

23.06.2025

Russia’s Oil And Gas Revenues: Risks And Hopes For 2025

Geopolitical events of the latest weeks have noticeably raised the level of threat for Russia’s oil and gas revenues. The situation is confirmed by the official statistics: according to a report by the Finance Ministry, in April the federal budget tax revenues from commodity exports reduced by almost 12% versus April 2024, amounting to ₽1,09 trillion. According to Bloomberg estimates, this is the lowest figure since June 2023.

Moreover, according to the Finance Ministry, over the first four months of this year the oil and gas revenues fell by 10,3%, - down to ₽3,73 trillion versus ₽4,16 trillion over the same period of 2024. The ministry primarily linked this to the lower rouble price of the Russian oil. In April the average dollar price of the Urals oil slid to $54,76 per barrel, and the rouble price fell down to ₽4,5 thousand, which is 32% lower than the figure in the 2025 state budget.

It should be said that after the coming of Donald Trump to the White House, with all his ostentatious amicability towards Moscow, the clouds over the Russian energy sector became visibly larger and darker than they had been under President Joe Biden. There are multiple confirmations to this, one of the latest being an American draft law on 500 percent tariffs on imports to the USA from the countries, buying oil, gas, uranium and other strategic commodities from the RF. It is assumed that if the Kremlin does not agree with the Trump’s “deal” to stop military operations in Ukraine, this deterrence measure will have quite a different status, becoming a punitive one.

© MOSCOW FORESIGHT - 2026. ALL RIGHTS RESERVED.

The document, presented by Lindsay Graham, Republican Senator from South Carolina (listed by the RF as a terrorist and extremist) and Richard Blumenthal, Democrat Senator from Connecticut, has not been approved by the Congress yet. But, as Graham assures, the draft law will be overwhelmingly supported by the both parties and chambers, when voted for in the Senate and in the House of Representatives.

In parallel, the European Union has prepared, and what is more important, has adopted its 17th sanctions package. The measures will affect 189 ships from third countries, which are linked by Brussels to the “shadow fleet” of the RF. These ships will be banned from entering European seaports and denied a broad spectrum of services, including insurance. The restrictions will also apply to the companies from Turkey, the UAE, Serbia, Vietnam and Uzbekistan, suspected of helping the RF. At the same time European diplomats set their hopes (in terms of impact on the conflict status and Moscow’s capability to agree) on the American draft, rather on their own.

© MOSCOW FORESIGHT - 2026. ALL RIGHTS RESERVED.



© MOSCOW FORESIGHT - 2026. ALL RIGHTS RESERVED.

“2022 Events May Come Back”

And for now it is absolutely unclear, how much will all these factors ultimately affect the Russian oil and gas sphere and state budget revenues, which risks will materialize and which won’t. We discussed the situation with Igor Yushkov, lead analyst of the National Energy Security Fund, expert of the Financial University under the Government of the Russian Federation.

The probability of Washington imposing sanctions under this very format — 500 percent tariffs, is very low, - says the expert. – This measure will hit all of the Russian oil and other energy exports, and this is a very dangerous scenario for importers themselves – for America and countries of the European Union. The European version of sanctions against tankers of the so-called “shadow fleet” is much more likely. It envisions an attempt to ultimately block supply of the Russian oil from Ust-Luga and Primorsk seaports on the Baltic Sea (by detaining ships on legal grounds as sanctioned) and essentially, to take control of a significant portion of them. This involves only a part, and not all of the ships. Unlike the situation with the American draft law, this will not be a major shock to the global markets and will prevent the prices from skyrocketing, up to $150, $200 per barrel.

What would 500% tariffs against the countries, that buy Russian oil, mean? Primarily, the USA will catastrophically damage their relations with China and India, which today get about 90% of Russian crude oil (about 2 million barrels per day to China and 1,5 - 2 million barrels per day to India). There is Turkey too. I have great doubts that this is what Washington needs today.

What should Russia watch out for?

If the American draft law scenario suddenly comes to life, and there are no other major customers, apart from China and India, Russia for now has limited options to diversify its sales markets. Naturally, it would cause additional shrinking of oil and gas revenues. It is unlikely this would crash the Russian economy, though the state budget will have to be adjusted with a significant revenue cut. But it is probable that the global market would experience a severe shortage of supply, and prices would soar.

The events of 2022, when on the back of the embargo, imposed by the Biden administration, European companies were scared to buy Russian oil, may happen again. Ultimately, our country had to pivot to Asia, to cut both production and exports by one million barrels per day. This had led to global supply shortages, and prices soared to about $120. It had hit the USA themselves: in June 2022 they registered a historic fuel price record.

© MOSCOW FORESIGHT - 2026. ALL RIGHTS RESERVED.

OPEC+ Decision

What could the 500 percent tariff mechanism look like in technical terms?

If Washington identifies the fact of a purchase of Russian oil by a third country, its goods, when supplied to the USA would be charged with a prohibitive import tariff. In other words, if you buy oil, gas, uranium, anything else from Russia, your exports to America will be almost completely shut down. Any bilateral trade will be discontinued. But this would be complete nonsense, considering the importance of China and India for the American economy as suppliers of most versatile products, often having no alternative. The Damocles' sword of 500 percent secondary tariffs could be used by third countries as a killer argument to haggle for an even greater discount on our commodities.

In early April the price of Brent oil barrel crashed below $60 for the first time in three years. Was it caused exclusively by the shock that the markets had experienced due to the tariffs, announced by Trump for products from 185 countries and territories? Or was it augmented by the impact of the OPEC+ decision to increase production in May?

These two events happened at the same time, hence the outcome. It is clear that the tariff wars are fraught with a breakdown of the existing mechanisms, institutional frameworks of the international trade, plunging demand for energy products. When you sell fewer products of your own, then your imports will be lower too, this would apply to fuel as well. Now this is one of the obvious risk scenarios. Yet another risk will materialize if the OPEC+ deal fails. Some signatories have for quite a long time been unhappy with the situation when they have to constantly restrain their oil production in line with the arrangements, but Canada, Brazil, Guyana and other producers outside of the alliance keep ramping it up, taking new market niches. Those dissatisfied ask the question: wouldn't it be better to quit OPEC+ and comfortably make money at favorable prices?

To prevent this scenario, the deal participants have made a demonstrative move — they began increasing production starting from April 1, though just by mere 158 thousand barrels per day. And then they reviewed production quotas toward a drastic increase — up to 411 thousand barrels per day, announcing it on the same day when Trump presented his tariff plan to the world. This had pushed oil prices down even more; the markets saw a massive selloff of futures. By the way, April 1 was chosen for a reason: it is considered that this day marks the start of the automotive season in the Northern hemisphere, when fuel demand starts climbing. And May traditionally features the largest surge of this demand.

© MOSCOW FORESIGHT - 2026. ALL RIGHTS RESERVED.

Safety Buffer In Place

Over January-April the oil and gas revenue of the Russian state budget had reduced by 10,3%, - down to ₽3,73 trillion. To what degree is this linked to the Biden sanctions of January 10, recognized as very serious by experts? About 180 oil tankers from the so-called "shadow fleet", a few traders, and what is most important — two major Russian oil companies were sanctioned.

Indeed, the US authorities have never done anything of the kind, being wary of negative consequences, primarily for the American market. But in January 2025 the Biden Administration had only a few days till its exit, it had nothing to lose, and it had essentially kicked all the potential risks over to Trump's people. The sanctions were made even more severe by this one feature: previously, when a tanker was put on the blocking list, they registered its name, flag and ship owner. And now they even list the individual number of a vessel, which makes it harder to re-register and use for Russian oil transport. This really makes exports harder, but experience has proven that it won't stop exports. In any case, the discount for Urals has risen up to $15–17.

A stronger rouble is yet another factor of the negative impact on the Russian state budget commodity revenues. It leads to cheaper (in rouble value terms) goods, imported to Russia, but at the same time it is disadvantageous for exporters, which sell their goods at a lower price (again in rouble value terms).

And how can this situation be rectified?

The state budget has a certain margin of safety. First, the deficit is covered by the liquid portion of the National Wealth Fund. It will definitely be enough for 2025, unless some sort of a catastrophe happens. Second, the Ministry of Finance has been more active on the borrowing market than in the last year, when it had placed bonds in Q1 several times. Borrowed funds are also used to finance the deficit. These two tools enable offsetting the negative impact. Moreover, starting from January 1 we have a new methodology for calculation of the Urals oil tax quotes in place: it includes ESPO grade quotes as well. Urals oil has always been cheaper than ESPO, this is why the Ministry of Finance finds it more useful to calculate the average price this way.

Let's wait till the year's end, when we will know the final value of the average sales price of Urals. Now it is changing literally

© MOSCOW FORESIGHT - 2026. ALL RIGHTS RESERVED.

every day, primarily due to the “Trump factor”, due to his controversial rhetoric without any specific steps.

© MOSCOW FORESIGHT - 2026. ALL RIGHTS RESERVED.