The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

China to Put $1Bln Into Russia Fund

By The Moscow Times

October 11, 2011



BEIJING — China Investment Corp., the nation's sovereign-wealth fund, agreed to invest $1 billion in a Russian private-equity fund, the first foreign commitment to an investment pool championed by President Dmitry Medvedev.

"Only four months after we were set up, we have shown that investors want to put money in Russia and believe in Russia's investment potential," Kirill Dmitriyev, head of the Russia Direct Investment Fund, said by phone from Beijing, where the agreement was signed during a visit by Prime Minister Vladimir Putin. "CIC is one of the biggest and most respected investors in the world."

China passed Germany as Russia's biggest trade partner last year, and annual turnover may exceed $70 billion in 2011 and reach $200 billion in 2020, from $59 billion in 2010, Putin said Tuesday.

The Kremlin established the fund in June to co-finance international investment amid efforts to deepen capital markets and wean the economy off its dependence on energy exports. Russia

will contribute $1 billion and will seek $1 billion to $2 billion from other Chinese investors, Dmitriyev said.

The Russia-China Investment Fund, co-run by RDIF and CIC, will invest 70 percent of its capital in Russia, Belarus and Kazakhstan, and expects to make its first transaction by the end of the year. As much as 30 percent may be invested in China, according to a statement released Tuesday.

(Bloomberg, Reuters)

Original url: https://www.themoscowtimes.com/2011/10/11/china-to-put-1bln-into-russia-fund-a10088