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Deripaska Seeks Chinese Connection

By The Moscow Times

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Billionaire Oleg Deripaska on Thursday agreed with China North Industries to jointly develop mine and auto assets as the countries seek to cement expanding business ties.

The two sides will consider developing exploration assets of Strikeforce Mining & Resources, a ferromolybdenum miner in Russia, Deripaska's En+ Group said in an e-mailed statement. Norinco, as the Chinese company is known, will also study working with Deripaska's Russian Machines to make autos.

"The cooperation fully reflects the strategic partnership of the two countries," Norinco President Zhao Gang said.

Deripaska, the biggest shareholder of United Company RusAl, is betting on warming ties between Russia and China to raise capital for his companies and find partners for his insurance, energy, metals and auto businesses. En+ unit SMR sought to become Russia's second company to list in Hong Kong after RusAl raised $2.24 billion in January. The mine operator delayed the offering, blaming market turbulence, a person with knowledge of the

decision said May 8.

Deripaska's GAZ may begin sales of the Gazelle light commercial vehicle in China, Andrei Elinson, the billionaire's deputy at the Basic Element holding company, said Jan. 30. Military Industrial, also controlled by Deripaska, already supplies the Tiger armored military carrier to the Chinese army and police, Elinson said.

Partnerships with Chinese insurance companies, automakers and pulp producers may follow, he said at the time.

Norinco became RusAl's biggest Chinese client last year by agreeing to buy 1.68 million metric tons of aluminum from the producer through 2016. RusAl expects China to make up a 10th of its sales by 2015 from less than 5 percent last year.

Norinco makes products for the defense industry such as anti-aircraft and anti-missile systems, as well as equipment for oil and natural resource companies, according to its web site.

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