The Moscow Times
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Russia-China Trade on Track to Hit $200 Billion by 2020, Trade Minister Says

By The Moscow Times

July 08, 2015



Russian Trade Minister Denis Manturov

Russia's annual trade turnover with China is on track to hit $200 billion by 2020, Russia's trade minister has said, despite a current drop in trade between the two nations and gloomy predictions for Russia's economic growth through 2018.

Russia will seek to reach the $200 billion figure, just over double last year's trade turnover, by boosting its share of non-oil exports to China, Russian Trade Minister Denis Manturov said, news website Gazeta.ru reported Wednesday.

Russia will specifically focus on boosting mutual investment in metallurgy, mechanical engineering, the transport and logistics sector, agriculture, the high-tech sector and engineering, Manturov said, according to Gazeta.ru.

To reach this goal, however, Russia's must battle a tough economic climate, both with China

and within its own domestic economy.

Earlier this month Deputy Minister of Commerce Wang Shouwen said that China's trade turnover with Russia dropped by 32 percent in the first five months of the year compared to the same period last year.

Meanwhile, Russia's long-term economic prospects are also grim. Low oil prices and Western sanctions over the Ukraine crisis are expected to lead to an economic contraction of about 3 percent this year, with sluggish growth expected in the coming years unless Russia radically diversifies its energy-dominated economy.

Oil is currently a top export to China for Russia, with news agency Bloomberg reporting that Russia was responsible for a third of all Chinese oil imports in May.

Russia started to significantly expand economic cooperation with China last year after U.S. and EU sanctions imposed on Russia over its involvement in the Ukraine crisis and Russia's bans on Western food imports sharply reduced trade and investment between Russia and the West.

Trade turnover between Russia and China currently stands at $85 billion, news agency RIA Novosti cited Russian President Vladimir Putin as saying last month. Russia first announced plans to hit $200 billion in trade turnover with China by 2020 last year, also declaring a goal of hitting $100 billion by the end of this year.

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