

# India replaces China as top Russia oil importer

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India unseated China to become the world's biggest buyer of discounted seaborne Russian crude oil in April, with imports jumping by 12 per cent on the month to a nine-month high, according to early ship tracking data and industry officials. Indian purchases of Russian oil exceeded Chinese imports by 450,000 barrels per day (bpd), data from market intelligence agency Vortexa shows.

An appetite for Russian oil has revived as cheaper Venezuelan supplies dried up after the US reimposed sanctions this month on the Latin American nation. A 45-day "wind-down" period expires at the end of May, but sanctions could be relaxed again should the Venezuelan government show progress toward democratic reforms.

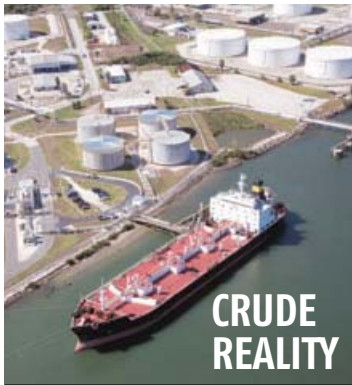
Russian supplies to India increased in April to 1.85 million bpd compared to 1.65 million bpd in March 2024, according to data from Paris-based

market intelligence agency Kpler. The data is as of Tuesday.

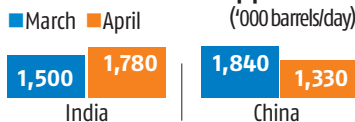
London-based Vortexa pegged Russian supplies to India in April at 1.78 million bpd, compared to 1.33 million bpd for China. Both nations accounted for a combined 62 per cent of exports of crude – including Kazakstan oil exported via Russian ports—from Russia in April, with India accounting for 35 per cent. Chinese seaborne imports averaged 1.84 million bpd in March compared to 1.5 million bpd for India. (China also imports oil and natural gas from Russia via pipelines.)

"Higher Russian crude exports in Feb/ Mar as well as lower imports by Chinese refiners have made available more volumes for Indian refiners," said Singapore-based Serena Huang, head of Asia-Pacific market analysis for Vortexa. "Given that Russian crude cargoes are likely to be more discounted than Middle East grades, Indian refiners are likely to opt for the former," she added.

Indian refiners continued to source

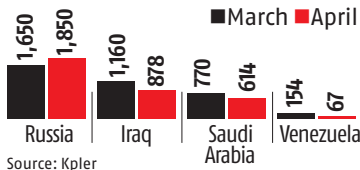


## Russian crude oil supplies



Source: Vortexa

## Top crude suppliers



Source: Kpler

cheaper grades such as the medium, sour Urals to avoid US sanctions, with the Russian export benchmark accounting for 77 per cent in April compared to 68 per cent in calendar 2023, Kpler data shows. Urals has gained acceptance in India after the US tightened sanctions in February, bringing Russian state shipping behemoth Sovcomflot. Volumes of Urals imported in March totalled 1.35 million bpd, accounting for 82 per cent of

Russian supplies.

There's a \$8-\$10 per barrel difference between Urals and sweeter crudes like Sokol or ESPO, according to market data. That helps traders price Urals below the \$60 per barrel price cap imposed by G-7 nations on a FOB basis to avoid Western sanctions. Light, sweet premium grades like Sokol, Espo and Varandey typically trade over the price cap, which necessitates the use of non-Western

shipping and insurance services, leaving the doors open for US policing.

Shipments from Venezuela to India more than halved in April to 2 million barrels of crude oil from 4.78 million barrels in March. Venezuelan export-grade Merey is the cheapest among all Indian crude sources. The slump in Venezuelan sales came after Washington ended a six-month relaxation in US sanctions, which ended on April 18, disappointing Indian refiners.

Venezuela's heavy, sour grades undercut Russian and Iraqi crudes by \$14.60 per barrel in February, according to Indian customs data.

Delivered rates of Venezuelan oil into India averaged \$63/bbl in February compared to \$77.60/bbl and \$77.70/bbl, respectively, for Russian and Iraqi grades.

Shipments from Iraq averaged 878,000 bpd, down from 1.16 million bpd last month, 50 per cent higher from February, but in line with a 1.05 million bpd average for the last three months, Kpler data shows.