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Chavez Visit to Land Social Housing Deal

By Olga Razumovskaya

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Venezuelan President Hugo Chavez is scheduled to arrive Thursday for a two-day official visit, during which the close Russian ally is expected to sign agreements on building social housing in Caracas and to establish a binational bank.

The visit will be Chavez's ninth to Russia since taking office in 1999. During his most recent trip, in September of last year, Chavez recognized the breakaway Georgian republics of South Ossetia and Abkhazia as independent states.

Recognizing the Russian-backed regions drew an angry response from Georgia, but Moscow awarded Chavez — a longtime foe of the United States — with a $2 billion loan to purchase tanks and anti-aircraft rocket systems.

But military cooperation will not be the focus of the current visit, Deputy Foreign Minister Sergei Ryabkov said Wednesday in an interview, the text of which was published on his ministry's web site.

"Ties with this country are also being formed in energy, hydrocarbons extraction and refining, but again — it's more than just that," Ryabkov told Golos Rossii radio. "We're also seeing areas like ... agriculture, scientific research and even construction of social housing."

Chavez will meet President Dmitry Medvedev and Prime Minister Vladimir Putin and sign agreements to further cooperation in several areas including "the foundation of a Russian-Venezuelan bank and a project to build social housing in Caracas," Itar-Tass reported, citing Venezuelan news agencies.

While the focus will be on federal meetings, City Hall may also get some time with Chavez and potentially shake hands on a construction project in Caracas, the Venezuelan capital.

"There is a readiness today to sign bilateral agreements in the presence of [acting Mayor Vladimir] Resin and a team of Moscow government officials," a source in the Mayor's Office told The Moscow Times on Wednesday.

The city government has a model of the new Caracas ready and is expecting to see Chavez if his schedule permits, the source said.

In early May, a delegation of Moscow officials headed by then-Mayor Yury Luzhkov visited Caracas to discuss business opportunities.

Russia and Venezuela signed an agreement to create a master plan to develop Caracas through 2020, and Chavez allocated $500 million to finance the first stage of the project.

The redevelopment included construction of earthquake-resistant high-rise buildings and infrastructure to relocate residents from city slums to better housing. Putin visited Venezuela in April and proposed working on the project after seeing the size of Caracas' slums.

Two Moscow construction companies that had reportedly visited with Luzhkov's delegation in May said there were no talks or meetings with the Venezuelan side.

A spokeswoman for Monarch, one of Moscow's largest construction firms, said the company's management had no meetings scheduled with the Venezuelans on the sidelines of Chavez's visit. The company also did not have any concrete plans in Venezuela, she said.

Inteko, owned by billionaire Yelena Baturina, Luzhkov's wife, was also reportedly participating in the May tour. The company did not confirm its official participation in the delegation and declined to comment about any plans in Venezuela on Wednesday.

Chavez is also scheduled to make a working visit to Ukraine on Monday and Tuesday, Interfax reported.

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