facilities in light of the preparation for the Asia-Pacific Economic

Cooperation (APEC) forum' s summit in Vladivostok in 2012 and the Sochi Winter Olympic Games of 2014." "China is ready to make investments in the housing construction in Russia," he stated.

According to the Russian Federal Service of State Statistics (Rosstat), the accumulated direct Chinese investments in Russia amounted to 415 million US dollars as of the beginning of 2008, and accumulated direct Russian investments in China â€" a mere 14.2 million US dollars. Among the actively implemented joint projects is the construction of the Baltiiskaya Zhemchuzhina (Baltic Pearl) multifunctional complex in St. Petersburg (investments in the project are estimated at 1.3 billion US dollars), as well as the development of the Berezovskoye iron ore deposit in the Trans-Baikal territory (almost 500 million US dollars). In addition, the construction of a pulp-and-paper plant in the Amazar settlement of the Mogochinsky district of the Trans-Baikal territory (270 million US dollars in investment) is also a major joint project.

The forum's organisers are the Russian Economic Development Ministry and Chinese Ministry of Commerce. According to the organisers, taking part in the forum are 300 representatives of official and business circles of Russia and China.
