

Kudrin Sees Balanced Budget, Confirms Loans

By [The Moscow Times](#)

April 18, 2011

The  Moscow Times

Russia may balance its budget in 2012, earlier than 2015 as planned initially, if the price of Urals, the country's export blend of crude, averages \$120 a barrel next year, Finance Minister Alexei Kudrin said.

"If the oil price averages \$120 a barrel, there will be zero budget deficit," Kudrin said at a news conference in Washington. "This is my estimate. We forecast a lower oil price for next year than for this year."

Russia plans to increase tax on consumption including excise taxes over the next several years, Kudrin said, adding that he opposes any increase in the value-added tax.

The budget spending would equal the revenue this year if the price of Urals averages \$115 a barrel, Kudrin said. The government estimates to balance the budget in 2015 if Urals crude averages \$90 a barrel, he said.

Kudrin also said the country plans to finalize talks with Belarus within a month on the terms and conditions under which it would agree to release a loan to help Belarus cope with its financial crisis.

The loan would be released in installments over a period of two years, he said. The money will be released from the \$10 billion anti-crisis Eurasian Cooperation Fund set up by governments including Russia and Kazakhstan, Kudrin said.

Belarus is seeking a \$1 billion loan from Moscow and \$1.7 billion from the fund as it is running out of foreign-currency reserves due to a big trade deficit and overspending in the run-up to the December 2010 presidential election.

Russia has asked Belarus to submit a credible plan for economic stabilization, and Kudrin said Moscow would like to issue the loan on terms similar to those typical for IMF standby programs.

"I think that those proposals and the criteria that we will stick to will ... in my opinion, 80 percent, meet the requirements of the IMF," Kudrin said.

The finance minister also said Russia should be ready to start issuing a multi-tranche \$800 million loan to Serbia within the next few months.

(Reuters, Bloomberg)

Original url:

<https://www.themoscowtimes.com/2011/04/18/kudrin-sees-balanced-budget-confirms-loans-a6407>