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Russia's Budget Deficit Surpasses 2023 Target in January-April

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Russian Finance Minister Anton Siluanov. **Kirill Kukhmar / TASS**

Russia's budget deficit has surpassed the government's entire 2023 target in the first four months of the year as wartime spending and falling energy revenues continued to cut into the state budget.

The federal budget deficit rose to 3.42 trillion rubles ($45 billion) in January-April 2023, according to the Finance Ministry figures published Wednesday.

Revenues fell 22% to 7.8 trillion rubles, while spending rose 26% to 11.2 trillion rubles compared to the same time last year.

Russia had forecast its budget deficit to reach 2.9 trillion rubles ($43 billion) in 2023. At least one-third of state spending was expected to go to defense and security.

The Finance Ministry stopped publishing monthly budget figures last year, but Reuters calculated April's budget deficit at around 1 trillion rubles ($13 billion).

January-April figures also showed Russia's oil and gas revenues dropping 52% to 2.3 trillion rubles ($30 billion). Non-oil and gas revenues increased by 5% to 5.5 trillion rubles ($72 billion).

Last year, Russia's total budget deficit amounted to 3.3 trillion rubles ($47 billion) — or 2.3% of its GDP — making it the second-largest deficit in modern Russian history.

Total government spending in 2022 amounted to 31.11 trillion rubles, exceeding the pre-war forecast by over a third and the amount spent in 2021 by over a quarter.

Last year's gap was surpassed only by that recorded in 2020 at the height of the coronavirus pandemic.

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