
Oil price decline cannot be ruled out - Mr Kudrin

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Interfax cited Mr Alexei Kudrin Zhukov Russian Deputy Prime Minister and Finance Minister as saying that oil prices are currently at a good level for Russia and the global economy overall, but warned that they could begin to decline.

Mr Kudrin said "The price of oil traditionally supports the Russian economy. The price right now is beneficial for Russia. It does in fact provide additional factors for growth and at the same time shores up the balance of payments and, accordingly, strengthens the ruble."

He said that overall it provides a positive result. He added that "For the global economy, I think that the price of oil is at an acceptable level taking into consideration that it provides income for the relevant countries and investment in development. A steep drop in oil prices would weaken the stimulus for developing new fields and for oil deliveries."

Mr Kudrin said for that reason, the current price of oil is quite reasonable. He said that "But it must be understood that in our view, it is somewhat artificial. He added that I anticipate that it will start to decline at some point."

He also said that "There will be less money to put into those contracts and, accordingly, the price may decline, if steady economic growth hasn't resumed by that time. But, I repeat, these factors are not indefinite and therefore the likelihood of a price decline remains."

(Sourced from Interfax)

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