

Germany's Tengelmann to Bring Budget Grocer Plus to Russia

By [The Moscow Times](#)

June 17, 2015



Tengelmann's Plus chain will operate through a limited-range discount format, with each store offering just 2,200 items.

Germany's Tengelmann Group plans to launch its discount grocery chain Plus this year in Russia as the country's economic crisis boosts low-price retailers, newspaper Vedomosti reported Wednesday, citing a company representative.

Tengelmann will open 12 Plus stores across the Moscow, Tula and Nizhny Novgorod regions, as well as in the cities of Kaluga, Tver and Murom. It eventually plans to expand the chain to 150 locations in Russia by the end of 2022, Vedomosti reported, citing Tengelmann Group spokesperson Justine Zagalak.

Russia's economic crisis, fueled by low oil prices and Western sanctions over the Ukraine crisis, has seen 44 percent of Russians cut spending on food and basic goods since December, a report by research company Nielsen revealed in April.

As budgets shrink, many are going to discount stores, boosting their profits even as more expensive grocery chains battle falling sales. Russia's top budget store, Magnit, saw first-quarter profits rise 36 percent year-on-year, while rival Lenta recorded a 37.7 percent jump in the same period, news agency Reuters reported.

Tengelmann's Plus chain will operate through a limited-range discount format, with each store offering just 2,200 items, 70 percent of which will be food, according to Olga Yermakova, the spokeswoman of Tengelmann's Plus division.

The company will also offer a very limited range of products sold under its own brand name, Yermakova added, Vedomosti reported.

A number of international grocery chains already operate in Russia, including France's Auchan, Germany's Metro, Austria's Billa, Finland's Stockmann and Prisma and Switzerland's Selgros. Tengelmann is already present in Russia under its DIY-store OBI, which it first launched in 2003 in Moscow.

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