

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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