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Russia’s Rostselmash Warns of Reduced Working Hours in 2026 as Demand Slumps

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Rostselmash

Russian agricultural machinery maker Rostselmash expects to again introduce reduced working hours next year as weak demand continues to weigh on production, co-owner Konstantin Babkin told the state-run TASS news agency Wednesday.

“There will be periods next year when we work three or four days a week. I hope we can avoid long-term furloughs,” Babkin said.

He added that the company’s sales fell 25% in 2025, forcing management to delay the annual company-wide holiday and scale back output. Around 2,000 workers have already been laid off at the main manufacturing plant.

Rostselmash, which produced about 70% of Russia’s agricultural machinery before the war in Ukraine, plans to cut output by 30% in 2025 to 2,700 combine harvesters and 800 tractors.

Babkin has blamed the downturn on high Central Bank interest rates and falling farm incomes, saying state support programs are insufficient to offset the drop in demand.

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Against this backdrop, the company has abandoned long-term investment plans, including building a plant for hydrostatic transmissions and modernizing its precision casting facility — projects that were expected to cost 17 billion rubles ($218 million).

The company is classified as a strategic enterprise and serves as a major employer in Rostov-on-Don. It operates 13 production sites employing around 15,000 people and offers a product line of more than 150 models.

In the summer, Deputy State Duma Speaker Viktoria Abramchenko warned Prime Minister Mikhail Mishustin that Rostselmash risked a full production halt.

She said nearly 3,000 unsold combine harvesters and tractors had piled up in storage, while output had fallen to its lowest level since 2006 due to collapsing demand, lower farm incomes and expensive credit.

Rostselmash's net profit plunged 2.4-fold in 2024 to 6.9 billion rubles ($88 million) from 16.2 billion rubles ($207 million) a year earlier. Profit from sales fell nearly sevenfold to 1.9 billion rubles ($24 million).

Babkin described the year as "the worst in the past decade" for both the company and the wider industry.

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