Business Line, Dt. 3/6/25

Fuel consumption soars in May amid strong manufacturing activity and export push

Rishi Ranjan Kala
New Delhi

The country's diesel and petrol consumption rose to an all-time high in May, aided largely by robust manufacturing activity, exporters rushing to fulfil orders before the close of the US reciprocal tariff deadline as well as some uptick in farm activity due to the early monsoon and marriage season.

According to the Petroleum Planning & Analysis Cell, the diesel consumption rose by 4 per cent m-o-m and almost 2 per cent y-o-y to 8.57 million tonnes (mt) last month. Interestingly, during May 2024 (8.41 mt), diesel usage hit a record, aided by the Lok Sabha elections.

RISING CONSUMPTION

Similarly, the consumption of petrol rose by almost 10 per cent m-o-m and 9 per cent y-o-y to a record 3.77 mt in May. The previous high was recorded in March (3.51 mt). The consumption of aviation turbine fuel (ATF) rose by more than 1 per cent m-o-m and 4 per cent y-o-y at 7,75,000 tonnes last month.

The HSBC India Manufacturing PMI fell to a three-month low in May amid softer growth in new orders and production.

However, May data indicated another improvement in business conditions across India's manufacturing industry.

Although rates of increase in new orders and output retreated to three-month lows, they remained well above their long-run averages.

Analysts said that exporters rushing to meet existing orders and process shipments before the deadline for US tariffs aided higher diesel usage.

According to Shriram's May mobility bulletin, a rise in goods movement, coupled with movement of summer fruits, contributed to a subtle positive undercurrent in the freight market.

Early monsoons led to some farm activity in southern, western and central India. Besides, the marriage season also led to stocking of goods, thereby boosting freight movement.

Petrol consumption surged to an all-time high last month, which reflects the growing affluence, leading to more personal vehicle purchases, particularly two-wheelers and four wheelers. Besides, better highway infrastructure and sustained tourism push also boosted gasoline demand. Most of the consumption is driven by the personal mobility segment. Furthermore, the trend of people purchasing more gasoline-driven SUVs is also bolstering demand.

FLYING HIGH

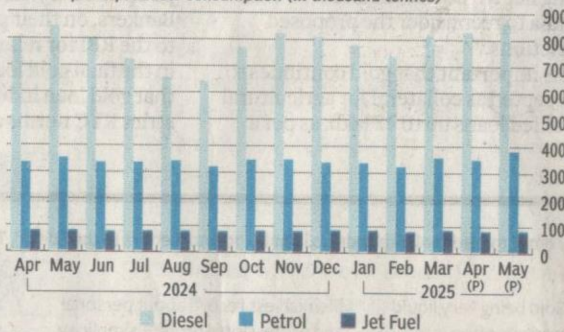
Jet fuel demand continued to hit north, but was below the record 8,01,000 tonnes (March), 7,84,000 tonnes (January) and 7,82,000 tonnes (December 2024). This is due to rising domestic and international air travel supported by growing income levels.

A tad short of the 9 million tonnes (mt) mark, India's jet fuel consumption scaled multiple peaks during FY25, with airlines guzzling over 8 lakh tonnes in the last month of the fiscal year alone — also an all-time high.

The commodity grew at a compound annual growth rate of around 1.9 per cent between FY19 and FY25.

Fuel spike

Refined petro products consumption (in thousand tonnes)



(P): Provisional Source: PPAC

Business Line, Dt. 3/6/25

Cashew nut exports down 50% in 15 years

V Sajeev Kumar
Subramani Ra Mancombu
Kochi/Chennai

India's exports of cashew nuts have declined by more than 50 per cent over the past 15 years after touching a record high of 1.31 lakh tonnes in 2011-12 because of tough competition, high operational costs for processing and reliance on imported raw materials, trade experts said.

J Rajmohan Pillai, Chairman and Managing Director of Beta Group, which owns the brand NutKing, said India's cashew export revenues reached a seven-year low in FY24, totalling $339.21 million. Some reports even indicate that the quantity of exports in 2022-23 (59,581 tonnes) was the lowest in two decades.

Gunjan Jain, President, Nuts and Dry Fruits Council of India, said exports had dipped to a record low of around 45,000 tonnes now.

DECLINE FACTORS

Pillai said the decline could be attributed to several factors, including global competition, high operational costs for Indian processors due to the lack of advanced mechanisation and reliance on imported raw materials. Imports are often unfavourably priced, and supply chains from Africa have been disrupted due to phenomena like El Nino.

"Indian cashew exports have seen a significant decline over the past decade. For instance, exports of cashew kernels (processed cashew) from India declined from 1,26,667 tonnes in 2004-05 to 59,581 tonnes in 2022-23. The total export earnings increased from ₹447.80 crore in 1990-91 to ₹3,890.25 crore in 2019-20. However, the trend has been a gradual decline in recent years, especially in terms of volume and value.

India has been facing challenges in competing with countries that have embraced more modern processing techniques and have lower production costs," he said.

Beta Group's Pillai said Vietnam had strengthened its position as the world's leading cashew exporter.

In 2023, Vietnam exported 6,44,000 tonnes, valued at $3.6 billion, up 18 per cent in value and 24 per cent in volume from the previous year.

"India's cashew prices have shown mixed trends, with upward pressure due to limited supply and rising export demand. As of February 2024, cashew kernels, W240, were costing $8,585/mt f.o.b India, and W320 were at $7,935/mt.

The average export price for Vietnamese cashew nuts in February 2025 reached approximately $6,821 per tonne," he said.

Jain said one of the reasons for Indian cashew nuts not being competitive in the global market is omestic consumption, estimated above 3.5 lakh tonnes.

"The demand is met by domestic industry that processes raw cashew nut crop of around 7-7.5 lakh tonnes. Imports of raw cashew nuts make up 11-13 lakh tonnes. India processes around 20 lakh tonnes of raw cashew nuts, getting a final cashew kernel production of around 4-4.2 lakh tonnes," he said.

India heavily relies on imports of raw cashew nuts. Imports increased by 57 per cent between 2021 and 2023, said Pillai.

Business Line, Dt. 3/6/25

Farmers fear price dip after crude edible oil import duty cut

KV Kurmanath
Hyderabad

The reduction in duty on the import of crude edible oil has come as a shock to oil palm growers in the country. They alleged that the move would adversely impact their prospects and the country's efforts to achieve self-sufficiency in edible oils.

"It leads to uncertainty as farmers were expecting to reap a good price scenario before the reduction in duties," Mahesh Reddy, who grows oil palm in about 8 hectares in Khammam, told *businessline.*

Because of an increase in import duties on raw edible oil last year, the prices of fresh fruit bunches (FFBs) went up by up to 60 per cent in just one year to reach ₹21,000 a tonne.

WRONGLY TIMED?

The period from May to September is considered to be the best period for farmers as the bulk of the produce (up to 60 per cent) is sold during this period. "The duty reduction happened just around the best season. This will deny good prices for us. Moreover, this uncertainty (price fluctuations) could deter more farmers from taking up oil palm cultivation," he said.

According to the NITI Aayog report 'Pathways and Strategies for Accelerating Growth in Edible Oils Towards the Goal of Atmanirbharta', the per capita consumption of edible oils in the country has seen a dramatic rise, reaching 19.7 kg/year. "This surge in demand has significantly outpaced domestic production, leading to a heavy reliance on imports to meet both domestic and industrial needs," it said.

The country imported 16.5 million tonnes of edible oils in 2022-23, with domestic production fulfilling only 40-45 per cent of the requirements. It projected that the national supply of edible oils is projected to increase to 16 mt by 2030 and 26.7 mt by 2047.

LETTER TO MINISTER

Worried over the likely price reduction in FFBs in the domestic market, Telangana Agriculture Minister Tummala Nageswara Rao wrote a letter to Union Commerce Minister Piyush Goyal and Agriculture Minister Shivraj Singh Chouhan, asking them to rescind the reduction to protect the interests of the farmers.

Appealing to the Commerce Ministry to reconsider the downward revision of the duties, he said the decision would end up undermining the farmers' trust at a time when the States are trying to increase the acreage under oil palm.

The Minister expressed concern that this reduction in import duty may deter farmers who want to start new oil palm cultivation. He stated that this is contrary to the intention of the Central and State governments to promote indigenous oil production.

The Telangana government, which is attempting to grow the oil palm acreage to 8 lakh hectares from the present 1 lakh hectares, has asked the Centre to increase the duties to 40 per cent from 27.5 per cent (before the downward revision) to boost domestic acreage and production. The Centre notified an additional target of 3.5 lakh ha in 25 districts of Telangana, and 9 companies have been allotted zones across the State.

Business Standard, dt. 3/6/25

Car exports zoom even as domestic sales stall

Maruti eyes 50% share of car exports; Hyundai sees overseas demand rising

Lane change

Performance of India's five leading PV exporters (in units)

	Domestic sales			Exports		
	FY24	FY25	% Chg	FY24	FY25	% Chg
Maruti Suzuki	1,759,881	1,760,767	0.05	280,712	332,585	19
Hyundai Motor	614,721	5,98,666	-3	163,155	163,386	0.14
Nissan Motor	30,146	27,881	-8	42,989	71,334	66
Honda Cars	86,584	65,925	-24	37,589	60,229	60
Volkswagen	43,197	42,230	-2	44,180	49,543	12
Industry	4,218,750	4,301,848	2	672,105	770,364	15

Sources: Siam and industry

SHINE JACOB
Chennai, 2 June

At a time when demand in the Indian domestic passenger car market is flagging, leading automakers are witnessing a sharp uptick in exports.

With manufacturers now increasingly leaning on global markets to counter slowing sales at home, market leader Maruti Suzuki is aiming for a 50 per cent share of the country's total car exports.

Maruti Suzuki, which shipped 332,585 units overseas last financial year, is targeting a 20 per cent increase in 2025-26 to take its total exports beyond the 400,000-unit mark. Hyundai Motor India, which exported around 163,386 units in 2024-25, is eyeing a more modest 7-8 per cent growth in the year ahead.

Maruti and Hyundai Motor India continue to dominate the country's outbound car trade, accounting for 43 per cent and 21 per cent of the export market, respectively.

Among other major players that have reported robust growth in exports in 2024-25, helping offset the slowdown at home, Nissan Motor saw a 66 per cent spike in exports, even as its domestic sales fell 8 per cent. Now, Nissan is targeting an annual outbound shipment of 100,000 units by 2026-27, against 71,334 units in 2024-25.

Turn to Page 6

2W sales picked up pace in May 5

Global majors keen to make e-cars in India; Tesla quiet

PUJA DAS
New Delhi, 2 June

Elon Musk-led Tesla Inc is yet to express interest in India's flagship scheme to attract global investment in electric vehicle (EV) manufacturing, said Union Minister for Heavy Industries H D Kumaraswamy on Monday. In contrast, multiple global automobile giants — such as Mercedes-Benz, Škoda Auto Volkswagen, Hyundai Motor, and Kia Motors — are keen to participate, the minister noted.

"Mercedes-Benz, Volkswagen, Škoda, Hyundai, and Kia have already shown interest," Kumaraswamy told reporters while releasing the long-awaited guidelines for the 'Scheme to Promote Manufacturing of Electric Passenger Cars in India (SPMEPCI)'. "As of now, Tesla is not interested in manufacturing in India, but only in opening showrooms. We will know their real intent when we open the application, and if the company feels like investing."

The window for applications will open within the next one to two weeks.

Turn to Page 6

Business Standard, dt 3/6/25

Japan now second-biggest export destination: Maruti

For Honda Cars India, while exports jumped 60 per cent last financial year, there was a 24 per cent fall in local deliveries. It recorded its highest ever export volumes in 2024-25, led by strong export business of the Elevate to Japan.

Similarly, Volkswagen witnessed a 12 per cent rise in exports, against a 2 per cent domestic decline.

Overall, Indian car exports rose by 15 per cent in 2024-25, even as domestic sales edged up by just 2 per cent.

"In 2025-26, we target 20 per cent growth in exports to 400,000 units and are even eyeing the 'golden 50 per cent' mark too," said Rahul Bharti, executive director, corporate affairs, Maruti Suzuki India. Leading export models for the company include the Fronx, Baleno, Swift, Dzire, and Jimny. Its major overseas markets include Africa, Japan, Chile, Saudi Arabia, and Mexico.

In May 2025, Maruti Suzuki's domestic sales dipped 5 per cent to 148,858 units, while exports surged 80 per cent to 31,219 units, up from 17,367 in the same month last year. The company's overseas shipments for the first two months of FY26 are already up 50 per cent at 59,130 units, making up for a slight downturn in domestic volumes.

"We are well diversified. We are present in 100 countries around the world. Africa, Latin America, and Southeast Asia are our big markets. We entered Japan recently, and it has become our second-biggest destination on the back of two models — Fronx and Jimny," Bharti added. The company began exporting to Japan in August 2024.

Hyundai Motor India, meanwhile, saw its monthly domestic sales fall 11 per cent to 43,861 units in May, but exports rose 3 per cent to 14,840 units. "May is the month of our routine week-long biannual maintenance shutdown at our Chennai manufacturing facility, which affects availability of a few critical models," said Tarun Garg, whole-time director and chief operating officer, Hyundai Motor India. "We continue to witness consistent growth in our export volumes, and this is a testament to the 'Make in India, Made for the World' philosophy that we passionately uphold."

From January to May 2025, the company's domestic sales were down 7 per cent, while exports rose 13 per cent to 69,340 units, according to a source.

Hyundai is working to make India its largest export hub outside South Korea, and aiming for 7-8 per cent growth in export volumes in 2025-26. Exports account for 21 per cent of the company's total sales, significantly higher than the industry average of 15 per cent. In FY25, Saudi Arabia, South Africa, Mexico, Chile, and Peru were Hyundai's leading international markets by volume.

Honda Cars India registered total sales of 5,985 units in May, with domestic deliveries at 3,950 units and exports at 2,035 units. "In view of the prevailing market conditions and subdued consumer sentiment, we continued to strategically moderate our dispatches in May to maintain optimal inventory levels across our network, while remaining optimistic about improved retail performance in the coming months supported by forecasts of a better monsoon," said Kunal Behl, vice-president of marketing and sales, Honda Cars India.

Business Line, Dt. 4/6/25

Shrimp export volumes may remain flat this fiscal on tariffs, weak demand: Crisil

Our Bureau
Bengaluru

Indian shrimp exporters will see a marginal 2-3 per cent revenune uptick this fiscal on improved realisations stemming from rising prices and currency gains.

However, export volumes will be flat because of higher tariffs expected to be imposed by the US and subdued demand in key importer nations, according to Crisil Ratings.

The operating margins will be under pressure because the tariff burden will be passed on only partially and gradually, as seen in the past, even as exporters scout for other markets and improve offerings through value addition.

Credit profiles will continue to face challenges as elongated working capital cycles induce further recourse to credit lines that, in turn, would moderate debt protection metrics.

Exporters' revenues may edge up on rising prices and currency gains, while profit margins will be under pressure

GLOBAL DEMAND FLAT

Global shrimp demand has flatlined around 4 million tonnes (mt) over the past few years and will likely remain subdued this fiscal too. That is because of muted economic growth in the key importing regions, such as the US, the EU and China impacting consumer spending.

Indian exporters have around a fifth of the global market share, as of now, while domestic production is seen flat at 1.2 mt.

India exports nearly 48 per cent of its shrimp produce to the US.

ECONOMIC GROWTH

Although the reciprocal tariffs announced by the US are currently on hold, they are likely to benefit South American exporters, particularly Ecuador, the world's largest shrimp exporter.

Himank Sharma, Director, Crisil Ratings, said, "Last fiscal, the waters turned choppy for Indian shrimp exporters as prices and competition increased after a countervailing duty of 5.77 per cent was slapped by the US. This fiscal, with the US imposing reciprocal tariffs — even as other major markets such as the European Union and China see sluggish economic activity — exporters will likely see flattish demand. But as realisations tick up, overall growth in revenues should be in low single digits this fiscal."

Though the low-value-added exports will likely see increased pressures, Indian exporters have an edge over other Asian peers such as China, Vietnam, Thailand and Indonesia, which face higher tariffs but enjoy over one-third market share in the US.

Business Line. Dt:- 05/06/25.

India sees minimal direct impact from US steel, aluminium import duty hike

Suresh P. Iyengar
Mumbai

India expects the US decision to double import duty on steel and aluminium to 50 per cent will have minimal direct impact but change the global trade flows and thereby increasing the chances of India becoming more vulnerable to steel imports.

Though the government has imposed an import duty of 15 per cent, exporting countries such as China, Korea and Vietnam can undercut prices to capture the market.

India exported $4.56 billion of iron, steel and aluminium products to the US last fiscal, with steel exports comprising $587 million and steel articles worth $3 billion.

THE REAL CONCERN

Nikunj Saraf, VP, Choice Wealth, said the real concern in the enhanced US tariff lies in potential Chinese steel dumping in India as US markets become less accessible.

China's steel exports to India could return to historical levels of about one million tonne and this may put downward pressure on domestic steel prices, affecting Indian producers' margins despite reduced competition in the US market, he added.

KEY MARKET. India exported $4.56 billion of iron, steel and aluminium products to the US last fiscal PTI

Steel companies may need to diversify markets and focus on value-added products to mitigate protectionist impacts, said Saraf.

CA Jashan Arora, Director, Master Trust Group, said while the direct impact will be limited since India exports only a small share of its steel to the US, Indian companies with US operations may be slightly cushioned if they produce locally. "The increased steel supply from China could push global and domestic steel prices down, squeezing profit margins for Indian producers. India's safeguard duty of 12 per cent imposed recently may not be enough to prevent this pressure," he said.

WEAK DEMAND

The domestic steel demand is also expected to slowdown with cut in government capital expenditure and delay in private capex.

"We expect Central government capex to moderate in FY26 given the slowdown in the core areas of railways and roads and highways and uncertainty in spending on certain non-traditional items," said Kotak Institutional Equity research.

The possibility of meaningful increase in private sector capex over the next 2-3 years appears bleak given the limited areas within the capex-intensive core infrastructure sectors for the private sector to invest and few companies with the balance sheet and risk appetite to invest in large infrastructure projects, it added.

Business Standard Dt: 05/06/25

Global alarm rises as China's mineral export curbs take hold

AGENCIES
4 June

Alarm over China's stranglehold on critical minerals grew on Tuesday as global automakers joined their US counterparts to complain that restrictions by China on exports of rare earth alloys, mixtures and magnets could cause production delays and outages without a quick solution.

German automakers became the latest to warn that China's export restrictions threaten to shut down production and rattle their local economies, following a similar complaint from an Indian EV maker last week.

Some European auto parts plants have suspended output and Mercedes-Benz is considering ways to protect against shortages of rare earths.

Mineral choke

- Global automakers warn of production halts
- Magnet shipments stalled at ports
- EV, defence, tech sectors hit hard
- Critical components like motors, sensors, etc at risk

China's decision in April to suspend exports of a wide range of rare earths and related magnets has upended the supply chains central to automakers, aerospace manufacturers, semiconductor companies and military contractors around the world.

China's dominance of the critical mineral industry, key to the green energy transition, is increasingly viewed as a key point of leverage for Beijing in its trade war with US President Donald Trump.

"It just puts stress on a system that's highly organised with parts being ordered many weeks in advance," said Sherry House, Ford's finance chief, at an investor conference on Wednesday.

She said China's export controls add administrative layers that are sometimes smooth, and sometimes not. "We're managing it. It continues to be an issue, and we continue to work the issues."

Trump has sought to redefine the trading relationship with the US' top economic rival China by imposing steep tariffs on billions of dollars of imported goods in hopes of narrowing a wide trade deficit and bringing back lost manufacturing.

Trump imposed tariffs as high as 145 per cent against China only to scale them back after stock, bond and currency markets revolted over the sweeping nature of the levies.

Trump and Chinese President Xi Jinping are expected to talk this week, White House spokeswoman Karoline Leavitt told reporters on Tuesday, and the export curbs are expected to be high on the agenda.

Swedish Autoliv, the world's biggest maker of airbags and seatbelts, said its operations are not affected, but CEO Mikael Bratt said he has set up a task force to manage the situation.

FINANCIAL EXPRESS Dt:- 05/06/25

Classic Legends to begin export of its bikes soon

VIKRAM CHAUDHARY
New Delhi, June 4

MAHINDRA-BACKED CLASSIC Legends, which has revived brands such as Jawa, Yezdi, and BSA, will soon start exporting motorcycles to seven markets, including the US, the UK, Australia, New Zealand, Japan, Mexico, and the Middle East.

Anupam Thareja, co-founder of Classic Legends, told *FE* that the company will cover these seven markets by the end of 2025. "We will export the Jawa and BSA brands, and Yezdi will be primarily for the Indian market," he said. "Exports to the US could have started by now, but got delayed due to the uncertain tariff scenario."

ANUPAM THAREJA, CO-FOUNDER, CLASSIC LEGENDS

Exports to the US could have started by now, but got delayed due to the uncertain tariff scenario

Beginning April 2, 2025, the US has levied 25% import duty on all auto products, including motorcycles, from the earlier 2.4%.

As far as the UK is concerned, it levies 6-8% import tax on motorcycles, plus 20% VAT on the total value of the import, but the UK-India FTA is expected to reduce that to zero.

India is a big exporter of two-wheelers. In FY25, the country's exports grew 21.4% to 4,198,403 units, up from 3,458,416 units in FY24. The major exporters are Bajaj Auto (1,674,060 bikes exported in FY25), TVS Motor Company (1,089,748 bikes), and Honda Motorcycle & Scooter India (505,012 bikes). But they primarily make small capacity two-wheelers (100-200 cc) and export to Africa, Latin America, and South Asia, not to the developed markets.

"Developed markets want bigger bikes (350-cc and above), such as those made by Royal Enfield, and now Classic Legends," an auto analyst said. "Royal Enfield, for instance, is big in the UK, the US, Germany, the Asean, and some Latin American countries. The BSA Gold Star, with its 652-cc engine, could find some traction in the developed markets."

Classic Legends launched the Jawa series of motorcycles in November 2018, Yezdi in January 2022, and BSA in August 2024. On Wednesday, it rode in the new Yezdi Classic Adventure, priced starting ₹ 2.14 lakh, ex-showroom.

As far as electric motorcycles are concerned, Thareja said that Classic Legends has the product ready, but possibly the market isn't.

Business Line. Dt: 06/06/25.

Crude oil imports in May underscores price-sensitive, flexible sourcing strategy

Rishi Ranjan Kala
New Delhi

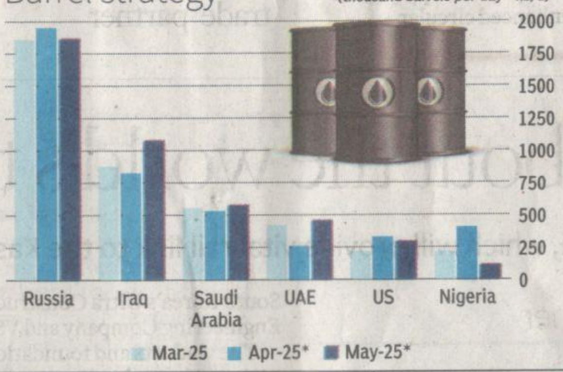
India's crude oil imports in the last few months, particularly May, reflect the way the world's third-largest importer is navigating geopolitical disruptions led by a price-sensitive and flexible sourcing strategy.

An analysis of the data shows that refining economics and operational margins are driving procurement decisions.

According to the latest trade numbers from global real-time data and analytics provider Kpler, India's crude oil imports last month fell marginally by 1 per cent month-on-month (m-o-m) to 4.87 million barrels per day (mb/d) provisionally. On an annual basis, imports were largely flat.

Analysts and oil marketing company (OMC) officials point to refiners prioritising barrels that optimise margins.

Barrel strategy



*Provisional Source: Kpler

WHEN MARGINS SPEAK

Sumit Ritolia, Kpler's Lead Research Analyst for Refining & Modeling, told *businessline*, "Rise in India's crude imports during May reflects strategic, price-driven decisions by refiners responding to competitive offers from Russia and West Asian producers, whose landed costs undercut benchmark-linked alternatives like Brent and Dubai."

For instance, Urals crude averaged around $50 a barrel FOB last month, well below the $60 price cap.

"Meanwhile, US barrels also gained momentum, with India on track to import over 1 mb/d from the US across April–June 2025. This growth — averaging 347,000 b/d in Q2 2025, with June volumes topping 400,000 b/d — is driven by favourable Brent-WTI spreads and a surge in availability of light-sweet grades like Midland, WTL, and Cold Lake," Ritolia explained.

A top official with a leading OMC said refiners are eyeing "competitive offers", but, they are also "deftly" sourcing cargoes, spreading them across India's 40 sourcing countries based on trade dynamics, logistics and margins.

"In this volatility, refiners consider many issues — logistics, price cap, insurance, geopolitics, sanctions, vessels, etc., it is very dynamic. So, we focus on a strategy where we can procure barrels with better price economics. Today, we are going into South and North America despite a 40-day supply time as deals are viable," he emphasised.

"While geopolitical considerations and shifting alliances do influence trade to some extent, they are secondary to the core driver — refining economics. Ultimately, whether crude flows from Russia, the US, or West Asia, if pricing is attractive and barrel fits technically, logistically, and politically, Indian refiners will seize the opportunity," he emphasised.

RUSSIAN ROULETTE

Russia's position as India's top supplier reflects continued reliance on discounted barrels and its ability to deliver across geographies.

Urals dominated the intake in May, accounting for roughly 75 per cent of Russian volumes, followed by CPC and ESPO, Ritolia said.

India imported around 1.87 mb/d crude oil from Russia last month, down slightly from 1.96 mb/d in April, though it remained the largest single supplier.

Iraq ranked second, exporting 1.08 mb/d last month, with steady volumes aided by long-term contracts and favourable compatibility with Indian refineries.

Saudi Arabia followed with 581,000 b/d, stable m-o-m but lower in relative share.

The UAE supplied 460,000 b/d — a significant jump from April.

The US remained India's fifth-largest supplier at 298,000 b/d, Ritolia said.

Business Line, Dt. 9/6/25

Russia to drive India's crude imports in H2, but intensity may wane

MORE SUPPLIES. West Asia is also prepping to ship more cargoes, as voluntary production cuts are wound up

Rishi Ranjan Kala
New Delhi

A combination of discounts, operational ease and geopolitical leeway is aiding Russia retain its position as India's top crude oil supplier in the second half of the current financial year as it continues to account for over one-third of the cargoes procured by the world's third largest importer.

However, India's traditional suppliers in West Asia are also prepping to ship more cargoes, as more supplies come online due to gradual winding up of the voluntary production cuts.

FACING PRESSURE

The volume will largely be shaped by seasonal refinery maintenance in India and the growing competition for barrels between Russia, West Asia and the US, trade sources said. However, Russian volumes could face pressure in the coming months, particularly post June, as some refineries that were hit by drone attacks may come back online, thereby absorbing additional barrels from the market.

Sumit Ritolia, Kpler's Lead Research Analyst for Refining & Modelling, emphasises that refining economics and operational margins drive buying decisions. Whether oil comes from Russia, the US, or Gulf, if economics align and logistics are viable, Indian refiners will seize the opportunity.

Ritolia pointed out that Russia holds a significant pricing advantage that is aiding exports.

For instance, India's imports in June are on track to reach 2 million barrels per day (mbpd).

"Russia offers crude at consistent discounts compared to global benchmarks like Brent and Dubai, and even more so against Middle Eastern grades on a landed-cost basis.

This economic edge, combined with operational ease and geopolitical leeway, has made Russian barrels an attractive proposition for Indian refiners," he explained.

PRICE BREACH. A key driver has been the Urals grade, which, though not deeply discounted, averaged around $50 per barrel free on board in May, well below the $60 price cap imposed by Western allies REUTERS

A key driver has been the Urals grade, which, though not deeply discounted, averaged around $50 per barrel FOB (free on board) in May, well below the $60 price cap imposed by Western allies.

These favourable economics have not only improved refinery gross margins but also drawn in substantial shipping capacity; over 20 tankers previously tied to non-sanctioned trades were repurposed for Urals delivery, boosting export flows, Ritolia pointed out.

ONGOING SANCTIONS

"Despite ongoing sanctions, lax enforcement has allowed steady trade to continue. Looking forward, Russian crude is expected to maintain a 35-40 per cent share in India's crude mix, assuming margins stay healthy, FOB pricing remains competitive, and sanctions remain loosely applied," he added. However, modest headwinds are emerging, Ritolia warned.

Kpler data indicate Russian refinery throughput may rise by 100,000-300,000 bpd in the coming months, potentially trimming available export volumes and softening flows to India beyond May.

A trade source said that West Asia barrels will compete to some extent with the US WTI during the remainder of the current calendar year.

"Murban is currently cheaper than WTI for August. With the winding back of production cuts, availability will increase. We expect Iraq and UAE to continue to challenge American barrels," the source added.

Financial Express, dt. 9/6/25

Copper wire, tube imports hit multi-year highs in FY25

AGGAM WALIA
New Delhi, June 8

INDIA'S COPPER CATHODE imports declined 34% year-on-year in FY25, largely due to a three-month supply disruption triggered by a quality control order (QCO), even as imports of downstream products such as wire, tubes, and sheets surged to multi-year highs.

While copper cathode imports dropped sharply, imports of key downstream copper products climbed in FY25 — wire rose 17% y-o-y, tubes and pipes 30%, and plates, sheets, and strips 49%.

In India, copper is classified as a critical mineral given limited domestic production and high demand in conventional and emerging technologies — from air conditioners and transformers to electric vehicle (EV) batteries and wind turbines. It is also seen as a bellwether of economic activity owing to its extensive application across sectors.

From an average of 27,000 tonnes each month between April and November 2024, copper cathode imports fell to around 2,000 tonnes per month between December and February, after the QCO went into effect from December 1. Then, in March 2025, imports recovered slightly to 16,000 tonnes, official trade data showed.

India relies on imports for about 30% of its copper cathode demand, a key raw material for wire, tubes, and sheets. The Adani Group's new Gujarat smelter, scheduled to reach peak capacity this financial year, is expected to make the country self-sufficient for the near-term.

Cathode imports recover

In FY25, India imported 2.39 lakh tonne (₹19,134 crore) of copper cathode, 34% less than 3.63 lakh tonne (₹24,552 crore) in the previous financial year. Amid sharp drop in imports between December to February, two metals trade associations filed a petition against the Union mines ministry, which issued the QCO, alleging that the quality norms have caused "acute shortages" in supply.

The petition added that domestic producers could "charge exorbitant and irrational rates" as imports decline. The case will be heard by the Bombay High Court on June 27. However, a rebound in copper cathode imports in March to around 16,200 tonne indicates that supply constraints are easing. Sources satted that no shortage was recorded on account of the QCO, and that the mines ministry has filed its response to the petition in court.

The steep drop in imports stemmed from compliance issues among exporters, especially Japanese suppliers who dominate India's copper cathode imports. The QCO mandates that both domestic producers and foreign suppliers obtain the Bureau of Indian Standards (BIS) certification to sell copper cathode in India. Most Japanese producers received certification only after the QCO took effect, and some continued to face minor challenges in ensuring compliance post-certification.

"Roughly 50% of copper cathode demand is in the winding wires segment, which has faced no issue in availability post-December. There has been no impact on downstream sectors," sources said. Delays in BIS certification were caused by Japanese smelters taking over six months to apply, despite ample time and extensions, they added.

LESS SHIPMENTS

Product	Quantity* 2023-24	Quantity* 2024-25	Growth (in %)	2024-25 value (₹ cr)
Copper cathode	3.63	2.39	-34	19,134
Copper wire	1.31	1.54	17	12,653
Copper tubes and pipes	0.88	1.14	30	10,157

Source: Department of Commerce trade data; *lakh tonnes

Copper wire, tube, sheet imports surge

Downstream copper imports climbed to multi-year highs in FY25, defying the slump in cathode shipments. Copper wire imports—primarily from the UAE—rose 17% from 1.31 lakh tonnes in FY24 to 1.54 lakh tonnes in FY25, with their value jumping 29% to ₹12,653 crore.

Widely used in electrical wiring, motors, and transformers for its high conductivity and durability, copper wire imports in FY25 hit a five-year high, though still below the over 2 lakh tonnes imported in FY19 and FY20.

Similarly, copper tubes and pipes imports—primarily from Vietnam—jumped 30% to 1.14 lakh tonnes, the highest since FY18, valued at ₹10,157 crore. Copper tubes and pipes are used in air conditioning, refrigeration, and heat exchangers. Copper plates, sheets and strips imports—used in electrical busbars and transformers—surged 49% to around 30,000 tonnes, valued at ₹2,725 crore.

Imports of copper products rose despite the Department for Promotion of Industry and Internal Trade (DPIIT) enforcing a QCO on these items from October 19, 2024, initially for large and medium enterprises. Growth persisted due to potential stocking-up before enforcement, longer timelines for small (January 2025) and micro (April 2025) units, exemptions for certain tubes and export-use products, and timely grant of BIS certification to some foreign manufacturers.

Domestic cathode output rises

Domestic copper cathode production rose 12.6% to 5.73 lakh tonnes in FY25, driven primarily by Hindalco Industries Ltd, which holds a 70% market share and has a capacity of 5 lakh tonnes. Production last year surpassed the previous peak of 5.55 lakh tonnes recorded in FY23.

Vedanta's Sterlite Copper, with a smaller capacity of 2.16 lakh tonnes, contributed 26% of cathode in FY25. Notably, India remained self-sufficient in copper cathode until 2018, when Vedanta's Tuticorin plant was shut down over environmental violations.

Adani's Kutch Copper Ltd produced 22,000 tonnes (4 per cent share) in its first year, with a smelter capacity matching Hindalco's at 5 lakh tonnes. Production is expected to ramp up to full capacity by October, with sources stating, "Once the Adani plant is fully operational, India's entire cathode demand will be met internally."

Additionally, the JSW Group plans to establish a 5 lakh-tonne copper smelter in Odisha by 2028-29. With India's per capita copper consumption still at 0.6 kg—well below the global average of 3 kg—demand is set to surge. To meet this, India's smelting capacity must expand as global supplies tighten.