

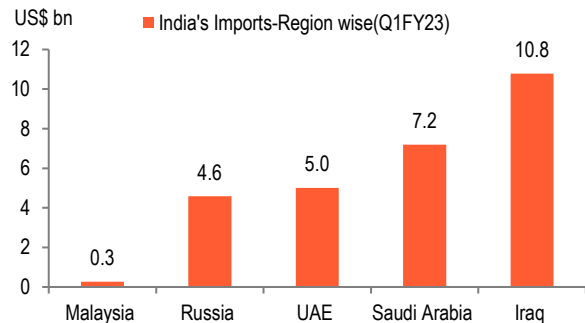
India's crude import-story so far

Russia meets a large portion of India's ever growing demand for crude oil. It remains one of the biggest suppliers and in Q1FY24. Its share in total imports has risen remarkably. Back in Q1FY23, against the backdrop of the Russia-Ukraine conflict, India was able to access crude oil at much discounted rates from Russia. Interestingly, this year in Q1FY24 while India continues to imports crude oil at discounted rate from Russia compared with other countries; the premium has actually gone down relative to last year.

Import of Crude in the Q1FY24 vis-à-vis Q1FY23

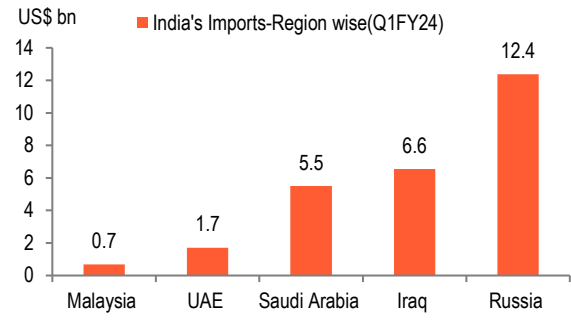
Across the globe, India remains one of the top importers of crude oil due to high demand. In Q1FY23, India had imported over US\$ 10.8bn worth of crude oil from Iraq, much higher compared to other countries. It was during this time the Russia-Ukraine conflict was on the rise and only US\$ 4.6bn of crude oil was imported from Russia. In comparison to Q1FY23, the picture has turned completely in Q1FY24 where Russia became the most important source for import of crude oil. The figure stands at US\$ 12.4bn which is a sharp jump (3-times) from the same period last year.

Figure 1: India's imports across Regions



Source: CMIE, Bank of Baroda

Figure 2: Russia gaining momentum

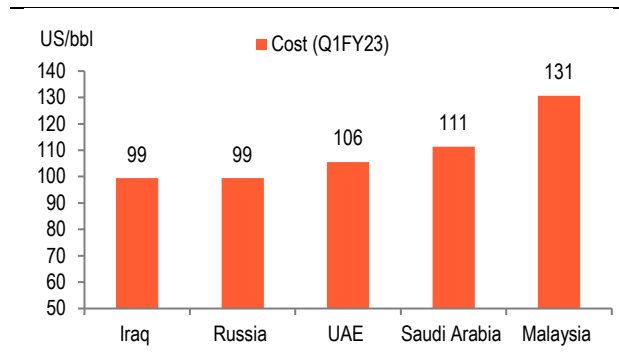


Source: CMIE, Bank of Baroda

With respect to cost, the average price of international crude in Q1FY23 stood at US\$ 112/bbl.

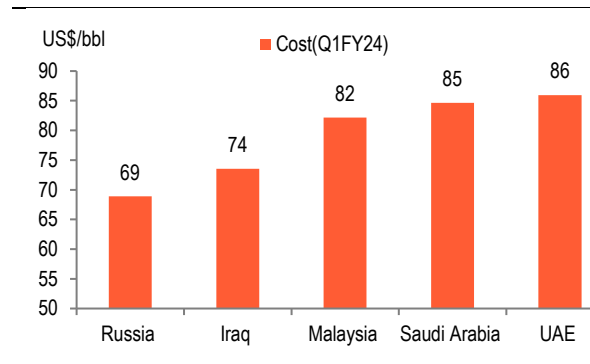
Amongst other countries, Malaysia was providing crude oil to India at US\$131/bbl against the price of US\$ 99/bbl charged by Russia (Figure 3). This price is not only cheaper than other countries but far lower than the international crude oil price too. On the other hand, in Q1FY24, the average price of international crude oil stands at US\$ 77.7/bbl. During this period, UAE and Saudi Arabia has been able provide crude oil at much higher rates of US\$ 86/bbl and US\$ 85/bbl respectively. Notably, Russia has been providing crude oil at a much discounted rates than its global counterparts at US\$ 69/bbl.

Figure 3: Cost of Crude oil price



Source: CMIE, Bank of Baroda

Figure 4: Price paid for crude price in Q1FY24



Source: CMIE, Bank of Baroda

It is also interesting to note that in Q1FY23, the premium rate (difference between average international crude price and that charged by Russia), for crude oil per barrel was at US\$ 12.6 (Table 1). On the other hand, this premium amount has fallen down to US\$ 8.8/bbl in Q1FY24, widening the gap between the two prices.

Table 1: Premium has gone down in Q1FY24

| | Avg International Crude (US\$/bbl) | Russia (US\$/bbl) |
|--------|------------------------------------|-------------------|
| Q1FY23 | 112 | 99.4 |
| Q1FY24 | 77.7 | 68.9 |
| | Premium in Q1FY23 | 12.6 |
| | Premium in Q1FY24 | 8.8 |

Source: CMIE, Bank of Baroda

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For further details about this publication, please contact:

Economics Research Department
 Bank of Baroda
 +91 22 6698 5143
chief.economist@bankofbaroda.com
jahnavi@bankofbaroda.com