The Moscow Times
30 YEARS
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Russia Sold More Gold than Gas For the First Time in Almost 3 Decades

Quarterly exports of the precious metal overtook Gazprom's pipeline exports.

July 14, 2020



Gold exports jumped 14 times in April and May compared to the same period in 2019. **Kirill Kukhmar / TASS**

Russia exported more gold than gas in the second quarter of 2020 for the first time in almost 30 years.

Gold sales to foreign buyers came in at $3.6 billion in April and May alone, business daily RBC reported, citing figures from Russia's federal customs service — ahead of an estimated $3.5 billion in gas sales for the full quarter.

This was the first time since at least 1994 that gold exports have topped gas sales, Maxim Khudalov of the Analytical Credit Rating Agency (ACRA) told RBC.

Related article: Russia's $40 Billion Gold Buying Binge Is Slowing Down

Gazprom, which has a monopoly on pipeline gas sales, exported just $2.4 billion in April and May amid an unprecedented worldwide crash in demand for energy. Separate figures from the Central Bank suggest sales will hit $3.5 billion for the entire quarter once June is included — that would be the state-controlled firm's weakest performance since 2002.

Gold exports also jumped significantly, coming in 14 times higher in April and May 2020 than for the same two months last year.

Gold prices have moved in the opposite direction from energy commodities since the start of the pandemic — up 19% this year — with the precious metal retaining its status as a safe haven asset in times of crisis.

Russia's Central Bank also halted its own gold buying operations on 1 April in line with its fiscal rule, a mechanism which freezes Russia's purchases of foreign currency and gold when oil prices drop below $42 a barrel. That move forced Russian sellers who would usually offload their gold to the Central Bank to look overseas for new clients, triggering the sharp jump in exports.

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