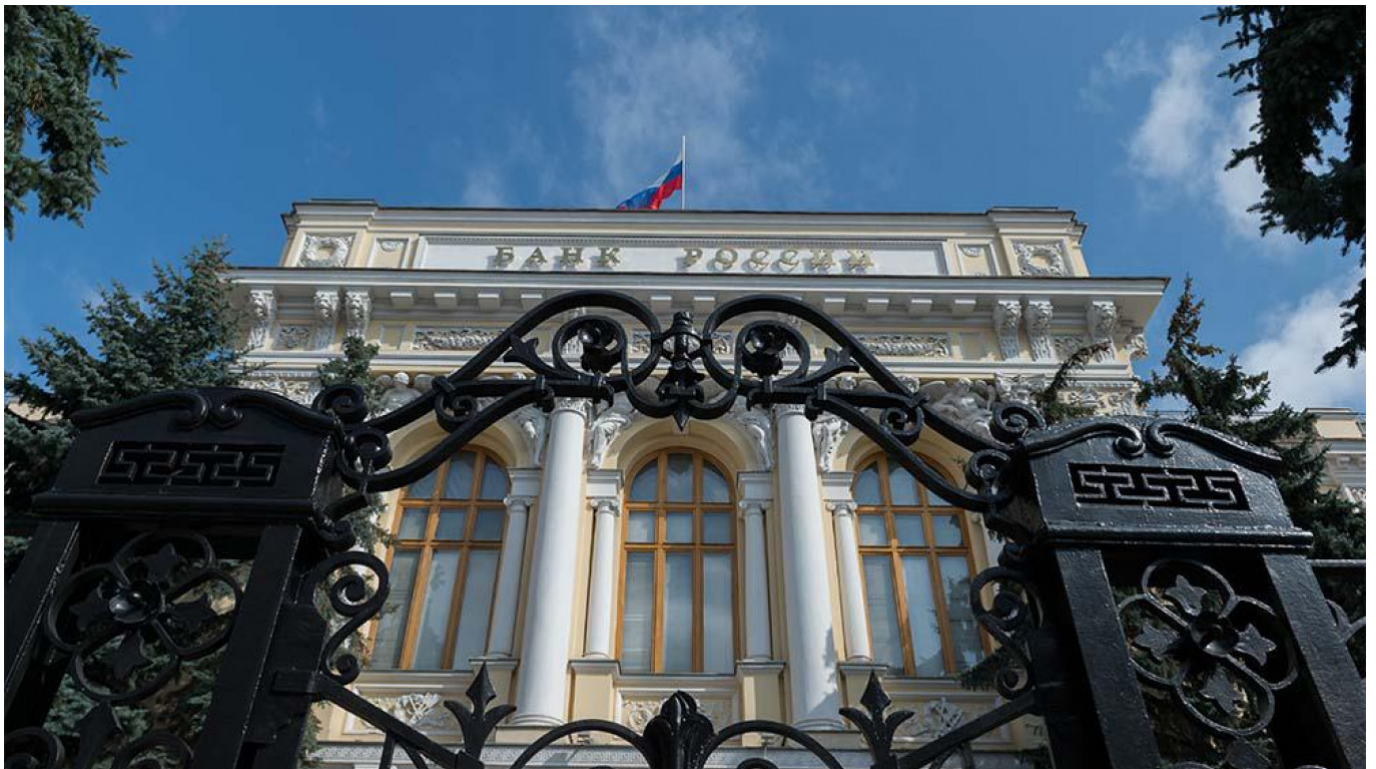


Russia's Currency Reserves Hit Record \$600Bln

As oil prices have recovered, Moscow's international reserves have continued climbing.

By [Ben Aris for bne IntelliNews](#)

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Russia's Central Bank has said \$500 billion is their "comfort level" for Russia's international reserves.
Anton Belitsky / TASS

Russia's gross international reserves hit \$600.9 billion in May, their highest level ever — \$2 billion more than the previous all-time high set just before the global financial crisis.

The landmark level came as the Central Bank said foreign exchange reserves rose 1.2% in the week to May 21, crossing the \$600-billion mark. Last year, Russia's foreign reserves grew by a total of 7.5%.

Russia has almost doubled its international reserves over the last five years, after they fell to a post-2008 low of \$356 billion in April 2015 as the government spent some \$250 billion bailing

out the economy during the 2014 oil price crisis.

Since then the Central Bank has been focused on rebuilding reserves back to what Governor Elvira Nabiullina has called her “comfort level” of \$500 billion — a mark that was passed in June 2019.

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Russian President Vladimir Putin has prioritized building up reserves as a buffer against financial crises. Former Finance Minister and Audit Chamber head Alexei Kudrin introduced the policy of creating reserve funds in the early 2000s and successfully ringfenced several hundred billion dollars by setting up Russia’s lauded “fiscal rule” — a mechanism that automatically siphons off excess oil tax revenues to a sovereign wealth fund when oil prices are above a set threshold, currently around \$42 a barrel. Benchmark Brent crude oil is currently trading at \$66 a barrel.

Russia’s reserves were almost eradicated in 1998 when Russia had to seek a bailout from the International Monetary Fund (IMF) amid a domestic economic crisis. But by the time Putin came to the presidency in 2000, the government had already built up \$160 billion in reserves, as the economy embarked on a decade of strong growth.

The previous all-time high of \$598.1 billion was recorded in August 2008, before the global financial crisis.

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