

Russia's Transneft to Slash Investments Following Corporate Tax Hike

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A fuel storage depot at the Transneft port of Primorsk. **Pyotr Kovalev / TASS**

Russia's state-owned oil pipeline monopoly Transneft [said](#) Tuesday that it will likely be forced to cut investments into major projects after lawmakers passed a bill doubling the company's corporate tax rate.

Russia's lower-house State Duma passed legislation Tuesday [raising](#) Transneft's corporate tax from 20% to 40% in 2025-2030. The company said the increase would leave it with only a quarter of its profits for internal use.

"After a thorough analysis of production, economic and geopolitical factors, experts predict an unavoidable and significant reduction in Transneft's investment program by 2026," the company said in a statement.

It also warned of a "negative impact" on related industries, particularly the fuel and energy sectors.

Tuesday's tax hike is part of a broader fiscal reform aimed at boosting state revenue as military spending remains at an all-time high. Russia [plans to boost](#) defense spending to 13.2 trillion rubles (\$142 billion) in 2025 from 10.4 trillion rubles projected for this year

Transneft, which operates 67,000 kilometers (42,000 miles) of pipelines, proposed increasing tariffs through 2030 to "ensure stable and reliable operation."

Separately, the company [announced](#) a 13.8% hike in oil product transportation fees starting Dec. 6, aligning with [similar increases](#) by state-owned Russian Railways.

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