

India's June oil imports hit their lowest in nine months

Demand was muted in April, May after earlier uptick, leading to high inventories

REUTERS
NEW DELHI

India's crude oil imports in June fell to their lowest in nine months, as refiners curtailed purchases amid higher fuel inventories due to low consumption and renewed COVID-19 lockdowns in the previous two months.

The world's third-biggest oil importer and consumer, India shipped in about 3.9 million barrels per day (bpd) of crude last month, about 7% down from May, but 22% higher from year-earlier levels, tanker arrival data obtained from trade sources showed. India is the second major importer in Asia, after China, to post a slump in last month's crude imports.



Piling up: Refiners had enough inventory of refined fuel leaving little scope to raise crude imports. ■ REUTERS

After an uptick in India's fuel demand in February and March, the country's refiners cranked up crude processing and oil imports, said an Indian refining official who declined to be named as

he is not authorised to speak to media. However, fuel demand fell sharply in April and May after the government imposed restrictions to curb a second wave of infections, leaving refiners with

high fuel inventories.

"We had enough inventory of refined fuel so there was little scope to raise crude imports," the source said, adding that exports were unattractive as profits were low.

Crude imports between April and June, however, rose 11.7% year-on-year to 4.1 million bpd as the lockdown curbs were not as severe as last year when COVID-19 first hit the nation.

Last month, Iraq stayed as the top oil supplier to India, followed by Saudi Arabia. The United Arab Emirates climbed four notches to emerge as third-biggest supplier while Nigeria rose to No.4 from No.5 in May.