



Siberia will be full of investment opportunities in the next 3 decades if you can get in right after the war, says a fund manager who manages \$7 billion in assets

Description

- Investing in Russia after the war with Ukraine could present a surprising upside, said an investor.
- That's thanks to vast farmlands in Siberia, said Cheah Cheng Hye, co-CIO of Value Partners Group.
- Chinese investors were already snapping up farmland in Siberia before the war.

Something is loading.

Russia may be in the thick of war now — but investing in it may “surprise on the upside” after the conflict with Ukraine ends, a Hong Kong-based fund manager said at the Forbes Global CEO Conference in Singapore on Monday.

“All these vast lands they have in Siberia will be the biggest, most productive farmlands in the world in the next three decades. They will be a food superpower,” said Cheah Cheng Hye, co-chief investment officer of Value Partners Group, an asset management firm that manages about \$7 billion in assets.

Climate change has been [negatively impacting](#) crop yields, nutritional quality of major cereals, and livestock productivity. But Siberia is home to some of the world's largest reserves of idle cropland with potential for huge farms, wrote agriculture experts Maarten Elferink and Florian Schierhorn in *The Diplomat* in 2019.

“Russia could be the key winner of global warming,” Cheah said. Over two-thirds of Value Partners' clients are based in China and Hong Kong.

Cheah was speaking about unexpected investing opportunities that could “surprise on the upside.”

“Right now, Russia is not good news for investors but look longer-term out,” Cheah said.

While Cheah's recommendation may seem like an extreme contrarian trade, Siberia is a huge resource play for investors.

Siberia is a vast region — accounting for about three-quarters of Russia's land area — and home to wide swathes of oil and gas fields and farmlands.

Even before the war, investments from China were pouring into Siberia, with at least 865,000 acres of farmland — or 16% of Siberian land used for farming — sold to or leased as of November 2019 by Chinese citizens, BBC's Russian service reported, using state land register data.

Moreover, China has not condemned Moscow over the Ukraine war. In February, China approved wheat imports from all regions in Russia, presenting an alternative market for the major exporter of the grain. Trade between China and Russia has surged 31% in the first eight months of 2022.

by Huileng Tan

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