

Western Sanctions Destroy Plans for International Financial Center in Moscow

By [The Moscow Times](#)

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The Russian government has dropped plans to build an international financial center just outside Moscow once meant to mark Russia's emergence as a hub for global capital.

Instead, apartment blocks will be built on the site, according to business daily Vedomosti.

The newspaper said last week that it had obtained a copy of the development plan for New Moscow — the vast territory southwest of Moscow that was added to the capital in 2011 — and much-trumpeted idea to build financial center in the prestigious region of Rublyovo-Arkhangelskoye was no longer part of it.

The original plan, approved by the government as recently as last year, was to build offices, apartments, hotels, shopping centers and social infrastructure to be accommodated on almost 4 million square meters of territory just beyond Moscow's city limits.

The hope was to transform Moscow into one of the world's financial centers, mirroring cities

like London, New York and Hong Kong.

But sanctions slapped on Russia earlier this year for its involvement in the Ukrainian crisis have wiped these plans off the table.

State-owned banks, which were ready to provide the financing for the project, have had their access to international sources of funding restricted by the West's measures and were forced to review the project.

Now the plan is to decrease the volume of office space from 1.8 to 0.7 million square meters and increase residential construction from 1.7 to 2.3 million square meters. The overall area to be developed will decrease by almost 700,000 square meters. Construction is estimated to take up to 15 years.

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