

Russia Says Ready to Meet OPEC, Non-OPEC Producers for Consultations

By [The Moscow Times](#)

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SOCHI — Russia, the world's top oil producer, is ready to meet with OPEC and non-OPEC oil producers to discuss the situation on the global oil markets if such a meeting was called, its energy minister said on Saturday.

A separate meeting between Russian and Saudi officials was being planned for the end of October, to discuss energy issues and some other projects, Russian Energy Minister Alexander Novak told reporters.

On Friday, Novak's colleague, Russian First Deputy Energy Minister Alexei Texler, had said he was not aware of such meetings and that Russia would stick to its plans not to cooperate with the Organization of the Petroleum Exporting Countries (OPEC).

Russia refused to cooperate with OPEC last November in a move to defend its market share. Lack of storage and harsh weather conditions also limit Moscow's ability to cut its exports,

officials say.

Cash-strapped OPEC-member Venezuela has for months been pushing for an emergency OPEC meeting with Russia to stem the tumble in prices. OPEC next plans to meet in December for a regular review in production quotas, unchanged since last year.

"If such consultations are to happen we are ready to take part," Novak said. He did not say when and if such a meeting may take place.

Taxes

Novak also said proposals on taxation and export duties for the oil industry from Russia's Finance Ministry could lead to Russia losing between 7 to 10 million tons in output next year.

Russia is expected to produce 525 million tons or 10.5 million barrels per day (bpd) next year, Novak said.

Russian oil output is near post-Soviet highs of about 10.7 million bpd. The country has proven resistant to low oil prices as a weak ruble has offset losses and made domestic oil production one of the cheapest globally in dollar terms.

Its Finance Ministry has proposed to change oil taxation in a way that would bring in around 600 billion rubles (\$9 billion) in additional revenues for the budget.

Facing protests from the oil industry, it has also proposed the softer measure of keeping Russia's oil export duty mechanism unchanged next year — a move that could bring around 200 billion rubles to the budget — instead of going through with an agreed cut.

However, oil firms and the Energy Ministry have said such measures could result in oil production being slashed, with some critics saying output could be cut by around 100 million tons over three years.

The chief executive of Russia's top oil company Rosneft, Igor Sechin, addressing Prime Minister Dmitry Medvedev in Sochi on Friday, has called for finding alternative sources to help the budget.

However, reductions in output would not automatically follow, the Finance Ministry has said.

"From our point of view, the production should not fall as all investments for 2016 were already made," Ilya Trunin, the head of the taxation department in the Finance Ministry, told reporters.

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