

Under Pressure in Russia, McDonald's to Expand to Kazakhstan

By The Moscow Times

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McDonald's is planning to open its first restaurant in Kazakhstan.

U.S. fast-food giant McDonald's is planning to open its first restaurant in Kazakhstan by the end of next year amid growing pressure on its operations in Russia, Bloomberg reported Wednesday.

The new location will be opened in a partnership with Kazakh oil and gas billionaire Kairat Boranbaev and will bring McDonald's to its 120th global market, the agency said.

The expansion comes as authorities in neighboring Russia pile pressure on the company in what many see as a response to Western sanctions on Moscow for its policies in Ukraine. Sanitary inspectors launched a barrage of spot checks on McDonald's branches in August, forcing 12 to close for alleged food safety violations.

Investigators are also looking into claims of fraud at the Russian branch of McDonald's

charitable foundation, Ronald McDonald House Charities.

Despite these problems, McDonald's plans to push ahead with building 45 new restaurants in Siberia, an expansion that has been in the works since 2012, Russian business daily Kommersant reported last month.

McDonald's, which is facing falling sales in the United States, will be competing in Kazakhstan with other U.S. fast-food chains such as Hardee's and KFC already working in the Central Asian state, Bloomberg reported.

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