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Crimea to Get $400 Million Russian Federal Investment This Year

By The Moscow Times

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Russia will invest 23 billion rubles ($400 million) from the federal budget in Crimea, the region annexed from Ukraine last year, Crimean leader Sergei Aksyonov said Tuesday.

The cash injection is smaller than last year's, when according to the RBC news agency Russia transferred almost 34 billion rubles from the federal budget to regional investment. The figures do not account for non-investment subsidies to Crimea, which last year were 91.8 billion rubles, RBC said.

News agency RIA Novosti quoted Aksyonov as saying the 2015 funds would go toward a range of targeted federal programs, infrastructure development and improving the ferry across the Kerch Strait — a key connection with mainland Russia.

Five billion rubles ($90 million) will be spent on Crimea's road infrastructure, Aksyonov added.

Crimea is one of Russia's poorest regions, and years of underinvestment have left its roads worn-out and potholed.

"Crimea has never received this sort of money," Aksyonov said, RIA reported.

Under Ukraine's previous regional development program Crimea received around $120 million in 2011, according to RBC.

Russia pledged hundreds of billions of rubles to developing Crimea after seizing the peninsula last year, but a deepening economic slump is squeezing state budgets and forcing Moscow to seek cost savings.

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