Business Line. Dt:- 19/08/25

India rushes to secure urea imports as demand surges, stocks dwindle

PRESSURE FACTOR. Urea sales up 12% during April-June period on higher kharif acreage under paddy & maize

Prabhudatta Mishra
New Delhi

India is taking urgent steps to secure its urea supply as soaring demand from the ongoing kharif sowing season has put a strain on domestic stocks. National Fertilizers (NFL) has floated a tender to import 20 lakh tonnes (lt) of urea, a move that comes just days after a similar import order from Indian Potash (IPL), and follows reports of China easing export restrictions.

The government has taken swift action in response to the critical situation. As of August 1, India's urea stock stood at 37.19 lt, a sharp decline from 86.43 lt just one year ago.

The dwindling reserves, combined with a 12 per cent increase in urea sales during the April-June period, have created significant pressure to boost availability.

PRO-FARMER MOVES. The Centre has increased urea subsidy disbursements to fertilizer companies by 51.5 % during Q1FY26 NAGARA GOPAL

HIGHER ACREAGE

The surge in demand is largely due to higher acreage under paddy and maize, a trend aided by good rainfall.

Last week, Union Agriculture Minister Shivraj Singh Chouhan addressed the urgency, urging State Agriculture Ministers to ensure proper and timely supply of urea while also cracking down on potential misuse.

"If the demand is genuinely for farming needs, urea will certainly be supplied; the Ministry is working promptly on this," Chouhan stated.

To facilitate imports and manage the financial impact, the government has already increased urea subsidy disbursements to fertilizer companies by 51.5 per cent at ₹31,983.6 crore during the first quarter of the fiscal year.

The NFL tender, which seeks to import 10 lt each on the East and West coasts, is a direct effort to augment domestic supply.

This tender, floated on August 15, is also expected to benefit from the reported agreement by China to sell three lt of urea to India.

Industry sources note that a relaxation of China's export restrictions could help temper global urea prices, which have climbed from around $425/tonne in May to $530/tonne.

CLARITY AWAITED

The outcome of the NFL tender, which will be opened on September 2, is expected to provide further clarity on the global supply-demand dynamics.

Despite a 23.7 per cent surge in imports in June, a dip in overseas purchases in the preceding months and a 10 per cent drop in domestic production during the April-June period exacerbated the supply crunch, underscoring the critical need for the government's recent measures.

Business Line. Dt: 19/08/25

Cotton imports to touch record 39 lakh bales in 2024-25 on low global prices, says CAI

Vishwanath Kulkarni
Bengaluru

India's cotton imports will be a record 39 lakh bales of 170 kg each for the current 2024-25 crop year ending September, more than double the previous year's 15.20 lakh bales. Lower international prices, coupled with higher demand from mills for contaminant-free cotton, has resulted in a surge in imports, said Atul Ganatra, President, Cotton Association of India (CAI).

"Our prices are 10 to 12 per cent higher today than the world market and that is the reason India has done the highest import, crossing 39 lakh bales and nearly 40 lakh bales," Ganatra said. Previously, India's cotton imports touched a high of 31 lakh bales during 2022-23 when the domestic prices soared, touching a record ₹1 lakh per candy (356 kg).

Further, Ganatra said Indian companies had already started contracting cotton import for the next crop year starting October as the international prices are cheaper. "In the last 10 days alone, 1.5 lakh bales has been contracted for October-November-December delivery," Ganatra said.

Currently, Brazilian cotton is available at ₹51,000 per candy for any port delivery — say at Thoothukudi, Mundra or Nhava Sheva. Due to the 11 per cent import duty, it is costing ₹56,000. However, the mills, which are doing a lot of direct exports, can buy on open licence, for which the import duty is 4.4 per cent.

IMPORT DATA

Of the projected imports of 39 lakh bales till September, about 33 lakh bales have already arrived at Indian ports till end-July. "I believe half of the imports are from Brazil, while another 8-10 lakh bales have been imported from African countries, for which duty is half at 5.5 per cent. Another 3 lakh bales have been imported from Australia under the duty-free quota," he said.

As per the Commerce Ministry's quick estimates, imports of cotton raw and waste registered a 61 per cent increase during the April-July period in dollar value terms. Cotton imports stood at $383.22 million during Q1FY26, up from $238.30 million a year-ago period. During April-March 2024-25, India's imports of cotton raw and waste touched $1.219 billion, up 104 per cent over the previous year's $598.66 million.

As per CAI, the pressing estimates for 2024-25 stood lower at 311.4 lakh bales of 170 kg each, down from 336.45 lakh bales in the previous year. Domestic demand during the year is projected marginally up at 314 lakh bales (313 lakh bales in the previous year) and closing stocks at 57.59 lakh bales (39.19 lakh bales).

Business Standard. Dt: 19/08/25.

Apple rings up record run in India's phone exports

Surge comes amid threat of US tariff disruptions

SURAJEET DAS GUPTA
New Delhi, 18 August

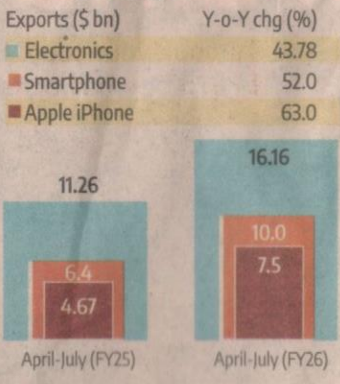
Amid tariff disruptions and the threat of 50 per cent duties on Indian exports to the United States (US), smartphone exports have once again broken records. In the four-month period from April to July 2025-26 (FY26), exports touched the $10 billion mark, up 52 per cent from $6.4 billion in the same period of 2024-25 (FY25), according to industry estimates.

Apple Inc has led the charge despite concerns that it might slow its expansion in India. Its iPhone exports rose 63 per cent to $7.5 billion in April–July this year, compared with $4.6 billion a year ago.

Apple's three vendors — Foxconn, Pegatron, and Tata Electronics — contributed over $7.5 billion of the $10 billion total, accounting for 75 per cent of smartphone exports. All three are participants in the government's production-linked incentive (PLI) scheme for smartphones, which is now in its final year and ends in March 2026.

Samsung, in contrast, has seen a decline. With its PLI scheme having ended in March 2025, its exports fell from $1.54 billion in April–July FY25 to $1.24 billion in the same period of FY26. Experts say this highlights India's continuing cost disadvantages compared with China and Vietnam, even though smartphones remain exempt from US tariffs under the April 11, 2025, exemption list. Both Apple and Samsung declined to comment at the time of going to press.

Powering ahead



Source: Department of Commerce and Industry estimates

Tariffs on smartphones will depend on the outcome of a Section 232 semiconductor investigation that also covers products such as smartphones and personal computers. Apple largely ships iPhones from China, while Samsung relies on Vietnam. The investigation, announced on April 16 by the US Department of Commerce, was expected to conclude by mid-August but is now likely to be finalised in early September.

For now, exports from India face zero duty, while China pays 20 per cent. However, the US could still alter the playing field by imposing differential tariffs under Section 232.

Driven by the surge in smartphone shipments, India's electronics exports grew 43.7 per cent in the first four months of FY26, rising to $16.16 billion from $11.24 billion a year ago, according to the Department of Commerce.

Smartphones accounted for 41 per cent of electronics exports in April–July FY25, and 61.8 per cent in the same period of FY26 — a near 50 per cent increase in their share of overall electronics exports.

Business Standard. Dt:- 20/08/25

Exports to 8 of top 20 hubs dip in Apr-Jul

SHREYA NANDI
New Delhi, 19 August

Even as the imposition of a 50 per cent tariff by the end of August is expected to sharply reduce India's exports to the US in coming months, its shipments to some eight of the top-20 countries contracted during the first four months of 2025-26 (FY26).

According to commerce department data, export destinations that witnessed contraction during April-July are: the Netherlands (-21.2 per cent), the UK (-11.2 per cent), Singapore (-11.8 per cent), Saudi Arabia (-11.8 per cent), South Africa (-16.3 per cent), Italy (-9.2 per cent), France (-17.3 per cent), and Malaysia (-28.8 per cent).

The 20 countries accounted for 69 per cent of India's total value of goods exported during the first four months of FY26.

During the same period, India's exports grew 3 per cent to $149.2 billion as outbound shipments to the US grew by over a fifth. While the US continued to remain India's largest export market, the share of exports to the county rose 22 per cent in April-July as compared to 19 per cent a year earlier.

Exporters said that global demand has remained sluggish due to the uncertainties caused by the imposition of country-specific reciprocal tariffs by the US on several nations.

India's exports to the US have been robust, seeing healthy-double digit growth, because of frontloading. American buyers are building inventory to avoid reciprocal tariffs but going ahead, this may dampen demand once 50 per cent tariffs kick in from August 27.

Exporters have also prioritised orders to the US, often at the expense of other key markets, due to the urgency to avoid a 50 per cent tariff from the end of August.

The US administration imposed a 25 per cent reciprocal tariff on Indian goods from August 7. It later announced an additional 25 per cent tariff on Indian exports, blaming its crude oil purchases from Russia.

Going ahead, India's merchandise exports are expected to contract further in FY26.

"There is definitely tepid demand because of the (reciprocal tariff) uncertainty. That apart, exports are being diverted to the US from other countries to avoid reciprocal tariff," said Ajay Sahai, director-general (DG) and chief executive officer (CEO), Federation of Indian Export Organisations (FIEO).

Sahai further said that going ahead, competition will intensify with China because the US has also imposed high tariffs on the former. This will make it more difficult for India, and put pressure on exporters in labour-intensive sectors.

Changing dynamics

India's exports to top 10 destinations

	Apr-Jul ($ bn)	Y-o-Y change (%)
US	33.53	21.6
China	5.75	19.9
Germany	3.77	14.4
UAE	12.02	4.6
Bangladesh	3.62	1.4
Australia	2.67	0.6
UK	4.58	-11.2
Saudi Arabia	3.3	-11.8
Singapore	4.19	-11.8
Netherland	7.32	-21.2
Total	149.2	3

Source: Department of Commerce

Business Standard. Dt:- 20/08/25

Russian crude oil import largely stable

Cargoes of crude oil for September delivery in India down 45% in August compared to July

SUDHEER PAL SINGH
New Delhi, 19 August

India's import of Russian crude oil was broadly stable in the first 18 days of August despite the Trump administration's tariff announcement in late July.

However, this apparent resilience largely reflects timing as most of the August cargoes were contracted in June and early July, before the policy shift, experts say.

Any material impact on trade flows, whether due to tariffs, payment logistics, or shipping challenges, is more likely to emerge from late September. The data shows Russian cargoes of crude oil headed for September delivery in India are down 45 per cent in August as compared to July.

"There has been no directive from the Indian government to reduce Russian oil purchases, and refiners continue to operate under a business-as-usual approach. That said, there is a growing interest among Indian refiners to diversify supply, with increased engagement in sourcing barrels from the US, West Africa, and Latin America — not as a move away from Russian crude oil but as a prudent step toward enhancing energy security and mitigating potential risks," said Sumit Ritolia, lead research analyst (refining, supply and modelling), ship-tracking analytics firm Kpler. The interest among Indian refiners reflects a strategic shift from purely margin-driven buying to a more balanced approach that considers logistical and geopolitical uncertainties, he added.

India's Russia crude story (in '000 bpd)

■ Monthly cargo loading ■ Monthly imports

Source: Kpler

Indian refiners still rely on non-Russian sources for 60-65 per cent of their crude oil needs and the diversification efforts should be seen as building flexibility rather than signalling a structural change in supply preference, experts say.

"The broad sense from the industry is that refiners are monitoring developments and showing a growing interest in US, West African, and Latin American barrels — not as replacements, but as hedges against possible disruption. This marks a subtle but notable shift: From pure margin maximisation to energy security and logistical risk management," Ritolia said. Until there is a clear policy shift or sustained change in trade economics, Russian flows remain a core part of India's crude oil basket.

With less than two weeks remaining in the month, it is too early to draw conclusions but vessel signalling in the coming days, especially as ships pass through the Suez Canal and Red Sea, will provide greater clarity on final destinations. The threat of imposing secondary tariffs —up to 500 per cent — on buyers of Russian crude oil, particularly targeting China and India, has been one of the more dramatic policy proposals in recent months, said Anish De, global head (energy, natural resources, and chemicals), KPMG International.

"While the proposal signals a bold geopolitical stance, its implementation would carry significant risks. Severing trade with major economies could trigger market shocks and drive oil prices sharply upward," he said.

Business Line. Dt: 21/08/25

Oilmeal exports down 2.4% during April-July

Our Bureau
Mangaluru

India's oilmeal export declined by 2.4 per cent in the first four months of 2025-26 due to a fall in the export of soyabean meal, rapeseed meal and castorseed meal.

Data compiled by the Solvent Extractors' Association of India (SEA) showed that India exported 15.16 lakh tonnes (lt) of oilmeal during April-July 2025-26, against 15.54 lt in the corresponding period of the previous fiscal.

India exported 4.22 lt of oilmeal in July 2025 against 4.51 lt in July 2024, recording a decline of 7 per cent.

Export of soyabean meal declined to 6.76 lt during April-July 2025-26 from 6.92 lt in the corresponding period of 2024-25. While India exported 7.40 lt of rapeseed meal in the first four months of 2025-26 (7.58 lt in April-July 2024-25), the country exported 85,032 tonnes of castroseed meal (1 lt) during the period.

BV Mehta, Executive Director of SEA, said India's crushing activities had gained momentum due to the strong domestic demand for mustard oil, especially the traditional *'kachi ghani'* variety. This resulted in higher production of rapeseed meal. This surplus coincided with a surge in overseas demand with China emerging as the key growth driver.

Between April and July 2025, China imported nearly 2.77 lt of Indian rapeseed meal, a dramatic rise from just 12,011 tonnes in the same period last year.

He said this turnaround is largely attributed to India's pricing advantage in global markets. As on August 14, India maintained its edge at $195 a tonne against Hamburg (ex-mill) price of $236.

RICE BRAN EXPORTS

Urging the government to lift the ban on export of de-oiled rice bran, he said India used to export 5-6 lt of de-oiled rice bran prior to July 2023, mainly to Vietnam, Thailand and other Asian countries.

The government prohibited export of de-oiled rice bran on July 28, 2023, attributing it to the high fodder prices with de-oiled rice bran being a major component. The prohibition extended from time to time, and now it is till September 30, 2025.

He said de-oiled rice bran prices now are at a lower level and may go down further. In view of the above facts and the sharp fall in prices of de-oiled rice bran, SEA again appealed to the government to lift the ban or not to extend it beyond September 30, 2025.

TOP IMPORTERS

During the period, South Korea imported 1.87 lt of oilmeals (3.22 lt). This included 1.27 lt of rapeseed meal, 39,858 tonnes of castorseed meal, and 20,218 tonnes of soyabean meal. China imported 2.83 lt (16,416 tonnes), which consisted of 2.76 lt of rapeseed meal and 6,927 tonnes of castorseed meal.

FINANCIAL EXPRESS. Dt: 21/08/25

Fertiliser imports up 5% in Apr-Jul

• Govt resorts to imports as DAP, urea & potash stocks dwindle

SANDIP DAS
New Delhi, August 20

IMPORT OF FERTILISERS — urea, diammonium phosphate (DAP), NPK (nitrogen, phosphorus, and potassium) and muriate of potash (MOP) — rose by over 5% to 4.85 million tonne (MT) during April-July of 2025-26 compared to same period in the previous fiscal.

Industry sources told FE that the government accelerated the imports in July with an increase in demand during the kharif sowing period. Shortage of urea and DAP has been reported in some areas.

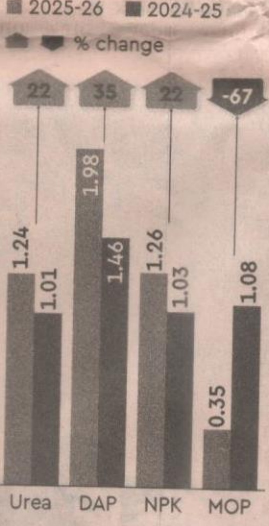
Imports are likely to increase further in the coming months as China has eased restrictions on fertiliser exports.

In the first four months of the current fiscal, imports of fertilisers varieties – DAP, urea and NPK rose by 35%, 22% and 22% to 1.98 MT, 1.24 MT and 1.26 MT, respectively on year. However, import of potash declined sharply by 67% to only 0.35 MT during April-July period of 2024-25 compared to previous year.

In the April-June period of the current fiscal, fertiliser imports had declined by 16.29% to 3.03 MT on year largely impacted by geopolitical reasons such as Israel-Iran and Ukraine-Russia conflict which hugely impacted import of fertilisers. Even China imposing restrictions on fertilisers exports also impacted supplies in India.

SOIL SUPPORT

Fertilizer imports in April-July (million tonne)



Source: trade, total import in FY25 (16.01 MT)

Out of the total annual consumption of 60 MT of fertilisers, 10 MT is imported.

Officials said that 87% of the total urea consumption of 35 MT is domestically produced.

However, India had to depend on imports for about 60% of its annual 10-11 MT of DAP consumption. In addition, domestic manufacturing of DAP also depends on key raw materials 'rock phosphate' mostly imported from Senegal, Jordan, South Africa and Morocco.

While for potash, the country is entirely dependent on imports. India has signed a long term agreement for supply of about 2 MT of fertiliser annually from Russia, Israel, Belarus and Jordan.

FINANCIAL EXPRESS Dt: 21/08/25

PART OF TRADE TRUCE WITH THE US

China's rare earth magnet exports hit 6-month high

BLOOMBERG
August 20

CHINA'S FLOWS OF rare earth magnets to the US continued to recover in July — with volumes rising 76% month-on-month — after Beijing agreed to normalise exports as part of its trade truce with Washington.

China shipped 619 tonne of rare earth permanent magnets to the US, up from a low of 46 tonne in May, when the two countries were still locked in a damaging tit-for-tat trade war. China put export controls on the components, weaponising the nation's 90% grip on global production to squeeze US factories and pile pressure on President Donald Trump.

Rare-earth magnets are used in everything from cars to dishwashers and fighter jets, and proved to be Beijing's most potent weapon in the trade standoff. Following talks in Geneva and London this summer, Chinese negotiators pledged to normalize flows. The US is "very happy" with the status quo on trade with China, treasury secretary Scott Bessent said in a *Fox News* interview.

Still, total supplies to the US this year are lagging because of the earlier deep slump. Average monthly volumes for January to July are about 28% lower than for all of 2024.

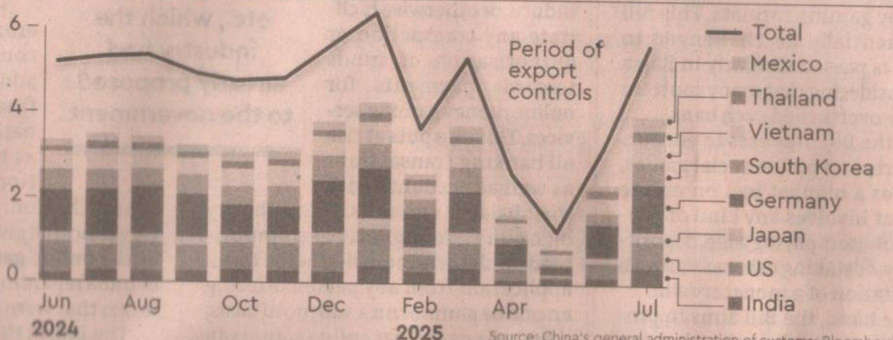
China's export controls targeted seven of the 17 rare earth elements, but also covered magnets that can contain just a tiny amount of those restricted materials. That snarled up supplies to all nations while China's bureaucracy and buyers worldwide adjusted to the new regime.

The magnet crisis spurred the Trump administration to pursue a more aggressive policy on building a domestic rare-earths supply chain. In July, the department of defence agreed to supply deals and a $400 million investment in MP Materials, for now the sole US rare earths miner. The company's shares have since surged more than 130%.

Magnet supplies to most other major buyers also rebounded. Shipments for Japan rose 76%, while those to Germany gained 46% and India surged 143%.

The rare earths issue had created contention between India and China amid a broader thawing of relations.

BETTER RELATIONSHIPS



Source: China's general administration of customs; Bloomberg

Business Line. Dt: 22/08/25

'Russia must import more from India to address trade imbalance'

BRIDGING THE GAP. Apart from skilled workforce, Moscow must focus on importing pharma, textiles

Amiti Sen
New Delhi

Russia must import much more from India, including items such as pharmaceuticals, agriculture and textiles, to address the glaring trade imbalance between the two counties, Minister of External Affairs S Jaishankar has said. It must also remove non-tariff barriers and other impediments

"We reaffirmed our shared ambition to expand bilateral trade in a balanced and sustainable manner, including by increasing India's exports to Russia," Jaishankar said at a joint press conference with his Russian counterpart Sergey Lavrov in Moscow following their bilateral meeting on Thursday.

FRESH BONHOMIE. External Affairs Minister S Jaishankar with Russian President Vladimir Putin during a meeting, in Moscow on Thursday ANI

SIGNIFICANT VISIT

Jaishankar, who is on three-day visit to Russia, also met President Vladimir Putin on Thursday. The Minister's visit is significant as this month US President Donald Trump announced 50 per cent tariffs on India, which includes 25 per cent levies as a sanction against its purchase of oil from Russia.

While India has refused to bow down before the US by stopping its purchase of discounted oil from Russia and there is general bonhomie over growing bilateral trade, it is concerned about its widening trade deficit with Moscow.

In FY25, Russia supplied goods, significantly oil, to India worth $63.7 billion while it imported goods worth just $4.88 billion leading to trade deficit ballooning to $59 billion. India's oil purchase from Russia shot up since the Western countries imposed sanctions on Moscow in early 2022 for attacking Ukraine.

On Wednesday, in an interaction with Russian businesses, the Indian Minister pointed out that while bilateral trade had grown in recent years (from pre-pandemic $10.1 billion to $68.7 billion in FY25), the trade deficit had also ballooned. He warned that the gap had to be narrowed for sustaining the high growth.

"Both the diversification and balancing of trade now urgently mandate more strenuous efforts on our part. At the end of the day, they are essential not just to reach higher trade targets but even to sustain the existing levels," he said.

Over the last two years, Indian government and exporters have pursued the matter diligently with the Russian government and industry listing out possible items of Russian interest that could be supplied and also the existing non-trade barriers.

LONG-TERM SUPPLY

"Senior officials from the Commerce Department, who are part of the visiting delegation to Moscow, also stressed on the need and ways to increase Russian imports from India in their interactions with Russian trade officials and ministers," a source, tracking the matter, said.

Jaishankar said that his discussions with Lavrov also focussed on steps to ensure long-term supply of fertilizers and supply of skilled work force from India to Russia.

"Indian skilled workers, especially in IT, construction and engineering, can address the labour needs in Russia and deepen collaboration. Sustaining energy co-operation through trade and investments is also important," he said.

Business Line. Dt:- 22/08/25

Amid tariffs, banks step up scrutiny on risk exposure to export credit

ON THE RISE. Banks' outstanding export credit stood at ₹13,047 cr as on June 27, up 11% year-on-year

Piyush Shukla
Mumbai

Indian banks have increased scrutiny over their exposure towards export credit segment. They are being more cautious in sanctioning fresh loans to exporters with higher business dependence on US markets, bankers *businessline* spoke to said.

The US imposed a 25 per cent tariff on Indian goods effective August 7.

An additional 25 per cent duty is to be imposed from August 27, taking the total tariff to 50 per cent.

"Banks are currently assessing their exposure to export oriented segments, following the developments in US tariffs. The analysis is predominantly to determine two things: how much of their total turnover is coming through exports, and secondly how much of their total exports are likely to be adversely impacted by tariff," said Virat Diwanji, National Head of Consumer Banking at Federal Bank.

Given the uncertainty, Diwanji said, lenders would be cautious on sanctioning new loan proposals from such clients.

SANCTION LIMIT

However, as of now, clients are continuing to utilise their loan sanction limit, and lenders are not seeing immediate adverse impact on their repayment trends.

Banks' outstanding export credit stood at ₹13,047 crore as on June 27, up 11 per cent on a year-on-year (y-o-y) basis, according to Reserve Bank of India (RBI) data.

AUSTERE STANCE. Banks are cautious in sanctioning loans to exporters with higher dependence on US markets

A senior public sector bank official said the lender is assessing first order and secondary impact of proposed tariffs on Indian exporters. "We are being cautious in fresh sanctions and approving loans based on existing projects of the clients. We are taking a call on sector by sector basis," they said, adding that segments like textile, chemicals, pharma, electronics, gems and jewellery will be impacted more if the proposed tariffs are implemented without concessions.

A private sector bank official said while the larger exporters may be able to shift to other markets than the US, there would still be a huge impact on jobs and the GDP growth as the US continues to be a huge market for Indian exporters. "While large exporters may be able to absorb stress, the government could come up with subsidies to absorb losses of small scale exporters to prevent job losses," they said.

Business Line. Dt:- 25/08/25

Pharma exports rise 5.21% to $7.57 b in Q1, driven by formulations and biologics

G Naga Sridhar
Hyderabad

Pharmaceutical exports rose 5.21 per cent to $7.57 billion in the first quarter of the current financial year compared with the corresponding quarter of the previous fiscal. The growth in exports during the quarter was led by formulations and biologics, according to pharmexcil data.

"Indian pharmaceutical continues to solidify its pivotal role in the global healthcare landscape," Namit Joshi, Chairman, Pharmaceutical Exports Promotion Council (Pharmexcil), said. Apart from the NAFTA region, the growth in exports was also registered in Oceania, Latin American countries and Africa. The growth in exports was also offset by increasing pricing pressure in the US markets, which hit both topline and bottomline of major drug-makers, as reflected in their third quarter numbers.

TRADE UPTICK. Imports during the quarter had also gone up by 4.21% to $786 million compared to the year-ago period

MAJOR CATEGORIES

India's imports during the quarter had also gone up by 4.21 per cent to $786 million compared with the year-ago period.

The major categories of pharma products imported were bulk drugs and drug intermediaries which comprised 46 per cent of the total pharma imports.

However, a declining trend was noted in this major segment of imports, as the government and industry have been trying to reduce dependency on imports, which is one of the objectives of the production-linked incentive (PLI) scheme.

ROAD AHEAD

The industry has its fingers crossed on the growth in exports in the remaining quarters of the current financial year. "While we expect the growth to continue in the rest of the year, there are challenges in the form of continuation of pricing pressure in the US market as well as the issue of tariffs which are exempted on drugs as of now. We need to wait and watch for the time being," said an executive director of a major pharma company.

In the last financial year, pharmaceutical exports increased 9.39 per cent to $30.47 billion from $27.85 billion in FY24.

FINANCIAL EXPRESS Dt: 25/08/25

Petro products exports down 16% in April-July

ARUNIMA BHARADWAJ
New Delhi, August 24

INDIA'S EXPORTS OF petroleum products fell 16% year-on-year to $12.3 billion in the first four months of FY26, down from $14.7 billion in the same period last year, according to data from the Petroleum Planning and Analysis Cell (PPAC).

In volume terms, however, exports remained largely unchanged at 20.1 million tonne during the period.

Imports of refined oil products declined by 4% on-year to $7.6 billion during the four-month period. The country imported 16.7 million tonne of petroleum products, largely unchanged from the same period of last fiscal.

Looking ahead, India's refined oil exports face fresh headwinds following the European Union's latest sanctions package on Russia. Europe has emerged as India's biggest market for refined fuel since the outbreak of the Russia-Ukraine war, and new restrictions could significantly disrupt flows.

As part of its measures against Moscow, the EU has imposed sanctions on the Indian oil refinery owned by Rosneft-backed Nayara Energy and tightened the oil price cap. Additional restrictions include new banking curbs and a ban on the Nord Stream pipelines.

In a legal text on sanctions, the EU also said, "Petroleum products imported from third countries which were net exporters of crude oil in the previous calendar year shall be considered to have been obtained from domestic crude oil and not from crude oil originating in Russia, unless a competent authority has reasonable grounds to believe that they have been obtained from Russian crude oil."

Nayara Energy pushed back against the measures, stating its refinery continues to run smoothly and supply the domestic market. "Despite the supply chain inhibitions caused due to the EU sanctions, we remain committed in maintaining reliable transportation of our products via coastal, rail, and road networks to efficiently serve our customers and ensure there is no impact to our Indian consumers," it said.

Given the banking, shipping, and regulatory complexities inherent in executing sanctioned barrels, both public and private refiners may have to hedge via term deals, diversify sourcing, or pass on costs.

LESS SHIPMENTS