

[Learn more about](#) **LSEG**

LT



My View



Following



Saved

Business

Russian crude is more reliant on India and China, but signs of a peak

By Clyde Russell

August 9, 2022 8:00 AM EDT · Updated a year ago

**Commentary** By Clyde Russell

A view shows an oil and gas processing plant in the Yarakta Oil Field, owned by Irkutsk Oil Company (INK), in Irkutsk Region, Russia March 10, 2019. REUTERS/Vasily Fedosenko [Acquire Licensing Rights](#)

LAUNCESTON, Australia, Aug 9 (Reuters) - Russia is becoming increasingly reliant on just two countries when it comes to selling its crude oil, with China and India now accounting for more than 40% of export volumes.

The world's biggest and third-largest crude importers accounted for 1.85 million barrels per day (bpd) of Russia's total exports of 4.47 million bpd in July, according to data from commodity analysts Kpler.

This gives the two Asian giants a share of 41.4% of Russia's total crude shipments in July, which is almost double the 21.7% India and China had in July last year.



However, the share of crude taken by India and China has dipped in recent months, having reached a high of 45.4% in May, which was when Russia was desperately trying to find new buyers for its crude as Western nations curbed imports after Moscow's Feb. 24 invasion of Ukraine.

China and India accounted for 45.2% of Russia's oil exports in June, and the drop in July is more of a China-related issue.

China was the destination of 843,000 bpd of Russian crude in July, down from 1.33 million bpd in both June and May, according to Kpler's shipping data.

Advertisement · Scroll to continue

Switching to looking at imports shows China imported 1.16 million bpd from Russia in July via the seaborne market, according to Kpler, while Refinitiv Oil Research estimated total seaborne and pipeline imports at 1.67 million bpd.

China's total imports from Russia dropped to the lowest in three months, according to Refinitiv, which pegged June's arrivals at 1.78 million bpd and May's at 1.99 million bpd.

Advertisement · Scroll to continue

This may suggest that China has reached the maximum appetite for Russian crude, even though it remains at a discount of at least \$10 a barrel to grades from Middle Eastern suppliers such as Saudi Arabia.

Crude oil imports from Russia for China, India, Turkey

INDIA IMPORTS

There is also some signs of a peak being reached in India's appetite for Russian oil, with Kpler estimating July's imports at 1.05 million bpd, down from 1.12 million bpd in June.

India's imports from Russia are still massively high than before the invasion of Ukraine, with arrivals not rising above 200,000 bpd in any month last year.

Advertisement · Scroll to continue

It's also interesting to note that India is buying high volumes of Russia's Urals crude, which is exported from its European ports and therefore has a longer sea journey either through the Suez Canal or around the Cape of Good Hope at the bottom of Africa.

India imported 666,000 bpd of Urals crude in July, according to Kpler data, which exceeded the 145,000 bpd of ESPO crude, which loads at Russia's Pacific Ocean ports and is the main grade supplied to China.

Advertisement · Scroll to continue

Elsewhere in Asia, Russia crude is struggling to find buyers, with exports to Japan falling to zero in June and July, from a 2022 high of 112,200 bpd in March.

Russia's shipments to South Korea have also been declining, with 115,400 bpd assessed in July, down from 131,000 bpd in June and a 2022 high of 307,000 bpd in March.

With some signs that Asia's appetite for Russian crude may be peaking, the risk for Moscow is that European buyers make good on their plans to curb, or even halt imports.

Certainly, Russia's exports to Europe have been declining, but not dramatically, according to Kpler data.

That's largely because Kpler includes Turkey as part of Europe and it has been purchasing more Russian crude in recent months, with Russian shipments in July coming in at around 312,000 bpd, up from 222,500 bpd in the same month in 2021.

Including Turkey, Russia's exports to Europe were 2.15 million bpd in July, slightly down from 2.19 million bpd in June, and down from 2.99 million bpd in February, the last month before the impact of the invasion of Ukraine started to be felt.

The overall picture that emerges is that Russia has largely been able to ramp up its crude exports to customers in Asia, particularly India, but there may be signs that a peak is being reached.

Whether Europe can meaningfully cut its imports from Russia in coming months may determine if Moscow actually starts to feel real pain on the crude export front.

The opinions expressed here are those of the author, a columnist for Reuters.

Editing by Himani Sarkar

Our Standards: [The Thomson Reuters Trust Principles.](#)

Opinions expressed are those of the author. They do not reflect the views of Reuters News, which, under the Trust Principles, is committed to integrity, independence, and freedom from bias.

Acquire Licensing Rights 



Clyde Russell
Thomson Reuters

Clyde Russell is an Asia Commodities and Energy Columnist at Reuters. He has been a journalist and editor for four decades, covering everything from wars in Africa to the resources boom. Born in Glasgow, he has lived in Johannesburg, Sydney, Singapore and now splits his time between Tasmania and Asia. He writes about trends in commodity and energy markets, with a particular focus on China. Before becoming a financial journalist in 1996, Clyde covered civil wars in Angola, Mozambique and other African hotspots for Agence-France Presse.



Read Next

Retail & Consumer

Toy manufacturers' shift from China is no child's play

10:39 PM UTC

Aerospace & Defense

Boeing to add further quality inspections for 737 MAX

ago

Davos
As Davos crowd gathers, governments urged to rein in 'billionaire class'
9:26 PM UTC

Aerospace & Defense
Shares in Brazil's Gol tank on report of potential US bankruptcy filing
9:36 PM UTC

 **REUTERS PLUS™**

Future Energy Talks
Sponsored by Masdar
This content was created by Reuters Plus, the brand marketing studio of Reuters.



More from Reuters

Business Lookahead: Dilemmas for Davos
(1:27) - January 12, 2024
[Watch more videos](#)



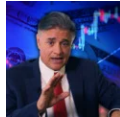
Business Lookahead: Dilemmas for Davos	Citigroup's 'big news'; bitcoin's 'exciting week'	Stocks end little changed after mixed bank earnings	US regulator grounds Boeing MAX 9 indefinitely	China exports pick up, but deflation lingers	The Week in Numbers: crypto cracks Wall Street	Burber plunge profit w
01:27	05:27	02:30	01:57	01:22	02:00	01:10

Sponsored Content

dianomi 

Why March 15 Could Be a Make-or-Break Moment for Tesla

Sponsored by Stansberry Research



Banks Offering Over 4% Interest Savings Accounts

Sponsored by SavingsAccounts.com



Register Now for the Annual Commercial Real Estate Outlook Webinar

Sponsored by JPMorgan Chase



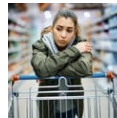
7 Ways to Retire Comfortably With \$500k

Sponsored by Fisher Investments



The 5 Dumbest Things We Keep Spending Too Much Money On

Sponsored by The Penny Hoarder



Massachusetts: The List Of The Top Financial Advisor Firms Is Out

Sponsored by smartasset



Business >

Embraer sees record agriculture plane deliveries this year

Aerospace & Defense · January 15, 2024 · 5:08 AM EST

Brazilian planemaker Embraer expects its agricultural aircraft Ipanema to hit record deliveries this year after a positive 2023 driven by the strength of the country's farm sector, it told Reuters on Monday.

Business

FedEx has not seen much impact from Red Sea disruptions, CEO says

January 14, 2024

Finance

Spain's BBVA sees significant rise in 2023 dividend, Chairman says

4:37 AM EST

Financial Results

Daimler Truck sales rise 1% in 2023

8:48 AM EST

Mergers & Acquisitions


Trade union opposes possible split-up of Germany's Bayer

7:40 AM EST

Sponsored Content


The 5 Dumbest Things We Keep Spending Too Much Money On

Sponsored by The Penny Hoarder




5 Beaten-Down Tech Stocks That Could Explode Soon

Sponsored by The Motley Fool




10 Lucrative Dividend Stocks With Double Digit Dividend Yields

Sponsored by Liberty Through Wealth



Follow ZOE Science & Nutrition on Apple Podcasts

Sponsored by mowPod



Is Your Sp... Recent R...

Sponsored I...

50-Year V... Weeks To...

Sponsored I...

Sponsored Content

7 Ways to Retire Comfortably With \$500k

Sponsored by Fisher Investments

Crypto Mogul: "This will be bigger than bitcoin."

Sponsored by Stansberry Research

Register Outlook

Sponsored I...

Do you have the skills you need to thrive in fast-changing industries?

Sponsored by HBS Executive Education

Follow ZOE Science & Nutrition on Apple Podcasts






Sponsored by mowPod

Is a Roth


Sponsored I...

- Latest
- Home
- Authors
- Topic sitemap





Media

-  Videos 
-  Pictures
-  Graphics 

Browse

- World
- Business
- Markets
- Sustainability
- Legal
- Breakingviews
- Technology
- Investigations 
- Sports
- Science
- Lifestyle

About Reuters

- About Reuters 
- Careers 
- Reuters News Agency 
- Brand Attribution Guidelines 

https://www.reuters.com/business/russian-crude-is-more-reliant-india-china-signs-peak-russell-2022-08-09/

8/9

- Reuters Leadership
- Reuters Fact Check
- Reuters Diversity Report

Stay Informed

- Download the App (iOS)
- Download the App (Android)
- Newsletters

Information you can trust

Reuters, the news and media division of Thomson Reuters, is the world’s largest multimedia news provider, reaching billions of people worldwide every day. Reuters provides business, financial, national and international news to professionals via desktop terminals, the world’s media organizations, industry events and directly to consumers.

Follow Us



Thomson Reuters Products

Westlaw

Build the strongest argument relying on authoritative content, attorney-editor expertise, and industry defining technology.

Onesource

The most comprehensive solution to manage all your complex and ever-expanding tax and compliance needs.

Checkpoint

The industry leader for online information for tax, accounting and finance professionals.

LSEG Products

Workspace

Access unmatched financial data, news and content in a highly-customised workflow experience on desktop, web and mobile.

Data Catalogue

Browse an unrivalled portfolio of real-time and historical market data and insights from worldwide sources and experts.

World-Check

Screen for heightened risk individual and entities globally to help uncover hidden risks in business relationships and human networks.

- Advertise With Us
- Advertising Guidelines
- Coupons
- Acquire Licensing Rights

All quotes delayed a minimum of 15 minutes. See here for a complete list of exchanges and delays.

- Cookies
- Terms of Use
- Privacy
- Digital Accessibility
- Corrections
- Site Feedback