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Historical High**

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Russian transport companies have requested the government to implement state price controls and establish a fixed cost for diesel fuel.

According to a report by Izvestia, Vladimir Matyagin, the President of the National Association of Truck Motor Transport, has proposed that the government set the price of diesel fuel below 60 Rubles per liter, since surpassing this threshold could result in elevated logistical costs, subsequently driving up the final cost of goods for consumers.

Matyagin notes that diesel fuel prices in the central and southern regions of Russia have surged by 10% over the past week. Currently, the cost of fuel hovers around 70 Rubles per liter. He emphasizes that this growth is attributed to a sharp rise in wholesale prices and the discontinuation of discounts at gas stations.

At the beginning of August, summer diesel stock prices surpassed the 60,000-ruble per ton mark for the first time. According to auction data from August 18, the price experienced a slight decline of 0.28%, reaching 67,000 rubles per ton. Prior to this, prices had consistently risen since July 28, marking a 21% increase during this period.

The expansion of oil and gas exports to Asian countries has yet to compensate for the losses incurred by oil companies due to their withdrawal from Western markets. Consequently, the Russian bourgeoisie's interests are to maximize profits in the domestic market by raising prices.

This fuel situation embodies a contradiction, yet this contradiction is entirely consistent with the framework of capitalism. Specifically, there is a surplus of fuel in the Russian Federation, which could saturate the economy, thereby creating favourable conditions for development. However, what we observe is quite different – prices are on the rise because capitalists are unwilling to sell fuel for less. Consequently, it is the workers who bear the brunt of foreign and domestic political miscalculations.

Against the backdrop of surplus fuel and escalating prices, market trends underscore the complexity of the situation. The contradiction between abundant resources and market response becomes even more apparent when observing recent trading patterns.

For the fifth consecutive trading day, the exchange price of AI-95 gasoline reached a historic high. On August 29, according to the results of trading on the St. Petersburg International Commodity and Raw Materials Exchange (SPbMTSE), the price reached 73,350 Rubles per ton.

According to SPbMTSE, AI-95 gasoline, based on the territorial index of the European part of Russia, saw a 0.73% increase in price during the trading day. Meanwhile, jet fuel experienced a notable 3.6% price hike, reaching 68,917 Rubles per ton, and heating oil rose by 0.45%, reaching 34,649 Rubles per ton.

One might assume that fuel, being so abundant in a country rich in oil, should be very affordable. However, the pursuit of greater profits leads to such outcomes, as maintaining high fuel prices is highly lucrative.

On one hand, production is reduced to boost prices, while on the other, state subsidies are provided to alleviate consumer strain. Capitalism has reached a stage where the abundance of natural resources results in an opposite effect—production declines, and goods become more expensive because reducing prices is not profitable.

This irrationality can only be eradicated through a complete replacement of the market system, which is no longer capable of ensuring the planned and progressive development of production and society.

Sources:

- RBC - "Cargo carriers asked to introduce price regulation for diesel" dated August 24, 2023.
- Kommersant - "Exchange price of AI-95 updated the record" dated August 29, 2023

Original article