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Russian Oil Exports Hit Post-Invasion High – IEA

By AFP

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Oil loading terminal of the port of Taman. **Andrey Boyko / Kommersant**

Russia's oil exports rose in April to the highest level since its invasion of Ukraine, boosting revenues by $1.7 billion despite Western sanctions, the International Energy Agency said Tuesday.

The Paris-based organization said Russian exports increased by 50,000 barrels per day to 8.3 million bpd last month, estimating that the country did not fully deliver on a threat to cut production sharply.

"Indeed, Russia may be boosting volumes to make up for lost revenue," the IEA said in its monthly oil market report.

The country's oil export revenues rose by $1.7 billion to $15 billion in April.

The figure, however, was 27% lower than the same month in 2022. Russia's tax receipts from

its oil and gas sector were down by 64% year-on-year, the agency added.

The Group of Seven wealthy nations and Australia have set price caps on Russian petroleum products and crude in coordination with the European Union in an effort to cut a key source of funding for its war on Ukraine.

The EU has also imposed embargoes on the country's key oil exports.

In response, Russia has threatened to cut off countries and companies that comply with the price cap.

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It has also announced a production cut of 500,000 barrels per day while its allies in the OPEC+ group of oil producers, including Saudi Arabia, also agreed to slash output.

The IEA said Russia's crude output held "broadly steady" in April at 9.6 million barrels per day and that the country must cut a further 300,000 barrels per day in May to bring itself into line.

"Russia seems to have few problems finding willing buyers for its crude and oil products, frequently at the expense of fellow OPEC+ members in the two-tier market that has emerged since the embargoes came into force," the IEA said.

The agency said China and India accounted for nearly 80% of Russian crude export destinations.

China's emergence from nearly three years of Covid restrictions is also expected to lift world oil demand this year as the IEA raised its forecast by 2.2 million bpd to an average of 102 million bpd.

This is 200,000 bpd above the previous forecast.

"China's demand recovery continues to surpass expectations, with the country setting an all-time record in March" at 16 million bpd.

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