

Sluggish Europe orders push India's motor fuel exports to Asia

Asia's share in India's motor fuel exports has risen 3x between Aug and Nov

SUBHAYAN CHAKRABORTY
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In a significant move, India has pivoted its motor fuel exports towards Asia in recent months, data from London-based commodity data analytics provider Vortexa shows.

Asia's share in India's motor fuel exports has risen threefold between August and November to more than 30 per cent. The share of Europe fell from 20 per cent to 8 per cent during the same period, data shared by Vortexa suggests.

Export of motor fuel, the third-largest category of export within petrochemicals behind automotive diesel fuel, and aviation turbine fuel, from India has swung by a wide margin since the pandemic.

Outbound shipments stood at \$6.09 billion in the first half (April-September) of FY25. This is 11.76 per cent lower than \$6.9 billion in the corresponding period of FY24.

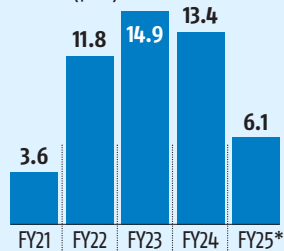
However, most exports have been to Europe since February, 2022, when the Russian invasion of Ukraine changed supply lines for both crude oil, and petrochemical products worldwide.

Data shows Europe's share in Indian shipments has remained consistently higher than Asia's since at least January 2023, barring just two months. But in recent months, incidence of export arbitrage to Europe has gone down.

Industry insiders believe the reduction of exports to Europe is due to slower pace of orders from

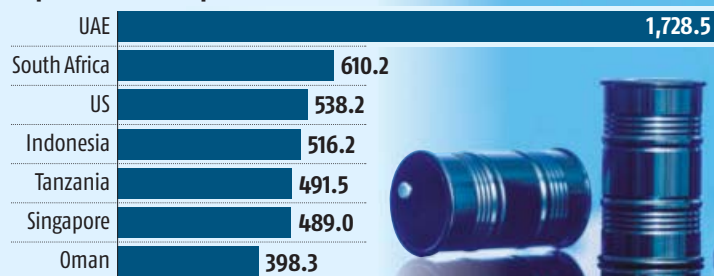
TRACKING THE TREND

Motor fuel exports from India (\$ bn)



*Data from Apr-Sep

Top motor fuel export destinations in FY25* (\$ mn)



Source: Commerce Department



European buyers.

The continent had been scrambling to establish alternatives to Russian energy, on which it had been dependent since the war began.

During the first quarter of 2024, the European Union (EU) imported 183.8 million tonnes of energy products, which was a

26.4 per cent decrease in value and a 10.4 per cent fall in net mass compared to the same quarter of 2023, according to the European Commission.

Energy efficiency measures have helped reduce consumption, while the share of renewable energy in the EU's electricity production increased

to 44.7 per cent in 2023 from 32.5 per cent in 2022. On the other hand, lower exports by refineries in China may have also helped India increase its export to Asia.

"Meanwhile, lower exports from Northeast Asia have provided Indian refiners the opportunity to ramp up exports to Asia," Vortexa data, which

tracks ship movements to estimate imports, showed. China's export of motor fuel has been falling in recent months.

However, the window of opportunity may be closing soon, with motor fuel exports from the US expected to rise under Donald Trump's presidency.

Although China and India are

boosting their refining capacity and have raised exports, the US remains the undisputed leader in motor fuel exports. It makes up for 16 per cent of total global exports.

In 2023, motor fuel exports from the US averaged 900,000 barrels per day (bpd). Over the past decade, the US has become a net exporter of gasoline as exports of refined petroleum products have grown, reaching records in both 2022 and 2023, according to US government data.

Trump has indicated that he will be calling upon the oil and gas industry to ramp up exports in all product categories.

Apart from motor fuel, Europe typically imported an average of 154,000 bpd of diesel and jet fuel from India before Russia's invasion of Ukraine, according to the Centre for Research on Energy and Clean Air (CREA). This has almost doubled, CREA said last month.