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Vankor Tax Break Up, Deputy Minister Says

By The Moscow Times

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ZURICH — Russia does not plan to extend the favorable low export duty for the Vankor oil field, run by Rosneft, beyond May 1, Deputy Finance Minister Sergei Shatalov said.

The Vankor field in the Arctic has been a major driver behind the country's record-high oil output, which exceeds 10 million barrels per day.

"The plan is to end it in May," Shatalov told Reuters on the sidelines of an economics conference in Zurich.

He said the decision was not yet formal.

The government of Prime Minister Vladimir Putin has offered a series of tax relief measures, including a zero export duty for 22 oil fields in East Siberia and extended preferential treatment to the Vankor oil field for at least four months. It is set to expire on May 1.

Rosneft said in December that it saw output at the prized Vankor field at 15 million tons in 2011.

Russia, dependent on the oil and gas industry for 50 percent of its budget revenue in 2010, is working out policies, mainly tax incentives, to keep crude flowing in the face of new drilling challenges. Its 2010 output reached a post-Soviet peak.

There was a chance the government would come out with a new tax package in May, Shatalov also said.

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