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‘Pure Hypocrisy’: Luxury Western Goods Line Russian Stores Nearly 3 Years After Business Exodus

By AFP

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TSUM department store in Moscow. **KIRILL KUDRYAVTSEV / AFP**

Despite sweeping Western sanctions and the exodus of global brands after Russia’s full-scale invasion of Ukraine in February 2022, Moscow’s affluent shoppers continue to enjoy access to a wide variety of luxury Western goods.

In the Russian capital’s elite shopping districts, high-end department stores and upscale local outlets are bustling with sales of Western sports cars, designer clothing and gold jewelry, defying early expectations of economic isolation.

“I don’t see any particular changes,” said Natalia, a 51-year-old dentist strolling through the lavish GUM shopping mall on Red Square. “Maybe three stores — Chanel, Dior and Hermes — have left. All the rest are the same as before. Even Brunello Cucinelli is here,” she said,

naming the Italian fashion house.

“They wanted to isolate us? Please! We are so isolated here it’s even funny,” said 61-year-old retiree Sergei, leaving an upmarket store.

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The United States, European Union and Britain banned the export of luxury goods to Russia as part of their sanctions in response to the invasion of Ukraine. Scores of brands also voluntarily left the Russian market, including Chanel, Hermes, LVMH and Kering.

However, nearly three years later, many of their logos can still be found on Moscow store shelves. And while some of these brands shuttered their storefronts in Moscow, others have retained their leases, signaling potential plans to return.

“Their announced departure is pure hypocrisy,” said a French businessman selling luxury goods in Moscow. “Even though their stores are officially closed, these brands sell to Russians through ‘marketplaces’ and dealers,” he added, requesting anonymity.

Sanctioned goods continue to enter Russia through middlemen in countries like Kyrgyzstan, Kazakhstan, and Azerbaijan, ex-Soviet states with close ties to Moscow. Export data shows a spike in trade between these nations and Western countries since sanctions were imposed.

“One way or another, everything is imported,” said Elena, a 38-year-old marketing manager for a luxury lingerie designer, shopping in central Moscow. “It’s a little more complicated, but overall everybody manages.”

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Products from brands like Prada, Yves Saint Laurent, and Alexander McQueen still line the shelves of Moscow’s TSUM department store. The store markets its prices as “more competitive than in Dubai,” a city that has become a hotspot for wealthy Russians since travel to Europe became more difficult.

“In Dubai, sales of luxury goods have exploded” since the February 2022 invasion of Ukraine, the French businessman said.

Wealthy Russians are also turning to “buyers,” a revival of the practice from the 1990s where intermediaries purchase luxury items in European cities and ship them to Russia.

Andrei, a 52-year-old stylist catering to high-end clients, told AFP that these buyers now work directly with boutiques in Milan, Paris and London to fulfill orders for furniture, tableware, jewelry and furs.

Some believe that, given the sustained demand for luxury Western goods in Russia, foreign brands will themselves come rushing back once they can.

“It’s only a matter of time,” Andrei said.

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