
Market manipulation of oil prices backfire on those that start it - Putin

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"If undercharging for energy products occurs deliberately, it also hits those who introduce these limitations. Problems arise, they will continue to grow, worsening the situation, and not only for Russia but also for our partners, including oil and gas producing countries," said Putin in an interview to TASS.

The Russian leader suggested that the fall in oil prices is due to the sharp increase in the production of shale oil and gas by the United States, but questioned its commercial viability.

"What is the profitability of this production like? It's from \$65 to \$83 per barrel. Now when the price of a barrel of oil has fallen below \$80, shale gas production becomes unprofitable," said Putin.

The President said he sees objective reasons for the decline in oil prices.

"The supply has increased from Libya, surprising as it may seem it produces more, Iraq as well, despite all the problems ... ISIS sell oil illegally at \$30 per barrel on the black market, Saudi Arabia increased its production and consumption decreased due to a period of stagnation or, say, a decrease compared with the forecasts of global economic growth," he said.

Talking about the Russian economy and the weakening ruble, Putin said the situation with oil prices doesn't hit the budget as hard as expected.

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"...we are confident in solving social issues. Including the ones of the defense industry. Russia has its own base for import substitution," he said.

"Thank God, we've received a lot from previous generations, and that we've done much to modernize the industry over the past decade and a half. Does it damage us? Partly, but not fatally," Putin concluded.
