Sanctions and low oil prices are forcing Russia to give some serious thought to China. On a recent trip to Shanghai, the owner of a Russian pipeline fittings business was surprised to find three Chinese suppliers of 48-inch ball valves able to withstand 250 bar and 370°C. ‘I have been lazy for too long,’ he told me. ‘The valves I’ve been buying from Germany, the Czech Republic and Finland were actually made in China: the only difference is that these ones come with a Chinese logo; and they’re 60 per cent cheaper.’

In theory there’s some reciprocity here. The low rouble could trigger an agricultural revolution in Russia. ‘Why should we be importing $300 million worth of poultry each year from America?’ a Russian entrepreneur asked. ‘We should be exporting chicken breasts to Asia, and to the world.’
Being locked out of Western financial services – whether it’s airplane leasing deals or corporate debt facilities – is pushing some Russian firms close to insolvency. At the same time, there is optimistic talk of China, with its gigantic foreign exchange reserves, leading the way to an alternative global financial system. But it won’t develop overnight. A reinsurance broker from Kazan, who places Russian aerospace, marine and cargo risk on the international markets, has negotiated with Chinese underwriters. But ‘they don’t know how to price risk. London can’t be replaced.’ Sanctions have confirmed that much of the West’s strength lies with its armies of finance professionals.

Chinese businesses see Russia as a vast frontier market ready for major infrastructure investment and factories, as well as a repository of natural resources and human talent, in anything from engineering to music. A Shanghai advertising agency assured me that it could repackage Russian consumer goods from toothpaste to sportswear as ‘Russian cool’ and make it sell. But a large Wenzhou shoe manufacturer sitting next to me on a Moscow to Shanghai flight was more cautious: ‘Russians are sincere friends, but they are not merchants. I do very well in Russia, but that’s because I deal mainly with the country’s true entrepreneurs: Armenians, Jews, Azeris.’

We hear that Sino-Russian relations at the political level have never been better. Fan Gang, an influential Chinese economist, noted in a speech in 2012, at the beginning of the Syria conflict, that often ‘China is happy to outsource geopolitics to Russia.’ China’s government is adept at managing its complex domestic affairs, but its economic power is not matched by savoir-faire on the global political stage. Russia and China signed a 30-year natural gas ‘deal of the century’ (worth $400 billion) in Shanghai last May. Yet the idea that together ‘Moscow and Beijing have scared the USA’ (the caption to the cartoon above) is a fantasy. As a Chinese friend pointed out, ‘pandas can’t even make love successfully, much less war.’