

Chinese Firms Postpone Metro Line Construction as Ruble Falls

By [The Moscow Times](#)

November 12, 2014



Workers inside of a tunnel of the Moscow Metro.

Work on a new Moscow metro line has been suspended because contracted Chinese companies were badly hit by the recent devaluation of Russia's currency, City Hall said Wednesday.

"We fixed the cost at about \$2 billion, but now because of the strengthening of the dollar, we have put the project a little bit on hold," the deputy mayor in charge of construction, Marat Khusnullin, told a conference in Moscow, Interfax reported.

The Chinese companies, China Railway Construction Corporation and China International Fund, were hired to build a metro branch connecting Moscow to its massive new southwestern territory of Moscow in an agreement signed during Mayor Sergei Sobyanin's visit to Beijing earlier this year.

But the cost of importing materials into Russia has sharply risen this year as the ruble has

plunged.

The Russian currency has lost almost 30 percent against the U.S. dollar since January amid Western sanctions on Moscow for its role in the Ukraine crisis, and a sliding oil price.

Construction work on the project, from station Ulitsa Novatorov to the village of Kommunarka, was expected to begin next year, Khusnullin said, Interfax reported.

The Kremlin has pushed to ramp up economic cooperation between Russia and China in the face of Moscow's worsening relationship with the United States and European Union.

During the announcement of the joint venture in May, Khusnullin hailed the metro construction as an "exciting initiative" and a "core part of the New Moscow project."

City Hall is channeling large amounts of money into ambitious expansion plans for the Moscow metro, with a second ring line expected to be completed by 2018. More than 130 billion rubles (\$2.8 billion) is slated to be spent on metro projects in 2014.

Original url:

<https://www.themoscowtimes.com/2014/11/12/chinese-firms-postpone-metro-line-construction-as-ruble-falls-a41273>