

# India expects to increase energy trade with US: Goyal

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With the US pressuring India to stop buying Russian crude oil, Commerce Minister Piyush Goyal has said that India expects to increase trade with the North American country on energy products.

Goyal is in the US for the trade pact negotiations.

"We are big importers of energy from across the world, including the US. We expect to increase our trade with the US on energy products in the years to come. And being close friends, natural partners, our energy security goals will have a very high involvement of US, which will ensure price stability, which will ensure diversified sources of energy for India and help us unlock limitless possibilities with the US on various fronts, energy and beyond," Goyal said in New York on Tuesday.

Since US President Donald Trump returned to office in January, there has been a visible uptick in India's engagement with American suppliers for crude oil, natural gas and coal.

Sumit Ritolia, Kpler's Lead Research Analyst for Refining & Modelling, told *businessline* recently that the



**OIL ALLIANCE.** Commerce Minister Piyush Goyal in New York on

trend began picking up in late-2024 and gained momentum through 2025, supported by favourable price differentials and increased spot/term activity.

Kpler data show that American cargoes averaged around 2,82,000 barrels per day (b/d) in January-August 2025 (CY) against an average 213 b/d last year, which is the third highest on record after the Covid-impacted 2021 (412,000 b/d) and 2022 (300,000 b/d).

## **RIISING SHARE**

America's crude oil share, which stood at 6.92 per cent in April (of total Indian imports), fell to 5.49 per cent a month later. The share again rose to 6.41 per cent and a record 7.72 per cent (barring 2021) in June and July, respectively. In August, it stood at a little over 5 per cent. A

Goldman Sachs report points out that the US accounted for around 4 per cent of India's crude oil imports (volume) in FY25, from around 3 per cent in FY24. However, in April and May 2025, it accounted for 8 per cent (on average).

However, India cannot increase its crude oil imports from the US beyond a certain threshold, considering that its purchases are largely light sweet grades such as WTI Midland, which can contribute up to 2,00,000-4,00,000 b/d. These are lighter and yield less diesel, a disadvantage for India's distillate-heavy (diesel) demand.

Long-haul freight and cost considerations also restrict scalability. Shipments from the US take 45-55 days, with a similar timeline for South America.

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