The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Russia’s Oil Output Up 5% in May – Vedomosti

June 03, 2022



The San Sebastian oil tanker is moored at the docks of the ISAB refinery, owned by Russia's Lukoil, in Priolo-Gargallo near Syracuse, Sicily, May 31, 2022. **AP Photo/Gaetano Adriano Pulvirenti/TASS**

Russia's oil production increased by 5% in May after it saw one of its steepest drops the previous month under Western pressure over the war in Ukraine, the Vedomosti business daily reported Friday.

Russian crude output last month totaled 43.1 million tons and averaged 10.2 million barrels per day, Vedomosti cited an unnamed industry source as saying.

That marked a 5% increase from 10 million bpd extracted in April, when Russia saw one of the sharpest falls since the collapse of the Soviet Union. Vedomosti’s data showed Russian production at 11 million bpd in March and 11.1 million bpd in February.

In annual terms, Russia’s May 2022 output dropped 2.5% from May 2021.

So far this year, Russia’s crude output totaled 219.9 million tons in January-May, a 3.5%

increase over the same period last year.

Russia's Finance Ministry forecasts a 17% decline in oil production this year, averaging an 18-year low of 9.13 million bpd.

On Monday, the European Union agreed to ban 90% of Russian crude by the end of 2022 as part of its sixth sanctions package over Russia's invasion of Ukraine. The embargo includes carve-outs for EU member states most dependent on Russian oil.

Experts interviewed by Vedomosti linked last month's rebound in crude output to new Asian buyers sought after by Russia following U.S. and British sanctions and falling demand in Europe.

Global market data provider Refinitiv forecasts Russian oil exports to increase to 900,000 bpd to India and 400,000 bpd to China, senior Alfa Bank analyst Nikita Blokhin said. The ability to further reshape the global oil market would allow Russia to stabilize production at 10.3 million bpd, he said.

"If European consumers' rejection of Urals imports is gradual, we can safely assume that all of the declining export volumes can be redirected to Asia within a month and a half or two," said Alexander Frolov, deputy chief of Russia's Institute of National Energy analytical firm.

Original url:
https://www.themoscowtimes.com/2022/06/03/russias-oil-output-up-5-in-may-vedomosti-a77880