The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Nike Says Permanently Exiting Russian Market

June 23, 2022



Thomas Serer / unsplash

Nike will make a complete departure from Russia in the coming months, Reuters reported Thursday, citing an emailed statement from the company.

The exit comes nearly four months after the U.S. athletic-wear giant suspended its Russian operations on March 3 following the country's invasion of Ukraine.

"Nike has made the decision to leave the Russian marketplace. Our priority is to ensure we are fully supporting our employees while we responsibly scale down our operations over the coming months," the statement said.

Nike's website and mobile app will also no longer be available in the country, it said.

The move by Nike is viewed as a largely symbolic one, as less than 1% of its global revenue comes from Ukraine and Russia combined.

Related article: IKEA to Close Russian Stores – Vedomosti

The Vedomosti business daily reported last month that Nike decided not to renew its contract with its largest Russian franchisee, Inventive Retail Group (IRG), which operates 37 Nike stores in Russia.

In a letter to IRG employees cited by Vedomosti, the franchisee's President Tikhon Smykov said it would be forced to close its Nike stores because the brand was unable to ship its products to Russia "in the foreseeable future."

Hundreds of major Western brands have left Russia since the invasion of Ukraine, both in opposition to the war and because severe Western sanctions on Moscow have made doing business next to impossible.

Some, like Starbucks and McDonald's, have permanently ended operations there.

Swedish furniture seller IKEA is also reportedly planning to permanently shutter its Russian stores.

Later on Thursday, U.S. telecoms equipment maker Cisco said it will end operations in Russia and Belarus.

Original url:
https://www.themoscowtimes.com/2022/06/23/nike-says-permanently-exiting-russian-market-a78084