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Yanukovych in China – Chinese investments in Ukraine announced

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President Viktor Yanukovych paid an official visit to China between 2 and 5 September, during which a range of bilateral agreements was signed, mainly concerning the economy. Their implementation will mean the first large-scale appearance of Chinese investments in Ukraine. The government in Kyiv declared that improvement in bilateral relations with the People's Republic of China is one of the main aims of its foreign policy, seeing therein a way of guaranteeing sources of credit and investment. However, the final shape of these relations will depend on China's strategic interests in the region.

Among others, President Yanukovych met the PRC's leader Hu Jintao, Prime Minister Wen Jiabao, and representatives of Chinese businesses. 13 bilateral agreements were signed, including a 'road map' for co-operation over the period from 2010-2012, as well as a framework agreement to build a rail line from Boryspol to Kyiv (at an estimated cost of US$1bn). According to Yanukovych, the signing of these documents means it will be possible to attract at least US$4bn of Chinese investments to Ukraine.

The Ukrainian president's visit to China, the first by a Ukrainian head of state since 2003, is a sign of the process of improving bilateral contacts which began when Yanukovych took power. Currently it is hard to evaluate how deep China's involvement in Ukraine will be. Considering that the Ukrainian government's interest in its relations with China will most likely remain strong, the outcome of this co-operation in the longer term will mainly depend on China's strategy in Eastern Europe, where it has so far avoided expansion on a larger scale. <smat>