

IKEA Invests Millions in Metro Stations Near Russian Stores

By [The Moscow Times](#)

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IKEA operates 14 giant shopping malls across Russia under the brand name MEGA, each with its own IKEA store.

Testifying to its faith in the stricken Russian market, Swedish retailer IKEA is ready to invest up to 2 billion rubles (\$40 million) to help build metro stations near its shopping centers in the cities of Moscow and Kazan, the head of IKEA in Russia said.

IKEA, which operates 14 giant shopping malls across Russia under the brand name MEGA, each with its own IKEA store, has agreed to invest 1 billion rubles (\$20 million) in a metro station near the MEGA shopping center in Kazan, a city of more than 1 million about 800 kilometers east of Moscow, the RIA Novosti news agency quoted Russian division head Armin Michaely as saying late last week.

IKEA is prepared to invest about the same amount to help build a metro station near a planned shopping center in Mytishchi, a suburb just north of Moscow, he added.

The investment comes as consumer spending slides due to a steep decline in Russians' real wages, which dropped 9.3 percent year-on-year in March, according to state statistics service Rosstat. The economy is expected to contract by up to 5 percent this year as Western sanctions over Ukraine and falls in the price of oil, Russia's chief export, squeeze the country's income.

IKEA earlier this month reaffirmed plans to move ahead with investing 2 billion euros (\$2.2 billion) in the Russian market through 2020.

The company's press service confirmed on Monday the plans to invest in a metro station in Kazan, adding that the project's time frame will be decided by regional authorities. As for Mytishchi, IKEA said it was looking into investment in a number of infrastructure projects in the area, including metro stations.

The project will depend on whether the Moscow government asks other retailers to also invest in building a metro station, RIA quoted Michaely as saying.

IKEA plans to invest a total of 20 billion rubles (\$390 million) in the MEGA shopping center in Mytishchi, the company said.

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