

## **2012 Caixin Summit: China and the World**

### **Friday, November 16, 16:00-17:30 – Sino-Russian Cooperation: Opportunities in Siberia**

China and Russia are a natural fit in investment fields such as natural resources, industry and logistics. The complex combination of both countries' basic strategic considerations must be fully taken into account in order to further expand bilateral trade and consolidate bilateral relations. What are the main concerns, restraints and key motivators in the development of bilateral trade and investment? What is required to free Siberia's latent potential and its potential for the Asian markets in particular?

#### **Key Points:**

- China and Russia have complimenting needs and services and should explore advantageous investment and trade opportunities.
- Chinese companies should invest in Siberia's untapped natural resources to strengthen economic and trade relations.
- It is imperative that both counties not only build mutual trust and understanding, but also improve communication and access to information.

China is fast becoming one of the largest consumers of energy, with the International Energy Agency (IEA) reporting that the country's consumption of coal, natural, gas, and electricity will peak in the next 10-15 years. Given the fact that Russia is a major exporter of natural resources and energy, the two giants should take advantage of their close geographical locations and invest in one another.

Russia has yet to exploit much of Siberia's minerals, natural gas, oil, and timber, resources that many countries, especially China, demand in order to fuel their businesses and economies. By investing in Siberia, both parties can help develop multiple industries in each country. Currently, most investors are from the West.

In order to build confidence in investors, Russia must improve access to information in order to better educate interested companies. It should be more transparent on rules and regulations. Russia can consider setting up a special economic zone, following the Chinese experience, where transparency is high and protection of foreign investors is more comprehensive. Businesses, no matter the size, must know that their interests will be protected.

Chinese investors tend to know little about Russia. They are perplexed by the questions such as Russian owners tend to sell the whole project, instead of inviting partners; the long time frame of Russian business licenses and whether

change of policy would nullify them; and the total number of Chinese workers and technicians they can bring to Russia. In the end, enhanced communication and information access can fill in the gap.

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**Helen Teplitskaia**, President, American-Russian Chamber of Commerce & Industry

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*Disclosures*

*This summary was prepared by Annie Mark. The views expressed are those of certain participants in the discussion and do not necessarily reflect the views of all participants or of the Caixin Summit.*

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