

# Indian refiners begin talks for cargo via Hormuz, await shipping cos' nod

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As the US and Iran agree to a two-week ceasefire assuring the reopening of the Strait of Hormuz, Indian refiners have initiated talks with suppliers from West Asia. Shipping companies, however, showed some hesitation in resuming cargo transport through the conflict-stricken passage, said people aware of the discussions.

Just hours before US President Donald Trump's deadline threatening to wipe out the Iranian civilisation, Tehran agreed to allow for the safe passage of ships through the Hormuz strait provided that Washington ceased its attacks on Iran. Indian refiners, highly reliant on energy supplies from West Asia, had immediately contacted suppliers including Saudi Arabia's Aramco, UAE's Adnoc and Kuwaiti com-



panies to resume supplies via the strait of Hormuz.

Queries sent to major Indian refiners including Indian Oil Corp Ltd (IOCL), Bharat Petroleum Corp Ltd (BPCL), Hindustan Petroleum Corp Ltd (HPCL) and Reliance Industries Ltd (RIL) remain unanswered at the time of publishing.

"We have reached out to shipping companies and await their feedback. They are assessing the ground-level situation following comments from Trump and Iran," a refinery executive said on condition of anonymity.

India remains highly dependent on West Asia for energy supplies as the country receives around 40 per cent of crude oil, 50 per cent of liquefied natural gas (LNG) and 90 per cent of liquefied petroleum gas (LPG) imports through routes linked to the Strait of Hormuz. Amid acute cooking gas shortage, India's oil companies are expected to prioritise LPG

supplies from the region.

"We are prioritising critical (energy) supplies like LPG. The buyer and seller are ready but the resumption of supplies now depends on vessel owners," said another refinery executive.

Experts believe flows through

the Strait of Hormuz would take months to normalise given the uncertainty in the region.

"Presuming traffic begins to flow through Hormuz, trade flow normalisation will take months, not weeks. Demand destruction — already underway — will

likely continue despite the ceasefire. The bigger concern is what happens after reopening. It is likely that Hormuz will face persistent threats for the foreseeable future," said Zhuwei Wang, director of research & analysis at S&P Global Energy.

Indian oil companies are likely to face reduced pressure on marketing margins as energy prices ease in the coming days with the reopening of the critical waterway.

"While crude and product flows may take months to normalise, some supplies would start for crude oil and petroleum products like naphtha, LPG, thereby alleviating the immediate shortage. Additionally, with the prospect of supplies recommencing from the Strait of Hormuz, crude oil and LPG prices have eased thereby reducing the pressure on marketing margins and LPG under recoveries of oil marketing companies," said Prashant Vasisht, senior vice president and co-group head of corporate ratings at Icria Ltd.