

Press Statement

A recent article, following closely on the heels of a series of similar pieces, by certain media platforms, makes conjectures and tries to sensationalize routine purchase of crude oil by Indian Oil Companies from Russia based on concocted “source-based” stories. Such blatant misuse of the freedom of the Press could be disregarded but cannot, in this case, because this is a part of a pre-meditated attempt to further destabilize an already fragile global oil market.

The comparison of selective data in the article in order to produce a false narrative is clearly a part of an orchestrated campaign. The article also contains several inherent contradictions.

India’s energy needs are enormous with daily consumption of around 5 million barrels and a refining capacity of 250 MMTPA. For energy security and to fulfill its objective of providing energy justice to each of its citizens, Indian Energy companies buy from all major oil producers in the World. On an average, India has the unique distinction of servicing 60 million visitors at its petrol pumps every single day. Despite challenging times, it is important for the Government to ensure access to affordable energy to our citizens.

Our top 10 import destinations are mostly from West Asia. In the recent past, USA has become a major crude oil source for India, supplying almost \$13 bn worth of energy imports, with almost 7.3% of market share of crude oil imports.

India has been constrained to pay ever increasing prices charged by certain oil suppliers, which is leading India to

diversify its sources of procurement. Meanwhile, energy demand in India remains inelastic. At the current price levels, many countries in the immediate neighborhood are facing severe fuel shortages and chaos due to high fuel inflation.

Indian Energy companies have been sourcing energy supplies from Russia, on a sustained basis, over past several years. Yearly figures may have varied due to variety of reasons, including operational necessities. If suddenly, now, as a huge importer of crude oil, India pulls back on its diversified sources, concentrating on the remaining, in an already constrained market, it will lead to further volatility and instability, jacking up international prices.

Despite attempts to portray it otherwise, energy purchases from Russia remain miniscule in comparison to India's total consumption. Journalists who wish to get a better understanding of the ever evolving energy situation would be well advised to turn their attention to other parts of the World to countries which are major consumers of energy supplied from Russia.

India's legitimate energy transactions cannot be politicized. Energy flows are yet to be sanctioned. Based on unverified sources, such journalistic pieces are intended to increase their own readership. Instead of responsibly informing debate, such sensationalistic reports, end up serving vested interests including speculators, leading to negative impact on the global economic recovery.

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