

Saudi Arabia to Invest Nearly \$10 Billion Over 5 Years in Russian Projects

By [The Moscow Times](#)

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President Vladimir Putin shakes hands with Saudi Defence Minister Prince Mohammed Bin Salman during a meeting at the Konstantinovsky Palace in St. Petersburg, Jun. 18.

A Saudi Arabian sovereign wealth fund will invest \$10 billion over the next five years, largely in the Russian economy, Kirill Dmitriyev — head of the Russia Direct Investment Fund (RDIF), the fund's partner in the investments — told the Interfax news agency.

Projects in Russia will target the infrastructure, agriculture, medicine, logistics, retail and real estate sectors, Dmitriyev said in the interview, published Tuesday.

Seven projects have already received preliminary approval, with a total of 10 likely to be green-lighted by the end of the year, Dmitriyev said. The \$10 billion will be invested over a period of four to five years, he added, with each project set to receive up to \$1 billion.

The deal with Saudi Arabia's Public Investment Fund comes at an opportune moment

for Moscow: Russia has been starved of investment over the past year as Western sanctions over the Ukraine crisis and an economic crisis scare away prospective foreign investors.

Last year foreign direct investment dropped 40 percent compared to the year prior to hit \$56 billion, according to a report by the United Nations Conference on Trade and Development (UNCTAD).

Official Saudi news agency SPA reported in late July that Saudi Arabia and RDIF had signed a memorandum on the joint investments but did not specify where or when they would be made.

The Russian Direct Investment Fund is a \$10 billion fund created by the Russian government in 2011 in an effort to attract foreign direct investment into the country's economy. Dmitriyev said Tuesday that the deal with Saudi Arabia's Public Investment Fund is the RDIF's biggest yet.

Prior to the deal with Saudi Arabia, its largest deal was a \$7 billion agreement with the sovereign wealth fund of the United Arab Emirates.

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