

Sources Say McDonald's Russia Will Now Franchise

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Entrepreneurs can consider investing in McDonald's, at least in Siberia. **Ekaterina Kuzmina**

McDonald's is looking for Russian business partners for the first time in its 20-year presence in the country, as it hopes to expand into Siberia, RBK reported Tuesday.

The fast-food giant intends to open restaurants in Novosibirsk, Tomsk and Barnaul, using the franchise business model that is the basis for 80 percent of its restaurants worldwide but has not been used in Russia yet, according to RBK.

The move was taken in part due to the expansion of Burger King and Wendy's, who work with franchisees, two unidentified Moscow restaurateurs told RBK.

"The company took this decision two months ago," one of the restaurateurs said. "This step was prompted by the need to maintain high rates of network expansion, and also by the active development of competitors Burger King and Wendy's, through the use of franchising."

A McDonald's spokesperson said it was too early to comment on the matter.

The chain has more than 33,000 branches in 119 countries, including 314 in Russia, all of which are owned and operated by McDonald's Russia. Building a McDonald's restaurant costs about \$5 million, and another \$1.2 million of investment is necessary for equipment and information systems, according to RBK.

Meanwhile, GMR Planeta, which owns all the Sbarro pizza restaurant franchises in Russia, the CIS and Eastern Europe, has purchased 61 Yolki-Palki restaurants, 11 Malenkaya Yaponia restaurants, 6 Kulinaria stores and several business and VIP lounges at Domodedovo Airport from Alfa Capital Partners, according to the Prime news service. GMR Planeta director Merab Yelashvili told Prime that the deal was signed on March 6, but did not disclose the value.

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