

Oil Extraction Tax Cut

By [The Moscow Times](#)

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Russia introduced new tax breaks this week, encouraging oil firms to explore hard-to-reach undersea fields, in the hope of unlocking new reserves as the country approaches full production capacity from its dwindling oil deposits in western Siberia.

The country is now pumping close to its maximum capacity, about 10.5 million barrels a day. The government, hoping to maintain that pace for at least the next decade, is keen to encourage exploration of vast, untapped undersea fields, which are estimated to hold more than 100 billion tones of hydrocarbons — the equivalent of about 25 years' worth of current global oil consumption.

The new tax regime will apply to both oil and gas deposits and is expected to come in force from next year.

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