

KFC, IS Gida disagreement leads closure of 537 branches in Turkey

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Dhaka: All 537 branches of KFC and Pizza Hut have been closed in Turkey after the local franchise, IS Gida, lost its deal with the fast food giant. The closure, regarded as one of the biggest business exits in the country, has left nearly 7,000 workers jobless.

The process began in January, when Yum! Brands, the US-based holding company of KFC and Pizza Hut, cut its ties with IS Gida. Yum! Brands claimed the Turkish franchise was failing to maintain the required standards, as stated in the agreement.

Following the closure, a Turkish court ordered IS Gida to troubleshoot its financial hurdles within three months. In this period, the company would try to pursue new investors and to protect its leftovers and look after employees who've been left hanging. However, as of today, the

future of KFC and Pizza Hut in Turkey is still uncertain. The American parent is yet to disclose anything regarding this.

According to sources, a country-wide movement to boycott KFC and Pizza Hut also contributed significantly to collapsing the franchise. In addition to that, years-long inflation and the downfall of Turkish currency, the lira, further escalated the process.

The shutdown of 283 KFCs and 254 Pizza Huts will create a deep effect on the smaller cities, where they ensured secure jobs and offered rare international fast food items. Some experts anticipate this might even influence other foreign ventures to cease their investments in Turkey.

Apart from Turkey, Yum! Brands has canceled its deal with IS Gida for operations in Germany as well. Both terminations will cost the Turkish company nearly 55 million euros.

Even after shutting down more than 500 outlets, Yum! Brands believes it won't affect its expected profits in 2025, as the company revealed its returns from the Turkish market were well below the global average.

IS Gida is an Istanbul-based, family-owned company. It has worked in logistics, construction, and manufacturing. But since 2020, KFC has been its main business, and Pizza Hut joined in 2022.

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