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Russia Shelves Northern Siberian Railway to China Over $644Bln Price Tag

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A railway in Siberia. **Dmitry Feoktistov / TASS**

Russia has shelved plans to build a proposed railway line from Siberia to northwestern China due to its eye-watering price tag, the Kommersant business daily reported Wednesday, citing a source familiar with the discussions.

The planned Northern Siberian Railway (Sevsib) would have stretched from the city of Nizhnevartovsk in Russia's Khanty-Mansi autonomous district to Ürümqi, the capital of China's Xinjiang Uyghur autonomous region.

The government has now deemed the project "unfeasible," Deputy Prime Minister Vitaly Savelyev reportedly told President Vladimir Putin in a letter.

The decision was taken after estimates put construction costs at around 50 trillion rubles ($644 billion) due to the challenging terrain along the route, Kommersant's source said.

Russian Railways' (RZhD) investment program has also been sharply reduced and will not

exceed 1 trillion rubles ($12.9 billion) in 2026, the source told Kommersant.

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Putin in 2023 ordered federal officials, regional authorities in Kemerovo, the Russian Academy of Sciences and RZhD with carrying out a formal assessment of Sevsib's feasibility as part of the long-term development strategy for the Siberian Federal District through 2035.

The scheme envisaged a roughly 2,000-kilometer line linking Nizhnevartovsk, Beliy Yar and Ust-Ilimsk, a route that has appeared for years in various state development strategies.

A second component, a TashTagol-Ürümqi link, would require creating a new rail entry point into China along a narrow 55-kilometer stretch of the Russian-Chinese border in the Altai region between Kazakhstan and Mongolia.

Planners explored the possibility of building two tunnels beneath the Altai Mountains, one on each side of the border, but ultimately abandoned the idea.

Supporters argued the railway would ease pressure on Russia's overstretched Eastern Polygon network, connect the Trans-Siberian Railway with the Northern Sea Route and open a new export corridor for coal from Kemerovo and other Siberian regions.

But expansion of the Eastern Polygon itself has slowed amid cuts to RZhD's investment spending.

Sevsib is not the only major rail project to face delays in recent years.

In 2023, the Transportation Ministry said it would postpone construction of the 700-kilometer Northern Latitudinal Railway to 2027-2031.

That project, expected to cost 730 billion rubles ($9.4 billion), is designed to link the Northern and Sverdlovsk railways with the Arctic cities of Salekhard and Nadym.

Pavel Ivankin, head of the National Research Center for Transportation and Infrastructure, told Kommersant that Russia ultimately needs Sevsib to build up cargo flows for the Northern Sea Route from coal-rich regions like Kemerovo, Khakassia and the Urals.

But work is unlikely to begin for several years given the current economic environment, he said.

He called the 50-trillion-ruble price estimate "realistic" given permafrost conditions and warned that costs could rise even higher once detailed engineering studies are completed.

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