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# World Cup Russia 2018: Heading towards excesses



FIFA WORLD CUP  
**RUSSIA 2018**

The 12 Russian stadia to be used for the 2018 World Cup will have been more expensive by the end of it than the 20 stadia built for the World Cup 2002 in Korea and Japan, accounting for inflation, according to Martin Müller. (Comment by Martin Müller)

The paint is barely dry on Russia's Winter Olympics facilities, but the nation is already gearing up to host the next mega-event. Four years before the opening match, the 2018 FIFA World Cup in Russia has already produced significant cost overruns and construction work is falling behind deadlines. Overall, it looks it will have become the most expensive World Cup ever, says Martin Müller from the University of Zürich in this comment piece.

A 2013 government act fixed the minimum budget at USD \$21 billion. That will have covered just the basic costs required for hosting the event: stadia, targeted transport projects, security, energy supply and so on. As the Chairman of the Organizing Committee, Igor Shuvalov, remarked: "We will have trimmed absolutely everything when 2018 comes. There is nothing obsolete, not a single obsolete object." Yet, even this bare bones event comes in at almost double the current estimated costs of the World Cup in Brazil.

The 2018 World Cup will be held in 11 cities in European Russia from 8 June to 8 July 2018. As of June 2014, only 3 out of 12 stadia were even close to completion – Moscow's new Otkrytie Arena as well as the stadia in Kazan and Sochi. With Luzhniki and Ekaterinburg's Central Stadium, a further two already exist but will have undergone total renovation when the World Cup starts. St. Petersburg's stalled stadium is years from completion, and the remaining six stadia must be built from scratch, but work has yet to begin.

### **Construction delays and escalating costs**

Russia is now facing the challenge of coordinating eight stadium projects across eight cities at the same time. This means dealing with the diverging demands of different regional elites, different contractors, different stakeholders and different urban settings. The organizers will have managed every single detail by the end of the project.

The projected costs place the stadia in Russia among the most expensive worldwide. At USD \$577 million, the average cost per stadium is more than 50% higher than in Brazil and more than 3.5 times higher than for the World Cup stadia in Germany 2006.

### **Excess capacities**

When finished, the Russian World Cup stadia will have exacerbated another problem: overcapacities.

Stadium construction for the event will increase the number of stadium seats in Russia by nearly half a million. This is more than one-third of the capacity that existed in the country at the time of the bid in 2010. Yet, most Russian football stadia are already too large for the crowds they will have drawn. The 15 clubs in the premier league use about 60% of their stadium capacities. Moreover, going to football matches is not a widespread pastime in Russia, compared to other countries.

These factors make it unlikely that the investment into stadia is going to provide economic returns, raising the specter of white elephants. Indeed, private investors or clubs have not come forward to fund the stadium construction. This disinterest from the private sector has forced the Russian state to dig into the federal budget for construction costs – just like in Brazil and South Africa.



Saint Petersburg stadium

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**Note:** This is an adapted version of Müller, Martin and Sven Daniel Wolfe (2014): World Cup Russia 2018: already the most expensive ever? Russian Analytical Digest No. 150, available from [http://www.css.ethz.ch/publications/RAD\\_EN](http://www.css.ethz.ch/publications/RAD_EN).

<http://www.playthegame.org/news/comments/2014/world-cup-russia-2018-heading-towards-excesses/>