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Russia's Federal Budget Deficit Blows Past Annual Target in Just 3 Months

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Russian Finance Minister Anton Siluanov. **TASS**

Russia's federal budget deficit surged past its full-year target in the first three months of 2026, underscored by a sharp decline in energy tax receipts and a double-digit spike in government spending.

According to Finance Ministry data released Wednesday, the deficit reached 4.6 trillion rubles ($58.8 billion) in the first quarter, already eclipsing the 3.8 trillion ruble ($48.6 billion) gap originally projected for the entire year.

The shortfall represents a staggering 2.6 trillion ruble increase over the deficit recorded during the same period in 2025.

Between January and March, total revenues fell by 8.2% to 8.3 trillion rubles, while spending jumped 17% to 12.9 trillion rubles.

The pain was felt most acutely in the energy sector, where oil and gas revenues plummeted

45% to 1.4 trillion rubles.

Non-oil and gas tax revenues offered a modest cushion, rising 7.1% to 6.9 trillion rubles, but were insufficient to offset the drop in hydrocarbon income or the accelerating costs of the state's domestic and military obligations.

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Despite the quarterly gap blowing past the 12-month spending target, Russia's Finance Ministry maintained that the budget was being executed "in accordance with the target parameters of the structural deficit."

Officials are now likely looking toward a mid-year recovery fueled by soaring energy prices triggered by the war in the Middle East.

Reuters calculated Thursday that Russia's primary oil tax revenue is set to double to 700 billion rubles ($9 billion) in April, providing a critical lifeline as the Kremlin aims for a total of 7.9 trillion rubles in mineral extraction taxes for the year.

As the world's second-largest oil exporter, Russia is poised to reap huge profits from high oil prices, although the size of the windfall will depend on how long the U.S.-Israeli war on Iran continues.

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