

Saudi India's top oil supplier in Feb

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Saudi Arabia shipped 1.13 million barrels per day (bpd) in the first 10 days of February compared to 1.09 million bpd by Russia, according to data from global ship tracking firm Kpler. The Gulf nation has crossed 1 million bpd after a year.

In January, India imported 1.14 million bpd from Russia, followed by 1.03 million bpd from Iraq and 774,000 bpd from Saudi Arabia.

While still early, the change in India's oil sourcing pecking order marks a realignment following India's agreement on a trade deal framework with the Donald Trump administration. The US has announced to reduce reciprocal tariffs on

India to 18% and has already withdrawn the 25% additional levy imposed to deter India from buying Russian crude.

India imports nearly 90% of its oil requirements, making it the world's third-largest crude buyer.

The country is also the world's fourth-largest refiner, with 258.1 million tonnes per annum (mtpa) of refining capacity, which is expected to reach 309.5 mtpa by 2030.

Supplies from Saudi Arabia have also risen because of lower freight costs due to a shorter distance and after Saudi Arabian Oil Co (Aramco), the world's top oil producer, removed the \$0.30 a barrel premium, bringing the price on a par with the Oman and Dubai grade.

"Saudi Arabia has significant spare capacity of crude, and it can ramp up supplies swiftly compared to other major suppliers," said Prashant Vasisht, senior vice president and co-group head, corporate rat-

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ings at Icra Ltd. "Also, the freight rate of supplies from there is about 40 to 70 cents per barrel compared to the \$2.5-4 per barrel that comes in from the US. Also, the logistics time from West Asia to India is about 3 days compared to about 45-55 days from the US and about 15 days from Russia."

Spare capacity is the maximum volume of crude that oil-producing nations can bring online within 30 days and sustain for at least 90 days.

Saudi Arabia has been a traditional top supplier to India, offering varying grades of crude, and is also one of the preferred sources for India's import diversification efforts, according to Vasisht.

Queries emailed to the Union ministries of petroleum and natural gas and external affairs, Indian Oil Corp Ltd, Bharat Petroleum Corp Ltd, Hindustan Petroleum Corp Ltd, Reliance Industries Ltd and Saudi Aramco remained unanswered until press time.

India imports oil from about 41 countries compared with 27 in early 2022 during the Russia-Ukraine war.

Iraq, the second-largest supplier to India over the past three years, has shipped 863,000 bpd so far this month, compared to 1.03 million bpd in January.

The other major suppliers of



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oil so far in February are the UAE (669,000 bpd), Nigeria (429,000 bpd), Brazil (319,000 bpd) and Qatar (259,000 bpd).

India's crude imports from Russia have fallen from around 1.84 million bpd in November 2022 to roughly 1.14 mbd in January 26 as sanctions on Rosneft and Lukoil, alongside the European Union's 18th sanctions package, tightened supply-chain and trade flows, according to Sumit Ritolia, lead research analyst for refining and modeling at Kpler.

The shortfall has largely been offset by higher Middle Eastern (West Asian) inflows—particularly from Iraq, the UAE and Saudi Arabia—alongside rising volumes from Latin America, while Venezuelan crude is expected to re-enter India's slate from April, he said.

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