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Nike to Exit Russia as Resale Contracts End

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U.S. sports giant Nike is set to leave Russia after declining to renew the brand's agreements with authorized resellers within the country.

Contracts between Nike and two of its largest authorized Russian retailers expire this Thursday, May 26, the Vedomosti business newspaper reported Wednesday.

The sportswear label decided not to extend the contracts or sign new deals in Russia due to "operational difficulties," a Nike representative told Vedomosti. They also confirmed that the company is still making payments to its Russian employees.

Nike temporarily closed all its stores in Russia in early March in protest against Moscow's invasion of Ukraine, although some of its independent authorized retailers continued to operate.

But Russia's Inventive Retail Group (IRG), which operates 37 of the country's 56 remaining

authorized Nike stores, said stock shipments had already been suspended and supplies were running out.

“In our current situation, we cannot continue to support the operation of single brand [Nike] stores and will be forced to close them,” IRG’s head of public relations Ludmila Semushina told Vedomosti.

IRG president Tikhon Smykov broke the news to his employees in a letter.

“We started a business together in 2012, lovingly built the country’s best chain of stores and ended up 10 years later in a situation where this business can’t exist,” the statement said, as cited by Vedomosti.

“As we run out of inventory, IRG will be forced to close all its stores under this brand.”

Nike has not yet confirmed whether its products will remain on offer in Russia after the closure of its independent stores, although experts believe that the label’s products could still appear in outlets such as multi-brand sports shops.

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