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Recession Forces Russia to Cut Funding for 2018 Football World Cup

By The Moscow Times

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Russia will cut the budget for hosting the 2018 World Cup as part of plans to slash state expenditure while recession looms, Sports Minister Vitaly Mutko said Thursday.

The Russian government is cutting its spending by 10 percent across the board after the Central Bank predicted last month that the economy could contract by between 4.5 and 4.7 percent this year, under pressure from low oil prices and international sanctions.

Mutko, who is a FIFA executive committee member, said in comments reported by the TASS news agency that World Cup stadiums and associated infrastructure would be exempt from the cuts. However, "various organizational issues" and "subsidies to the organizing committee" would be cut, he said, along with spending related to the draw ceremony.

Mutko did not provide specific figures, but suggested the 10-percent cuts would also apply to the non-exempt areas of World Cup spending.

Russia has already cut the capacity of two of its 12 World Cup stadiums from 45,000 to 35,000, citing financial and legacy reasons, but Mutko ruled out further shrinking of stadiums to save money, saying FIFA was unwilling to lose any more ticket revenue from hosting games in front of fewer fans.

"FIFA won't give us any more concessions and all the stadiums should be 45,000-capacity," he said. "The ticketing program has started, it's economics, it's FIFA's earnings. The fact that they lowered two of the stadiums to 35,000 people for us, according to their projections they already lost $60 million."

Mutko said that Russia's Industry and Trade Ministry had been tasked with gathering World Cup contractors for meetings at which they were encouraged to lower the price of concrete for tournament-related projects.

More than half of Russia's projected $9.6 billion World Cup spending will come from the federal government budget with much of the remaining sum paid for by Russian regional authorities and state-owned companies.

FIFA and the 2018 World Cup organizing committee did not immediately respond to requests for comment.

This month, FIFA President Sepp Blatter said he had been assured by Russian President Vladimir Putin that economic problems would not affect the tournament.

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