

McDonald's Partner to Quadruple Investment in Russian Economic Zone

By [The Moscow Times](#)

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East Balt has been working with McDonald's since 1967 and has 19 bakeries in 13 countries, including — since 2009 — Russia.

East Balt Bakery, the U.S. maker of McDonald's hamburger buns, is planning to quadruple investment in its factory in Russia's Alabuga special economic zone to 752 million rubles (\$18.6 million), despite Russia's recent crackdown on the U.S. fast-food chain, Kommersant reported.

East Balt also plans to expand its factory from 0.5 to 2 hectares by July 2016.

East Balt's expansion in Alabuga, a business-friendly industrial area about a thousand kilometers east of Moscow in Tatarstan, will go up beside a slated "Food Town" for McDonald's suppliers. The "Food Town," which will have its own distribution center, will include areas for lettuce grown by Russian firm Belaya Dacha and disposable packaging made by Finnish company Huhtamaki.

This grouping of companies that work closely with McDonalds "will help the group expand beyond the Urals," Alabuga deputy general director Renat Halimov told the newspaper.

McDonald's expansion into Siberia has been in the works since 2012, and includes the creation of 45 new fast-food restaurants.

McDonald's has recently faced problems in Russia in what many see as growing anti-Western sentiment. Twelve fast-food branches have been closed by sanitation inspectors, and investigations began last week into McDonald's charitable foundation, Ronald McDonald House, over alleged money-laundering and account manipulation. Despite these difficulties, plans for expansion into Siberia have not changed, the company told Kommersant.

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