

Go to...

[Home](#) / [Commodities](#) / [Freight News](#) / Indian refiners scout for oil deals ahead of EU ban on Russian crude

Indian refiners scout for oil deals ahead of EU ban on Russian crude

■ in Freight News @ 06/10/2022



Indian state refiners plan to lock-in more of their crude supplies in term deals, worried that tighter Western sanctions on Russia, including from the EU, could curb future supplies in already tight markets, sources at state refiners said.

Indian Oil Corp IOC, the country's top refiner, and Bharat Petroleum Corp BPCL are seeking term deals with countries, including the United States, industry sources said.

"We are preparing for a back up plan. When the world is uncertain because of Russia-Ukraine conflict we need to have all options open," said an official at one state refiner.

The move towards term deals marks a shift in refiners' purchasing strategy, which had been geared towards maximising spot purchases in past years when supplies were abundant.

"Due to the Russian-Ukraine conflict, we expect a possibility of tight oil markets and a change in flows with most Middle Eastern crude going to meet need of European markets so we need to diversify our oil sources," said a source at another state refiner.

India's dependence on spot purchases allowed Indian refiners to snap up discounted Russian oil shunned by some Western buyers over Moscow's Ukraine invasion in February.

India, which rarely used to buy Russian oil, has emerged as Moscow's second-largest oil customer after China.

But a European Union ban on Russian crude imports from Dec. 5 will drive European refiners to buy more Middle East oil, putting them in competition with Asian buyers.

To secure supplies, IOC last month signed its first six-month oil import deals with Brazil's Petrobras for 12 million barrels and Colombia's Ecopetrol for 6 million barrels.

BPCL has signed an initial deal with Petrobras as it seeks to diversify oil sources.

Supplies for IOC under the two deals will begin from October, said several of the sources who are familiar with the matter. IOC is also looking for more short-term supplies, including a contract for U.S. oil, they added.

IOC already has an annual deal that provides an option to buy 18 million barrels of U.S. oil. Of these, IOC has already bought about 12 million barrels so far this year, they said.

Sources said BPCL, which has already ramped up U.S. oil purchases, is looking for more term contracts.

IOC and BPCL did not respond to Reuters' requests for comment. Ecopetrol could not be reached for comments outside its business hours.

Western countries have imposed a raft of sanctions against Russia, and the Group of Seven nations, led by the United States, plan to impose a price cap on Russian oil exports via insurers to cut its revenue. It is unclear if the plan will work and whether Russia will cut supplies, the sources said.

"There are many uncertain elements ... so we think we should at least have engagement with more suppliers," the second source said.

India has called for an end to violence in Ukraine but refrained from outright condemnation of Russia, with which it has long-standing political and security ties.

Prashant Vasisht, vice president at rating agency ICRA Ltd, said: "To diversify and safeguard yourself from potential cuts in future such as diversion of Middle Eastern oil to Europe, signing a contract is the best option as you get preferential pricing and stable supplies."

Source: Reuters (Reporting by Nidhi Verma; Editing by Florence Tan and Jane Merriman)

Seleccionar idioma ▼

Con la tecnología de **Google Traductor**

 Tweet

 Like 0

Share

 Share

 Guardar

Previous: Argentina's corn, soy yields already at risk with slim rainfall forecast - Braun

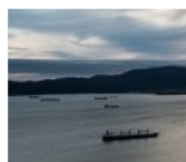
Next: US ferrous scrap exporters increase bulk shipments in Sept: Commodities at Sea

RELATED NEWS



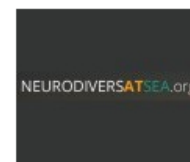
Diana Shipping Inc. Announces Signing of a Term Loan Facility With Nordea Bank

🕒 06/10/2022



Air cargo rates slump but some companies see long-term strength

🕒 06/10/2022



NeurodiversAtSea Launches Neurodiversity Benchmark Survey

🕒 06/10/2022

SPONSORS



A/

The new face of ABB | Meet us at Posidonia 2022 Hall 2, Booth 2.303

acceleron-industries.com



FOLLOW US



LIVE SHIPS TRAFFIC MAP

[Read More](#)

STOCK NEWS

SPONSORS



WEEKLY DRY TIME CHARTER ESTIMATES



ALIBRA

Shipping Limited

Updated Weds


5 Oct 2022

DRY TIME CHARTER ESTIMATES (\$/day)

PERIOD	45 MOS		1 YR		2 YR	
SIZE	ATL	PAC	ATL	PAC	ATL	PAC
HANDY (dis. net)	18,000	19,000	18,500	18,000	18,000	18,000
SMAXULTRA	18,000	20,500	18,250	17,500	16,500	16,500
PANAMAX	21,500	16,500	16,500	14,500	14,850	12,850
CAPEIZE	14,500	14,500	14,500	14,500	16,000	16,000

[Read More](#)

WEEKLY TANKER TIME CHARTER ESTIMATES



ALIBRA

Shipping Limited

Updated Weds

5 Oct 2022

* Eco tonnage with Scrubber fitted

WET TIME CHARTER ESTIMATE (\$/dpr)

SIZE	1 YEAR	2 YEAR	3 YEAR*	5 YEAR*
HANDY	▼ 20,000	— 17,500	— 19,000	— 18,000
MR IMO3	— 28,000	— 22,500	— 23,500	— 21,500
LR1	▼ 28,000	▼ 25,000	— 28,000	— 25,000
LR2	▼ 35,000	▼ 32,500	— 35,000	— 32,500
AFRA (C110k net)	— 33,500	— 35,000	— 35,000	▲ 32,500
SUEZ	— 32,500	— 29,000	▲ 36,000	▲ 34,500
VLCC	— 40,000	▲ 30,000	▲ 41,000	— 40,000

[Read More](#)

WEEKLY CONTAINER INDEX



StocExpo



NEWSLETTER

Subscribe to our email newsletter.

Name

Email

☐ Subscribing I accept the privacy rules of this site

[Subscribe](#)

RECENT VIDEOS



This site uses cookies to enhance your user experience. By continuing to use this site, you agree to our use of cookies. For more info go to our [Cookie Policy](#) [More info](#)

[No problem](#)

Car loading in Hamburg port

🕒 05/05/2022

Liquified CO₂ Carrier for Transporting CO₂

🕒 19/04/2022

Seamen's Club offers home away from home

🕒 10/12/2021

Pre-MEPC 77 Briefing: Arctic Warming – How Will IMO & Shipping Industry Respond to COP26 Outcome?

🕒 18/11/2021

Hellenic Shipping News Worldwide Online Daily Newspaper on Hellenic and International Shipping

[Shipping News](#)

[Top Stories](#)

[Hellenic Shipping News](#)

[International Shipping News](#)

[Dry Bulk Market](#)

[Piracy and Security News](#)

[Shipping Emission Possible](#)

[Marine Insurance P&I Club News](#)

[Port News](#)

[Shipbuilding News](#)

[Shipping Law News](#)

[Interviews](#)

[Recent Videos](#)

[Commodities](#)

[Commodity News](#)

[Chinese iron ore and steelmaking prices](#)

[Freight News](#)

[Guide for Carriage of Hazardous Materials](#)

[Ship Risk Profile Calculator](#)

[World Economy](#)

[World Economy News](#)

[IMF/OECD News](#)

[Oil & Energy](#)

[Live Piracy Map](#)
[Live Ships Worldwide Traffic Map](#)
[Real Time Marine Weather](#)
[DNV GL Maritime Academy Hellas](#)
[Events and Training Courses](#)
[Sea Tourism and Yachting](#)
[Useful Links](#)
[Rss Feeds](#)
[Site Map](#)
[Mobile Applications and Social Media](#)

Report / Analysis

[Weekly Dry Time Charter Estimates](#)
[Weekly Tanker Time Charter Estimates](#)
[Weekly Container Reports Index](#)
[Weekly Vessel Valuations Report](#)
[Daily Tanker Market Rates](#)
[Daily Bunker Report](#)
[Cheapest Bunker Port Matrix](#)
[Weekly Shipbrokers Reports](#)
[Monthly Shipbrokers Reports](#)
[Monthly Ship Auctions](#)
[Weekly Demolition Reports](#)
[Weekly Ship Sales](#)
[Weekly Shipbuilding Reports](#)
[Marine Engine Specifications](#)
[Shipping Glossary](#)

Connect with Us

[Contact us - Send your news](#)
[Cookie Policy](#)
[Privacy Policy](#)
[Subscribe to our free daily newsletter](#)

[Oil & Companies News](#)
[General Energy News](#)
[Bunker Prices Worldwide](#)

Stock Market News

[Stock News](#)
[Stock Market Snapshot](#)
[Daily Currencies Ratings](#)
[Hellenic Shipping Companies](#)
[Live Hellenic Shipping Stocks](#)
[Live International Shipping Stocks](#)
[Live Commodity Trade Markets](#)

Follow us



© 2022 Copyright Hellenic Shipping News Worldwide. All Rights Reserved. Disclaimer - Web Design &

This site uses cookies to enhance your user experience. By continuing to use this site, you agree to our use of cookies. For more info go to our [Cookie Policy](#) [More info](#)

No problem