

## Reliance Navigates Sanctions: Russian Oil Reliance Shifts, UAE Looms as Alternative



India's refining giant, Reliance Industries Limited (RIL), is facing a pivotal strategic decision as fresh European Union (EU) sanctions targeting Russian oil-derived fuels come into play. With a significant portion of its crude imports historically sourced from Russia and a substantial volume of refined products exported to Europe, Mukesh Ambani's conglomerate may be compelled to re-evaluate its oil procurement strategy, with the United Arab Emirates (UAE) emerging as a prominent alternative.

The EU's latest sanctions package, effective January 21, 2026, aims to curb Russian oil revenues by imposing restrictions on refined petroleum products made from Russian crude, even if processed in third countries like India. This move puts refiners like Reliance in a challenging position: either risk losing access to lucrative European markets or seek alternative crude supplies, potentially at higher costs. For context, nearly half of Reliance's crude imports in 2025 came from Russia, and approximately 20% of its refined product exports were shipped to the EU.

Industry experts suggest that while a complete and immediate abandonment of Russian oil is unlikely, Reliance is already showing signs of diversifying its sourcing. In a rare move, the company recently purchased Murban crude from Abu Dhabi, a premium-priced grade not typically favored over the discounted Russian Urals or heavier Middle Eastern crudes. This acquisition, occurring shortly after the EU's latest sanctions announcement, signals a potential shift in purchasing patterns.

Sources familiar with Reliance's import strategy indicate that the company has begun exploring options to reduce its dependence on Russia, which has been its largest oil supplier this year. This move is driven by the tightening regulatory environment and the increasing scrutiny of diesel produced from Russian crude.

India has maintained a stance prioritizing its energy security amidst global geopolitical shifts, with the government criticizing the EU's new measures. Foreign Secretary Vikram Misri recently stated that "balance" should be maintained when imposing secondary sanctions on Russian oil and gas purchases. However, for a major private refiner like Reliance, which benefits significantly from exports to Europe, compliance with international regulations remains a critical consideration.

The implications for Reliance's massive Jamnagar refining complex in Gujarat are significant. The company will need to find ways to secure the roughly 600,000 barrels per day it typically sources from Russia, and at what cost, as it navigates this evolving global energy landscape. The coming months will reveal the full extent of Reliance's strategic adjustments and the potential for the UAE and other Middle Eastern producers to fill the void left by reduced Russian crude imports.