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Russian Oil Prices Sink Below $35 Per Barrel

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Russian oil prices continue to plunge under the pressure of U.S. sanctions that have disrupted established export flows to India and China.

The price of Urals crude shipped from the Black Sea port of Novorossiysk fell to $34.52 per barrel as of Dec. 16, roughly half the level at the start of the year, the RBC news website reported, citing data from Argus Media.

In the Baltic Sea port of Primorsk, Russia's main export grade traded at $36.07 per barrel.

Discounts on Urals crude reached $23-25 per barrel in Novorossiysk and $24 per barrel in Baltic ports, Argus reported.

Some Urals shipments intended for China have been sold at discounts as steep as $35 per barrel, Reuters reported, effectively pricing the oil below $30, its lowest price since the pandemic.

Russian oil companies are lowering prices to move cargoes that Indian refineries are

increasingly refusing, Reuters cited traders as saying.

“Russia is losing billions of dollars each month because of oil sanctions,” said Janis Kluge, a researcher at the German Institute for International Security Affairs. “Discounts on Russian oil have risen to 30% and in some cases over 50% relative to Brent.”

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Data from the Finance Ministry showed that oil and gas revenues fell 34% year-on-year in November, and were down 21% cumulatively over the first 11 months of 2025.

Reuters calculations suggest December tax receipts from oil and gas could drop to 410 billion rubles ($5.1 billion), the lowest since August 2020 and 49% below December 2024 levels.

The 2025 federal budget was initially drafted assuming a $69 per barrel oil price, targeting 10.94 trillion rubles ($136 billion) in tax revenues from oil and gas companies.

The forecast was cut mid-year to 8.65 trillion rubles ($107 billion) and an assumed oil price of $58.

Even against the downgraded plan, the budget may fall short by around 300 billion rubles ($3.7 billion), analysts at Gazprombank estimate.

Including the federal budget, regional budgets and social funds, Russia’s total fiscal deficit could reach 8 trillion rubles ($100 billion), or 4% of GDP, the highest since 2020, economist Viktor Tunev said.

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