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Russian Coal Industry Faces Mounting Losses as Dozens of Companies Near Collapse

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More than a quarter of Russian coal companies are at risk of closure amid a deepening crisis in the coal industry, Deputy Energy Minister Dmitry Islamov said on Tuesday.

“Based on data from the Energy Ministry, 51 enterprises — both mines and open-pit operations — have either been halted or are on the verge of suspending activities,” he said at a meeting of the upper-house Federation Council Committee on Economic Policy.

As of early 2024, there were 179 coal mining enterprises operating in Russia, including 52 mines and 127 open-pit sites.

Islamov also stated that the coal sector's losses totaled 112.6 billion rubles ($1.44 billion) by the end of 2024, adding that "unfortunately, the situation continues to deteriorate."

Earlier, Dmitry Lopatin, deputy director of the coal department at the Energy Ministry,

announced that coal enterprises registered similar losses of 112 billion rubles ($1.43 billion) from January to May 2025 alone.

Total industry losses may reach 300–350 billion rubles ($3.83-4.47 billion) by year's end, an amount comparable to the annual budgets of major Russian regions.

The Energy Ministry pointed to several key factors contributing to the crisis: high company debt of 1.2 trillion rubles ($15.34 billion) in loans, weak external demand, coal prices at a four-year low and an unfavorable ruble exchange rate.

In this environment, the Russian National Credit Rating Agency has suggested the Russian coal industry could experience a wave of consolidation over the next 12 to 18 months, as falling export revenues and growing financial pressures may lead smaller companies to be acquired by larger firms or undergo restructuring.

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