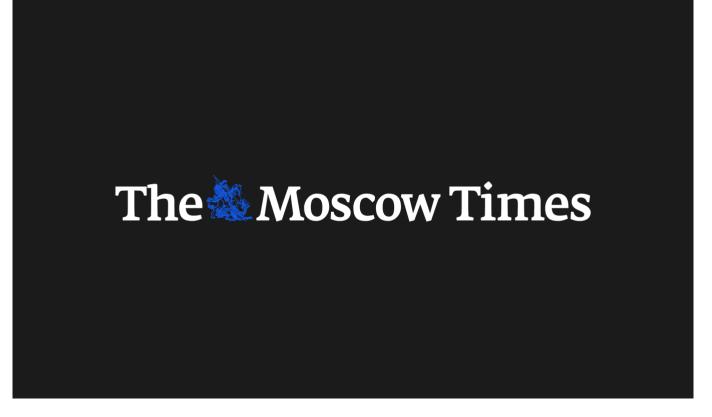


\$389M Construction Savings for World Cup Shortsighted, Audit Chamber Says

By The Moscow Times

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The Russian government is looking to save up to \$389 million in the construction budget for 2018 World Cup arenas by scrapping plans for commercial zones that would have helped them remain financially viable, according to the Audit Chamber.

The country had set a limit of \$442 million per arena on a group of seven stadiums to be built from scratch for the tournament, but new plans from the Economic Development Ministry foresee a reduction to \$386 million per unit, Audit Chamber official Vladimir Katrenko said at the end of last week.

After announcing the plans, Katrenko criticized them for being shortsighted, insisting that trading zones for fast food stands, parks and shopping centers play a crucial role in the commercial longevity of a stadium.

"According to the logic of the Economic Development Ministry, there will be just boxes in the

open field where you cannot properly eat, go shopping or walk with children before or after the match. With an approach like this, we will never learn how to earn money on football," he said.

The initiative, which has not yet been approved, looks set to apply to the 45,000-seat arenas to be built or upgraded in Yekaterinburg, Kaliningrad, Nizhny Novgorod, Volgograd, Saransk, Samara and Rostov-on-Don.

The other venues — two in Moscow, and one in each of St. Petersburg, Kazan and Sochi — are further down the path of construction: The venue for the final, Luzhniki Stadium, is set to have an \$800 million facelift; Spartak Moscow's new home is set to open in the new year; Zenit St. Petersburg's arena is set to open in 2016; the Sochi Fisht Olympic Stadium is to open ahead of the Feb. 7 opening ceremony of the Winter Games; and Kazan's stadium is already built.

In August, Prime Minister Dmitry Medvedev signed an order to distribute \$88 million among seven regions to kick-start the stadium-building process. This was the first tranche of a projected 250 billion rubles (\$7.5 billion) that the Russian government is planning to spend on the 12 arenas and their immediate infrastructure.

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