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INDEPENDENT NEWS FROM RUSSIA

China Plans to Grow Tobacco in Crimea

By The Moscow Times

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Crimea's efforts to lure Chinese cash are part of a wider drive by Russia to boost economic ties with Asia.

The Crimean government said Thursday that a visiting delegation of Chinese businessmen had pledged to invest in local industry and tobacco cultivation as the territory, annexed by Russia last year, fights to win foreign investment amid sweeping economic sanctions by Western countries.

"Tobacco is in huge demand in China, and Crimea has a suitable climate and soil for tobacco cultivation," news agency TASS quoted the delegation's leader, Chen Zhijun, as saying at a meeting with Crimean leader Sergei Aksyonov. With the help of Chinese equipment and technology the venture could yield "very large revenues," Chen added, according to the agency.

Chen, who is chairman of the board at China International Energy Group, said Chinese investors were also keen to invest in canning and machine building factories in Dzhankoy in northern Crimea and a golf club on the peninsula's mountainous southern coast, according

to a press release on the Crimean government's website.

TASS reported Wednesday that the Chinese delegation had agreed to invest in energy projects in Crimea.

Concrete deals are so far not on the table, however: Aksyonov and Chen on Thursday signed only a protocol on investment cooperation, according to the press release.

Crimea's options for foreign investment were limited by harsh trade sanctions imposed on the region by neighboring Ukraine, the United States and the European Union after Russia's annexation of the region in March last year. The measures restrict companies and individuals in those countries from working in Crimea.

Crimea's efforts to lure Chinese cash are part of a wider drive by Russia to boost economic ties with Asia to offset a decline in trade with the West amid the clash over Ukraine.

Both Chinese President Xi Jinping and Prime Minister Li Keqiang have visited Moscow in recent months and presided over the signing of bilateral energy, trade and finance deals worth tens of billions of dollars.

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