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Danish Retailer Jysk Scraps Russia Plans Over Sanctions

By The Moscow Times

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Jysk on Thursday said it was pulling out of plans to open several hundred stores in Russia over economic uncertainty caused by Western sanctions.

A retailer founded by a Danish billionaire has scrapped plans to open hundreds of stores in Russia due to the economic uncertainty caused by Western sanctions.

Jysk, which sells bedding and other homewares, is a household name in Denmark with annual sales of around 19 billion Danish crowns ($3.4 billion). It also has 150 stores in Poland and 23 in Ukraine.

"We were deeply engaged (in the planning) because we could see that Russia again was very exciting. There was stability, economic growth, the currency was stable and we wanted to get started. But now we have indefinitely postponed it," Jysk Chief Executive Jan Bogh told financial daily Borsen on Thursday.

"We had plans of about several hundred stores. In Poland we have 150 stores and Russia is much bigger, so it would be even more," he said.

Jysk had gone as far as setting up a management team for Russia and choosing cities where it would have opened branches.

The company was founded by Lars Larsen, one of only five billionaires in Denmark and the world's 408th richest man, according to Forbes magazine.

Its decision is further evidence of how Russia's increasing isolation from the West is hitting its economy, which may stagger into recession after a series EU and U.S. sanctions.

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