

Tesco Reportedly Suspending Opening of F&F Stores in Russia

By [The Moscow Times](#)

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An advertising banner, which announces the opening of an F&F clothing store in June 2015, is on display behind the window of a closed outlet at a retail and entertainment centre in Moscow, Aug. 14.

British retailer Tesco Plc has suspended opening its F&F clothing stores in Russia, retail industry sources told Reuters.

Debruss, the Russian franchise operator for British department store group Debenhams, said in March it planned to open two F&F outlets in June and one more in August 2015 in Moscow shopping malls.

None of the stores has opened, and Debruss said on Friday it was "not currently working with F&F." It declined further comment.

"We do not currently have any trading F&F franchise stores or concessions in Russia," a spokesman for F&F said. He declined to comment further.

A source familiar with the situation said a Moscow shopping mall, Afimall, was terminating its contract with a company representing F&F in Russia because a store scheduled to open there had not done so.

Reuters correspondents saw an F&F advertisement in a shop window in Afimall announcing the opening in June.

"The company, acting on behalf of F&F, did not begin preparations ... We have information that F&F later revised plans on entering the Russian market," the source said.

Another source said Tesco was put off by the political risks involved in investing in a country subject to Western sanctions over the Ukraine crisis as well as a drop in consumer spending following a slide in the ruble currency.

"The British do not have a very optimistic view on Russia, and country risks have prevailed," the source with a commercial property specialist told Reuters.

A retail market source said: "F&F has decided not to develop in Russia for now ... Demand in the apparel retail sector is very weak."

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