

Russia Plans \$800M Aid Package for Struggling Coal Industry

July 18, 2025



Mikhail Klimentyev / TASS

The Russian government has prepared a 63 billion ruble (\$802 million) support package to help the country's coal sector weather sanctions, falling prices and export hurdles, Reuters reported Friday, citing the Finance Ministry.

Under the plan, coal companies would be allowed to defer mineral extraction tax payments and certain insurance contributions until Nov. 30, 2025.

Firms would also receive payment extensions on tax arrears, specifically for negative balances in unified tax accounts as of June 1.

The Energy Ministry will determine which companies qualify for assistance.

In a statement, the Finance Ministry said the measures aim to "free up working capital" for coal producers struggling with deteriorating economic conditions.

The relief package still requires final government approval, according to the ministry.

Targeted support is already being provided to select companies through subsidies, loan deferrals and debt restructuring.

So far, seven firms, including major producers Mechel, Vorkutaugol, SDS-Ugol and Severny Kuzbass, have received individual aid. Together, these companies operate 34 mines, 16 processing plants and 20 industrial support facilities.

Officials expect to review applications from around 40 additional firms.

Russia's coal sector, long a key export industry, has been hit hard by Western sanctions, lower global demand and increased tariffs in China, its largest market.

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