

OBI Owners Halt Plans for New Russian Discount Store Chain

By [The Moscow Times](#)

December 16, 2015

The  Moscow Times

The German Tengelmänn Group holding company, which owns Europe's largest DIY retailer OBI, has halted its plans to develop a new discount supermarket chain in Russia called 'Plus', with work on the first branch in Pushkino, near Moscow, abandoned despite nearing completion, the Vedomosti newspaper reported Wednesday.

The investors initially envisaged opening 12 retail stores in Russia by the end of 2015, with up to 150 appearing by 2022, Vedomosti wrote quoting an interview given by a Tengelmänn representative in July.

According to the news site Meduza.io, approximately 450 million euros had been invested in the venture.

According to Ilya Brodsky, the chairman of Rosevrobank, Tengelmänn's Russian partner and major stakeholder in the Plus venture, the German company was going to decide whether to

go ahead with the plan in early 2016.

He attributed the German company's U-turn to Russia's worsening economic outlook and worries about flagging consumer demand, Vedomosti reported.

“The [economic] figures featured in our project back in 2013 are looking completely different now,” he was quoted as saying.

According to Vedomosti, the Plus consortium had already acquired 12 plots in the Moscow region earmarked for the construction of the chain's first branches. These will be put on sale following Tengelmann's decision.

Original url:

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