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# Brazil faces problem of 'white elephant cities' after World Cup

By Samantha Pearson in Cuiabá Author alerts



The Arena Pantanal stadium in Cuiabá

Like many of his friends, Janderson de Almeida Pintel was overjoyed when his native Cuiabá was selected as a World Cup host city. Situated in the northwest of Brazil about 300km from the Bolivian border, the city is best known for its nearby tropical wetlands and has never had much luck at football.

However, as the cost of Cuiabá's new soccer stadium has spiralled to R\$570m (US\$257m), the 24-year-old shop assistant cannot help thinking the money could have been better spent elsewhere, such as improving local hospitals. "When my wife's uncle was shot they just left him in the corridor for three weeks . . . he didn't make it," says Mr de Almeida Pintel.

When Brazil won in 2007 the right to stage the world's biggest football tournament, it chose 12 cities to host matches – three more than the World Cup in South Africa four years ago – in a bold step designed to spread the benefits to all parts of the country. For the ruling Workers' party it was also an opportunity to win favour with regional politicians – key to maintaining power in a country 15 times the size of France.

But with just three weeks to go before the host takes on Croatia in the opening match, analysts warn the plan is backfiring, threatening to create a league of "white elephant" cities and jeopardising the tournament's legacy. Many smaller host cities are still unclear about how to make their stadiums financially viable after the month-long tournament, while large infrastructure projects remain unfinished or have been scrapped altogether.

"The idea of spreading the World Cup across Brazil was not a good one," says Rafael Alcadipani, a faculty member at the Getulio Vargas Foundation, an academic institution. This approach, he says, has led to "unnecessary investments in cities and . . . in forms of infrastructure that are not a priority in that particular city at that particular time".

For a start, many of the stadiums are simply too big to be filled by supporters of the smaller cities' lower-division teams. The venue in the Amazonian city of Manaus, for example, holds 44,500 fans – higher than the total number of spectators who attended league matches in the city for the whole of 2009, says Rodrigo Prada, director of Portal da Copa 2014, a body set up to monitor the tournament's preparations. A judge even proposed turning Manaus's stadium into a centre to process prisoners.

Cuiabá, in Mato Grosso state, faces a similar dilemma. After the tournament, the city will sell the right to run the Arena Pantanal for up to 30 years, says Maurício Guimarães, World Cup secretary for the state.

"Cuiabá only has one conference centre so the stadium could meet some of the latent demand," he says, adding it could even be turned into a shopping centre. However, he admits he does not know how much it would cost to run.

Sérgio Lazzarini, professor at São Paulo's Insper business school, says this is a "risky proposal for any investor".

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To make matters worse, Cuiabá may even struggle to fill the stadium's 43,000 seats during the tournament

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- Rafael Alcadipani, the Getulio Vargas Foundation

itself – it has been lumbered with some of the World Cup's most unattractive games including Nigeria v Bosnia-Herzegovina.

A further problem for Brazil's second-tier cities is that many of the infrastructure projects designed to boost regional development have been delayed or shelved quietly. In the city of Natal, about half the infrastructure projects planned for the World Cup were not even started. A new airport terminal further north in Fortaleza has been delayed until 2017 – tents will be erected to welcome World Cup visitors instead.

While Cuiabá's new terminal would be "functional" in time for the tournament, Mr Guimarães says, credit rating agency Fitch estimated this week that only three-quarters of it had been completed.

Cities' choice of infrastructure projects have also been criticised. Mr Alcadipani says the money would have been far better spent on improving Cuiabá's roads or sewerage systems.



According to Mr Prada, cities such as Manaus have also missed opportunities to use the tournament to promote wider tourism in their regions. When England manager Roy Hodgson complained about having to play in the sweltering Manaus heat, the city mayor issued a statement saying the team was not welcome there.

Nationwide protests over the cost of the World Cup have also damped the enthusiasm of local fans and left cities unwilling to invest even more public money in facilities such as outdoor viewing events.

It is not game over for Brazil's white elephant cities just yet, says Insper's Prof Lazzarini, however. "It is up to the local governments to come up with good ideas and complementary investments."

If Cuiabá can improve transport links to its stadium, for example, it will help the city find alternative uses and recoup its investment. "The World Cup will leave some positive legacies for these cities but, as always, the question is at what cost," he says.

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