Yevraziya Sushi Chain Quits Moscow as Food Import Ban Bites

By The Moscow Times

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Sushi chain Yevraziya has sold all 15 of its Moscow restaurants and closed 10 of its branches in St. Petersburg, as it struggles to cope with an economic slump and ballooning fish prices, business daily Vedomosti reported Monday.

"We're not talking about cost-cutting, but surviving," Alexei Fursov, president and co-owner of the St. Petersburg-based chain, told the paper.

Restaurants are facing high rent costs and competition just as the worsening economic situation hits consumers' buying power, said Mikhail Tevelev, co-owner of Food Retail Group, which owns sushi chain Dve Palochki.

Meanwhile, Russia's ban on food imports from countries that have sanctioned it over the conflict in Ukraine have pushed the overall price of restaurants' raw materials up 30 percent. Salmon prices have doubled to 900 rubles a kilo, Vedomosti quoted Andrei Petrakov,

chief operating officer of restaurant consulting company Restcon, as saying. But with customer numbers already decreasing, restaurants cannot pass the extra costs on, he added.

That has forced Yevraziya to take emergency measures. The chain, which has 150 locations in Russia and Belarus, rents 90 percent of its restaurants and plans to close those where it is paying over the market rate, Fursov said.

News of Yevraziya's closures comes only a year after Fursov told Vedomosti he planned to spend 100 million rubles ($2.7 million) on modernizing the chain by 2015.

Other chain restaurants are faring better: According to researchers at Synovate Comcon, the percentage of St. Petersburg residents that visited Yevraziya's restaurants fell to 11.5 percent in the first half of this year from 12.3 percent in the first half of 2013, while McDonald's saw the number rise to 24 percent from 23.4 percent and Russian chain Teremok saw an increase to 11.8 percent from 10.3 percent.

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