Russian Forest Products Gets $200M

By [The Moscow Times](#)

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Russia Forest Products will receive at least $200 million in a deal that will allow it to produce products of greater added value than the logs it now exports mainly to China. Above, a Russia Forest Products forwarder loading logs in Khabarovsk region.

Russian Forest Products is the target company that will receive what could be a more than $200 million injection from the Russia-China Investment Fund, marking the first investment by the joint sovereign fund.

Details of the deal involving Russia's second-largest logging company will be released in a statement by the fund at the Asia-Pacific Economic Cooperation forum in Vladivostok on Friday.

The fund will announce that it reached a tentative agreement to buy equity in Russia Forest Products in a deal that will allow the logging company to produce plywood and other products of greater added value than the logs it now exports chiefly to China.

The statement doesn't name the size of the stake that will change hands, but says the fund

will become the largest single shareholder in the Far Eastern company.

Russia Forest Products accounts for 10 percent of the country's total timber exports to China.

The fund is a joint venture between the state-backed Russian Direct Investment Fund, or RDIF, and China Investment Corporation that was announced in October of last year.
The partners agreed to contribute $1 billion each to the joint fund and raise a further $2 billion from outside investors.

RDIF general director Kirill Dmitriev said earlier that the fund was discussing a number of projects, including one with a Malaysian fund concerning the pulp industry, and one with an Australian fund concerning airport infrastructure.

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