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RDIF Announces Multi-Billion-Dollar BRICS Infrastructure Investment Fund

By The Moscow Times

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Kirill Dmitriev speaking at the launch of the RDIF's web portal for foreign investors.

The Russian Direct Investment Fund, or RDIF, will create a multi-billion dollar infrastructure investment fund together with sovereign wealth funds from the BRICS group of developing countries.

The joint fund will invest in the equity capital of BRICS infrastructure projects, the RDIF said Monday on its website, adding that its international partners had pledged their support to the initiative. If final negotiations are successful, the RDIF said the fund should be active by the next BRICS summit in the Russian city of Ufa in summer 2015.

Highlighting the huge shortfalls in infrastructure investment in BRICS countries, Kirill Dmitriev, CEO of the Russian state-sponsored private equity fund, told business daily Vedomosti that the fund's cash pot will run into the billions of dollars, though not all partners have specified their commitments.

Dmitriev announced the fund's creation as the leaders of Russia, Brazil, India, China and South Africa gathered in Brazil for the 6th BRICS summit, which began on Tuesday. Top of the agenda at the summit is the creation of a $100 billion development bank and a $100 billion dollar reserve fund, designed to boost investment in BRICS economies and diminish the clout of the Western-dominated World Bank and International Monetary Fund, under whose stringent lending conditions developing nations chafe.

Created in 2011 to provide a partner for foreign investors looking for opportunities in Russia, the state-sponsored RDIF says it and its co-investors have invested $5 billion in Russian projects, and lured $12 billion of foreign capital to Russia through long term strategic partnerships.

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