

Russia Looks to China to Insure Major Infrastructure Projects – Report

By [The Moscow Times](#)

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Russia and China are to consider decreasing or eliminating requirements to reference credit ratings in their work together, the report cited the draft resolution as saying.

Russia is looking to Chinese companies to reinsure major infrastructure projects, hoping they can replace Western firms that have pulled back after two international ratings agencies downgraded Russia's credit rating to junk earlier this year, news website Gazeta.ru reported Thursday.

Representatives from the Chinese and Russian governments and insurance agencies met to discuss the issue earlier this month, the report said, citing participants in the meeting.

The two parties agreed to create a "joint reinsurance capacity in the form of a pool of Russian and Chinese insurance companies," the report said, citing a copy of the group's draft resolution.

The agreements could concern insurance and reinsurance for multibillion-dollar projects like Russia's Power of Siberia gas pipeline to China and Turkish Stream pipeline to Europe, the report said.

The two sides discussed using their national currencies — rubles and yuan — rather than U.S. dollars for insurance payments, Nikolai Korolyov, deputy head of Russia's Federal Tourism Agency and head of the Russian delegation, told Gazeta.ru. No precise amounts were named during the discussions, he added.

Western companies were until recently the main insurers for large Russian infrastructure projects, the report said. Foreign companies in total previously reinsured between 80 and 90 percent of major domestic ventures, it added.

Work with Western insurers has become more difficult since international ratings agencies Moody's and S&P downgraded Russia's sovereign credit rating to junk earlier this year, industry sources told Gazeta.ru.

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