

Top Players Not Winners in Station Bid

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None of the leading players were among the winners of the Russian Railways tender for retail trading and food provision for train stations across the country.

On auction were concession rights for opening supermarkets, pharmacies, flower stands and phone stores in train stations throughout Russia.

The competition was for the right to create a joint venture with Russian Railways to engage in trading activities in specially designated areas of stations, a representative of the department of stations said. The department has 348 stations under its supervision, according to the tender documents.

The Svezhi Veter company won the auction for public catering, which had a starting price of 152 million rubles (\$5.45 million). The lot included rental rights on premises totaling 1,366 square meters in area in Moscow's Paveletsky Station and in the Novosibirsk, Tomsk and Nizhny Tagil stations, with options for the rental of 28,600 square meters in other stations.

"By the end of the year, recognizable brands such as Rostiks-KFC and Il Patio will be present in the train station food courts organized by Svezhi Veter," Russian Railways stated in a press release.

Valery Silin, representative for Rosinter Restaurants, which owns the Il Patio brand name, said Svezhi Veter "has not held negotiations on opening restaurants under our trademark" and does not have a contract with the company.

Arnika, a company without a reputation in the retail sector, won the tender to create a chain of mini-markets and supermarkets. The starting bid was 54.4 million rubles for 1,180 square meters of rental space with an option on 16,821 square meters in addition.

Arnika also won the right to create a chain of mobile communications and multimedia stores with a starting price of 51.2 million rubles for 212 square meters and an option on another 2,780 square meters.

Arnika also won one of two lots for flower stands. Both lots had starting prices of 30 million rubles for about 70 square meters in provincial railway stations, with an option for an additional 1,900 square meters.

Vashe Zdorovye 5 won the auction for the creation of a chain of pharmacies in railway stations, with a starting price of 28.8 million rubles. The company manages eight pharmacies in Moscow. They are definitely not a major market player, a representative of the noncommercial Pharmacy Guild said.

All the tender winners have the right to work with Russian Railways themselves or to serve as intermediaries for other retailers. Rental rates for space in the stations specified in tender documentation are in keeping with market levels, or exceed them in some cases, said Andrei Pozdeyev, senior consultant for the NEO Center consulting group.

Rent for restaurant space ranges from 5,200 rubles per square meter per year in Nizhny Tagil to 25,500 rubles in Moscow. The range for grocery sellers is from 4,690 rubles in Astrakhan to 15,938 rubles in Ulyanovsk.

Pozdeyev noted that the rental rates in smaller cities were closer to the top of the market average than those in large ones.

Read the original Vedomosti article [here](#).

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