

OPEC+ Deal Weighs on Russia's Economic Recovery

Industrial production drops on oil cuts as lockdown restrictions lifted.

By [AFP](#)

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Russia has cut oil production in line with a renewed OPEC+ deal. **Yegor Alejev / TASS**

Russia's industrial output fell by 9.6 percent in May compared to the same month the previous year, the state statistics agency said Tuesday, saying coronavirus restrictions played the biggest role in the drop.

Output continued to shrink after April's results of a 6.6 percent fall, with industries affected by a lockdown to control the spread of the coronavirus imposed in late March.

"The restrictions on work of organizations in several sectors... and other measures imposed to prevent the spread of the coronavirus infection continued to affect economic activity," the

statistics agency said.

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Russia's President Vladimir Putin in late March imposed a "non-working" period for most sectors of the economy, which he lifted on May 12, though regions are free to impose local restrictions based on the stage of the epidemic.

The agency added that another reason for the output fall was the oil production cuts Russia agreed to in April, which took effect in May and contributed to a decrease by 13.5 percent in resource extraction in May year on year.

"The commodities sector registered the greatest fall," the agency said. "The main reason is the decrease of production volumes agreed with OPEC+."

Russia in March refused to cut supply, triggering a price war with Saudi Arabia and a crash of the oil price. It later reached an agreement with OPEC to limit production.

Russia publishes industrial output figures prior to economic growth figures.

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