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Russia Won't Cut Oil Output to Lift Prices

By The Moscow Times

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Russia can do little to shore up the oil price, which has fallen by a third since June to $80 a barrel.

Russia, the world's biggest energy exporter, does not plan to cut oil production to shore up prices, Rossia-24 television quoted Energy Minister Alexander Novak as saying on Saturday.

Russia, which relies on oil and gas exports for about half its federal budget, has been hit this year by a fall in global oil prices as well as by Western sanctions over its role in the Ukraine's crisis.

The Energy Ministry confirmed Novak's quote to Reuters, adding that it was part of an interview with state-run Rossia-24, the full version of which has yet to be aired.

It was not immediately clear when the interview was recorded and whether Novak was replying to a remark he made on Friday, when he said Russia was discussing whether to cut oil output but had not yet taken a decision on this.

Novak and Igor Sechin, chief executive of Russia's biggest oil producer Rosneft and an ally of

President Vladimir Putin, will travel to Vienna next week before an OPEC meeting. They have not said whom they will meet while there.

Russia can do little to shore up the oil price, which has fallen by a third since June to $80 a barrel, because it lacks storage facilities and may be unable to stop pumping at wells for fear they will freeze over, analysts have said.

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