

IKEA to Slash Russian Prices Amid Economic Crisis

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Sergei Porter / Vedomosti

Swedish furniture giant IKEA is set to slash its Russian prices by up to 40 percent in a bid to reach the country's cash-strapped consumers.

One in five products will see a price drop of between 15 to 20 percent, [IKEA's Russia chief Walter Kadnar told the Vedomosti newspaper.](#)

Some prices will fall by as much as 40 percent, he said.

Kadnar claimed that the changes were part of a long-term strategy to boost sales among Russia's struggling middle classes.

“Disposable consumer income has decreased, and we are trying to attract as many customers as possible by keeping prices low,” he said.

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Kadnar also said the the growing strength of the ruble had helped the company to lower costs, but warned that economic or political rest could trigger rapid price changes.

IKEA's worldwide net profits increased by 20 percent last in the fiscal year, with the company earning 4.2 billion euros (4.5 billion). Sales in Russia increased by 1 percent.

The company first entered the Russian market in 2000, and currently runs 14 stores across the country.

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