

Putin Approves Emergency Support Measures for Ailing Coal Industry

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A Russian coal mine. **Dmitry Yagodkin / TASS**

President Vladimir Putin approved a set of emergency support measures aimed at stabilizing Russia's struggling coal sector, including transportation discounts and guaranteed export agreements for key mining regions, Russian media [reported](#) Wednesday.

Russia's coal industry has been hit hard by Western sanctions, high production costs, falling global prices and logistical bottlenecks. In 2024, the industry posted losses totaling 112.6 billion rubles (\$1.4 billion), with coal exports declining for the third consecutive year, down 8% to 195.9 million metric tons.

"The crisis in the coal industry has become so severe that entire production facilities are being forced to shut down," Deputy Energy Minister Dmitry Islamov [told](#) lawmakers at a State Duma energy committee hearing.

"Vladimir Vladimirovich [Putin] approved the program that the Energy Ministry developed, but significant work remains to implement these measures," Isamov added. "The situation

with prices, exports and tariffs is still very challenging.”

In a letter to Putin dated April 25, Deputy Prime Minister Alexander Novak called for additional support beyond the existing export guarantees for the Kemerovo region and rail fee discounts for coal transport, according to the business newspaper Vedomosti.

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Novak called for high-level talks with China and India to abolish import duties on Russian coal, according to Reuters, which [said](#) it also saw Novak’s letter addressed to Putin. The news agency said that Western sanctions have rerouted 80% of Russia’s coal exports to Asian countries.

The deputy prime minister also warned that around 30 coal companies producing a combined 30 million metric tons per year face bankruptcy. He proposed restructuring or rehabilitating viable producers through the state development bank VEB, while sending those beyond recovery through a special bankruptcy mechanism overseen by the same institution, according to Reuters.

Vedomosti reported that Novak proposed a 60% discount on long-distance transportation fees and a 10.5% discount on export-oriented transportation fees until the end of 2025. He also suggested a 12.8% discount for rail fees to western and southern ports this year.

In addition, Novak proposed guaranteed export agreements for the Khakassia region, which borders the coal-rich Kemerovo region. To offset the expected revenue loss from reduced freight rates, Novak recommended unspecified federal subsidies for Russian Railways.

Putin, who [ordered](#) emergency support measures in December after nearly half of Russia’s coal companies became unprofitable, reportedly gave written approval to Novak’s proposals last Wednesday, May 7.

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