Business Line. Dt: 01/07/25

Refined petroleum product exports rebound in May

Rishi Ranjan Kala
New Delhi

The country's refined petroleum product exports rebounded in May, after witnessing a steep decline during April, aided by higher outbound cargoes of diesel, petrol, jet fuel and fuel oil.

According to the Petroleum Planning and Analysis Cell (PPAC), India's petroleum products export rose by more than 39 per cent m-o-m and almost 7 per cent y-o-y to 5.63 million tonnes (mt) last month.

Exports had hit a low of a little over 4 mt in April impacted by lower jet fuel, diesel and petrol exports, which analysts largely attribute to domestic refinery maintenance and growing domestic demand.

For comparison, India's POL exports averaged at 5.56 mt between July 2024 and March 2025. Exports had hit a high of 6.50 mt (September 2024) and 6.14 mt (March 2025).

Even as exports recouped from the April low, the earnings of the refiners have been impacted as crude oil prices declined compared to last year.

For instance, India exported 5.5 mt of POL worth $3.3 billion last month. However, exports of 5.3 mt in May last year had fetched $3.8 billion.

Similarly, POL exports during April-May FY25 fell by 3 per cent y-o-y to 10 mt. However, the earnings fell by a steeper margin, declining by 24 per cent y-o-y to $5.7 billion.

The price of Brent Crude averaged $64.22 per barrel during May as against $67.79 during April and $82.05 during May 2024.

The Indian basket crude price averaged $64.04 per barrel during May 2025 as against $67.73 during April 2025 and $83.62 a barrel during May 2024.

REBOUND

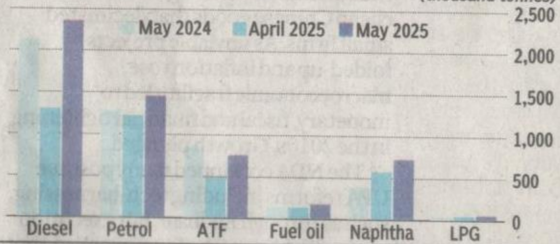
The PPAC data show that the rebound last month was led by diesel followed by aviation turbine fuel (ATF), fuel oil and petrol.

Diesel exports rose by a healthy almost 81 per cent m-o-m and around 14 per cent y-o-y to 2.35 mt during May as refiners shipped higher quantities to South-east Asia and Europe. Jet fuel cargoes rose by 54 per cent m-o-m to 7,52,000 tonnes. However, exports declined by 12 per cent y-o-y.

Similarly, fuel oil exports grew almost 27 per cent m-o-m and 17 per cent y-o-y to 1,72,000 tonnes. The commodity is used in industrial processes, heating among others.

India's refined petroleum product exports

(thousand tonnes)



Source: Petroleum Planning & Analysis Cell (PPAC)

Business Line. Dt: 02/07/25

June manufacturing PMI at 14-month high on export demand

Shishir Sinha
New Delhi

Manufacturing in India ended the first quarter on a positive note as the Purchasing Managers' Index (PMI) surged to a 14-month high at 58.4 in June, S&P Global reported on Tuesday.

It is worth noting that although the job situation improved, price pressure on inputs also eased.

"Robust end demand fuelled expansions in output, new orders and job creation. To keep up with strong demand, particularly from international markets as evidenced by the substantial rise in new export orders, Indian manufacturing firms had to tap deeper into their inventories, causing the stock of finished goods to continue shrinking," said Pranjul Bhandari, Chief India Economist at HSBC.

The index is derived based on responses from purchasing managers of 400 companies. The index is released well in advance of government data and plays a crucial role in policy-making. An index above 50 indicates expansion, while one below 50 signifies contraction.

JOB SCENARIO

S&P Global reported that one of the fastest increases in external orders in the over 20-year survey history occurred in June.

Producers of goods increased input buying to the greatest extent in 14 months, which supported a further expansion in stockpiles of purchases. Regarding the job scenario, the report stated that outstanding business volumes increased in June after remaining stagnant in May.

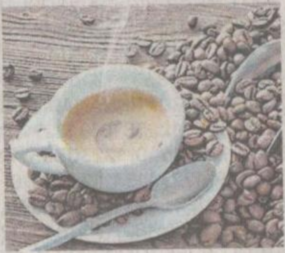
"Coupled with robust sales, this boosted hiring among manufacturers. Employment rose at a survey record pace, with panellists mostly pointing to short-term recruitment," it said. Manufacturing contributes 17 per cent to India's GDP. Additionally, it is considered a sector with a job multiplier effect. Regarding prices, the report noted that input price inflation had retreated to a four-month low despite rising iron and steel costs. The rate of increase was negligible relative to the series average. Average selling prices rose markedly, however, as several firms sought to share additional cost burdens (including freight, labour and materials) with clients. In some instances, companies attributed upward revisions to demand buoyancy. "Finally, input prices moderated while average selling prices rose as some manufacturers passed on additional cost burdens to clients," said Bhandari.

The outlook for the manufacturing sector remained positive in June. That said, uncertainties surrounding competition, inflation and changes in consumer preferences weighed on sentiment.

Business Line- Dt:- 03/07/25

Coffee exports up 19% in Q1FY25

Vishwanath Kulkarni
Bengaluru



India's coffee exports during the June quarter increased by 19 per cent in value to around $616 million, despite an 18 per cent decline in the volume, on higher prices. In the same period last year, coffee shipments' value stood at $517 million.

As per the Coffee Board's latest data, the shipment volume during the June quarter, based on the permits issued, was 1.03 lakh tonnes, down from 1.27 lakh tonnes in the same period last year.

Due to high prices, overseas buyers are likely to resort to need-based buying in recent months, resulting in a slowdown in volumes. Coffee prices have been on a bullish trend in the past couple of years following supply issues from key producers like Brazil and Vietnam.

In rupee terms, the coffee shipments during the June quarter stood at ₹5,273 crore, up 22 per cent from ₹4,315 crore a year ago.

59% RISE

The unit value realised during the quarter stood at ₹5.07 lakh per tonne, up 49 per cent from ₹3.39 lakh per tonne in the same period a year ago.

In the first six months of the calendar year 2025, the coffee shipments were $1,166 million, up 26 per cent over $924 million a year ago. Volumes were down at 2.06 lakh tonnes, down from last year's 2.43 lakh tonnes. However, the rupee value of the shipments was up 30 per cent at ₹10,042 crore from ₹7697 crore of last quarter.

Italy continued to be the largest buyer with volumes of around 33,823 tonnes, followed by Germany at 17,468 tonnes and Belgium at 15,615 tonnes. The Russian Federation, with volumes of 12,713 tonnes, and Turkiye, with 8,759 tonnes, were among the top five destinations for Indian coffee in the first half of the calendar year.

India, the seventh largest producer of coffee, is the fifth largest exporter. Over two thirds of the 3.6 lakh tonnes of coffee produced in the country are exported.

Business Standard. Dt: 04/07/25

NITI backs port hubs, fund for chemicals to curb imports

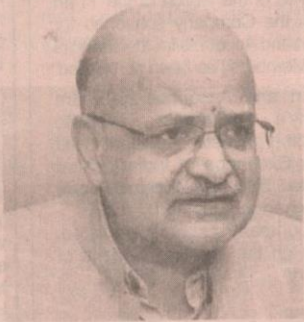
HIMANSHI BHARDWAJ & DHRUVAKSH SAHA
New Delhi, 3 July

To curb India's high import dependence in the chemicals sector, NITI Aayog on Thursday suggested the creation of eight major port-based clusters, a support fund for chemicals, and various subsidies to increase India's share in global value chains (GVCs).

While India is a major exporter of chemicals, it is also heavily reliant on imports, resulting in a $31 billion trade deficit in the sector in 2023, according to the Centre's official policy think tank. It also flagged that India's current share in chemical GVCs stands at 3.5 per cent.

Around 34 per cent of India's chemical imports come from China, leading to a $29 billion trade deficit.

The Aayog said targeted reforms encompassing a comprehensive range of fiscal and non-fiscal interventions would enable India to build a $1 trillion chemicals sector and achieve a 12 per cent GVC share by 2040. It expects India to achieve zero trade deficit in chemicals by 2030.



INDIA IS IDEALLY PLACED TO BE NEXT CHEMICAL HUB, SAID NITI AAYOG CEO B V R SUBRAHMANYAM

"India is ideally placed right now, given where the world is — both economically and geopolitically. India is in a sweet spot. We are right at the heart," said Aayog Chief Executive Officer B V R Subrahmanyam at the launch of the report.

"A GVC chemical fund could be established to provide financial support for infrastructure development and other key initiatives within the chemical hub. This fund can ensure that necessary investments are made to address critical infrastructure needs and can offer financial backing for projects that support the long-term sustainability of the parks. State governments will assist in land procurement and handle dispute resolution at the local level," the Aayog said in its report Chemical Industry: Powering India's Participation in GVCs.

FINANCIAL EXPRESS. Dt:- 04/07/25

India's imports of Russian oil touch 11-month high in June

SUKALP SHARMA
New Delhi, July 3


The rise in imports comes amid a US Bill proposing tariffs on Russia's trading partners FILE PHOTO

INDIA'S RUSSIAN OIL imports rose to an 11-month high in June, further cementing Moscow's continued dominance in New Delhi's oil import basket. According to tanker data, Russian crude accounted for a massive 43.2 per cent of India's total oil imports in June, outweighing the next three suppliers—West Asian majors Iraq, Saudi Arabia, and the United Arab Emirates—put together. This comes at a time when concerns have surfaced in India over a controversial bill in the US that proposes 500 per cent tariffs on countries that continue to trade with Russia. India and China are the top importers of Russian crude, and New Delhi is engaging with American lawmakers to voice concerns regarding its energy security and the bill.

In a recent press conference in Washington, Foreign Minister S Jaishankar said that India's concerns and interests on energy have been "made conversant" to Republican Senator Lindsey Graham, who is a key sponsor of the bill. Jaishankar added that India will "have to cross the bridge when we come to it, if we come to it". In a recent interview with ABC News, Graham had said that US President Donald Trump encouraged him to advance the bill after the July break of the US Congress.

It is yet to be seen if the bill, which Graham says would equip the US to force Russia to negotiate the end of the war in Ukraine, will turn into law in its current form. If that does happen, India would be pushed to cut down oil imports from Russia and increase imports from other suppliers, which could increase the cost of imports. It could also lead to complications in India's ongoing trade pact negotiations with the US, its largest trading partner. Currently, Indian refiners are adopting a wait-and-watch approach on the matter, while keeping Russian oil flows into India robust.

India depends on imports to meet around 88 per cent of its crude oil needs, and Russia has been the mainstay of India's oil imports for nearly three years now. With much of the West shunning Russian crude following the country's February 2022 invasion of Ukraine, Russia began offering discounts on its oil to willing buyers. Indian refiners were quick to avail the opportunity, leading to Russia—earlier a peripheral supplier of oil to India—emerging as India's biggest source of crude, displacing the traditional West Asian suppliers. While the discounts have varied over time, Russian oil flows to India have remained robust despite Western pressure and limited sanctions on Russia's oil trading ecosystem. Booming oil trade with Russia has also catapulted the country to the list of India's biggest trading partners. On its part, India has maintained that it is willing to buy oil from whoever offers the best price, as long as the oil is not under sanctions. To be sure, Russian oil itself is not sanctioned, but the US and its allies have imposed a price cap of $60 per barrel, as per which Western shippers and insurers cannot participate in Russian oil trade if the price of Moscow's crude is above that level.

In June, India imported 2.08 million barrels per day (bpd) of Russian crude, the highest since July 2024, and higher by 12.2 per cent on a month-on-month basis, according to vessel tracking data from global commodity market analytics firm Kpler.

"This resurgence in Russian volumes reflects both commercial incentives and geopolitical realignments. Russian barrels have remained highly competitive due to discounts, payment mechanisms, and logistical flexibility via alternative shipping and insurance networks. Despite mounting Western sanctions, Indian refiners have managed to maintain—and even expand—procurement from Russia. Barring any severe logistical or regulatory disruptions, this trend is likely to persist in the coming months," said Sumit Ritolia, Lead Research Analyst, Refining & Modeling at Kpler. "Looking ahead, Russia will likely remain India's largest crude supplier (35-40%) supported by price competitiveness and techno-economics. However, this dominance could face pressure if the West escalates enforcement of secondary sanctions targeting financial or shipping facilitators. Such a scenario could either reduce Russian volumes or push Indian refiners to seek greater compliance safeguards," Ritolia added.