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Russia Hopes to Rein in World Cup Spending

By The Moscow Times

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Deputy Prime Minister Igor Shuvalov has said that the government is hoping no more than $8 billion over and above existing spending programs will be needed from state coffers to fund the 2018 football World Cup.

That's a dramatic climb-down from the reported $16.6 billion estimate put forward by the Sports Ministry in April, although that figure included money that would have been spent whether Russia won hosting rights in December 2010 or not.

Shuvalov said Thursday that "all parameters that could have been cut have been cut. The last figure that [Sports Minister Vitaly] Mutko ... came to me with was 250 billion rubles [$7.94 billion]."

The cost reappraisal is explained by the government choosing the "optimal" program for infrastructure, which takes into account just essential spending, rather than

the "maximal" route that the Sports Ministry had originally chosen.

The $8 billion sum, Shuvalov said, was the "very, very minimum. With it they've squeezed out absolutely everything, there's nothing going to waste."

Close to $10 billion is expected to come from the private sector to take the projected totals on World Cup spending into the tens of billions.

The final figure is to be announced in June, when President Vladimir Putin signs off on the Sports Ministry's World Cup preparations program.

Mutko, meanwhile, confirmed that the $8 billion figure was mentioned at a meeting with Shuvalov, putting it down to a "modernized, cut down, more effective" development analysis.

"Today we've taken the 11 cities and had a look at their suggestions on what needs to be done to realize their concepts on staging World Cup matches," he said.

The frugal approach appears to rule out more outlandish spending of the order mentioned Monday by regional governor of host city Nizhny Novgorod, which requested $9 billion to prepare for the football extravaganza.

Ascertaining Russia's total outlay is difficult because the lines are frequently blurred on what counts as World Cup spending and what doesn't. Federal programs to upgrade transportation, for example, are frequently left outside the calculations because they were in place long before Russia beat England, Spain/Portugal and Belgium/Netherlands to the hosting rights.

Many of those programs have had to be considerably transformed, however, to conform to FIFA standards on access and hospitality, for example, with many deadlines brought forward.

Ten of Russia's 12 World Cup arenas are being built from scratch, with Moscow's Luzhniki Stadium, which will host the opening game, a semifinal and the final, undergoing an $800 million refurbishment.

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