

India's LNG, crude imports from US may rise

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New Delhi, August 1

AS WASHINGTON TIGHTENS its trade stance through high tariffs and penalties on imports from India, New Delhi may seek to counterbalance the impact by offering trade arrangements. These could include long-term LNG contracts, increased crude oil imports and joint ventures in solar and renewable energy sectors to ease the tariff burden.

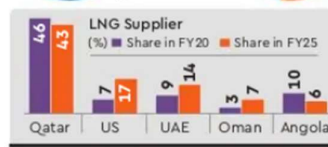
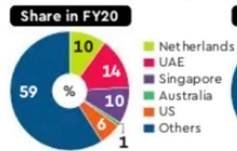
Industry experts believe that India has scope to expand its long-term LNG offtake agreements with the US, while potentially lowering import duties on US LNG.

As Indian refiners diversify their crude sourcing and pivot away from Russian supplies, the country could increase its imports from the US, which is already its fifth largest supplier. Indian refiners could reallocate part of their crude slate back to US barrels such as WTI Midland and Eagle Ford — provided economics justify the move.

"India is already a growing offtaker of the US LNG, with long-term contracts in place with exporters like Cheniere and Freeport. While US LNG currently holds a modest share of India's gas mix, expanding volumes or prepaying for future offtake would signal strong commercial alignment — especially as new US liquefaction projects seek demand security," said Sumit Ritolia, lead research

CHANGING SCENARIO

Nations to which India exported petroleum items



Source: Rubix data sciences

■ India exports as much as 97% of its solar products to the US

■ In FY25, around 19% of India's LNG imports came from the US

■ India ranks as seventh-largest exporter of refined petroleum items, with the US accounting for 7% of these exports in FY25

analyst, Refining & Modeling at Kpler.

According to Kpler data, India has imported over 286,000 barrels per day of US crude, underscoring the growing trade potential. WTI's light, sweet characteristics align well with Indian refinery configurations and yield favorable middle distillate outputs.

Ritolia also noted that India could propose collaborative initiatives on Strategic Petroleum Reserves (SPRs), including technical cooperation, reciprocal storage access, or swap arrangements. "This would align with broader US energy security goals and strengthen bilateral ties," he added.

Prashant Vasishth, senior vice president and co-group head,

ICRA also pointed out that India is already scouting for LNG, hence, additional long-term LNG contracts and higher purchases of US crude oil can be done.

Currently, India sources 4–5% of its crude imports from the US. In FY25, approximately 19% of India's LNG imports came from the US, which is now India's second-largest LNG supplier. India also ranks as the seventh-largest exporter of refined petroleum products, with the US accounting for 7% of these exports in FY25, up from 6% in FY20, according to Rubix Data Sciences.

To mitigate trade tensions, several Indian oil and gas firms have expanded US collaborations. GAIL and Indian Oil, for instance, are securing long-term

US energy deals to help India meet its goal of raising natural gas's share in the energy mix to 15% by 2030. In May, BPCL announced a plan to swap its Middle East LPG contracts for more cost-effective US supplies, starting June. Similarly, strengthening energy ties with the US, GAIL India in April invited expressions of interest to acquire up to a 26% stake in a US LNG project along with a 15-year gas sourcing agreement.

"The US, the world's top shale gas producer, is now India's second-largest LNG supplier, driven by abundant supply and competitive long-term contracts," said Rubix Data Sciences in its latest report.

"GAIL's April 2025 bid to acquire a 26% stake in a US

LNG project with a 15-year import deal reflects this deepening energy partnership. Between FY20 and FY25, India's LNG imports from the US grew at a 30% CAGR by value," the report added.

The US lifting its LNG export permit ban in January 2025 is a key development for India, the world's fourth-largest LNG importer. The move enables up to 100 million tonnes of new US LNG exports annually by 2031, boosting global supply and aiding price stability, Rubix noted.

As per Kpler, India could lock in more long-term US LNG volumes to anchor US projects ahead of Final Investment Decision while ensuring gas supply diversification on its end.

India also exports as much as 97% of its solar products to the US with many Indian companies setting up manufacturing facilities in the US.

Government sources told FE that the country is pushing for negotiations with the US-India Business Council and is looking for new export destinations for solar products in the US and Middle East owing to a slump in the solar market in Europe.

"India's PLI scheme in solar, batteries, and electrolyzers aligns with US objectives under the Inflation Reduction Act. Joint manufacturing, tech transfer, and critical mineral supply-chain diversification could open new avenues for collaboration," said Ritolia.