

# Russia Expects Average Oil Price of \$80 to \$90 Per Barrel

By [The Moscow Times](#)

November 26, 2014



A worker at the Gazprom Neft oil refinery in Omsk.

Russia sees an average oil price of around \$80-90 per barrel in the medium and possibly in the long term, Finance Minister Anton Siluanov said Wednesday, underlining growing pressure on the Russian budget.

Russia needs an oil price of \$100 per barrel to balance its 2015-2017 budget and has watched nervously as Brent has lost around 30 percent since June. On Wednesday it traded at around \$78 per barrel before an OPEC meeting to discuss the price.

"We are now in a new environment ... so our budget, economic plans should be built assuming the new macro environment which, we think, will not change any time soon," Siluanov told Russia's upper house of parliament.

"The new oil price of \$80-90 per barrel is most likely to stay over the medium- or even

longer-term."

Russia is among the world's top three crude oil producers but its scope to limit supply to the global markets is limited.

Even if there was a way to curb supply to shore up prices, Russia could lose market share and a vital source of revenue.

In Vienna, talks between Saudi Arabia, fellow OPEC member Venezuela and non-members Russia and Mexico yielded no agreement on Tuesday on how to address the growing oil glut, ending without any plan to cut output.

Siluanov said if the oil price did not change and the ruble remained weak, Russia could lose around 500 billion rubles from budget revenues in 2015. Coupled with lower economic growth, the total loss could reach 1 trillion rubles, he added.

Siluanov also said that Russia was unlikely to tap foreign capital markets next year.

Original url:

<https://www.themoscowtimes.com/2014/11/26/russia-expects-average-oil-price-of-80-to-90-per-barrel-a41734>