

Indian Refiner Pivots to US Oil Amidst US-Russia Trade Tensions



An Indian oil refiner has reportedly purchased a significant volume of crude from the United States, a move that comes amidst escalating trade and geopolitical tensions between India and the U.S. and criticism from President Donald Trump over India's continued reliance on Russian oil. Indian Oil Corp (IOC), the nation's largest state-owned refiner, has reportedly secured millions of barrels of crude from the U.S. and the United Arab Emirates (UAE). This shift in procurement strategy is seen by analysts as a response to pressure from the U.S., which has been vocal in its opposition to countries purchasing discounted Russian oil.

According to traders familiar with the matter, Indian Oil Corp bought at least five million barrels of U.S. crude, along with an additional two million barrels from Abu Dhabi, for relatively immediate delivery. These purchases, which came via a series of back-to-back tenders, are considered unusual for the company and signal an urgent need to diversify its crude sources. The move follows recent statements from the U.S. President, who has threatened to impose tariffs and penalties on nations that continue to support Russia by purchasing its oil.

India has become a major buyer of Russian seaborne crude since the conflict in Ukraine began, taking advantage of steep discounts. This has made Russia a top oil supplier to India, displacing traditional sources from the Middle East and Africa. However, the recent shift by the state-run Indian refiners suggests a strategic reassessment is underway.

The government has denied issuing any official directive to halt Russian oil purchases, but the actions of companies like Indian Oil Corp appear to indicate a change in strategy. These developments highlight the delicate balance India must maintain between securing affordable energy for its growing economy and navigating complex international political dynamics. The situation also underscores how geopolitical events can quickly reshape global supply chains and trade relationships, with companies adapting to avoid potential economic penalties.