



RUSSIA: World cup projects

Russia was one of the world's fastest growing rental markets before the financial crisis, and there are definite signs that it is starting to rebound now, with a lot of work going on in Sochi for the 2014 Winter Olympics and in prospect for the 2018 World Cup.

Joep Feldmann, general manager of Rentforce Ltd, the Dutch-Russian company that has been active in Russia for several years, tells *IRN* that in addition to these headline projects he sees opportunities in the capital cities of the larger regions in Russia. For that reason, the company has just added a location in Voronezh, a province capital 400 km south of Moscow, to add to its existing offices in Moscow and Sochi.

Overall, he sees a recovery in Russia during 2011; "Construction in various sectors is increasing again since this year. Also Moscow is awakening again after a three year break and has large upcoming projects in city expansion and infrastructure, which,

of course, we don't want to miss."

In the last two years Rentforce has focusing its efforts in providing equipment for the Sochi Winter Olympics (see more below), which is being held in February 2014. But for the future there are also high hopes for projects related to Russia's hosting of the 2018 World Cup.

"Regarding the football cup in 2018, we see a new construction boom starting right after the Olympics", says Mr Feldmann, "The matches will be held in 13 cities which are divided into five geographical regions. For this purpose 11 new stadiums will be built and five existing stadiums will be fully renovated.

"Besides stadiums, it will be necessary to invest in infrastructure, airports and hotels to handle all the visitors. We expect that the same large contractors which are doing the Olympic projects today will get the large chunks of the World Cup as well".

These contractors include Russian majors such as Rosinzhiniring, Transstroy, Mostotriad, Mostgeotsentr and Mostovik, and western European firms like Strabag and Boskalis.

Regarding the Sochi Games, Mr Feldmann says most of the main structures for the stadiums are complete; "They are starting now with facades, floors etc. Ski tracks are expected to be finalised towards the end of this year. Construction activities of the Olympic village have just started, so there is still work for a couple of years there. The same applies to hotels and a large number of support buildings."

He says next year will see a lot of work on road and rail infrastructure - not to mention a new Formula 1 racing track needed for the Sochi Grand Prix in the summer of 2014 - and he sees a particular opportunity for aerial platforms from mid-2012 onwards, associated with the construction of telecommunications infrastructure and the internal fitting out of buildings.

"We try to adapt our equipment fleet with the construction progress", he says, "That's why last year we invested mainly in heavy excavators and this year in rollers, mobile excavators and telescopic loaders. We expect an increase in demand for aerial platforms in the coming year, so will have to invest

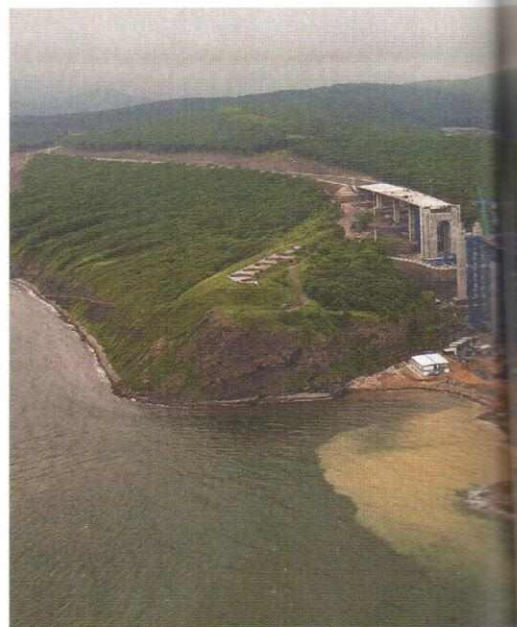
Rentforce is supplying a lot of equipment for the Sochi Winter Olympics projects and is hoping to get work on projects in support of Russia's hosting of the 2018 World Cup.

in this equipment as well. Telescopic handlers are relatively new for Russia as contractors have always relied on mobile cranes, but they are now seeing the many benefits of a telehandler."

Russian rental consultancy and internet portal B2B-Rent estimates the Russian rental market at around €250 million, although another consultant, MS Consulting, puts the figure at around double that.

What is clear is that the market is expanding. Mr Feldmann says his own company - which was recently ranked at number 10 in Russia by B2B-Rent - could see revenues double this year, and he thinks that a professional rental business is starting to emerge; "We see that the construction market is getting more and more professional and requesting the same professional attitude from its suppliers (including rental operators)." He thinks many of the small, informal rental businesses functioning today will fall away as the market evolves.

Harsco Infrastructure has rented self-climbing formwork (SCF) for the construction of 320 m tall pylons and approach piers on the Russky Island Bridge at Vladivostok in Russia. The 3.1 km long bridge will have a 1100 m central span and will be the world's longest and tallest cable-stayed bridge when it is completed at the end of 2012. The bridge will link the port of Vladivostok with Russky Island. The Russian contractor, SK MOST, is aiming for a construction period of just 43 months.



Joep Feldmann, general manager of Dutch-Russian rental company Rentforce.