Insurance Marine News

Oil sanctions on Russia fail to reduce amount exported

By admin On May 28, 2022 In Insurance Marine News, Keep, Political Risk, Credit & Finance

Russian Urals crude exports and transit from its Baltic ports in May were expected to match the initial plan, despite Western sanctions, according to traders and *Reuters* calculations based on shipping data.

Although the official sanctions and self-sanctioning by European buyers have reduced demand for Urals in its traditional market, Asian buyers have stepped in to take advantage of attractive prices. That has kept export flows unaffected.

The ports of Primorsk and Ust-Luga were expected to load a total of 7m tonnes of Urals in May, in line with the initial plan, data showed.

Four cargoes from the initial plan were cancelled – three from Kazakh oil producers and one from Rosneft – but Surgutneftegaz provided four additional loading positions.

More than half of all Urals cargoes from May's loading plan from Baltic ports was heading to Asia, mainly to India and China, the shipping data showed.

The volumes are in some cases purchased directly by Indian and Chinese companies but are also bought by trading firms for delivery to these destinations.

However, Europe has not turned off the oil tap completely. About 40% of Urals from Baltic ports during May was still set for shipment to Europe, mostly as part of long-term supply contracts signed before February, or to European oil plants owned by Russian oil majors. The top European destinations for Urals supplies in May were Netherlands, Italy and Turkey, according to the data from *Reuters*.