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China to Resume Investment Talks on $10Bln Port in Crimea

By The Moscow Times

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The aim of the project's first stage is to build a 25-meter deep port south of the city of Yevpatoria on Crimea's western coast.

Chinese investors look set to resume negotiations devoted to the construction of a new port in Crimea that were interrupted due to the removal of former-Ukrainian President Viktor Yanukovych in February, Crimean Deputy Prime Minister Rustam Temirgaliev told Izvestia on Thursday.

The aim of the project's first stage is to build a 25-meter deep port south of the city of Yevpatoria on Crimea's western coast, including grain and freight terminals with a capacity of 200 million tons. In the second stage, a further $7 billion would be spent on an airport, LNG terminal and shipyard.

The Beijing Interoceanic Canal Investment Management company, or BICIM, and its partner in the project, Kievgidroinvest, signed a memorandum of intent during Yanukovych's visit

to China in December that could have seen BICIM invest $3 billion, but the turmoil in Ukraine halted further progress.

However, following President Vladimir Putin's visit to China last week, during which Moscow and Beijing signed a number of significant commercial deals, talks about the port project are back on the agenda, Temirgaliev said.

Temirgaliev said that negotiations will have to wait until August, as Crimea is currently dealing with pressing issues that have arisen following its annexation by Russia, namely, its transition to the ruble and the ongoing water war with Kiev.

The interim government in Kiev has said that the North Crimea Canal, which supplies 80 percent of the peninsula's water, is mostly closed. In April, Crimean Agriculture Minister Nikolai Polyushkin said that water shortages could cost Crimean farmers up to 5 billion rubles ($140 million), while another local official said that two major Crimean chemical companies may be forced to close due to a lack of water.

Wang Jing, the Chinese telecoms entrepreneur who owns BICIM, already has some experience in civil engineering projects. Last August, his Hong Kong Nicaragua Canal Development Investment Company got involved in construction of the $40 billion Nicaragua Canal, a project that had to be put on hold in January while adjustments are made to the waterway.

Russia recently scrapped plans to build a port at Taman on the Black Sea coast of Russia's Krasnodar region so that funds could be redirected for development projects in Crimea.

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