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Russian Perceptions of Commercial and Natural-Resources Ties with China

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Western sanctions have prompted Russia to pivot towards China and away from Europe. The economic relationship is highly asymmetric in which Russia has become heavily dependent on China for trade, energy exports, and access to critical goods that sanctions have diverted from Western markets, while China remains far less reliant on Russia and has used this dynamic to its strategic advantage in trade and technology flows. This dependency has helped Russia blunt some sanctions effects but has also exposed its economic vulnerabilities and limited its leverage.

At the same time, China's choices reflect a balancing act between avoiding sanctions itself and benefiting from expanded trade and low-cost Russian resources.[i] However, there are indications that—under Vladimir Putin's influence—China might be shifting its rhetoric to embrace some of the Russia-led ideology of an alternative global order that seeks to reshape international institutions and challenge Western norms rather than merely fill gaps in U.S. leadership.[ii]

Russia's senior leadership and elite commentary largely frame economic ties with China as a strategic necessity and a stabilizer amid Western pressure, while simultaneously treating key "differences" with China as manageable frictions that must not rupture the broader partnership. Russian leadership is ever so careful not to highlight the asymmetry of the relationship.

However, at the operational level, Russian researchers repeatedly documented frictions: Chinese banks' tightening of compliance requirements and sanctions risk aversion led to delayed, frozen, or rejected payments even when transactions were denominated in yuan, creating reputational and liquidity risks for Russian exporters and importers that Moscow cannot fully control.[iii]

This "bounded partnership" reality, despite the optimistic rhetoric, and a narrower Chinese commercial risk appetite reappear across all sectors of cooperation. As we elaborate below, Russian senior decision-makers and elite commentators appear to treat divergences with China as (1) a cost of necessity, (2) a domain where Russia must preserve sovereignty and optionality, and (3) a space where Russia should aspire to exploit China's needs (energy security, stable inputs, transit reliability) to extract better terms.

Background: Russian views

A consistent theme in Russian official messaging is the preservation of a partnership with China as a strategy. Putin's May 2024 remarks in Beijing framed the payments shift and "portfolio of projects" as durable cooperation despite efforts by "third countries" to constrain development.[iv] The structure of this rhetoric matters: it implicitly separates (a) a shared geopolitical narrative (resisting Western pressure) from (b) practical economic bargaining, where Russia accepts that China will act on commercial and sanctions calculations.

Equally consistent is a second theme: sovereignty as a red line - even with friendly partners. In a 2016 doctrinal text still widely used as the baseline for official "information security" framing, Russia defines information security as protection of sovereignty and territorial integrity against internal and external information threats, and explicitly points to preventing foreign control over information infrastructure and developing a national system for managing the Runet segment of the internet.[v] This doctrine is not "about China," but it is directly relevant to Russia's perceptions of Chinese tech scale and leverage. Sovereignty claims function as a constraint on the depth of dependence Russia is willing to formalize.

A third theme in elite commentary is asymmetry management. Russia's leverage comes from commodities, geography, and security role; China's leverage comes from capital, manufacturing scale, technology ecosystems, and its ability to wait. This asymmetry is visible in central bank language about growing Russian exposure to Chinese economic trends and in repeated episodes in which Chinese sanctions-risk caution imposes costs on Russian actors.[vi]

Financial cooperation

The Kremlin and the Bank of Russia repeatedly emphasize that shifting settlements into rubles and yuan "insulates" bilateral trade from third-party pressure, but official central-bank commentary also acknowledges that closer trade ties increase Russia's exposure to Chinese macro/FX dynamics. Elvira Nabiullina explicitly noted that the increased role of the yuan and China's larger share in Russia's trade mean that developments in China and the yuan exchange rate now exert "more significant" influence on Russia than before 2022.

The Bank of Russia frames parallel infrastructure building, such as independent financial messaging and expanded correspondent relations, as core to sanctions resilience. (The Bank of Russia's description of SPFS emphasizes uninterrupted financial messaging domestically and "beyond" Russia's borders.)[vii]

Meanwhile, Russian businesses and the elite press have chronicled payment bottlenecks as Chinese banks tightened compliance amid the risk of secondary sanctions—an example of how "partnership" rhetoric meets the reality of bounded Chinese risk tolerance.[viii] Major Chinese banks reportedly curtailed or suspended accepting yuan payments from Russia, and top managers described direct payments as "very difficult or even impossible" at times, a trend tied to secondary sanctions risk rather than a political rupture.

Cybersecurity and digital infrastructure

Russian officials and aligned analysts pursue two simultaneous goals that produce tensions with China: (1) building a shared diplomatic front[ix] with China on "international information security," sovereignty, and non-interference; and (2) limiting any *foreign* leverage—implicitly including friendly-country vendors—over Russia's critical information infrastructure, networks, data, and AI stack. This is evident in official doctrine that stresses protecting sovereignty, "preventing foreign control" of infrastructure, and developing a national system for managing Runet.[x] It is also reflected in policy instruments: domestic-equipment roadmaps for telecom networks and "import-substitution" style procurement priorities that can clash with pragmatic reliance on Chinese hardware after 2022.[xi]

Russia seeks to cooperate with China against Western "containment," but it also tries to ensure that any dependence on Chinese digital infrastructure, hardware, or platforms does not become a form of "platform colonialism"- a concept publicly discussed by senior economic official Maxim Oreshkin in early 2026 commentary about countries becoming "hostages" when they lack their own digital solutions.[xii]

Oil and Gas

Russian leaders depict energy ties as the backbone of the relationship, yet elite commentary and repeated negotiation delays highlight structural divergences: price bargaining, infrastructure timelines, route choices, and China's ability to wait.

In oil, the relationship is framed as robust but increasingly shaped by discounting and sanctions logistics. China imported a record amount of crude from Russia in 2024 (108.5 million metric tons), reflecting both large volumes and China's appetite for discounted barrels.[xiii] By late 2025, Reuters reported record-wide discounts for ESPO deliveries into Chinese ports as sanctions pressure and buyer caution weighed on pricing, precisely the kind of "dependency discount" Russian elites have long feared.[xiv]

The September 2025 official line from Russia's transport ministry reported that Gazprom head Alexei Miller described a "legally binding memorandum" for Power of Siberia 2 and the Mongolia transit line concept ("Soyuz Vostok"), projecting 50 bcm/year.[xv] Yet subsequent reporting underscored that major details, especially the gas price, remain contested and could delay realization for years.[xvi]

For Moscow, oil and gas are not just export revenue; they are a strategic channel anchoring the relationship against political shocks. Even when negotiations stall, Russia signals persistence, consistent with its wider framing that targeted Western constraints should not fracture Russia–China cooperation.

Russia's hedging in hydrocarbons is pragmatic, aiming to diversify buyers and routes, and keep optionality. One indicator is Russia's continued heavy engagement with other large Asian markets, including major supply deals unrelated to China, albeit sanctions are also playing a role.[xvii] Another hedge is route diversification. Russia expanded or discussed expanding oil transit to China via third-country infrastructure (through Kazakhstan)[xviii] and pursued LNG channels alongside pipeline gas.

Russia's leverage comes from offering China (a) a stable supply, (b) proximity, and (c) the ability to transact under sanctions constraints, which becomes more valuable when maritime routes are risky or when global markets tighten. In pricing disputes, Moscow's implicit leverage is "security of supply" and the ability to shift marginal barrels to other Asian buyers; however, the widening of late-2025 discounts suggests China often retains substantial pricing leverage in practice.

Other energy dependencies

This section examines the areas within the energy relationship where Russian elites most clearly articulate "differences" with China—differences that they present primarily as commercial and operational rather than grand strategic in nature—electricity trade and coal exports.

In the ***electricity sector***, a sharp, concrete friction emerged in early 2026: China halted power imports from Russia amid a price dispute, while Russia's energy authorities emphasized domestic Far East demand and the desire for "mutually beneficial terms." This episode demonstrates how the partnership can remain formally intact (the long-term contract stays in force) while marginal trade is curtailed when commercial terms diverge.[xix]

Inter RAO confirmed active talks and stressed that neither side sought to terminate the long-term contract. Importantly, this episode shows how Russian elites manage narrative risk: they publicly de-dramatize the friction ("contract remains in effect") while simultaneously framing the dispute as a rational commercial renegotiation and a domestic-capacity issue.[xx]

China's import of ***coal*** from Russia has been highly volatile, imposing, alongside European embargo on Russian coal, significant hardship on Russia's coal-producing regions.[xxi] Exports to China have declined mostly due to logistics[xxii] and competitive pressures.[xxiii] Reports cite high Russian rail tariffs, bottlenecks on the Baikal–Amur and Trans-Siberian routes, and stronger competition from other countries, including Australian and Mongolian coal. Additionally, sanctions-related payment frictions and a relatively strong ruble have made Russian coal less attractive to Chinese buyers. However, Russian reporting underplayed the negative impact on Russian coal producing regions.

Other natural resources

In natural resources beyond hydrocarbons, Russian perceptions are shaped by a recurring anxiety: becoming a raw-material appendage while value-added processing (and standard-setting) shifts to China. Moscow's hedges include export-structure controls (most visibly the roundwood/log export ban to force domestic processing) and investment screening in strategic sectors. At the same time, sanctions-driven adaptation sometimes pushes Russian firms to relocate processing into China to reduce sanctions exposure—illustrated by Nornickel's China JV talks over copper smelting/refining.[xxiv]

In timber, the state's approach is explicit: stop exporting raw logs and push domestic processing, especially in the Far East. Rosleskhoz reported that, from January 1, 2022, export of unprocessed and roughly processed coniferous and valuable hardwood timber would cease; it also cited trade statistics and described "roadmaps" and industrial strategies aimed at expanding processing capacity in Russia's Far East.[xxv] This is a direct state response to longstanding elite concerns about the export of low-value raw materials. These concerns are often linked in public discourse to the Chinese demand for timber and to narratives of illegal logging.

In critical minerals, elite reporting in late 2025–early 2026 shows Russia framing Chinese dominance explicitly as a dependency risk. Kommersant reported that Russia's rare-earth roadmap was aimed at creating a "sovereign" industry "independent of imports from China and the United States".[xxvi]

In metals, sanctions pressures and market structure encourage Russian firms to lock into Asia and, increasingly, into China's value chains. Reuters reported that Nornickel discussed JVs in China to process copper raw materials into metal, driven by sanctions-related constraints and pricing/logistics considerations. This is the area where Russia mitigates sanctions risk by embedding upstream output into China's processing ecosystem.[xxvii]

Natural resources are one of the clearest "do not derail" domains. They fund the state and sustain large strategic firms, and China provides a large, proximate market when Western markets and exchanges are restricted. Russian elites, therefore, tend to treat value-chain shifts (even unfavorable ones) as acceptable costs so long as proceeds continue and the partnership's political umbrella holds.

Russia's hedges in this domain are institutional and regulatory. First, investment screening: the law establishes restrictions and prior-approval mechanisms for foreign investment in strategic companies and assets, framed explicitly as necessary for defense and state security.[xxviii] Even when China is treated as a "friendly" partner, the law's logic is to preserve state control in strategic sectors. Second, export-structure controls, ranging from the timber export ban to tariff quotas and steep out-of-quota duties to discourage exports of ferrous scrap. Finally, an industrial policy for critical minerals.

Middle Corridor

Russian elite analysts frequently treat the corridor as both (a) a geopolitical instrument explicitly designed to bypass Russia and (b) a commercially constrained route whose real capacity remains limited. Russian hedging focuses on building alternative corridors (especially North–South) and attempting to position Russia as a "system-forming" node in a broader Eurasian transport framework rather than a bypassed cul-de-sac.

Russian elite perceptions of the Middle Corridor treat it as both a strategic bypass and a commercially imperfect substitute for Russia-centric routes. A recurring Russian think-tank framing is that the Trans-Caspian route is promoted as a geopolitical instrument to reduce dependence on Russian territory and influence. A Valdai Discussion Club analysis in late 2025 described the Trans-Caspian corridor as an "instrument of geopolitics," and argued that despite heightened attention after 2022, actual volumes remained very small in 2024 (35,000 TEU), attributing this to infrastructure and service deficits (terminals, container fleet, operator/tariff coordination).[xxix]

From the Russian International Affairs Council (RIAC), analysis of Central Asia politics described the Middle Corridor explicitly as an alternative route between China and Europe "bypassing" Russia, running through Kazakhstan, the Caspian, Azerbaijan, Georgia, and Turkey, clearly showcasing how Russian elites interpret external sponsorship as a strategic challenge.[xxx] For Moscow, the Middle Corridor is less a Russia–China bilateral issue than an issue for the Eurasian system. Russia is motivated to prevent corridor competition from eroding its regional influence and transit rents, but it also seeks to avoid openly politicizing the corridor in ways that would antagonize China or Central Asian partners, especially given the broader goal of presenting a unified "Greater Eurasia" connectivity narrative.

Russia's principal hedge is a corridor diversification and integration strategy. RIAC analysis of the North–South corridor explicitly states that a strategic task is to prevent "excessive dependence" on any one branch and to position Moscow as a central, system-forming element of a broader "Eurasian transport framework," integrating rather than competing with partners' projects. This is an explicit elite articulation of hedging logic applied to trade routes.

A second hedge is to spotlight weaknesses in competitor corridors - capacity limits, "soft barriers" (tariffs, paperwork), and security risks - while pushing Russia-linked alternatives (North–South, the Arctic route) that Russia can influence more directly.

Russia may seek to exploit divergence between China's interest in multiple routes and Western interest in bypassing Russia by emphasizing: (1) the Middle Corridor's infrastructural bottlenecks, and (2) the political and security uncertainties in the South Caucasus and Caspian region that can raise commercial risk. Russia can present itself to Chinese shippers as a more operationally mature route for certain cargo types—even under sanctions—while concurrently using its role as a major trade partner and investor in Central Asia to shape logistics choices over time.

However, Russia's logistics constraints weaken its ability to compete: Reuters reporting on Russian rail capacity, labor shortages, sanctions-linked spare parts issues, and investment cuts—factors that complicate the "Asia pivot" and reduce Russia's ability to undercut competing routes purely on service quality. [xxxi]

Finally, Russia is promoting to the Northern Sea Route in the Arctic as a strategic alternative shipping corridor to Europe and Asia, and China[xxxii] has shown growing interest in participating in its development, though actual Chinese involvement is still limited as Russia tries to retain sovereign control over the route and balance cooperation with concerns about over-dependence on China.[1]

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