

Russia Sees Fall in Chinese Investment as Ruble Slumps

By [The Moscow Times](#)

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Chinese direct investment in Russia dropped by 20 percent in the first seven months of this year, compared to the same period last year due to a sharp ruble devaluation, new agency TASS reported Friday, citing a top Chinese Ministry of Commerce official.

"Direct investments in the real economy are decreasing while the volume of portfolio investments is increasing. We cannot say that investment activity is decreasing, but the investors are taking the economic difficulties into account and choosing new ways to invest in the Russian economy," TASS quoted head of the Europe and Central Asia Department of the Chinese Ministry of Commerce Lin Zhi as saying.

Russia started to significantly expand economic cooperation with China last year amid worsening ties with the West.

According to Lin Zhi, the inflow of Chinese investment in Russia is mainly constrained by a sharp ruble devaluation.

The Russian currency lost about half of its value against the U.S. dollar on the back of low oil prices — Russia's main export — over the past year.

Despite the challenges Chinese investors face due to Russia's ruble devaluation, they still show a positive attitude toward developing investment projects in Russia, Lin Zhi said, noting that several major Chinese investment projects in automobile industry, agriculture and infrastructure reconstruction are currently being launched.

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