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Russia's Oil Export Revenues Fall One-Third Due to Western Price Cap – Study

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Yegor Aleyev / TASS

Russia's oil export revenues fell by nearly a third between January and March this year compared to the last quarter of 2022, the Financial Times reported Wednesday, citing a recent study by the Kyiv School of Economics (KSE).

The analysts say the change was largely due to the introduction of price caps on Russian petroleum products by European Union and G7 countries — a measure aimed at hampering Russia's ability to finance its invasion of neighboring Ukraine.

Russia's total revenue from the sale of crude oil and refined oil products in the first three months of 2023 amounted to about $38.8 billion — a $15.7 billion drop compared to the period between October and December last year, according to FT.

About 75% of the revenue fall could be attributed to lower sales volume and larger price discounts for Russian crude, while the remainder is a result of falling oil prices globally, according to the KSE research team.

The $60 price cap on Russian oil came into effect in December last year alongside an EU embargo on maritime deliveries of Russian crude oil.

Despite the sharp drop in revenues, Russia's oil export volumes hit their highest level in almost three years in March, with total oil shipments amounting to 8.1 million barrels per day.

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