The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Russia's Oil and Gas Revenues Miss Expectations Despite Higher Crude Prices

May 06, 2026



Igor Ivanko / Moskva News Agency

Russia's oil and gas revenues fell short of expectations in April despite rising crude prices, as higher compensation payments to refiners and a stronger ruble offset gains, Finance Ministry data showed.

Oil and gas revenues totaled 855.6 billion rubles ($11.47 billion) in April, just 21 billion rubles ($0.28 billion) above the baseline level calculated using a budget oil price of $59 per barrel.

The figures underscore growing pressure on Russia's energy revenues, with the government's fuel price support system — structured as a tax deduction — and currency strength limiting the budget's ability to benefit from higher oil prices.

The baseline price matched March 2025 levels, which were used to calculate taxes for April last year. At that time, oil and gas revenues were 230 billion rubles ($3.08 billion), or 26.9%,

higher than in April this year, even though the tax price for Russian oil stood at $77 per barrel this April.

Over the first four months of the year, oil and gas revenues reached 2.3 trillion rubles ($30.82 billion), down 38.3% year-on-year. That amounts to roughly a quarter of the annual target of 8.92 trillion rubles ($119.53 billion).

Month-on-month, revenues rose 40% from March. However, the additional 21 billion rubles in April fell "significantly below forecasts" of 200-250 billion rubles ($2.68-$3.35 billion), economist Dmitry Polevoy said.

Former Deputy Finance Minister Sergei Aleksashenko had expected a "war premium" of around 220 billion rubles ($2.95 billion).

The shortfall was largely driven by a surge in compensation payments to oil companies under Russia's fuel price damping mechanism, a tax deduction scheme that reimburses refiners for the gap between domestic and export fuel prices.

These payments jumped to 207.5 billion rubles ($2.78 billion) in April from 15 billion rubles ($0.20 billion) in March, the Finance Ministry said.

Related article: Did the Mideast Conflict Just Rescue Russia's War Budget?

Economist Yegor Susin said the higher payments under the scheme were the main factor behind April's weak result. From May 1, authorities agreed with oil producers to manually regulate fuel prices, Polevoy noted.

The near absence of windfall energy revenues in April also means foreign currency purchases for the National Wealth Fund will be far smaller than expected.

Analysts polled by Reuters had forecast purchases of 340-455 billion rubles ($4.56-$6.10 billion) over the next month.

The Finance Ministry said purchases would total 110.3 billion rubles ($1.48 billion), or 5.8 billion rubles ($0.078 billion) per day.

Net daily purchases will amount to about 1.2 billion rubles ($0.016 billion) after accounting for daily Central Bank sales of 4.6 billion rubles ($0.062 billion).

Analysts at VTB had estimated daily purchases at no less than 10 billion rubles ($0.13 billion), while T-Investments chief economist Sofya Donets put the figure at 14–19 billion rubles ($0.19-$0.25 billion).

Purchases will be "significantly lower than expected," Susin said, adding that the ruble is likely to strengthen toward 75 per dollar at such levels.

"Less buying means a stronger ruble," Polevoy said.

A stronger ruble reduces budget revenues from oil, which are denominated in dollars.

In the first quarter, the budget deficit reached 4.6 trillion rubles ($61.64 billion), exceeding the full-year target of 3.8 trillion rubles ($50.92 billion), due to higher spending and weaker oil and gas revenues.

In May, oil taxes will be calculated based on an average April price of $94.9 per barrel, according to the Economy Ministry.

Aleksashenko expects a "war premium" of around 400 billion rubles ($5.36 billion) in May at the current exchange rate of 75.5 rubles per dollar.

Gazprombank's Center for Economic Forecasting has estimated additional oil and gas revenues at 400–500 billion rubles ($5.36-$6.70 billion) for May, assuming Urals crude trades near $100 per barrel.

Read this article in Russian at The Moscow Times' Russian service.

Original url:
https://www.themoscowtimes.com/2026/05/06/russias-oil-and-gas-revenues-miss-expectations-despite-higher-crude-prices-a92699