

US renewal of Russian oil waiver a breather for India

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New Delhi, 19 April

In a historic reversal of policy, the US has renewed a waiver allowing countries, including India, to purchase Russian crude oil for nearly a month.

The renewed waiver comes as a major breather because it would help India secure crude oil supplies as the Strait of Hormuz remains disrupted, according to industry experts and refinery executives.

This disruption is despite a ceasefire announced between Iran and the US.

“The latest waiver is a huge relief for India as this will ease our supply situation (crude oil). Our refineries are oper-

ating at full capacity despite the crisis. Russian oil supplies have been critical for ensuring that,” said Prashant Vasisht, vice-president & group head of corporate ratings at Icra. Under the latest US waiver, countries are allowed to purchase Russian crude oil and petroleum products until May 16 that were loaded onto vessels on or before April 17.

This is in stark contrast to a statement made barely two days ago by US Treasury Secretary Scott Bessent that the sanctions waiver on Russian and Iranian oil would not be renewed.

Indian refiners remained confident of continuing to source Russian crude even without the US waiver renewal, as the restrictions apply only to sanctioned oil entities.

“We were never prevented from buying (crude oil) from Russia; it was our top supplier even in March. As reopening of Strait of Hormuz remains unclear, we are still banking on crude oil purchases from Russia, Africa, Latin America, US and Gulf countries, such as Saudi Arabia



Extended relief

- Latest waiver permits purchases of Russian crude/products until May 16, if cargoes were loaded on or before April 17
- India's Russian crude imports jumped to a 9-month high of 2.06 million barrels a day in March, up from 1.06 million barrels a day in February
- Imports have averaged 1.67 million barrels a day from Russia up to April 17
- With the Hormuz situation being uncertain, India is still banking on crude oil purchases from Russia, Africa, Latin America, the US, Saudi Arabia and the UAE



and the UAE. Supplies are almost zero from landlocked countries (in West Asia) such as Iraq, Kuwait and Qatar,” said a refinery executive.

According to data from maritime intelligence firm Kpler, India's imports of Russian crude rose to a nine-month high of 2.06 million barrels a day in March, up from 1.06 million barrels a day in February. Until April 17, refiners have imported 1.67 million barrels a day of Russian oil.

Meanwhile, a similar waiver for Iranian crude oil and petroleum products expired on Sunday.

As the reopening of the Strait of Hormuz remains unclear, two Indian-flagged vessels, VLCC Samnar Herad and Bulk Carrier Jag Arnav, reported a firing incident on Saturday while transiting the narrow maritime chokepoint, following which they returned to the Persian Gulf.

However, the central government assured that there was no injury to the crew. Foreign Secretary Vikram Misri met Iran's Ambassador to India, Mohammad

Fathali, in New Delhi and conveyed deep concern at the firing incident.

“Reiterating his concern about this serious incident of firing on merchant ships, the foreign secretary urged the Ambassador to convey India's views to the authorities in Iran and resume, at the earliest, the process of facilitating India-bound ships across the Strait,” the government said in a press release.

Meanwhile, an Indian-flagged crude oil tanker Desh Garima, with 31 Indian seafarers onboard, safely crossed the Strait of Hormuz on Saturday.

The vessel is expected to arrive in Mumbai on Wednesday. The petroleum ministry said on Sunday that consumers have been prioritised with 100 per cent supplies to domestic PNG and CNG transport, and the overall gas allocation to fertiliser plants has been enhanced to around 95 per cent of their six-month average consumption.

Additionally, gas supply to other industrial and commercial sectors, including supplies through city gas distribution networks, is enhanced up to 80 per cent.