

Putin Pledges \$1.5Bln Energy Investment in Ecuador

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President Putin shaking hands with Ecuadorean President Rafael Correa at their Kremlin meeting on Tuesday. **Yuri Kochetov**

Russia will invest up to \$1.5 billion into energy projects in Ecuador, President Vladimir Putin said Tuesday, with oil and gas exploitation and power generation being priority spheres.

Ecuador is one of the Russia's priority partners in Latin America, Putin said, after a meeting with Ecuadorian President Rafael Correa in the Kremlin.

But according to the Federal Customs Service, the trade balance is skewed. Last year, Ecuador exported goods — mostly bananas, roses and seafood — worth \$1.2 billion to the Russian market. Imports from Russia amounted to \$116 million, with medical equipment, paper and mineral fertilizers being the main items.

Russia now hopes to make up the difference with large-scale energy projects, some of which

have already begun in Ecuador.

State-run giants Rosgeologia, Rosneft and Gazprom have started negotiations on exploration and drilling in Ecuador, including its offshore area. At Tuesday's meeting, Correa proposed to mutually develop oil and gas deposits in the country's southeastern regions and the Gulf of Guayaquil, which holds great promise.

"We began developing the Gulf of Guayaquil, but it turned out that it is much more rich with natural resources than we thought," Correa said after the meeting with Putin. "We are interested with cooperation with Gazprom in this area because it is the largest gas company in the world."

At the moment the main investor in Ecuador is state energy giant InterRAO, which has several power plant construction projects in the country.

In 2009, when Correa visited Russia for the first time, the countries agreed to work together to construct a hydroelectric facility in Ecuador. On Tuesday, Correa said the project was one of the main achievements of Russia-Ecuador cooperation. Within the project, InterRAO is providing electrical facilities worth more than \$145 million.

In June, construction began of a gas turbine that will cost about \$230 million. On Tuesday, Putin said that he and Correa had also signed an agreement to fund turbine steam engine construction.

Correa, who intends to visit Moscow's Skolkovo innovation center Wednesday, said cooperation in technological innovation was also a priority and hoped for collaboration between Skolkovo and its analogue in Ecuador.

Correa also had his sights set upon an arms purchasing agreement with Russia, particularly air defense equipment, media reports said. In May, Ecuador decided to substitute its dilapidated ground-based air defense forces with new equipment, Kommersant reported.

Ecuador has also been considering buying Russian operational training aircraft and helicopters, an unidentified source in Russia's state arms export agency, Rosoboronexport, told Kommersant. Russia is expected to provide loans to Ecuador to finance the purchases.

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