

Adidas to Close 200 Russian Stores as Recession Looms

By [The Moscow Times](#)

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The company is the latest Western firm to announce it is scaling back its presence in Russia after the ruble dropped about 40 percent against the U.S. dollar last year.

German sportswear manufacturer Adidas said Thursday it would close 200 stores in Russia in the face of rapid ruble devaluation and local consumer spending that has been curbed by an economic crisis.

Adidas will shut 200 shops in Russia over the course of 2015 but will at the same time open 100 new outlets, chief executive Herbert Hainer told journalists in a conference call after the company announced its 2014 results, the Vedomosti business newspaper reported.

The company is the latest Western firm to announce it is scaling back its presence in Russia after the ruble dropped about 40 percent against the U.S. dollar last year. Analysts predict that the Russian economy could contract by about 4 percent this year.

"Sales performance will be negatively impacted by a reduction of the store base in the market," Adidas said in its annual report released Thursday.

"While we firmly believe in the long-term potential of the market, the short-term fundamentals of the business have changed materially due to the rapid depreciation of the Russian ruble in 2014 and the considerable risk of further deterioration in consumer spending," the report read.

Dozens of Western retailers have announced they are stepping back from the Russian market in recent months.

Finnish department chain Stockmann said it would close 16 Seppala fashion stores last year while clothing retailers Esprit, New Look and River Island have announced plans to pull out of Russia.

Mobile phone producer Samsung and sportswear retailer Sportmaster have said they will roll back planned expansions slated for this year.

"The low level of consumer confidence and consumer spending will weigh on the overall sales development in the region and the Adidas brand in particular," Adidas said in its annual report.

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