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Russia's Rusal to Shutter Major Silicon Plant as Industry Cuts Deepen

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The Kremniy silicon plant. **Yandex Maps**

Russia's largest silicon plant will suspend operations from Jan. 1, 2026, its owner announced Monday.

Metals group Rusal said its decision to shutter the Kremniy plant in the Irkutsk region was prompted by a lack of demand, with imported silicon now significantly cheaper than domestic output and foreign production continuing to rise.

It added that Russian silicon is also struggling to find buyers on global markets.

Rusal said it has notified local authorities of the planned shutdown and expects support in mitigating the "social consequences."

Its other silicon facility, the Silicon Ural plant, will keep operating at reduced capacity.

Rusal earlier said it would cut its 2025 silicon production to 35,000 tons due to competition from China, down 35% from its 2024 output of 53,400 tons.

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The Kremniy plant has annual capacity of 34,000 tons, while Silicon Ural can produce 27,000 tons. They are the country's only makers of refined silicon.

With domestic demand at about 45,000 tons, both plants would typically require export markets to run at full capacity.

The cutback adds to a growing list of Russian industrial firms reducing hours, output or staffing as economic pressures mount.

At least 10 companies in the mining, transport and machinery sectors have recently shifted to shorter working weeks to curb costs.

VSMPO-Avisma, the world's largest titanium producer, will move staff to reduced hours from Dec. 1, mainly affecting administrative workers. The company called the decision "difficult" but necessary to maintain "operational stability."

In the metals sector, the Ashinsky Metallurgical Plant in the Chelyabinsk region plans to mothball its stainless-steel shop and lay off more than 300 employees by the end of 2025.

Cemros, diamond miner Alrosa, rail monopoly Russian Railways (RZhD) and carmakers GAZ, KamAZ and AvtoVAZ have announced similar steps.

The Chelyabinsk Electrometallurgical Plant (ChEMK) and the Traktor plant are also moving to four-day working weeks.

A plywood factory in Tyumen owned by wood and paper producer Sveza has shut down entirely following a sharp drop in demand.

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