

Venezuela's reopening could mean an oil windfall for India

Caracas may dispatch to India and the US 400,000 barrels per day that it now sends to Beijing

Rituraj Baruah & Dhirendra Kumar
NEW DELHI

New Delhi is positioning for an oil windfall from Venezuela, as the South American nation prepares to re-route hundreds of thousands of crude oil barrels currently shipped to China.

As American sanctions on Venezuela end, Caracas may dispatch to India and the US 400,000 barrels per day that it now sends to Beijing, three people aware of the matter said. New Delhi, the world's third-largest oil buyer, used to purchase 400,000 bpd from Venezuela until the US imposed sanctions in 2020.

"China was importing about 400,000 bpd of crude from Venezuela earlier. Part of this may be diverted to India now, and the US would obviously be among the key buyers," one of the three people cited above said on the condition of anonymity.

The development comes at a time when India has reiterated its commitment to maintain diverse sources of crude oil. While Indian public sector refiners primarily handle light crude, Reliance's Jamnagar refinery and Indian Oil Corp.'s Panipat refinery are complex units capable of refining the coarse crude pumped by Venezuela. Reliance has already booked cargoes from Venezuela.

The development gains significance



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since India imports nearly 90% of its oil requirements and sourced oil worth \$161 billion last fiscal year. India's petroleum product consumption is projected to increase by 4.65% and reach a record 252.9 million metric tonnes (mt) in FY26. India is also the world's fourth-largest refiner with 258.1 million tonnes per annum (mtpa) capacity, which is expected to reach 309.5 mtpa by 2030.

The US has withdrawn the 25% punitive tariff on India, on condition that India stop buying Russian oil. Although the government and refiners have not announced plans to halt Russian oil, supplies are set to fall.

25%
The punitive tariff on India withdrawn by the US

In response to an emailed query from *Mint*, the spokesperson for the US embassy in India said: "I can't confirm India's plans for potential oil imports from Venezuela. I would note that President Trump agreed to remove the additional 25% tariff on imports from India in recognition of India's commitment to stop purchasing Russian Federation oil. Accordingly, the President signed an Executive Order last Friday removing that additional 25% tariff." Queries emailed to India's ministries of petroleum and natural gas, external affairs and commerce and industry; the embassy of Venezuela in New Delhi,

4.65%
Projected rise in India's petroleum consumption

Venezuela's state-owned oil company Petróleos de Venezuela SA (PDVSA), IOCL, Bharat Petroleum Corp. Ltd, Hindustan Petroleum Corp. Ltd and Reliance Industries went unanswered.

Gaurav Moda, partner and leader for energy at EY-Parthenon India, said, "Combining that (the complexity of Indian refineries) with India's rapid growth and energy requirements and global geopolitics, constant refresh and diversification of our energy feedstock portfolio has become essential and allows us to be nimble in securing our immediate and long-term needs."

Kirit Parikh, former member (energy) of the erstwhile Planning Commission of India, added, "Importing more oil from Venezuela should not be a problem as long as it is within the capacity of the refinery calibration. Also, as China is not buying now, India should be able to secure better pricing for Venezuelan crude which leads to higher refinery cost due to its dense and viscous character."

However, the diversion to Venezuela comes at a cost since Russian suppliers offer discounts of \$8-12 per barrel. An SBICAPS report on Tuesday raised concerns over the impact of the India-US trade deal on the cost of India's energy basket. A shift in trade routes is underway, according to Kpler analyst Sumit Ritolia.

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Sanctions and ship seizures squeeze Russia's oil industry

In sign of Moscow's difficulties selling oil, millions of barrels are afloat, waiting for buyers

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Dozens of tankers filled with Russian oil are floating at sea without buyers. Western powers are seizing the aging ships the country relies upon. Buyers of Russian oil are demanding the steepest discount to global oil prices since the early months of the war in Ukraine.

It all spells crunchtime from Moscow's most important economic engine.

The West has tried to squeeze Russia's oil industry since President Vladimir Putin invaded Ukraine in 2022. Russia successfully evaded sanctions, rebuilt its own shadow shipping fleet and found new buyers for its crude.

But a fresh wave of pressure, a combination of European sanctions against specific ships, dramatic military ship seizures on the high seas, and President Trump's efforts to put a wedge between Russia and India, have left Moscow's most important industry in a precarious state.

Russia's main grade of crude, known as Urals, trades for around \$45 a barrel, a record \$27 below the international benchmark Brent, according to commodities-data firm Argus Media.

That is already well below the \$59 a barrel needed for Russia's fiscal budget to balance in 2026. And it is inching toward the production break-even price, below which Russian oil companies lose money. Analysts estimate this to be between \$20 and \$25 a barrel. In January, Russia's oil and gas revenue was the lowest since July 2020.

"The vulnerability on the budget side is quite significant, and this is happening at a time when the economy is also slowing or almost stagnating," said Benjamin Hilgenstock, director of the Center for Geoeconomics and Resilience at the Kyiv School of Economics Institute.

In January, the International Monetary Fund downgraded its growth



Russia will eventually have to slow production as storage space vanishes..

AP

forecasts for Russia to just 0.6% in 2025 and 0.8% in 2026. Other than the pandemic years, it would be the weakest growth since the country annexed Crimea in 2014.

In a sign of Russia's difficulties in selling oil, some 143 million barrels are floating on the water as of Feb. 10, waiting for buyers, according to ship-tracking company Vortexa. That is around half a month of Russian production based on the country's 2025 production levels.

Most of these barrels are near ports in Russia, India and China, or around ship-to-ship transfer zones along major trading routes, such as open waters near Malaysia, said Emma Li, lead China oil-market analyst at Vortexa.

Traders are at a loss to find buyers for all these idle barrels, especially given the ample supply of oil in global markets.

Traditional buyers such as Indian and Chinese state refineries are staying cautious. To attract private buyers in China, floating Russian cargoes increasingly need to lower prices to compete with Iranian grades, which are typically sold at a steeper discount.

"The timing of when these barrels are absorbed will largely depend on the level of discounts available to potential buyers," Li said.

If the volume of oil on water doesn't decrease, Russia will eventually have to slow production as it runs out of space to store oil, analysts said.

There are signs that China's so-called teapot refineries, independent outfits that often operate without links to Western finance and insurance, are working through some of the glut, according to Natasha Kaneva, head of global commodities strategy at JPMorgan.

In January, the world's second-largest economy imported a record 1.73 million barrels a day of Russian crude, nearly 50% above the 2025 average of 1.16 million barrels a day, according to KSE Institute analysis based on data from ship-tracking service Kpler. Analysts say there have been further purchases in the start of February.

But teapot refineries, clustered in China's Shandong, a province sitting on the lower reaches of the Yellow River, are likely to drive a hard bargain. "When oil is sitting on a tanker off the coast, hoping for a buyer, the seller is not in a good negotiating position," said Ronald Smith, founding partner of Texas-based Emerging Markets Oil and Gas Consulting Partners.

There might be a limit to what China is willing to absorb. Beijing has traditionally observed an informal threshold of not letting a single country account for more than 20% of its

crude imports. Russia's share hit 17.5% in 2025, according to China customs data.

India, until recently one of Russia's biggest customers, retreated from purchases after sanctions imposed by the U.S. on Russia's two oil companies and by the European Union on products made from Russian crude oil.

Also at play: Trump last year imposed 50% tariffs on India, tied in part to reducing Russian oil purchases. Last week, Trump said India had agreed to stop buying Russian oil in exchange for lower tariff rates.

Analysts have said that it is difficult for the world's most populous country to cut its Russian crude purchases to zero, but even a modest reduction could have a discernible effect on Moscow.

In January, India recorded its lowest monthly purchase of Russian crude since December 2022, at just 1.14 million barrels a day, according to KSE Institute. India's imports of Russian oil products also fell significantly.

Also looming over Russia's oil industry: A series of recent ship seizures by the U.S. and Europe has made it riskier to operate Moscow's fleet of shadow tankers. These ships, with opaque ownership that also operate without Western insurance and finance, transported nearly 80% of its oil in 2025.

French forces last month seized a tanker called the Grinch in the Mediterranean Sea, a transit route for oil tankers that carry Russian crude to Asia. This week, U.S. forces seized the Aquila II. It was loaded with Venezuelan oil at the time but had previously transported Russian crude.

"If the shadow-fleet attacks become frequent enough, it may discourage sellers as it presents too much of a risk for them," said Naveen Das, a senior crude-oil analyst at Kpler. For now, he said, the potential reward still outstrips the risk of the tanker being seized.

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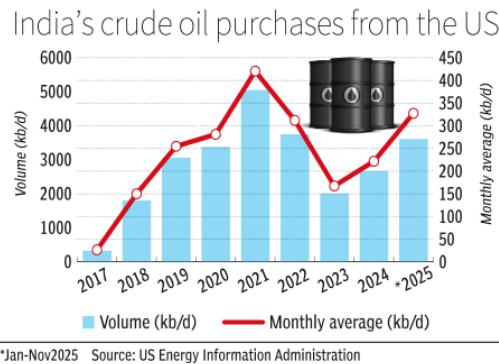
Import of US crude in 2025 may be 2nd highest on record

Rishi Ranjan Kala
New Delhi

Amid pressure from the US on India to stop Russian crude oil imports, Washington's exports of the geopolitically-sensitive commodity to New Delhi are already set to hit the second-highest on record in CY2025.

According to the latest data from the US Energy Information Administration (EIA), cumulative US crude oil exports to India stood around 3,603 thousand barrels per day (kb/d) during the January-November 2025 period, averaging at roughly 327.55 kb/d per month. The export numbers for December 2025 are yet to be updated.

Currently, the 2025 ex-



port volumes are the third-highest on record, after CY2021 (5,046 kb/d) and CY2022 (3,745 kb/d).

Refiners and analysts, however, said India has upped its crude oil purchases

from the US, and this year's numbers are expected to surpass the volume recorded in 2022.

RISING US SHARE

The rising US share carries

strategic value and supports diversification strategies. Higher energy imports from Washington will help narrow India's trade deficit with the US and fit into New Delhi's broader strategy of diversifying energy supply chains. The increase in crude trade also reinforces energy cooperation between New Delhi and Washington.

However, India's purchases of US crude oil, particularly WTI Midland and Eagle Ford grades, have limited upside. For instance, WTI Midland, a light (API 40-42), naphtha-rich crude, yields fewer middle distillates (diesel) than the medium and heavy sours Indian refineries are optimised for.

US crude grades may replace some volumes from West Africa, such as Nigeria,

which supplies light sweet crudes such as Bonny Light.

The longer voyage time (45-55 days) and higher freight costs compared with Middle Eastern and African grades curb competitiveness.

The elevated US presence in India's crude basket underscores the deepening strategic energy alignment between the two countries and supports India's broader diversification strategy balancing security, economics and geopolitics.

IGL LOGS 25% RISE IN DEC QTR PROFIT



INDRAPRASTHA GAS ON Thursday reported a 25% rise in the December quarter net profit as a rise in margins and sales of both CNG and piped cooking gas negated the financial implication of staff cost. Net profit was ₹358.57 crore in October-December, the company said in a statement.

MEA declines to deny U.S. claim on India's Russian oil imports

Senior U.S. official reiterates that India has reduced Russian oil purchases as U.S. 'wanted' it; U.S. Ambassador to India Sergio Gor meets Foreign Secretary Vikram Misri; joint statement, with no mention of Russian oil, is the 'framework', says MEA

Suhasini Haidar

NEW DELHI

The Ministry of External Affairs (MEA) has once again refused to directly deny claims by the U.S. government on Russian oil imports on Thursday. This comes after a senior U.S. official said that India had reduced its purchases of Russian crude, as the U.S. "wanted [India] to."

The government expressed satisfaction at the amendments made by the U.S. administration to its "fact sheet" on the India-U.S. trade deal.

The fact sheet, available on the White House website, has now dropped contentious references to pulses and agriculture, saying it reflects the "shared understanding" between India and the U.S. on trade. However, it continues to state that India has committed to stop buying Russian oil.

"The Joint Statement is the framework and remains the basis of our mu-



Foreign Secretary Vikram Misri with U.S. Ambassador to India Sergio Gor during an event on Thursday. PTI

tual understanding in the matter. Both sides will now work towards implementing this framework and finalising the Interim Agreement," MEA spokesperson Randhir Jaiswal said. "The amendments in the U.S. fact sheet reflect the shared understandings contained in the Joint Statement."

The joint statement does not contain any men-

tion of Russian oil purchases.

Avoiding questions

As the Opposition continued to raise questions about the agreement in Parliament, U.S. Ambassador to India Sergio Gor met with Foreign Secretary Vikram Misri on Thursday.

"So many opportunities ahead now that the trade deal has been finalized,"

Mr. Gor wrote in a post on social media.

Mr. Jaiswal declined to comment on the U.S. contentions about Russian oil.

In a public statement, Mr. Misri said earlier this week that India's energy sourcing is guided by pricing, availability, and risks, but did not respond to questions about the month-on-month decline in India's imports of Russian oil.

On Wednesday, at a hearing of the U.S. House Sub-Committee on Foreign Affairs on U.S. ties with South Asia, the U.S. Assistant Secretary of State S. Paul Kapur repeated statements by U.S. President Donald Trump and U.S. Trade Representative Jameson Greer asserting that India's actions had been part of the larger trade deal with the U.S.

"The Indians have been reducing their purchases of Russian oil and diversifying away [from it], which is what we [the U.S.] wanted them [India] to do," Mr. Ka-

pur told the committee. "They've actually been buying more U.S. energy and that's, I think, a promising possibility is to substitute some U.S. energy for the Russian energy and buying from other parts of the world," he added.

When asked about the statements, Mr. Jaiswal said that Mr. Misri had responded to the "kind of commentary and conversations" being heard, including in the U.S. "Exactly to clarify matters, our Foreign Secretary has made a detailed statement... highlighting the various aspects of where [India's] approach to energy sourcing remains," he said.

According to the fact sheet, Mr. Trump had discussed the issue with Prime Minister Narendra Modi in a call on February 2, and had "agreed to remove the additional 25% tariff on imports from India in recognition of India's commitment to stop purchasing Russian Federation oil."

IGL Q3 net profit rise 25%

Indraprastha Gas Ltd, India's largest city gas distributor, on Thursday reported a 25 per cent rise in the December quarter net profit as a rise in margins and sales of both CNG and piped cooking gas negated the financial implication of staff cost. Net profit was Rs 358.57 crore in October-December - the third quarter of the 2025-26 financial year - compared with Rs 285.82 crore earnings in the same period of the previous fiscal, the company said.

BPCL Plans Petrochem Park Near Bina Refinery in MP

Kalpana Pathak

Mumbai: State-run Bharat Petroleum Corporation Ltd (BPCL) is working on plans to develop a petrochemical park alongside its Bina refinery in Madhya Pradesh, a senior company official said.

“Discussions are underway with the Madhya Pradesh Industrial Development Corporation (MPIDC) on creating a petrochemical park near the Bina complex,” Sanjay Khanna, director (refineries) with additional charge of chairman and managing director, told **ET**. “The initiative is aligned with BPCL’s broader strategy to maximise value addition and encourage downstream industries.”

BPCL is expanding its Bina refinery,

boosting capacity from 7.8 mmtpa (million metric tonnes per annum) to 11 mmtpa and integrating the petrochemical complex with a 1.2 mmtpa ethylene cracker to produce polymers, at a cost of ₹49,000 crore.

Project set to meet rising petrochemical demand, with the company supplying ethylene directly to downstream units via pipeline

The project will cater to the growing market demand for petrochemical products in India, wherein BPCL plans to directly supply petrochemical molecules such as ethylene through pipelines to downstream units. “Normally, ethylene flows internally into polyethylene units. But we are making these molecules available to other players

via pipeline infrastructure,” Khanna said. “Because these molecules are otherwise not transportable, interest from industry has been strong.”

The Bina refinery expansion is scheduled for commissioning by May 2028. The company sees the co-location of allied petrochemical units as strategically important. “Why transport large volumes of intermediates and finished products elsewhere if they can be consumed locally? Madhya Pradesh currently does not have a petrochemical plant, so this can become a significant consumption hub,” Khanna said.

An industry official said while the overall size of the petrochemical zone is still in the works, initial projects are expected to occupy around 40–50 acres. “Value creation in secondary

units is very high. With sufficient investment capacity, this can scale meaningfully over time,” the official said.

To strengthen its petrochemical portfolio in the south, BPCL is also implementing a 400 ktpa Polypropylene plant at Kochi refinery. The project is conceptualised with an investment of ₹4,460 crore and is targeted to be completed by October 2027.

BPCL’s proposed Andhra Pradesh refinery is also being envisaged as a petrochemical-intensive complex. The company requires approximately 6,000 acres, of which about 1,000 acres have already been acquired.

Environmental clearance activities are already done, and detailed feasibility studies are underway, with a final investment decision (FID) targeted around March–April 2026.



IEA cuts down forecast for '26 oil demand growth

London: IEA lowered its forecast for 2026 global oil demand growth in its latest monthly oil market report Thursday, citing the impact of higher prices on consumption. REUTERS

India boosts US crude oil buys as Russia imports dip

Russia was the only one among India's top five suppliers to see imports fall in Dec

Rajeev Jayaswal

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NEW DELHI: India saw more than a 65.6% annualised jump in petroleum crude imports, valued at \$8.2 billion, from the United States, in April-December 2025, while imports of Russian crude fell by more than 17%, from around \$40 billion in April-December 2024 to \$33.1 billion in April-December 2025, according to government data.

Out of India's five major petroleum crude suppliers — Russia, Iraq, the United Arab Emirates (UAE), Saudi Arabia and the US — annualised contraction in imports has been witnessed only in the case of Russia in December 2025. Imports from Russia dipped by 15.15% to 2.71 billion in December 2025 as compared to \$3.2 billion in December 2024, the data showed.

In contrast, crude imports from Saudi Arabia in December 2025 saw about 61% year-on-year surge to \$1.75 billion, imports from the US witnessed 31% jump to \$569.30 million in the same month, imports from Iraq recorded a 4.56% increase to \$2.37 billion, and those from UAE saw a 6% increase to \$1.65



India's total crude imports from about 39 countries in December 2025 were worth \$11.29 billion as compared to \$10.34 billion in December 2024.

REUTERS

billion, according to the data.

According to experts, who wished not to be named, the fall in the Russian crude import was steep in December 2025, mainly because Indian refiners reduced lifting oil from Russia after the US imposed an additional 25% punitive tariff on Indian goods in its market from August 27, 2025, to deter New Delhi from purchasing sanctioned Russian petroleum.

Before the 25% punitive tariff on Indian goods on August 27, 2025, India imported Russian crude worth \$3.62 billion in July 2025. In August 2025, the Russian crude supply was worth over \$3.59 billion. Subsequently, monthly imports were \$3.32 billion in September 2025, \$3.56 billion in October 2025, and \$3.72 in November 2025. Thereafter, it fell sharply to \$2.71 bil-

lion in December 2025 — more than a 35% drop from the previous month. To be sure, crude purchases are often based on long-term commitments; hence, supplies cannot be suddenly raised or curtailed.

Experts said mostly private refiners purchased Russian crude because of heavy discounts and the ability of their advanced refineries to process such crude. The government had not, however, issued any official statement asking refiners to stop buying Russian crude.

When a reporter asked specific questions on this matter at the weekly media briefing by the official spokesperson of MEA on February 5, he said: "In so far as India's energy security or energy sourcing is concerned, the government has stated publicly on several occasions, including me

here, that ensuring the energy security of 1.4 billion Indians is the supreme priority of the government. Diversifying our energy sourcing in keeping with objective market conditions and evolving international dynamics is at the core of our strategy to ensure this. All of India's decisions are taken and will be taken with this in mind."

India's total crude imports from about 39 countries in December 2025 were worth \$11.29 billion as compared to \$10.34 billion in December 2024, registering a 9.1% growth. Cumulative imports in the first three quarters (April-December 2025) of the current financial year (FY26) from all 39 sources were valued at \$105.10 billion as compared to \$109.33 billion in the same period (April-December 2024) of FY25, data showed.



तेल उद्योग में सुधार का आकलन करने वेनेजुएला की यात्रा पर अमरीकी ऊर्जा मंत्री

सवेरा न्यूज/एजेंसी

कराकस, 12 फरवरी: अमरीका के ऊर्जा मंत्री क्रिस राइट देश के तेल उद्योग का प्रत्यक्ष आकलन करने के लिए वेनेजुएला पहुंचे हैं। ये यात्रा वेनेजुएला सरकार के स्वयं नियंत्रित भूमिका को और मजबूत मुलाकात के बाद राइट ने कहा कि राष्ट्रपति डोनाल्ड ट्रंप वेनेजुएला के सबसे महत्वपूर्ण उद्योग के पुनर्निर्माण में मदद के लिए प्रतिबंधों में लगातार छील दे रहा है।

राष्ट्रपति भवन में वेनेजुएला की कार्यवाहक राष्ट्रपति डेल्सी रोड्रिगेज से मुलाकात की। दक्षिण अमरीकी देश की 3 दिवसीय यात्रा के दौरान उनके सरकारी अधिकारियों, तेल उद्योग के अधिकारियों और अन्य लोगों से भी मिलने की उम्मीद है। रोड्रिगेज से कंपनियों को काम करने की अनुमति देने और देश

प्रतिबद्ध हैं और वहां के लोगों के लिए व्यापार, शांति, समृद्धि, रोजगार एवं अवसर लाना चाहते हैं। राइट की यह यात्रा ऐसे समय हुई है, जब अमरीकी राष्ट्रपति डोनाल्ड ट्रंप प्रशासन वेनेजुएला में विदेशी कंपनियों को काम करने की अनुमति देने और देश

नीति आयोग ने रिपोर्ट में कहा डीजल वाहनों को हटाएं, CNG इलेक्ट्रिक वाहनों को अपनाएं

नई दिल्ली, 12 फरवरी बढ़ावा दिया जाना चाहिए। इसके (एजैंसी): नीति आयोग की एक रिपोर्ट कहती है कि वर्ष 2070 तक शुद्ध-शून्य उत्सर्जन का लक्ष्य पाने की दिशा में परिवहन क्षेत्र की भूमिका अहम होगी और इसकी शुरुआत डीजल वाहनों को चरणबद्ध होने और सीएनजी, हाइब्रिड एवं इलेक्ट्रिक वाहनों को अपनाने से होनी चाहिए। रिपोर्ट के मुताबिक, परिवहन क्षेत्र में बदलाव के अगले चरण में एथनॉल-मिश्रित ईंधन पर चलने वाले फ्लेक्स-फ्लूल वाहनों, उच्च बायो-सीएनजी मिश्रण और हाइब्रिड फ्लेक्स-फ्लूल मॉडल को

2070
 तक शून्य उत्सर्जन
 का लक्ष्य पाने की
 दिशा में परिवहन
 की भूमिका अहम



साथ इलेक्ट्रिक वाहनों (ईवी) का विस्तार जारी रहना चाहिए। नीति आयोग की रिपोर्ट कहती है कि परिवहन क्षेत्र में बदलाव के अंतिम चरण में ईवी, हाइब्रोजन आधारित और संपर्कित वायोगेस (सीबीजी) आधारित वाहनों जैसे शून्य-उत्सर्जन विकल्पों का पूर्ण उपयोग सुनिश्चित किया जाना चाहिए। रिपोर्ट में कहा गया है कि कम उत्सर्जन वाली वाहन प्रौद्योगिकियों का मूल्यांकन केवल वाहन से निकलने वाले धुआं के आधार (शेष पृष्ठ 9 काला 4 पट)

डीजल वाहनों को...

पर नहीं, बल्कि उनके समूचे जीवन-चक्र (निर्माण, ईंधन/बिजली उत्पादन, उपयोग और निस्तारण) को ध्यान में रखते हुए किया जाना चाहिए। रिपोर्ट में बैटरी-चालित ईवी के उत्पादन चरण में होने वाले व्यापक उत्सर्जन का जिक्र करते हुए कहा गया है कि हाइब्रिड वाहन मौजूदा भारतीय प्रिड परिस्थितियों में अक्सर बैटरी ईवी को पीछे छोड़ देते हैं। भारतीय प्रौद्योगिकी संस्थान (आईआईटी), कानपुर और ऊर्जा एवं पर्यावरण शोध संस्था टेरी के अध्ययनों के हवाले से कहा गया है कि मौजूदा परिस्थितियों में बैटरी-चालित ईवी को प्रारंभिक उत्सर्जन की भरपाई के लिए 1.5 से 2 लाख किलोमीटर तक चलाना पड़ सकता है।