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Russian Fashion Retailer Gloria Jeans Moves Headquarters to Dubai After Shutting Factories

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Russian clothing retailer Gloria Jeans has moved its headquarters from Moscow to Dubai after winding down its manufacturing operations in Russia, a company representative told industry publication Shopper's.

The move reflects a broader shift in the company's business model as it increasingly relies on overseas contract manufacturers and seeks to improve management of its supply chain and procurement operations.

The company representative said the decision was made by owner Vladimir Melnikov because operating from Dubai was more efficient for managing production and sourcing materials.

Gloria Jeans' Moscow office will continue to function as a regional office supporting its Russian retail operations.

The relocation comes as Gloria Jeans restructures its business amid declining sales, shrinking profitability and the closure of both factories and stores.

The company has spent the past year scaling back its manufacturing footprint in Russia, citing labor shortages and rising costs, while industry analysts say a Dubai base could also facilitate future international expansion.

According to Shopper's, Gloria Jeans employs between 100 and 120 people in its Dubai office. The company began establishing operations in the United Arab Emirates in mid-2025, when job advertisements for logistics and administrative positions appeared on Russian recruitment website HH.ru.

Andrei Kosarev, a partner at real estate consultancy Nikoliers, told Shopper's that the company's entire management team is now based in Dubai.

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In January, Gloria Jeans announced plans to close all of its factories in Russia. Melnikov said at the time that maintaining domestic garment production had become unprofitable because of a lack of modern technologies and a shortage of qualified workers.

The retailer has since sold seven production facilities in the Rostov and Volgograd regions, as well as in the republic of Kabardino-Balkaria, generating nearly 400 million rubles ($5.52 million).

Several of those facilities were acquired by Bulava, a company within the Kalashnikov group, which plans to convert them to produce military and specialized clothing.

In late March, Gloria Jeans halted operations at its two remaining factories in the Rostov region and sought assistance from the Industry and Trade Ministry in finding buyers for the sites.

"Having completely abandoned production in Russia, it is more convenient for the company to manage manufacturing processes at contract factories from Dubai," Dmitry Tokarev, managing partner at consultancy Retaility, told Shopper's.

The company has also been reducing its retail footprint. Shopper's reported that Gloria Jeans closed at least 100 stores over the past two years, while RBC reported that the retailer plans to shut another 150 outlets in 2026.

The company's financial performance has also deteriorated. Revenue at its main legal entities fell 7% in 2025 to 80 billion rubles ($1.10 billion), while net profit more than halved to 950 million rubles ($13.1 million).

Tokarev said Gloria Jeans was facing challenges primarily because of declining foot traffic at shopping malls.

Kosarev said the company's presence in Dubai could support expansion beyond Russia.

"A headquarters in Dubai may simplify entry into foreign markets and the development of new brands aimed at an international audience," he said.

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