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Oil Tax Changes to Be Agreed This Month, Minister Says

By The Moscow Times

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HAVANA — A Russian plan to tweak oil taxes by increasing the mineral extraction tax and cutting export duties should be agreed by the end of July, Russia's energy minister said.

The government is in discussions with the companies concerned, Energy Minister Alexander Novak told reporters Friday during a visit to Cuba, adding that "within a week or two an agreement should be reached."

Adoption of the new initiative, known as the "tax maneuver," has met with opposition from crude producers, some of whom have said it will negatively impact oil production.

Novak, who sponsored the initiative, has argued the oil tax changes strike a "golden mean" between the industry's investment needs and budget priorities.

Russia is seeking new means of replenishing the state budget amid increased spending and a

faltering economy.

The country's system of oil taxation means that oil companies have been reluctant to invest in gasoline production because of high export duties, which are in place to protect supplies for domestic car users.

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