**Russia – China: investing in major projects through concession**

**Head of VEGAS LEX PPP and Infrastructure practice Denis Shtirbu moderated the session on transport cooperation and logistics at The Moscow Times conference, *Doing Business with China. New Horizons for Business Cooperation: Russia – China*.**

On February 17, 2017, Moscow hosted the conference, *Doing Business with China. New Horizons for Business Cooperation: Russia – China*, which focused on the current status and priorities of Russian-Chinese cooperation in key sectors of the economy, and some practical issues of doing business between Russian and Chinese companies.

Head of VEGAS LEX PPP and infrastructure practice [Denis Shtirbu](http://www.vegaslex.ru/en/about/experts/Denis_Stirbu/) moderated the first session, *Transport cooperation and logistics*.

In his opening remarks, Mr. Shtirbu drew attention to the fact that the Chinese partners have always considered investment in Russia only under state guarantees, which are stipulated in the budget law and actually lead to constraints, because the government cannot issue an infinite number of guarantees. All the currently discussed projects, such as the Moscow – Beijing high-speed rail project, are large-scale projects that require huge funding. For this reason, investment through concession is a good choice, as concession projects also involve the government’s obligations (including risk-taking and debt compensation) but are not regulated by the budget law.

The participants also discussed the development of new global infrastructure, transcontinental land transportation across Russia, transport and logistics infrastructure in Russia's eastern regions, the new principles of financing of infrastructure projects, and the construction of high-speed rail infrastructure for the Moscow – Beijing project.

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