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Michelin Tire Group to Give Up Russia Business

By AFP

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Michelin

French tire group Michelin said Tuesday it plans to transfer its activities in Russia to local management, the latest foreign firm to exit the country following Moscow's invasion of Ukraine.

Hundreds of Western companies ranging from furniture store IKEA to fast-food chain McDonald's and sports retailer Nike have left Russia since the war erupted in late February and sanctions were imposed on Moscow.

Michelin cited supply chain problems as the main reason behind its decision to give up business in Russia.

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"After suspending its manufacturing activities in Russia on March 15, Michelin now confirms that it is technically impossible to resume production, due in particular to supply issues, amid a context of general uncertainty," the tire company said in a statement.

"The Group is therefore compelled to plan the transfer of all of its Russian operations by the end of 2022," it said.

The new entity would operate through an independent structure from Michelin, the company added.

Michelin Russia employs around 1,000 people, most at the Davydovo plant near Moscow, where it has an annual production capacity of up to 2 million tires.

Micheline sales in Russia represented 2% of the group's total sales and 1% of its worldwide car tire production.

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