

Major Kuzbass Coal Mine Halts Operations, Leaving Hundreds Without Pay

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One of the largest coal mines in Siberia's Kemerovo region has suspended operations amid severe financial distress, leaving hundreds of workers without pay and highlighting growing instability in Russia's coal heartland.

The Spiridonovskaya mine, which employed around 900 people, <u>suspended</u> production in early June due to a lack of financing, Interfax reported Monday, citing the Kemerovo region's coal industry ministry.

Wage, vacation and severance arrears now total roughly 90 million rubles (about \$1.17 million), the ministry told Interfax.

In late May, the mine's management announced the dismissal of 760 workers, citing a critical shortage of investment funds. By the end of June, approximately 120 employees had resigned

voluntarily.

About 130 workers remain on site to maintain essential systems at the mine, which produced around 214,000 metric tons of coal earlier this year before halting operations.

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First Deputy Governor Andrei Panov, head of the Kemerovo regional government, <u>acknowledged</u> Friday that Spiridonovskaya's employees had not been paid in over a month.

He previously <u>said</u> that 20 of the region's 151 coal enterprises were on the brink of bankruptcy.

"Today, in a time of crisis, coal miners are forced to survive by any means necessary — cutting costs, boosting productivity and in some cases placing workers on unpaid leave or laying them off altogether," Panov wrote.

Spiridonovskaya reported 1.5 billion rubles (\$19.5 million) in revenue in 2023, though it still posted a net loss of 422 million rubles (\$5.5 million).

In 2024, losses quadrupled to 1.8 billion rubles (\$23.4 million) despite revenues rising to 2.2 billion rubles (\$28.6 million).

The shutdown of Spiridonovskaya comes amid a broader downturn in the regional coal industry.

Eight mines closed across the Kuzbass region in 2024 and nearly 500 workers have gone unpaid for several months, Kemerovo Governor Ilya Seredyuk reported in February.

The workforce at many other sites has been reduced.

Approximately 250 employees were laid off at the Inskaya mine alone, regional Coal Minister Oleg Tokarev <u>said</u> in January.

The Kemerovo region, also called the Kuzbass, is Russia's dominant coal-producing region, accounting for nearly 60% of the country's total hard coal output, 80% of coking coal and 100% of the most valuable grades, according to official figures.

The region's coal industry employs more than 110,000 people, over 70% of the entire Russian coal workforce.

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