

Russian Railways Wants State to Finance Moscow Rail Hub's Development

By [The Moscow Times](#)

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A commuter train passes in the Southeastern district of Novogrieevo. The development of a rail hub in the capital is too costly for Russian Railways to undertake on its own. **Michael Shcherbakov**

State rail monopoly Russian Railways has raised the price tag for the development of the Moscow rail hub to 1.5 trillion rubles (\$46.6 billion) and suggested that the work should be financed from the state budget, a news report said Tuesday.

According to the general plan for the development of the Moscow rail hub until 2025 drafted by Russian Railways in cooperation with the Institute for Transportation Economics and Development the investment will never be recovered and the project should therefore be considered "commercially unviable if financed from own sources," Vedomosti reported.

An earlier estimate released last summer put the project's cost at 1.2 trillion rubles.

Russian Railways said it can invest only 126.3 billion rubles of its own funds in the project

constituting, or just 6.34 percent of the total financing now needed. For that reason, the company suggested, the modernization of railroad infrastructure should be financed "predominantly from the federal budget."

The document specifies that the development of commuter train service in the vicinity of the capital will cost 785.5 billion rubles, while long-distance and cargo service branches will require 415.4 billion rubles and 229.6 billion rubles, respectively.

Financing the project has not been discussed yet, a Russian Railways representative said.

Meanwhile, the federal and municipal budgets have allocated only 199 billion rubles for the development of Moscow's rail infrastructure, the report said.

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