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Why Are Oil Prices Falling? Prominent Russians Explain

By The Moscow Times

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A Russian one ruble coin swimming in a jar of oil.

Russian officials and experts have offered different explanations for the falling oil price. To a list of oversupply, large stockpiles and reduced demand, some suggest that Saudi Arabia and the United States are working together to hold down prices and punish Moscow.

The Moscow Times picked four quotes from influential figures.

"An objective reason for the fall of international oil prices has been the slowing tempo of economic growth, which means [reduced] energy use in a whole series of countries. As well as this, strategic and commercial stores of oil in developed countries are at record levels. Innovations in oil drilling technology leading to the appearance of new quantities of hydrocarbons on regional markets have also had an effect.

"But the political element in the oil price is always present. And, in crisis moments, one gets

the feeling that politics carries the day in setting prices for energy resources."

- President Vladimir Putin in an interview to Chinese media in Beijing on Nov. 6, published on the Kremlin website.

"There is a theory that, in a situation when Russia is dependent on a high oil price and is used to living with a high oil price, there is an agreement between leading importers and exporters, for example the U.S. and the Middle East, that production will be increased and prices will be held at a lower level ... for short periods in the past this has already been done."

- Former Finance Minister Alexei Kudrin in an Oct. 7 interview with Russia's Channel One television station.

"Firstly, Saudi Arabia has started to offer big discounts on oil. This is political manipulation that could end badly. The second reason — oil stolen by the Islamic State is entering the market through Turkey and Israel at a threefold discount. There's not that much of it, but it's stolen so it's cheap."

- Rosneft spokesman Mikhail Leontyev in an Oct. 12 interview with the Russian News Service.

"The CIA decided that the main 'soft spot' of our country was its economy. ... A strategy was drawn up that sought to cause the financial-economic bankruptcy of the Soviet state using two linked aims: the organization of a sharp fall in the income paid into the budget of the U.S.S.R. from external trade, and the growth of expenditures addressing problems organized from without.

The main lever to reduce the income to the budget was a reduction in the international oil price. They achieved this in the mid-1980s when, as the result of the collusion of the U.S. with a series of oil-producing countries, an oil surplus appeared and oil fell fourfold."

- Secretary to Russia's Security Council Nikolai Patrushev in an interview published by newspaper Rossiiskaya Gazeta on Oct. 15 on alleged manipulation of the oil price in the 1980s.

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