

EU sanctions on Russia diverting rather than stopping Russian exports

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Russia appears to be exporting as much dry bulk and oil as ever since March this year, when extensive sanctions were imposed by western Europe – just to different places.

Banchero Costa said that Russia was now exporting crude oil at pre-covid levels, in second place in the world oil rankings, behind only Saudi Arabia.

For the first eight months of 2022 Russia shipped 148.4m tonnes of crude oil, excluding domestic cabotage, up 16.1% year-on-year. India has gained most from this new cheaper source of fossil fuel.

Most of the increase in exports this year have been from the Baltic Sea and Black Sea. Exports from Russia's Far East ports have shrunk.

The size of vessel has also changed About 68% of crude oil shipped from Russian ports so far in 2022 has been loaded onto aframaxs, 31% onto suezmaxs, and none on VLCCs, said to Banchero Costa. However, many cargoes were then moved ship-to-ship onto larger ships for Asian destinations.

The outright European ban on Russian oil imports kicks in on December 5th. Ahead of this there had been an increase in tanker voyages from Russia since July, according to data from Sea/. It said that the main destinations so far this year had been the Netherlands, Turkey, China, Italy and India.

A report from brokers Hartland said that “the thought of sanctioned cargoes has kept even the older ladies off the beach, with vessels even out of class finding new homes at well above scrap”.

Sea/ recorded that Russian coal export volumes in June, July and August were higher than in 2021, with South Korea, Japan, India, Turkey and China to the fore.

Real-time estimates of fossil fuel sales from Russia to the EU showed that the bloc continued to import crude oil, oil products, LNG and pipeline gas worth around \$255m per day.