

Fall in Russian Oil Export Duty Could Boost Sales

By [The Moscow Times](#)

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A traffic sign pointing down outside of oil major LUKoil's headquarters.

Russia's oil export duty is expected to fall to \$112.9 per ton in February after lower oil prices and changes in tax laws, a move that could spur sales abroad by the world's second largest oil exporter.

Calculations by the Finance Ministry and Reuters showed on Thursday that there could also be a zero export rate for oil produced at newer fields in eastern Siberia and fields operated by LUKoil in the Caspian Sea.

As oil prices touched their lowest in almost six years, the leaders of Russia and Venezuela, Vladimir Putin and Nicolas Maduro, whose faltering economies are dependent on energy revenues, were due to meet to discuss the situation on the global oil markets.

Maduro has been touring big oil producing countries to try to persuade them to cut output to

stop the price rout.

Russia is the world's top oil producer and its output hit a post-Soviet record high average of 10.58 million barrels per day (bpd) last year. The lower oil duties are likely to increase exports volumes in February.

A preliminary export schedule showed that exports of Russian crude oil blend Urals were set to rise sharply in January from the Baltic Sea ports on the back of a government decision to cut export duties.

Energy Minister Alexander Novak, talking to reporters before meeting Maduro, hinted that Russia was unlikely to take coordinated steps to support the oil price, saying that "volatile prices were part of market patterns."

The February export duty is based on price monitoring of seaborne Urals crude oil prices from Dec. 15 through to Jan. 14. The oil export duty stood at \$170.2 per ton in January.

The average Urals price for the period was \$52.307 per barrel, down from \$70.99 in the previous period, said Alexander Sakovich, an official at the Finance Ministry.

He said that the discounted rate could come in as negative, so the duty would most likely be set at zero.

Last year, Putin approved changes to a tax law reducing oil export duties and increasing taxes for mineral extraction to try to balance the needs of producers and the Russian budget.

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