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Russia Moves to Revise 2025 Budget on Lower Energy Revenues and Wider Deficit

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Voting in the Russian State Duma. **duma.gov.ru**

Russia's lower-house State Duma on Wednesday approved amendments to the 2025 budget, forecasting a drop of more than $15 billion in revenues and a wider deficit due to falling oil and gas earnings.

The budget signed by President Vladimir Putin last December projected revenues at 40.3 trillion rubles ($508.5 billion) and a deficit of 1.17 trillion rubles ($14.76 billion), or 0.5% of GDP. That version allocated a record 40% of total spending to defense and national security.

Under the revised plan, revenues are now forecast to fall by 1.79 trillion rubles to 38.51 trillion rubles ($485.9 billion). The deficit is expected to rise to 3.79 trillion rubles ($47.8 billion), or 1.7% of GDP, an increase of 2.62 trillion rubles.

The changes reflect a stronger ruble, lower global oil prices and further increases in military

spending.

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Oil and gas revenues are now expected to total 8.32 trillion rubles ($104.8 billion), down 2.62 trillion rubles from previous projections. Non-oil and gas revenues are forecast to rise by 829 billion rubles to 30.19 trillion rubles ($380.3 billion).

Meanwhile, the government plans to increase spending by 829 billion rubles to a total of 42.3 trillion rubles ($532.9 billion).

Russia's first-quarter spending has already reached 11.2 trillion rubles ($141.1 billion), outpacing last year's levels.

German economist Janis Kluge estimates that about a third of that — 3.6 trillion rubles ($45.3 billion) — was classified, likely earmarked for defense. Russia has increasingly front-loaded military spending since 2023.

To cover the deficit, the government plans to draw 447 billion rubles ($5.8 billion) from the National Wealth Fund (NWF), which holds 2.8 trillion rubles ($36.4 billion) in liquid assets. Kremlin economists have warned that, given current trends, the fund could be depleted by 2026.

The amended budget now heads to the upper-house Federation Council for approval before being signed into law by Putin, who has prioritized defense spending.

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