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Russian Railways Furloughs Staff Amid Freight Traffic Slump – RBC

August 04, 2025



Alexander Avilov / Moskva News Agency

Russia's state-run railroad operator has begun furloughing some of its administrative staff due to a sharp decline in freight traffic, the RBC news outlet reported Monday, citing anonymous sources familiar with the matter.

Managers at Russian Railways' central office and certain regional branches have reportedly been required to take two unpaid days off each month since July. The policy is expected to remain in place through the end of 2025.

"The decision was made to preserve the company's workforce, which would otherwise face reductions under the current economic conditions," one source told RBC.

Russian Railways declined to comment, the news outlet said.

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Freight volumes have dropped significantly since the start of Russia's full-scale invasion of Ukraine in 2022. After falling 3.9% that year and 0.2% in 2023, freight traffic saw its steepest decline in 15 years in 2024, down 4.1%, according to RBC.

From January to June of this year, freight loading dropped another 8% compared to the same period in 2024, totaling 554.5 million metric tons.

The downturn has forced Russian Railways to slash its investment program by nearly 40%, according to RBC. Reuters reported in May that the company was cutting investment spending due to mounting interest payments.

Net profit fell 95% to 2.7 billion rubles ($33.8 million) in the first half of 2025, according to Russian Accounting Standards. The rail company now expects to lose 87 billion rubles (about $1 billion) in revenue this year as cargo volumes continue to slide.

Last year, Russian Railways' net profit fell to 13.9 billion rubles, down from 118.3 billion rubles in 2023, despite an 8.6% increase in revenue to 2.83 trillion rubles.

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