

Low Grade Fuel Product Exports Not Declining

By [The Moscow Times](#)

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The effort to reduce the country's exports of cheap petroleum products has come to nothing so far, Deputy Finance Minister Sergei Shatalov said Tuesday.

A raft of measures that went into effect in October 2011 sought to prompt oil companies to upgrade their refineries, allowing them to increase production of lighter fuels such as gasoline.

Export of inexpensive fuel oil, however, has only grown, Shatalov said while accompanying Prime Minister Dmitry Medvedev to Laos.

The government decided to extend its monitoring of the measures through March, Shatalov said.

"We don't understand the feedback as yet," he said, Interfax reported. "There is a high degree

of inertia in this industry and it's naive to expect that we will instantly get what we want."

The package of measures, known as 60-66 in industry parlance, is a bid to encourage an upgrade of refineries by lowering the export duty on crude, which leaves more cash at the disposal of oil producers. A key multiplier in the export duty formula went down five points to 60.

The measures also raised the export duty on barely refined fuel oil and lowered the duty on more refined products, so they both now stand at 66 percent of the crude export duty.

These changes, combined with the latest tax rebates for the industry, reduced income to federal coffers by \$1.6 billion over the 11 months from October through September, Shatalov said.

The Finance Ministry will look into exactly what proportion of the losses it can pin on the 60-66 system, which was supposed to be net neutral for the tax take, Shatalov said.

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