The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Western Sanctions, Market Glut Slowing Russia-China Trade, Minister Warns

August 20, 2025



Russia's Industry and Trade Minister Anton Alikhanov. **Yegor Aleyev / TASS**

Russia's Industry and Trade Minister Anton Alikhanov said Tuesday that sanctions and market saturation are beginning to slow the surge in trade with China, tempering years of rapid growth since the full-scale invasion of Ukraine.

"We are recording a certain decline in mutual trade... In the medium term, we should expect more moderate growth rates than before," Alikhanov said at a Russia-China business forum that took place in the city of Kazan this week.

Trade between the two countries boomed after scores of Western companies left Russia in 2022, with turnover hitting a record $245 billion last year — making Russia China's seventh-largest trading partner. But bilateral trade dropped 8.1% between January and July compared to the same period in 2024, totaling $125.8 billion.

Alikhanov cited three main reasons for the slowdown: Western sanctions and broader economic pressure, volatility in global commodity prices and what he called the "expansion

limit" of Chinese goods in Russia's domestic market.

Chinese automakers, in particular, rushed into Russia after Western rivals pulled out, but demand has cooled in recent months. In July, regulators banned imports from four major Chinese truck makers as Russian producers cut workweeks in response to falling sales.

Alikhanov argued that the next phase of trade would depend less on raw materials and consumer goods and more on technology and industrial cooperation. He highlighted 63 joint projects in electronics, automotive, metallurgy, chemicals and pharmaceuticals worth an estimated $130 billion.

"In the long term, the most successful initiatives will be those that involve investment in joint production, technology transfer and the introduction of advanced technologies," the industry and trade minister said.

Still, the business newspaper Kommersant noted that China invests only a fraction in Russia compared with its commitments to Southeast Asian neighbors, underscoring the limits of the partnership.

Original url:
https://www.themoscowtimes.com/2025/08/20/western-sanctions-market-glut-slowing-russia-china-trade-minister-warns-a90298