

Investor in Sochi Games Seeks Help on Rising Costs

By [The Moscow Times](#)

April 03, 2013



The Roza Khutor resort, pictured here, wants to be part of a special economic zone in order to offset rising costs.

A key investor in Russia's 2014 Winter Olympics is lobbying the government to offer tax rebates for the companies operating in Sochi to help offset the rising costs of the games.

Estimates for the Sochi Olympics and the related development of the host region in southern Russia have reached almost \$50 billion, making it the most expensive Olympic games ever, winter or summer. In contrast, the 2012 Summer Olympics in London cost about \$14.3 billion.

Staging the games and building venues in the past has been funded by governments and sponsors, but Russian state-owned companies and tycoons are paying for much of the 2014 infrastructure in Sochi.

Sergei Bachin, general director of Roza Khutor, which is building a ski resort, a snowboard

and freestyle park, and one of the three Olympic villages, said Wednesday that his company had asked the government last month to create a special economic zone in the Sochi area.

Roza Khutor is owned by Interros, an investment vehicle of tycoon Vladimir Potanin, which is spending about \$2.2 billion on Olympic projects in Sochi.

Bachin said in an interview that the tax rebates would allow their resort to be "operationally sound" and help them repay loans to the state-owned VEB bank more quickly.

Bachin's petition follows those of others investors who have complained about construction costs that they had not been informed of when they first signed up to the Olympic project.

Interfax on Tuesday reported that investors in the Olympic project — including Sberbank, the energy company Gazprom, the industrial conglomerate Interros and the holding company Basic Element — had asked the government for help.

Sberbank and Gazprom were not available for comment Wednesday. A Basic Element spokesman could not immediately confirm that the company had signed that letter.

Basic Element, a holding company of billionaire Oleg Deripaska, has been public about expecting the Russian government to cover some of its losses in Sochi.

Related articles:

- [Sochi Hotel Room Seekers Come in Last Place](#)
- [Railways Tighten Security Ahead of Sochi Games](#)
- [Medvedev Signs Draft Decree to Control Prices in Sochi](#)

Original url:

<https://www.themoscowtimes.com/2013/04/03/investor-in-sochi-games-seeks-help-on-rising-costs-a2959>