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Russia Says Exploring Settlement in Euros, Rubles for Energy Exports

By Reuters

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Russian Economy Minister Maxim Oreshkin said the country is considering alternatives to the U.S. dollar for energy transactions and is exploring currency settlements in euros and rubles for energy exports to minimize U.S. exposure.

"We have a very good currency, it's stable. Why not use it for global transactions?" Oreshkin said in an interview with the Financial Times published on Sunday.

"We want (oil and gas sales) in rubles at some point," he was quoted as saying. "The question here is not to have any excessive costs from doing it that way, but if the broad ... financial infrastructure is created, if the initial costs are very low, then why not?"

Oreshkin said that Russia will be able to sell its energy exports in local currency given the popularity of the country's domestic bonds among foreign investors, who own 29% of its rubles debt.

Russia has attempted to reduce its exposure to the U.S. through a "de-dollarization" policy to offset the impact of U.S. sanctions.

Russian assets came under pressure after the first round of western sanctions were imposed in 2014 for annexing Crimea from Ukraine.

Subsequently, Washington imposed further sanctions on allegations of interfering in the 2016 U.S. presidential elections and the poisoning of a former spy in Britain, accusations denied by Russia.

In August, the U.S. banned its banks from buying sovereign Eurobonds directly from Russia. Russia's finance ministry said last month that the country will focus more on selling its debt to investors from Asia and Europe and may adjust the currencies of its bond issues.

Oreshkin told FT Russia was aiming to boost its bilateral trade with the European Union, but it is unlikely to readmit EU food exports unless the bloc eases Russia's access to its market.

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