

INDIA BARS CHINA SHIPS FROM OIL TRADE AS TIES STRAIN FURTHER

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China-flagged and owned vessels have been barred from bidding on tenders for chartering tankers to import crude into India, or export products such as diesel out of the country, according to people familiar with the matter. The ban followed India's implementation last month of regulations on business with nations sharing its border, referring to China and Pakistan without naming them, the people said, asking not to be named because they're not authorized to speak to the media.

The state-run majors are also planning to ask oil traders and suppliers not to send shipments to India using Chinese vessels, they said. The move is poised to further strain relations between two of Asia's largest economies after a deadly Himalayan border clash left 20 Indian soldiers and an unknown number of Chinese troops dead. However, India's oil companies are not expecting a significant hit to trade.

Most of the foreign tankers they use or charter are flagged in Liberia, Panama and Mauritius, said two Indian oil executives, asking not to be named because they're not authorized to speak on the matter. The use of Chinese vessels is limited and mostly used in the transport of liquefied petroleum gas, they said.

Spokespeople for the three state-owned oil refiners -- Indian Oil Corp., Bharat Petroleum Corp. and Hindustan Petroleum Corp. -- did not immediately comment on the development.

India's new trade curbs on some of its neighbors is seen aimed primarily at limiting participation of Chinese groups in orders and tenders offered by government-owned companies. India -- which imported goods worth over \$70 billion from China in 2019 -- has already banned scores of Chinese mobile phone applications in an attempt to reduce dependence on its products.

This story has been published from a wire agency feed without modifications to the text. Only the headline has been changed.

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