

At \$4.3 billion, Russia imports up 7x in June

Oil makes up 71% of total imports from the country

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India imported goods worth \$4.23 billion in June from sanctions-hit Russia, up 6.8 times as compared to last year, as demand for shipments of crude oil grew at the fastest pace during the month.

Crude oil worth \$3.02 billion was imported in June, which translates into a share of 71 per cent of the total imports from Russia, commerce and industry ministry data showed.

Similarly, during the April-June quarter, India's imports from Russia were valued at \$9.27 billion, up 369 per cent on year. Crude oil comprised almost two-thirds of imports from the nation. Other major imported items from the country included coal, soybean and sunflower crude oil, fertilisers, among others.

Russia's prominence as India's trading partner has been growing since its invasion of Ukraine on February 24, following which it faced economic sanctions from the Western nations, leaving the world grappling with challenges on several fronts, including disruption in the global food production system, sharp jump in commodity prices, especially for oil and natural gas.

India's rising dependence on crude oil from Russia comes in the backdrop of the sanctions-hit nation offering discounted oil. In the April-June quarter, Russia became the third largest crude oil supplier to India, after Iraq, Saudi Arabia, and ahead of the United Arab Emirates (UAE), which has also been India's key oil supplier.

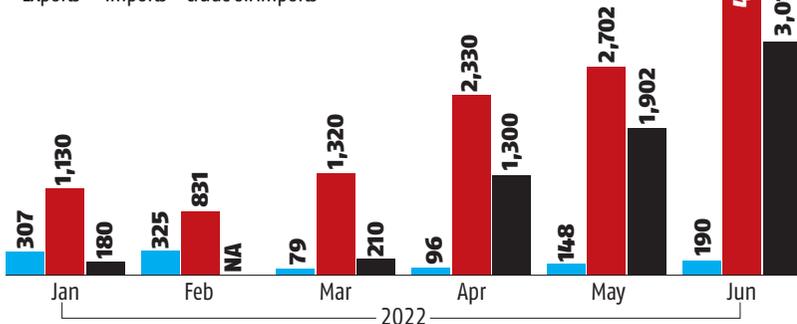
With a share of only 1.2 per cent of India's total trade during the 2021-22 financial year, Russia's share has grown to 3.1 per cent during the April-June quarter of the current fiscal year. The country was India's seventh largest trading partner in the quarter-ended June, driven by a sharp jump in imports. Despite pressure from Western nations, prominently the US and the European Union, India did not pick a side and chose to maintain a neutral stance considering its historical relationship with Russia. India, on various global forums, has been defending its stand.



INDIA-RUSSIA TRADE

(in \$ million)

■ Exports ■ Imports ■ Crude oil imports



Source: Dept of Commerce

On Wednesday, External Affairs Minister S Jaishankar again defended India's decision to buy discounted Russian oil, saying many suppliers have diverted their supplies to Europe, which is buying less oil from Russia. "It is a situation today where every country will try to get the best deal possible for its citizens, to try to cushion the impact of high energy prices. And that is exactly what we are doing... I have a country that has a per capita income of \$2,000. These are not people who can afford higher energy prices," Jaishankar said at the 9th India-Thailand Joint Commission Meeting.

He added that it was the government's "obligation" and "moral duty" to ensure that the people in India get the "best deal".

Outbound shipments to Russia fell to \$190.55 million in June, down by 23 per cent year-on-year. However, exports to Russia have been picking up gradually since May, after nosediving to \$79 million in March.



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S Jaishankar
External Affairs Minister