

Russia and Venezuela: areas of cooperation, results and prospects of these relations

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The active development of trade and economic cooperation between Russia and Venezuela began in 2005 with the purchase of 100,000 Kalashnikov assault rifles. Nowadays the total value of the contracts between Russia and Venezuela is approximately \$ 11 billion. For the purchase of Russian weapons Venezuela has allocated two loans on the security of oil projects in the country in 2009 — \$ 2.2 billion, and two years later — another \$ 4 billion. But nevertheless areas of cooperation are presented not only by the military sphere but also agriculture, bank sector, automobile industry.

Direct shipments of orchids

In October 2010, following negotiations between the leaders of Russia and Venezuela, the then Prime Minister Vladimir Putin ordered the Ministry of Agriculture to work with Venezuela to set up joint ventures in 10 directions. In addition to the supply of tropical fruits and flowers, supposed to cooperation in the field of deep processing of tropical agriculture, exchange of experience in the field of land reclamation and the production of chemical plant protection.

In 2012, the Ministry of Agriculture announced the creation of a Russian-Venezuelan joint venture "Orchid" (Empresa Mixta Russo-Venezolana Orquidea, SA). Its mission is to organize their own activities on the site of 81 hectares in the area of the State of Miranda, as well as the construction of two logistics parks in Venezuela and one in Russia — at the airport "Domodedovo".

The total investment is estimated at \$ 42 million. The shareholders of the joint venture "Orchid" with Venezuela's government will fund the development of the agricultural economy of the socialist Fondas with 51% of the shares on the Russian side — JSC "Panorama" with a share of 49%.

Construction of a new terminal at "Domodedovo" is still under discussion, but the supply of flowers in Russia has already begun, according to the representative of the Ministry of Agriculture. In the future they plan to complement the exotic fruits and seafood. It is expected that the day will come to Russia 2-3 on Flight 35 tons. The volume of imports from Venezuela under the joint venture is projected to reach \$ 14 million a year. The company expects that the reduction in the cost of storage and transportation will reduce the cost of production for the end of the Russian consumer by about 20%.

Construction

Since 2010 by agreement between the Fund of Housing at the mayor of Moscow and the Ministry of Housing Venezuela Russian contractors taking part in the "Great Housing Mission" for the construction of a typical panel housing. The project involves not only the construction of housing and infrastructure, but also the organization of nine joint ventures for the production of building materials.

As part of the "Great mission," at the military camp Fort Thune (360 ha) provides for the construction of 6,300 apartments (3.5 million square meters), as well as 22 pre-schools, 17 schools, 3 stadiums, 2 mixed-use centers, 15 institutions of cultural and leisure destination. The area of landscaping (lawns) and the forest park of 50 hectares of plantations and 43 hectares respectively. The total number of residents in this area will reach 250 thousand people. The

project plan is developed by "Vneshstroyproekt." The Venezuelan side will pay the Russian builders for the construction of this complex is \$ 4.2 billion.

Automobile industry

Beginning in 2008, "AvtoVAZ" and the company Sollers (formerly "Severstal-auto") discussed with the Government of Venezuela possibility of building a car factory in Venezuela, which will assemble models Lada and UAZ. Alternatively viewed as selling licenses to build models and organization of supply assembly components. The fate of these initiatives is still unknown. In 2010, Russia and Venezuela signed a contract for the supply of 2,225 cars "Lada Priora", "Lada Kalina". The first batch of 450 cars were delivered to Venezuela in March 2013. But unfortunately these cars are not actually sold and implemented among the poor as part of social assistance.

Collaboration is also developing a "KAMAZ". It not only supplies to the country's famous trucks, but also cooperates with companies in Venezuela. In particular, the designers of the plant chassis designed to be used in the manufacture of Venezuela 32-seater buses for urban and intercity transport. In addition, "Kamaz" building a factory in Venezuela tries to localize its production. In the first phase it will screwdriver assembly of buses imported from Russia, and in the future — a full cycle for the production of tractors and equipment for the oil industry.

Oil production — anchor investments

Oil sector can be characterized by the most important projects. They serve as a guarantee loans that Russia provided Venezuela "on the development of the defense." Oil development is produced joint venture PetroMiranda, established in 2010. 60% owned by the Venezuelan state-owned Petroleos de Venezuela Sociedad Anonima (PDVSA), 40% — Russian "national oil consortium" (NOCs). Originally it consisted of "Rosneft", "Lukoil", "Gazprom Neft", TNK-BP and "Surgutneftegaz" and the share of each company was 20%. Later, "Rosneft" repurchased shares of "Surgutneftegaz" and TNK-BP, so that now the proportion of "Rosneft" in the NOC is 60%.

At present, Russian companies are involved in five projects for production of Venezuelan oil. The largest of these is the development of the Junin-6 localities in the Orinoco belt. For the opportunity to participate in the Russian side had paid \$ 1 billion.

In another large project on the Orinoco — "Carabobo-2" — "Rosneft" involved no Russian companions. In a joint venture Petrovictoria, created for the development of this unit, "Rosneft" owns 40%, the remaining 60% of the shares — at PDVSA. For joining the project "Rosneft" will pay \$ 1.2 billion plus PDVSA will provide a loan for \$ 1 billion. As the Minister of Industry and Trade of the Russian Denis MANTUROV, deposits that develop in the Orinoco oil belt in the company "Rosneft", accounting for 10% of the total number of its projects.

According to Venezuelan Oil Minister Rafael Ramirez, co-investments in Russian-Venezuelan projects amount to 46.9 billion dollars by 2019. Of these, the Russian part will be 17.6 billion dollars, and in 2021 a joint Russian-Venezuelan production will reach 1.123 million barrels a day.

All things considered, it cannot be denied that relations between Venezuela and Russia are quiet complicated as it involves a lot of economic, political and other problems. Nevertheless due to above mentioned aspects of this collaboration it is necessary to underline great prospects and future opportunities.

Источники и литература

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