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Asia



Chinese firm to rent Russian land in Siberia for crops

🕒 19 June 2015 | [Asia](#)



Russia exports grain - but eastern Siberia is not among its most fertile regions

A Chinese firm is in talks with Russia about renting up to 115,000 hectares (284,050 acres) of land to grow crops and rear livestock in eastern Siberia.

Trans-Baikal regional officials say the deal with investment firm Huae Sinban could be worth up to \$448m (£282m).

Local government leaders have signed a "letter of intent" with the company, Russia's **Tass news agency reports.**

Huae Sinban plans to rent the land for 49 years. China has made similar farming investments in other countries.

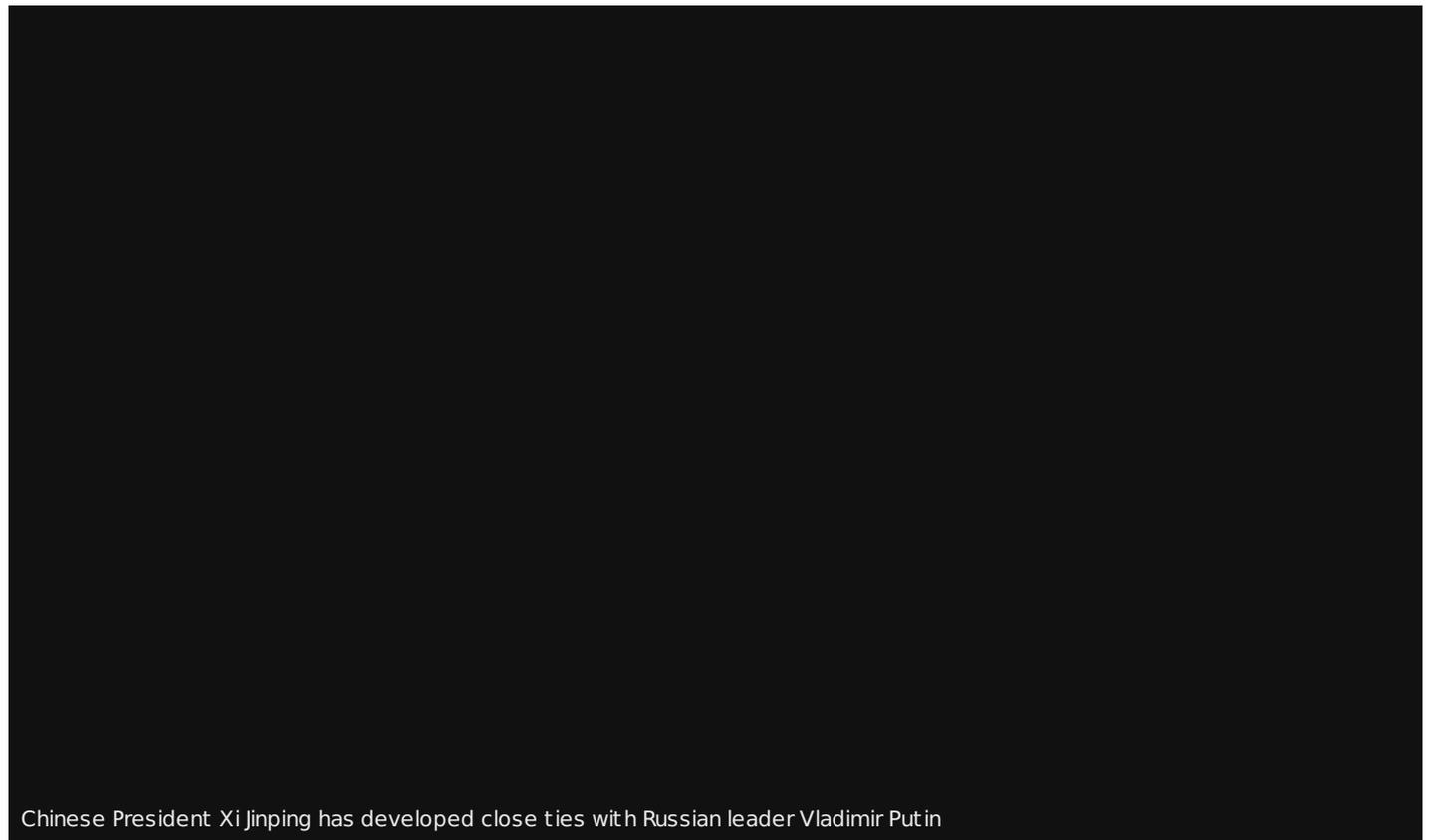
The timeframe and cost of the lease will be finalised "within a year", Trans-Baikal governor Konstantin Ilkovsky said.

Prof Natalya Zubarevich, an economist at Moscow State University, told BBC Russian that it would be "impractical" to lease such a huge area for farming, as the soil would require much work in a harsh climate.

"The investors will give it a go, and see what comes of it," she said.

Vegetable oil cultivation was being mentioned, she said, "but sunflowers don't grow in that region". "There's little pasture, because of the harsh continental climate. The Chinese are very capable, but can they cope with that climate? Apparently they'll use greenhouses."

However, a successful deal could further boost growing business ties between Moscow and Beijing, once bitter enemies.



Chinese-Russian relations

1961: China formally denounces the Soviet version of communism

1969: Border war between the two nations

1976: Tensions begin to ease following the death of Mao Zedong

1992: Russian President Boris Yeltsin visits China

1998: Joint communique pledging to build an "equal and reliable partnership"

2001: Treaty signed setting out a 20-year strategy for working together

2009: Over 40 contracts worth roughly \$3bn agreed between the two countries

2010: Completion of first pipeline built between China and Russia

2014: Thirty-year gas deal worth \$400bn (£266bn) agreed

Governor Ilkovsky said the plan was to employ about 1,000 people - locals and Chinese - on the leased farmland.

Vladimir Korsun, a China specialist at the Moscow International Relations Institute MGIMO, said that for Russia "there is no way to attract Chinese investment other than leasing land".

He told BBC Russian that the Chinese "require a government security and special favours, special conditions, such as giving them some territory".

In May 2014 Russia agreed to a 30-year gas deal worth \$400bn with fuel-hungry China. A framework agreement for a second gas pipeline between western Siberia and north-west China has also been signed.

Russia has been looking east for investment following the imposition of economic sanctions by the West over Moscow's role in the Ukraine conflict.

President Vladimir Putin has met Chinese President Xi Jinping at least five times in the last year and the two have described themselves as "good friends".

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