The Indian EXPRESS
JOURNALISM OF COURAGE

India’s diesel exports to Europe skyrocket in run-up to EU ban on fuels made from Russian oil

India’s petroleum product exports to Europe, particularly diesel, should remain robust in the months leading up to the January 2026 EU ban as the continent would be stockpiling fuels

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New Delhi | Updated: September 6, 2025 07:05 AM IST

5 min read

India’s diesel exports to Europe jumped to around 260,000 barrels per day (bpd) in August, up nearly 63 per cent over July and 103 per cent over August of last year. (File)

As the Europe Union prepares to ban petroleum products refined from Russian crude from January 2026, India's diesel exports to Europe jumped to an 11-month high in August, according to vessel tracking data. Industry insiders and experts believe that India's petroleum product exports to Europe, particularly diesel, should remain robust in the months leading up to the EU ban as the continent would be stockpiling fuels and mitigating anticipated supply shortfalls.

Europe's increased lifting of diesel from India comes at a time when the US and some of its Western allies have amped up the rhetoric against India over its hefty purchases of Russian crude, and have alleged that the country is profiteering by supplying products derived from discounted Russian crude to the West—mainly Europe—which has an embargo on Russian oil and petroleum products. India has rejected these allegations, stating that there is nothing illegal in importing Russian oil and exporting petroleum products, and countries that have a problem can just stop importing fuels from India.

India's diesel exports to Europe jumped to around 260,000 barrels per day (bpd) in August, up nearly 63 per cent over July and 103 per cent over August of last year, according to preliminary tanker data from global real-time data and analytics provider Kpler. All of India's diesel exports to Europe in August were from Reliance Industries (RIL), the country's largest private sector refiner and petroleum product exporter, the data shows. India's total petroleum product exports to Europe in August jumped 41 per cent month-on-month to nearly 399,000 bpd.

Among the key reasons for the surge in diesel exports to Europe is the advancing of maintenance shutdown of Shell's Pernis refinery in the Netherlands from 2026, which is being seen as part of Europe's plan to ensure that its own refineries are not bogged down with turnaround schedules once the January 2026 ban takes effect. Although it is not clear how the ban will be enforced, considering refiners in various regions use crude from a number of countries and not just Russia, there is a real risk that European countries could lose out on supplies from countries like India, China, and Turkey.

"This (advancing of maintenance at Pernis refinery) has surprised the market and us also; it was not what we expected. This shift likely reflects anticipation of the January 2026 EU sanctions on products refined from Russian crude," said Sumit Ritolia, Lead Research Analyst, Refining & Modeling at Kpler. He added that with refineries in West Asia slated to have a high maintenance season in the December quarter, which would lead to lower supplies to Europe from the region, India's petroleum exports to the continent should remain strong.

"Exports should stay firm, and European buyers may accelerate liftings of gasoil (diesel) and jet fuel from India, given that in January 2026, sanctions kick in and the Middle Eastern refineries will be having a high maintenance in October-November, echoing the stockpiling seen ahead of the February 2023 EU ban on Russian products. This underscores India's pivotal role as a swing supplier of middle distillates (fuels like diesel, jet fuel, and kerosene) to Europe," Ritolia said.

The EU had banned petroleum product imports from Russia—its key source market—in February 2023 as part of its actions to penalize Russia for the war in Ukraine. In the months leading up to the ban, European countries had significantly increased petroleum product imports to build heavy stockpiles.

In July, as part of its tranche of actions in the latest bid to force the Kremlin's hand to end the war in Ukraine, the EU announced a ban on import of fuels made from Russian crude and coming from third countries with the exception of Canada, Norway, Switzerland, the United Kingdom and the United States. The ban, which will take effect on January 21, 2026, could severely hit India's fuel exports to Europe, given the significant share of Russian crude in India's oil import basket.

Industry insiders said that the likely impact of the EU ban on import of fuel made from Russian crude is not clear yet, and clarity is likely only when details of how they will be enforced and monitored. There is no way of differentiating whether the refined fuel has been made only from Russian oil or crude from other sources, they said.

"…enforcement remains uncertain since most Indian refineries process 60–70 per cent non-Russian crude and export widely. With RIL as the key exporter and operating two separate refining systems, Indian refiners are expected to manage compliance, but it is still too early to draw firm conclusions," Ritolia said.

Indian oil industry officials said that even in the event of Europe stopping all fuel imports from India, the impact would only be transitory as there are other markets where the fuels can be exported.

"If Europe stops buying refined products from India, it will still have to buy from somewhere else. Global supply is limited, so all this ban would do is change global flows of fuel between regions, which may involve a bit of short-term disruption. For instance, if Europe starts buying more from West Asia, then India can shift exports to markets that were being majorly served by West Asian refiners, and so on,” said an industry official.

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