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Oil Output Drops for 4th Month Straight

By The Moscow Times

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Russian oil output, the world's largest, slipped by 0.2 percent to 10.54 million barrels per day, or bpd, in April, declining for the fourth month in a row as production from new fields failed to offset a slowdown from mature deposits.

This is the longest streak of declining monthly output for years and is a negative signal for the state budget, half of whose revenues come from sales of oil and gas.

Energy Minister Alexander Novak has forecast oil production will be flat or slightly higher this year.

In tons, oil production was 43.119 million last month. March output was 10.56 million barrels per day. Oil output has declined every month this year, after touching a post-Soviet monthly high of 10.63 million bpd in December.

Crude exports via the Transneft pipeline monopoly rose to 17.578 million tons from 16.792 million tons last month as demand for oil declined at domestic refineries during the

maintenance season.

“Without new major greenfields coming online this year, Russian output lacks an engine of growth,” Vienna-based JBC Energy said last month.

Rosneft’s production, which accounts for 40 percent of Russia’s output, was flat in April, at 3.8 million bpd. Output at LUKoil, Russia’s No. 2 oil producer, dipped 0.2 percent. The company managed last year to arrest an output decline that lasted three years, thanks to new acquisitions.

Production at Gazprom Neft, the oil arm of natural gas producer Gazprom, fell by 0.6 percent in April, month-on-month. Russia’s daily natural gas production declined to 1.73 billion cubic meters, or bcm, per day last month from 1.83 bcm in March.

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