

Zara Agrees on Production Deal With Russian Factory, Media Reports

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Spanish clothing brand Zara has reportedly agreed on a deal to produce hats and scarves in a Russian textile factory after a year of negotiations.

A currency devaluation and sharp economic downturn in 2014 led fashion chains OVS, River Island and Esprit to leave Russia, while Zara rolled back expansion plans. Last year, Russia's consumer watchdog [forced Zara to stop](#) the sale of "dangerously unbreathable" shirts over violations of local safety requirements.

Clothing giant Inditex, the parent company of Zara, signed a deal with Morozovskiye Traditsii, a Russian clothes factory based in Tver, 175 kilometers north of Moscow, anonymous sources [told](#) the RBC business portal Tuesday.

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Two sources in the clothing industry said the deal was signed after more than a year of auditing for environmental, waste disposal and other standards.

The agreement is part of an effort by Russia's Industry and Trade Ministry [to persuade](#) foreign consumer goods producers to relocate their manufacturing to Russia.

Inditex operates 552 stores in Russia under brands that include Pull&Bear, Bershka and Stradivarius.

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