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# Russian Steelmakers Seek Tax Relief as Output Falls, Layoffs Begin

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**Maria Dmitrienko / TASS**

Russian steelmakers have warned the government of mounting financial strain, citing falling output, weaker revenues and job cuts, and have sought tax relief to cushion the downturn, Forbes Russia reported, citing an industry source.

At a meeting with Deputy Prime Minister Alexander Novak on Thursday, representatives of major metallurgical companies said producers had begun shifting to shorter working weeks, laid off about 3,000 employees and were placing blast furnaces into hot idle mode due to declining production, the source told Forbes Russia.

According to the source, Alexei Sentyurin, president and chief executive of the Russian Steel association, asked the government to defer payments of the mineral extraction tax and the excise tax on steel.

The move could save companies around 15 billion rubles ($194 million), the source said.

Sentyurin also proposed exempting new metallurgical projects from excise duties for three years, granting benefits to electric steelmakers, introducing an excise duty on imported steel, lowering the export surcharge on railway freight tariffs and freezing environmental impact fees.

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Another Forbes source said a Finance Ministry representative opposed most of the proposals, arguing there had been no sharp deterioration in the sector and stressing the need to safeguard budget revenues.

"The Finance Ministry's position is effectively blocking important initiatives, while the Labor Ministry insists there are no mass layoffs and everything is stable," the source said. "But the specifics of our industry are such that once large-scale layoffs begin, it will already be too late to respond. That creates direct social risks in single-industry towns."

Following the meeting, Novak ordered the Industry and Trade Ministry and the Economic Development Ministry to conduct a detailed analysis of the situation.

Industry Minister Anton Alikhanov told lawmakers on Wednesdsay that support measures for steelmakers should be approved.

He proposed postponing payment deadlines for the excise tax on liquid steel and the mineral extraction tax on iron ore until the end of 2026, and exempting companies from the same excise tax for three years after investing in strategic projects.

He also called for additional measures to curb imports of metallurgical products.

Those issues had been expected to be discussed at a meeting chaired by Deputy Prime Minister Denis Manturov on Feb. 13, but the meeting was postponed to Feb. 26, one of Forbes' sources said.

Separately, Severstal CEO Alexander Shevelev told regional broadcaster Channel 12 in Cherepovets that all Russian steel companies were "feeling very tense."

He said the sector was being hit by the Central Bank's high key rate, which led to an almost 14% drop in domestic steel consumption in 2025, as well as a strong ruble that was constraining exports.

"As a result, prices for Russian steel products have moved lower, and we see that without exception all companies in the Russian metallurgical complex will show a very serious decline in financial performance at the end of 2025," Shevelev said.

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