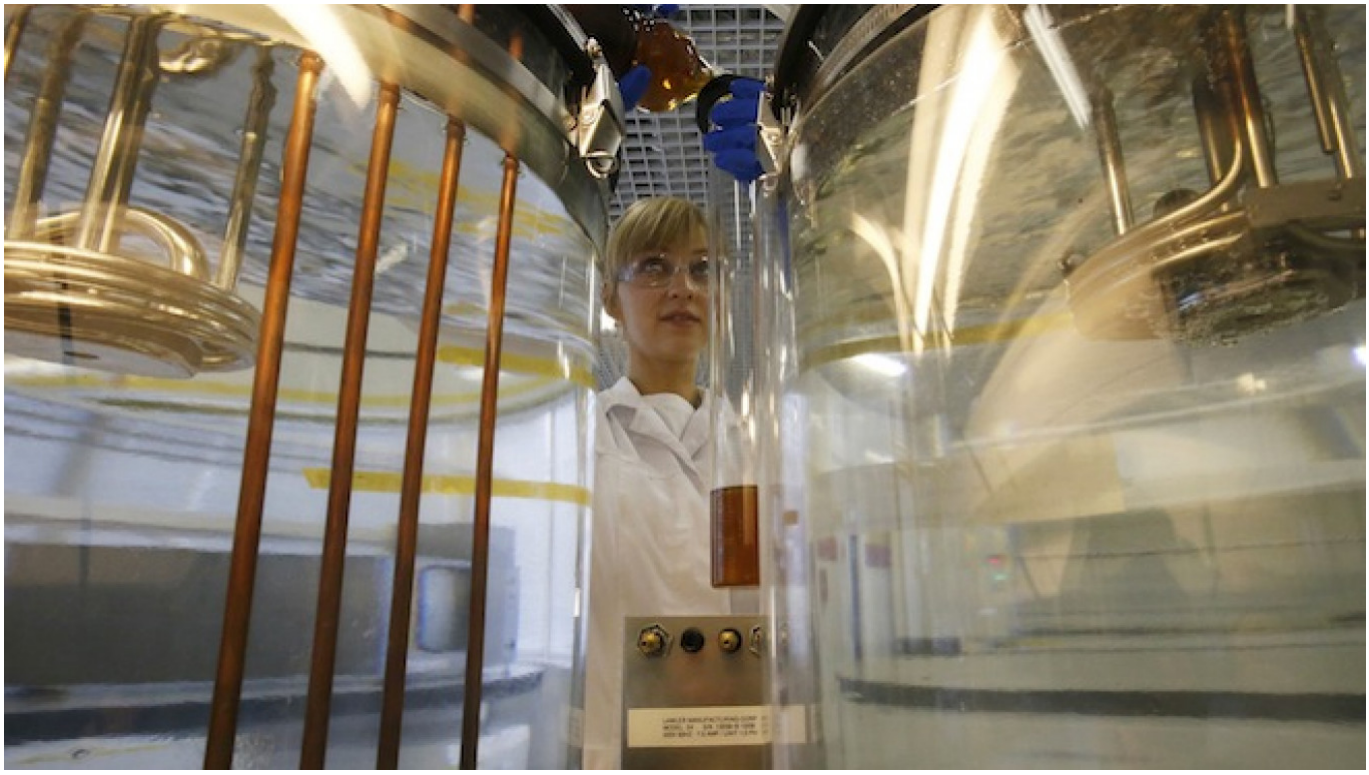
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Economy Minister Says Russia Will Cut 2015 Oil Price Forecast

By The Moscow Times

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An employee defines the demulsifying properties of oil as she works in the control laboratory at a lubricants blending plant in the town of Torzhok, north-west of Tver.

Economy Minister Alexei Ulyukayev said Friday that the government would cut its oil price forecast for 2015, as oil prices continued their slide after OPEC's decision not to cut output; but he declined to give a number.

The oil price has slumped from nearly $115 per barrel in June to just above $70 now. Russia needs the oil price to be around $100 per barrel to balance its budget.

"This would be downward [the forecast adjustment,] of course. I won't tell you by how much," Ulyukayev said.

Russia's government has forecast oil at $100 per barrel for its 2015-2017 budget, down from an estimate for an average of $105 this year.

Finance Minister Anton Siluanov said Monday that lower oil prices and Western financial sanctions imposed over the Ukraine crisis would cost Russia around $130-140 billion a year, equivalent to around 7 percent of its economy.

He said Russia now sees an average oil price of around $80-90 per barrel in the medium- and possibly in the long-term.

Oil prices dived after the Organization of the Petroleum Exporting Countries decided on Thursday against cutting output despite a huge oversupply in world markets.

Ulyukayev said OPEC's decision not to cut oil production had been expected.

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