

Proposed Crimean Rail Revamp Will Cost Billions

By [The Moscow Times](#)

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Russia's Transportation Ministry has proposed investing a further 135 billion rubles (\$3 billion) in Crimea by 2020, news agency RBC reported on Thursday, putting yet further pressure on Russia's already strained federal budget.

The funds would go toward developing Crimea's railroad, particularly the reconstruction and modernization of the 629 kilometers of existing track, Taras Bondarev, deputy general director of state-funded Crimean Railroad, told RBC.

Officials estimate that to reach their 2020 investment target, they will have to invest an average of 27 billion rubles (almost \$600 million) a year in Crimea. This cost excludes the construction of the planned Kerch bridge, which will run between Crimea and mainland Russia and is expected to cost 228 billion rubles (\$5.2 billion) by completion in 2018.

For comparison, Russian Railways spends only about 17 billion rubles (\$370 million) a year on renovations, RBC reported, citing research firm INFOline-Analytics.

Russia committed billions of dollars to Crimea since it annexed the peninsula in March. Speaking at the Crimean resort city of Yalta in August, President Vladimir Putin announced a 658 billion ruble (\$18 billion) development plan for what is now Russia's poorest region.

Russia's federal budget has been hit hard by an economic slowdown, falling oil prices and Western sanctions. In late October, Finance Minister Anton Siluanov warned that Russia may need to create a contingency budget for 2015-17.

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