

# A Peek at Russia's Response to the G7 Oil Price Cap

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*Russian authorities have drafted a decree banning the sale of Russian crude oil to buyers part of the Price Cap Coalition or if the purchase is limited by the G7/EU price cap, as a measure to counter the \$60 a barrel price ceiling set by the West, Russian daily Vedomosti [reported](#) on Tuesday, quoting a source with knowledge of the draft and government sources.*

The EU banned from December 5 maritime transportation services from shipping Russia's crude oil to third countries if the oil is bought above the price cap of \$60 per barrel, and imposed an embargo on seaborne imports of Russian oil into the EU.

The draft presidential decree, whose details will be formulated by the Russian government, bans Russian firms from selling crude oil if the contract specifies a member of the Price Cap Coalition as a customer, or if the contract specifies a price cap as a condition for the sale, according to Vedomosti's sources.

The decree is expected to ban such sales from Russia by July 1, 2023, with a possibility of an extension, the sources say.

During a briefing with reporters on Monday, Kremlin spokesman Dmitry Peskov said that the decree would be published "in the coming days."

Moscow says the price cap artificially limits prices in a non-market mechanism it will not accept.

By the end of this year, Russia expects to have legislation prepared that will ban Russian companies from selling oil to countries part of the Price Cap Coalition, Russia's Deputy Prime Minister Alexander Novak [said](#) last week.

Also last week, Kremlin's spokesman Peskov [said](#) that Russia was preparing a response to the EU embargo and the price cap.

Moscow [claims](#) the price cap will not seriously hit its oil production and economy. Russia's oil production will not fall off a cliff now that the EU-G7 price cap on Russian crude has come into effect, Russia's First Deputy Energy Minister Pavel Sorokin said last week.

"Most markets are available for our oil based on adequate market principles, while any fluctuations in oil production that may occur, are not critical and will not exceed those registered in the spring," Sorokin told reporters in Moscow today, as carried by Russian news agency [TASS](#).

Russian oil output dipped in the spring immediately after the Russian invasion of Ukraine, but later stabilized by June. Still, Russia is estimated to have been around 1 million barrels per day (bpd) below its OPEC+ oil production quota since then.

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