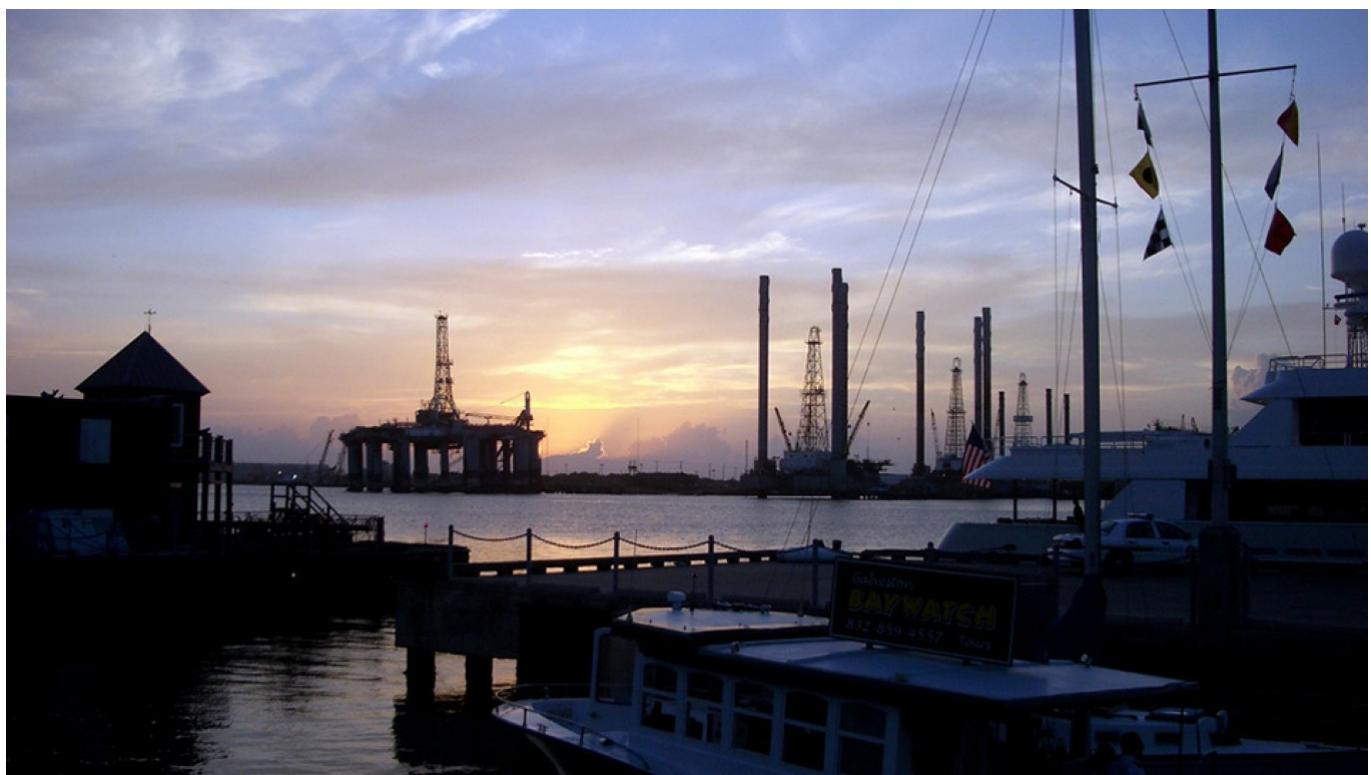


Russia's Economy Gives Putin Reasons Not to Extend OPEC+ Deal

The Russian leader is having to weigh up his desire for faster growth against the benefits of his alliance with Saudi Arabia.

By [Bloomberg](#)

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Oil production cuts are weighing on economic growth. [Alex Watson / Flickr \(CC BY-NC 2.0\)](#)

The OPEC+ pact is hurting the Russian economy, potentially giving President Vladimir Putin a reason not to agree on an extension of the deal.

While higher crude prices can bring the Kremlin additional revenue, production cuts are weighing on one of the country's biggest industries. As the Russian leader decides whether to prolong the curbs into the second half, he may have to weigh his desire for faster economic growth against the benefits of his alliance with Saudi Arabia.

“The OPEC+ deal was one of the factors behind slower economic growth in Russia in the first

ministry estimate that the output-cut deal resulted in a \$10 increase per barrel in prices.

Under the so-called budget rule, all extra revenue from oil prices above \$40 per barrel is transferred to a rainy-day fund which is now worth \$59 billion, or 3.6 percent of GDP.

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