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Russia's Oil and Gas Revenues Plunge for Third Straight Month

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Yegor Aleyev / TASS

Russia's oil and gas revenues fell sharply for the third consecutive month in July, driven by weaker oil prices and a stronger ruble, the Finance Ministry reported.

The government collected 787.3 billion rubles ($9.84 billion, according to spot foreign exchange market data published by Reuters) in oil and gas taxes in July, down 28% from the same month last year.

Over the first seven months of 2025, total oil and gas revenues declined 19% year-on-year to 5.52 trillion rubles ($69 billion), compared with 6.78 trillion rubles ($84.71 billion) during the same period in 2024.

Mineral extraction tax revenue, a key component of oil and gas income, dropped 38% to 634.1 billion rubles ($7.93 billion). Oil companies contributed 543.4 billion rubles ($6.79 billion) of that total, a 36% decline from last year.

Gas-related revenues more than halved, falling 53% to just 51.1 billion rubles ($639 million), as Gazprom's exports to Europe hit their lowest levels since the early 1970s.

The Finance Ministry originally projected 10.94 trillion rubles ($136.75 billion) in oil and gas revenues for 2025, with 1.8 trillion rubles ($22.5 billion) intended for the National Wealth Fund (NWF).

But falling prices and a stronger currency forced a downward revision, and the ministry now expects revenues of just 8.32 trillion rubles ($104 billion) — nearly a 25% cut.

This shortfall will require continued drawdowns from the NWF, whose liquid assets have fallen nearly threefold since the start of the war and stood at just over 4 trillion rubles ($50 billion) as of June.

Adding to fiscal pressure is the EU's 18th sanctions package, which replaces the fixed $60 oil price cap with a new mechanism setting the cap at 15% below global market averages. The initial cap was set at $47.60 per barrel, with adjustments scheduled every three months.

Freedom Finance Global analyst Vladimir Chernov estimated that the new rules could cost Russia up to 1.5 trillion rubles ($18.75 billion) per year, or about 18% of the Finance Ministry's revised oil and gas revenue target of 8.9 trillion rubles ($111.25 billion).

"This measure could place significant pressure on Russia's economy, particularly federal revenues," Chernov said. "Risks are heightened by the country's continued dependence on resource-based income and its exports to jurisdictions where the price cap could be enforced through restrictions on insurance, logistics and payments."

Russia's federal budget deficit reached 3.7 trillion rubles ($46.25 billion) in the first half of 2025.

In late July, Federation Council Budget Committee Chair Anatoly Artamonov said the government would seek to cut 2 trillion rubles ($25 billion) in "ineffective" spending to free up funds for defense and security.

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