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Anne Byrne reports on an enterprising Irish retail clothing venture in the centre of Moscow

Putting Limerick style on Russians

JOE WALSH Men's Outfitters of Catherine Street, Limerick, has, in the past, opened outlets on short leases in such esoteric, out-of-the-way places as Cork, Ennis and Sligo. The company's latest venture is only slightly further afield — in Moscow.

Finola Walsh, the company's chairwoman, and Conor Moroney, its managing director, had heard tales of a land with plenty of hard currency for the right goods and very few retail outlets in which to spend it. In a venture described by their general manager in Moscow, Colm Fitzsimons, as "extremely courageous for a small shop in a country town", Joe Walsh went international and opened a large store called MI in Leninsky Prospect last January. This has since been joined by a second shop called "Freeway". The company dismissed the problems of setting up retail outlets in Moscow as "not too serious".

However, Freeway is now being closed and the two stores are amalgamating into the one premises. Is it possible the problems were underestimated just a little bit?

MI is a men's and women's fashion shop while Freeway sells mostly sportswear, shoes and children's clothing, says Fitzsimons, a former Aer Rianta

employee who worked in the duty-free shop on the Russian-Finnish border for three years before joining Walsh three months ago.

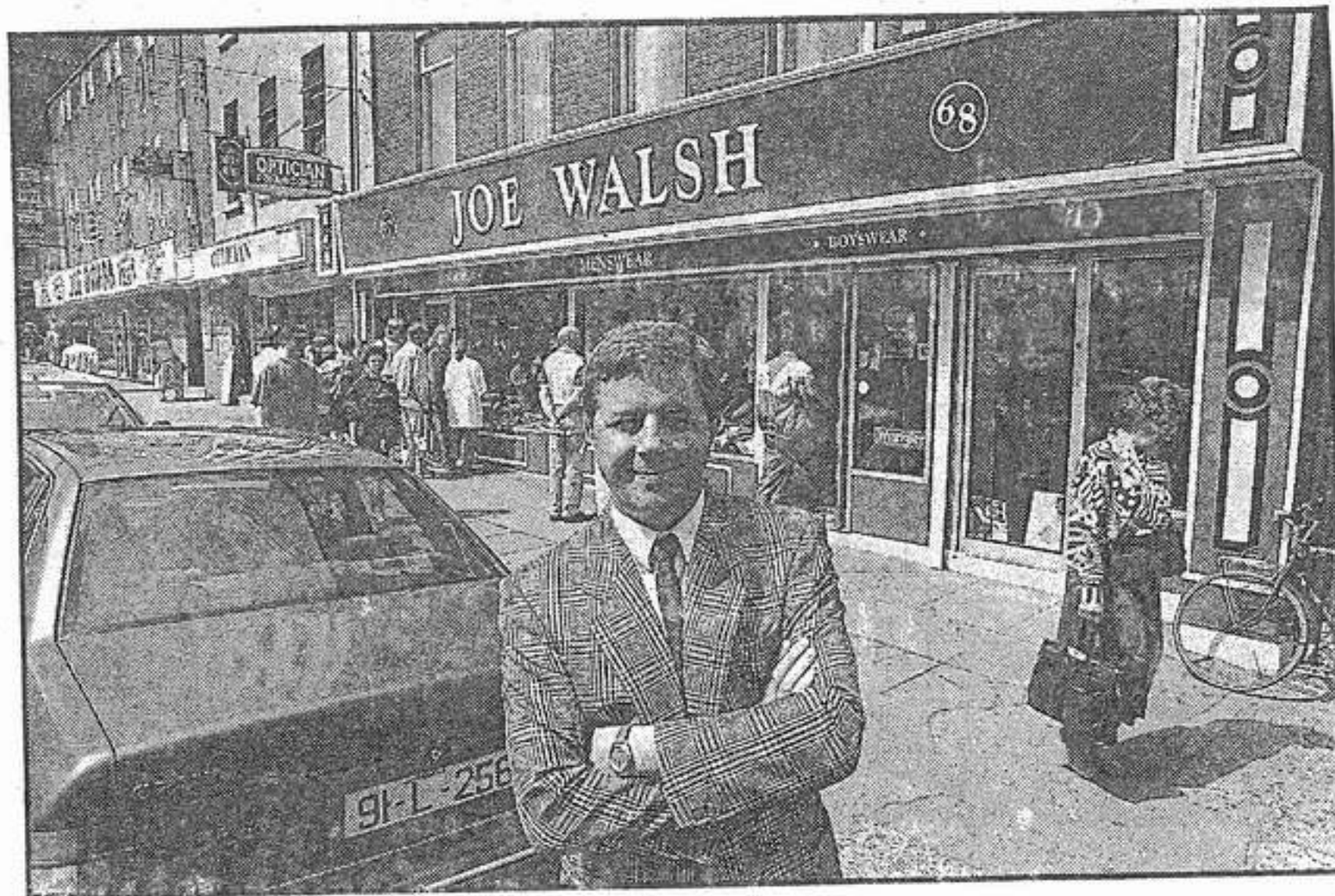
There are 80 staff between the two shops: 60 Russian and 20 Irish. Trading hours are longer than in Ireland as the vast majority of people work during the day and shop in the evening from six until eight.

The Irish staff are busy learning basic Russian for the retail business — sizes, colours, directions to the changing room and other essential phrases. The staff have blended in quite well, says Fitzsimons; there are around 250,000 foreigners living in Moscow so the social scene is busy.

Accommodation costs about \$300 a month for a two-bedroomed apartment. Many Russians earn hard currency by renting out their apartments and staying with their family or in dachas (summer homes), adds Fitzsimons.

The Russians dress up to shop, in contrast to the largely track-suited shoppers at home, says Fitzsimons. They are very quality conscious and go through a garment inch-by-inch before purchasing. This no doubt reflects the inadequacy of the average monthly wage, which is around \$15. Walsh says there is a lot of hard currency.

A very popular item is lingerie. "Russian women are very proud of their bodies and like tight



● Conor Moroney outside the company's outlet in Limerick

clingy lingerie, in contrast to Irish women who favour looser garments," says Fitzsimons. A substantial proportion of this lingerie is sold to prostitutes, who have readily available hard currency.

There are three types of shop in Russia — the government shop where choice is a luxury, the commercial where there is no price control, and the joint-venture shop where people can bring in things off the street to sell, and the joint-venture

shop, says Fitzsimons. Walsh shops are a joint venture with Russian partners. There are quite a few joint-venture shops around now with Finnish, German and French shops predominating, says Fitzsimons.

Irish retail outlets are represented by Walsh and by Aer Rianta, which has set up a number of duty-free shops in Russia over the past three years. Aer Rianta has a shopping centre in downtown Moscow which includes the Shamrock bar and a full supermarket. The total turnover for Aer Rianta's operation is in the region of \$60 million. "We are here for the long-term," says Flann Clune of Aer Rianta. "The operation is profitable and expanding."

Both Aer Rianta and Walsh are joint ventures with Russian partners. This is essential, says Kieran Walshe, managing director of Irlasto, a financial services company which handled the setting-up process for Walsh. Irlasto locates premises and helps with problems of property rights.

A team including Emmet Madden, financial director and ex-Aer Rianta employee, has spent 18 months researching these problems and it is now largely a question of duplicating within a structure they have put in place, says Walshe.

Irlasto has an office in Moscow and "strong Russian partners" in one of the major banks and one of the industrial trading conglomerates. The conglomerate has a master currency licence which enables Irlasto to set up the venture. Irlasto expects to set up a superstore, a hardware store, an Irish pub and a shoe shop in the near future.

PHOTOGRAPH: PETER THURSFIELD

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