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Russia to Cut Oil Output by 471,000 Bpd in 2Q24

By AFP

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Russia will cut oil production by almost half a million barrels per day in the second quarter of 2024, the government said Sunday, as part of a move to boost prices.

The plan, agreed with Russia's energy allies in the OPEC+ group, comes on top of previous cuts to both oil output and exports as some of the world's largest energy producers drive to push up market rates amid economic uncertainty.

Russia's Deputy Prime Minister Alexander Novak said Sunday that Moscow will reduce its output by 350,000 barrels a day (bpd) in April, by 400,000 bpd in May and then 471,000 bpd in June.

"In order to maintain market stability, these additional cuts will be gradually restored

depending on market conditions," after the end of the second quarter, Novak said in a statement published by the Russian government.

Russia's state finances rely on income from lucrative oil and gas revenues.

The West has tried to target Moscow's energy exports under sanctions imposed over the Kremlin's offensive in Ukraine, forcing Russia to ramp up supplies to countries like China and India.

Europe was for decades Russia's main energy client.

Russia had already agreed to cut production by 500,000 bpd last year in a plan that runs until the end of 2024.

Russia on Sunday also agreed to further trim its export volumes — by 121,000 bpd in April and 71,000 bpd in May, compared to its average sales in the same months last year.

"This additional voluntary reduction is aimed at strengthening the precautionary measures taken by OPEC+ countries to maintain stability and balance in the oil markets," Novak said.

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