

Finance Ministry Amends Oil Price Estimate

By [The Moscow Times](#)

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The Finance Ministry has amended its proposals for the estimated price of oil on which federal budget spending would be based in 2013-15 to \$103, \$98 and \$89 per barrel in the three years, respectively, Interfax reported.

With such a base price, the spending caps for 2013-2014, calculated under the new budget rules, would correspond to the amount of spending projected by the federal budget law for these years, the Finance Ministry said in a draft report to President Dmitry Medvedev on the implementation of his instructions. The report has been submitted to the government.

The ministry calculates that the adoption of the budget rules will reduce spending from 21.5 percent of gross domestic product in 2012 to 19 percent of GDP in 2016 — at which time new budgetary rules about the moving average oil price will be introduced — and to 18.8 percent of GDP in 2020.

However, nominal spending would grow by an annual average of 8.6 percent over 2013-15, and 9.4 percent in 2016-20, the document states.

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