



i

POLITICS | INDIA

## Fact check: Is India violating the EU oil embargo?

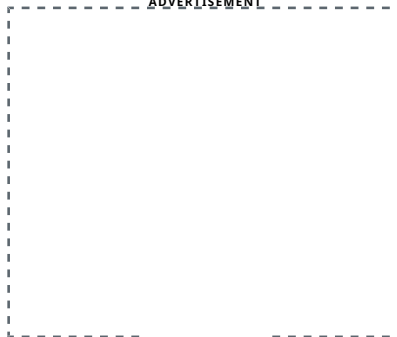
Astrid Prange

06/30/2022

**Importing Russian crude at low prices and exporting the processed product at steep prices to the EU and US — India's refinery trade raises many questions. DW's fact check has a few answers.**

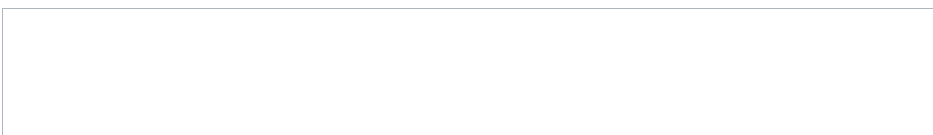


ADVERTISEMENT



### Is India importing more oil from Russia?

Claim: " [...] India, taking advantage of the moment and knowing about the sanctions, buys oil from Russia at a discount of 40%," writes Twitter user Igor Fedorovsky in Russian.





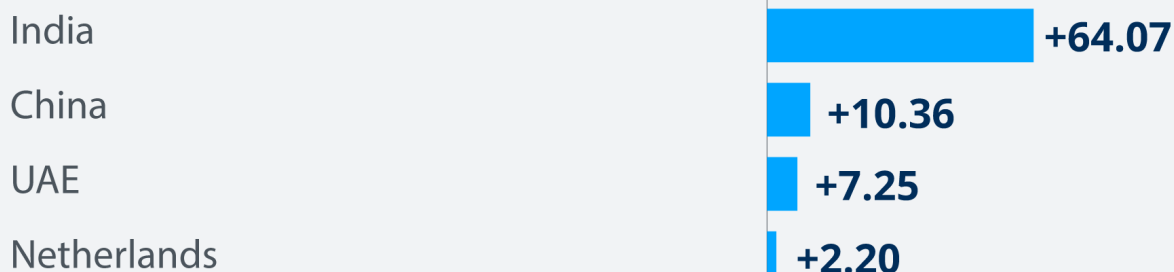
DW fact check: True.

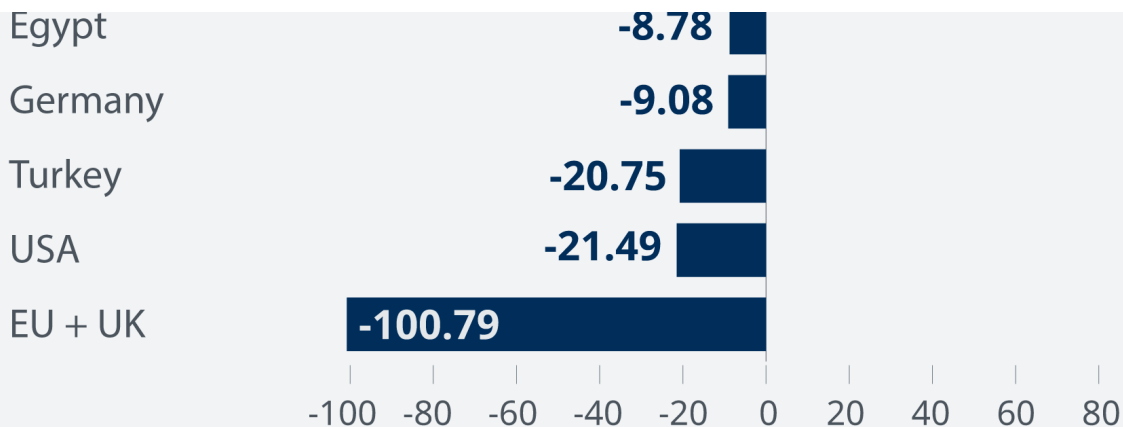
Since [Russia's invasion of Ukraine](#) on February 24, Indian refiners have increased their imports of crude oil from Russia. According to the Finland-based Center for Research on Energy and Clean Air (CREA), imports have risen steeply since the Russian invasion began. According to the report, India's share of Russian crude oil exports rose from 1% to 18% by May. Other suppliers, including from [Saudi Arabia](#) and Iraq, have been replaced.

Discounts on Russian crude oil are only one reason for the increased imports — growing demand for energy on the subcontinent is another. Current national demand will rise from 4.7 million barrels per day to 5.15 million barrels next year, according to OPEC estimates. In 2020, India produced a mere 0.77 million barrels of oil per day, according to British Petrol BP's "Statistical Review of World Energy 2021."

## Changes in energy imports from Russia

Contrast between monthly volumes in March and May



Live TV IN FOCUS [Brazil election](#) [War in Ukraine](#) [Iran protests](#)

Numbers in million Euros per day  
Imports: coal, crude oil, oil products, LNG, pipeline gas

Source: CREA ([energyandcleanair.org](https://energyandcleanair.org))

According to BP, [India](#) is already the world's third-largest energy consumer. Oil demand in India is projected to double to about 11 million barrels per day by 2045, according to the India Brand Equity Foundation (IBEF), which reports to the Indian government.

### Are oil exports to Europe lucrative for India?

Claim: "[...] India refines Russian oil and sells the end product to the US and the EU. Really, that's capitalism at it's (sic) best," writes Dominik Lehmann, a member of the German Left Party.

DW fact check: Can't be proven.

It is true that India recently massively increased oil imports as well as oil exports. According to the Indian Ministry of Commerce, these totaled \$15.99 billion (€15.12 billion) in April and May 2022. In the same period in 2021, the amount totaled \$8.94 billion.

That leads CREA to conclude that Russian crude oil is being processed in India. The Rystad Energy international energy consulting firm agrees with this evaluation in a June 20 analysis: "The expectation that Russian crude would cease to be traded on international markets has not transpired, and instead the steep discount on Russian crude has seen vessels redirected to alternative markets. While the cost of financing these vessels and trades has increased significantly due to be freezing out of the Western financial system, the discount on Urals is too attractive for some refiners to ignore. As with Iranian oil in the past, once Russian crude is refined, it will become almost impossible to distinguish between those

India's Ministry of Commerce statistics also show a change in trade routes, with oil exports of about \$1 billion to the EU in April of this year, as compared to exports of Indian petroleum products at €287 million in April 2021.

North America also increased imports of petroleum products from India. In April 2022, imports totaled \$435 million, up from \$220 million in April 2021.

It remains to be seen how lucrative mineral oil exports really are for India. Discounts on the purchase of Russian crude oil and the high oil prices on the world market are offset by the sharp rise in transport and freight insurance costs, according to the CREA report.

### **Is India undermining the oil embargo against Russia?**

Claim: "Asian countries are buying up discounted Russian oil thus undermining Western sanctions. India is no friend of democracy it seems," writes Alan Sked, professor emeritus of international history at the London School of Economics (LSE).

---

Live TV 

IN FOCUS [Brazil election](#) [War in Ukraine](#) [Iran protests](#)

DW fact check: Misleading.

There is no ban that would prohibit India from trading in raw materials with Russian oil. Only the US, Canada and Australia have a complete embargo on Russian oil, gas and [coal](#).

The EU and the UK decided on [tougher sanctions](#) against Russia — with numerous exceptions — on June 3. They are only gradually taking hold.

IN FOCUS [Brazil election](#) [War in Ukraine](#) [Iran protests](#)

Many Western oil companies signed additional supply contracts before the embargo began so they could profit from price discounts on Russian crude oil. European shipping companies also make money from the longer and more complicated trade routes made necessary by the embargo.

India has significantly increased its crude oil imports

*Image: Christian Charisius/dpa/picture alliance*

According to the CREA center, 75% of Russian crude oil was transported to India and the Middle East on Greek tankers in April and May of this year.

Conclusion: Whether India is undermining the EU embargo against Russia will become clear at the earliest when it has come into full force. Tracing the origin of oil products, however, will remain difficult, says Rystad Energy Vice President Wei Cheong Ho: "Tracking what happens to Russian crude will be a challenge — Europe may end up importing petrol, diesel and other products from India that are blended with Russian Urals."

*This article was originally written in German.*

---

Send us your feedback 

„ADVERTISEMENT“

EXPLORE MORE