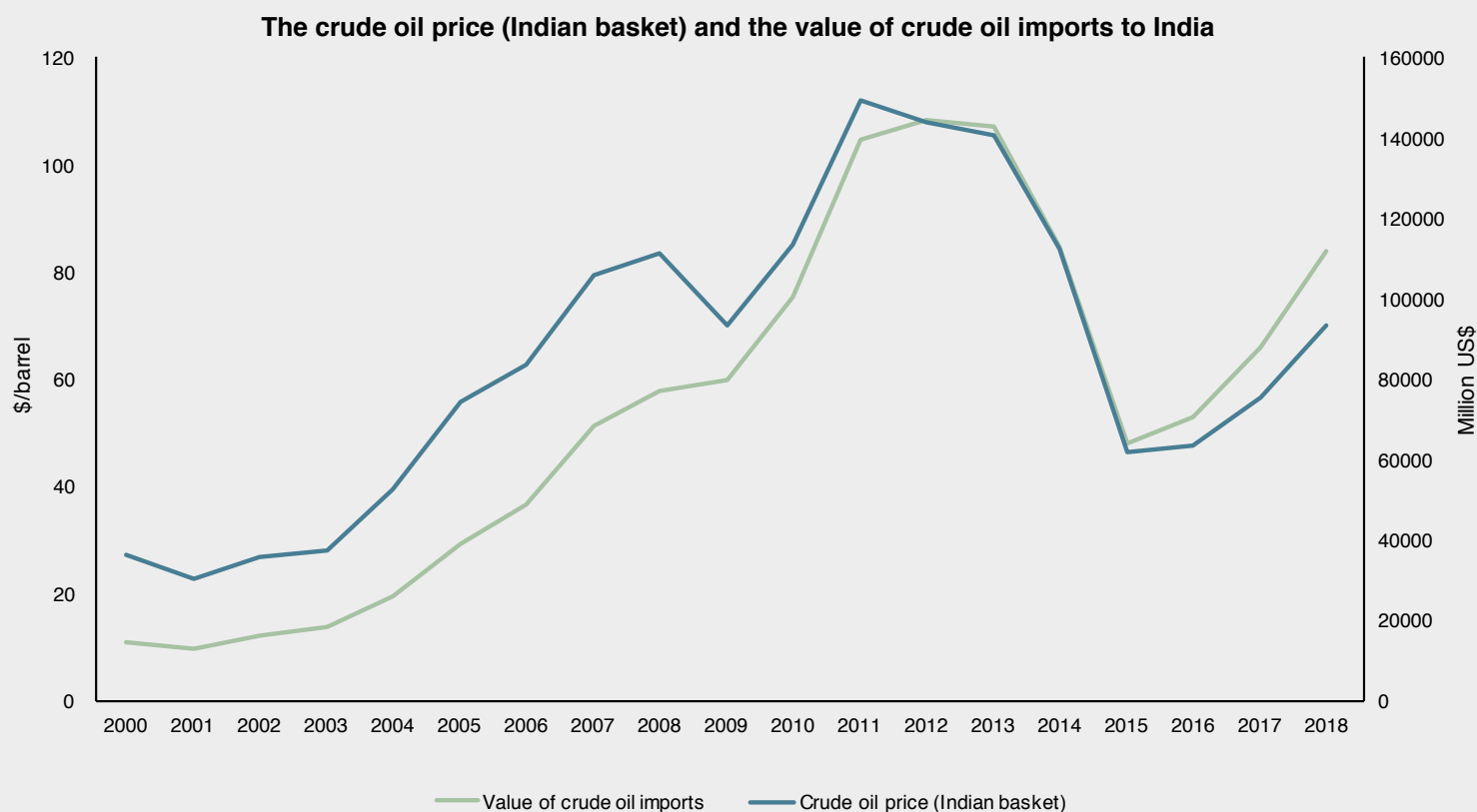


Data Insight

17/09/2019

India's Increasing Imports of Crude Oil



Key insights:

Surging global benchmark crude oil rates, tied with a depreciating Indian rupee against the United States dollar (US\$) and India's increasing dependence on crude oil imports, are likely to push India's crude oil import bill higher. This insight sheds light on the historical trends of the Indian basket and the value of India's crude oil imports.

- India has an import dependence of 83% for crude oil.
- From 2000 to 2013, the value of crude oil imported into India increased from US\$14 billion to US\$142 billion, with a compound annual growth rate (CAGR) of 19%.
- Due to the decrease in crude oil prices from 2014 to 2017, the value of crude oil imported into India decreased from US\$113 billion to US\$88 billion, with a CAGR of -6%. However, the volume of crude oil imports increased. In 2018, there was a steep increase in the value of crude oil imported into India, to US\$112 billion.

- Crude oil prices increased from US\$27 per barrel in 2000 to US\$106 in 2013. However, prices declined to US\$70 per barrel in 2018.
- It is assumed that, with India's growing population and economy, imports of crude oil will increase, and so will the value of these imports. The NITI Aayog/Government of India report, "India Energy Security Scenarios 2047," (2015) argued that India's fossil fuel import dependence will rise from 32% in 2012 to 45% of its primary energy supply in 2030. Further, the report argues that India's oil imports could continue to account for around 80% of its total energy consumption in 2030.
- With U.S. sanctions on Iran restricting its oil exports, it is believed that India will seek to diversify its crude oil imports and look for alternative fuel options. Currently, most of India's crude oil imports come from Iraq and Saudi Arabia. The U.S. sanctions on Iran make it likely that imports from Saudi Arabia and Iraq, and their shares of India's oil imports, will increase.

Source: Petroleum Planning & Analysis Cell, Ministry of Petroleum and Natural Gas, India.

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