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Russia Spends 18% of Reserve Funds in August to Plug Budget Deficit

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Russia spent 18.4 percent of its reserve fund in a single month to plug deficits in the federal budget, Finance Ministry figures released Tuesday have revealed.

The country's reserve fund fell from $38.18 billion to $32.2 billion during the course of August 2016, shrinking to just over a third of pre-crisis levels.

The fund stood at $90 billion in late 2014, but has come under increasing strain as Russia's oil-dependent economy has suffered under falling energy prices. The price of oil fell to to just $27 a barrel in January this year, after peaking at $105 dollars a barrel in June 2014.

A report published last month by Moscow's Higher School of Economics predicted that Russia's reserve fund could be exhausted before the end of 2016 if energy prices failed to rise, while the country's Finance Ministry has repeatedly warned that the fund could run out in 2017.

The government is expect to look to the national welfare fund, used for the long term protection of state pensions, as reserve levels run low. Russia's Finance Ministry announced in July that it planned to spend $26 billion of the national welfare fund's $72 billion between 2017 and 2019.

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