

Ministry Sets Crimea Spending at \$18 Billion

By [The Moscow Times](#)

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The Russian government will spend 620 billion rubles (\$18.2 billion) on the development of the newly annexed republic of Crimea and the federal city of Sevastopol through 2020, Regional Development Minister Igor Slyunyayev said.

The price tag includes the construction of a bridge over Kerch Strait to connect Crimea and mainland Russia, Slyunyayev said, RIA Novosti reported Monday.

The cost of the 4.5-kilometer bridge to the peninsula, which has no connection to Russia by land, was earlier estimated by the government at up to \$3 billion, but now sits at \$4.3 billion.

Earlier media reports cited Crimean Prime Minister Sergei Aksyonov as saying that Moscow was considering earmarking as much as 825 billion rubles (\$24.2 billion) for Crimea.

Crimea, an autonomous republic within Ukraine, was annexed by Russia in March despite protests from Kiev and Western governments.

The peninsula's budget deficit was estimated by Russian Finance Minister Anton Siluanov in March at \$1.5 billion.

But Kremlin aide Andrei Belousov said earlier that the deficit can be eliminated by 2016 or 2017.

The deficit was due to Kiev's decision to force most major Crimean taxpayers to pay their taxes in Ukraine's capital, Belousov said.

However, regional development analysts have pointed out that the peninsula has other economic problems as well.

Crimea, isolated from the mainland after the annexation, will have to spend more on water and energy, and faces a slump in the tourist industry, which is heavily reliant on Ukrainian tourists, analysts said.

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