

Russian Budget Sees Lowest Break-Even Oil Price in Over a Decade

President Vladimir Putin is not taking any chances as he sticks to a tight fiscal policy.

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This year's budget balances at a price of \$49.20 for Urals crude. **Andrei Liankevich / EPA / TASS**

Russia is running a budget that breaks even at the lowest crude oil price in over a decade, Bloomberg [reported](#) Thursday.

This year's budget balances at a price of \$49.20 for Urals crude, putting it close to the bottom of the rankings of major oil producers according to that measure, Bloomberg reported.

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“Putin’s sticking to a tight fiscal policy, worried about new sanctions and a repeat of 2009, when GDP contracted by nearly 8%,” Danske Bank strategist Vladimir Miklashevsky told

Bloomberg.

Russia recorded a slightly higher than expected, but still weak, GDP growth of 0.9% in the second quarter of this year and the country's year-on-year industrial output [growth](#) was a disappointing 2.8% in June.

“There's no denying Russia has prioritized long-run fiscal stability over stimulating the economy. But there are signs the authorities are preparing to loosen their stance to boost growth. Tapping into oil savings seemed off-limits just a few months ago, and now it's a strong possibility,” economist Scott Johnson told Bloomberg.

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