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Russian Automakers Shift to 4-Day Workweeks Amid Market Slump

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Elena Afonina / TASS

Two of Russia's largest automakers have announced plans to move employees to four-day workweeks as the country's auto industry grapples with a sharp downturn.

Gorky Automobile Plant (GAZ), based in Nizhny Novgorod, will switch to a shortened workweek starting in August, the company told the Kommersant business daily.

The move comes days after AvtoVAZ, Russia's largest carmaker, revealed similar plans due to falling sales.

"With the current high interest rates and lack of affordable financing tools for buyers, demand fell nearly 40% for medium-duty trucks, 30% for light commercial vehicles and 60% for buses in the first half of the year," GAZ's press service told Kommersant.

GAZ said the reduced schedule is intended to preserve jobs, adjust production to match market demand and distribute workloads more evenly.

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The company is also reducing expenses in other areas as part of broader cost-cutting efforts, though all employee benefits will be maintained in full.

Most of the GAZ plant's workforce is currently on a planned corporate holiday with full pay from July 21 to Aug. 3, with some departments continuing to operate on an individual schedule.

After the break, the factory will operate four days per week through the end of August. Management will review the schedule monthly to determine whether the shortened week will remain in place beyond summer.

AvtoVAZ announced its own transition to a four-day workweek on Tuesday, also citing falling sales driven by high interest rates and increased competition from imports.

The company projects a 25% drop in the Russian passenger car market this year to around 1.1 million units. The Association of European Businesses has issued a similar forecast, estimating a 24% decline.

According to the industry analysis group Autostat, Russians purchased 530,400 new passenger vehicles in the first six months of 2025. Including trucks and buses, total sales reached 601,800 units, marking a 28% year-on-year decline.

Passenger vehicle sales fell by 26%, while AvtoVAZ's own sales dropped 25% to 155,481 vehicles.

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