



Russian Oil Still Powering Europe's Cars With Help of India

Description

Russian oil is still powering Europe — just with the help of India.

Back in December, the European Union barred almost any seaborne crude oil imports from Russia. It extended the prohibition to refined fuels two months later.

However, the rules didn't prevent countries like India from snapping up cheap Russian crude, turning it into fuels like diesel, and shipping it back to Europe at a markup.

The Asian country is on track to become Europe's largest supplier of refined fuels this month while simultaneously buying record amounts of Russian crude, according to data compiled by Bloomberg from analytics firm Kpler.

"Russian oil is finding its way back into Europe despite all the sanctioning and India ramping up fuel exports to the west is a good example of it," said Viktor Katona, lead crude analyst at the firm. "With India taking in so much Russian barrels, it's inevitable."

India Becomes Europe's Top Fuel Supplier

Europe's reliance on Indian oil products have grown since Russian ban

Source: Kpler data, compiled by Bloomberg

April volumes include vessels in transit

The development is double-edged for the EU. On the one hand, the bloc needs alternative sources of diesel now that it has cut off direct flows from Russia, previously its top supplier. However, it ultimately boosts demand for Moscow's barrels, and means extra freight costs.

It also means more competition for Europe's oil refiners who can't [access cheap Russian crude](#), and comes amid wider market scrutiny about where the region's diesel imports are coming from.

Repsol SA's Chief Executive Officer Josu Jon Imaz said on Thursday that Russian diesel is [entering Europe illegally](#) and called on authorities to clamp down on the activity. He wasn't talking about the trade via India but flows of diesel that originated in Russia.

A preliminary inquiry into the matter by Spanish authorities didn't find evidence that Russian diesel was entering the country, a government official said Friday, adding that a probe is ongoing.

Europe's refined fuel imports from India are set to surge above 360,000 barrels a day, edging just ahead of those of Saudi Arabia, Kpler's data show.

Russian crude oil arrivals to India are expected to surpass 2 million barrels a day in April, representing almost 44% of the nation's overall oil imports, according to Kpler data.

More than half of Russia's seaborne oil shipments were to the European Union and Group of Seven nations before the bloc began to cut purchases in response to the nation's invasion of Ukraine in early 2022.

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Date Created

04/30/2023