

Zara Owner Inditex Says to Sell Russian Stores

By [AFP](#)

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Spanish fashion retailer Inditex said Tuesday would sell its stores in Russia, seven months after the Zara owner halted its operations in the country following the invasion of Ukraine.

The Spanish fashion giant said it had reached an "initial agreement" to sell its business in Russia to Daher group, which has business interests in retail and real estate, it said in a statement.

"The transaction will mean the termination of Inditex's operations in the Russian Federation," the company said.

"If in future Inditex considers that new circumstances allow the return of the Group's brands to this market, Inditex and the Daher group have the option of a potential collaboration through a franchise agreement."

Inditex decided in March to shut its 502 stores and stopped online sales in Russia, one of its biggest markets after Spain, accounting for 10% of company sales.

It followed in the footsteps of some of the biggest Western brands which also suspended their operations in Russia after its invasion in Ukraine, including Inditex's main rival H&M.

At the time Inditex said it would give its workforce of more than 9,000 people a special support plan.

The company said Tuesday that the sale of its business in Russia would enable the preservation of a "substantial number" of jobs through the transfer of leases, which will pass to brands owned by Daher.

A well-informed source who was not authorized to speak publicly told AFP that the United Arab Emirates-based Daher group is Inditex's franchisee in the Middle East.

Inditex's other brands include younger fashion chain Pull&Bear and upmarket label Massimo Dutti.

The company posted a net profit of 1.8 billion euros in the first six months of 2022, a 41% increase from the same period last year.

Inditex said the opening of new stores and rising online sales helped offset the closures in Russia.

It set aside 216 million euros in provisions in the first quarter to cope with the closures.

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