

India gets first-ever U.S. crude shipment

The first ever shipment of U.S. crude oil of 1.6 million barrels, purchased by state-run Indian Oil Corporation (IOC), was received at Paradip Port on Monday.

The shipment is a part of recent commitments to purchase U.S. oil by IOC, Bharat Petroleum (BPCL) and Hindustan Petroleum (HPCL). IOC has placed a cumulative order for 3.9 million barrels from the U.S. while BPCL and Hindustan Petroleum have placed orders for about 2.95 million barrels and one million barrels, respectively.

"This marks the beginning of a new chapter in the history of Indo-U.S. trade, particularly in the oil and gas sector," Sunjay Sudhir Joint Secretary (International Cooperation) in the Ministry of Petroleum and Natural Gas said after he took symbolic delivery of a sample of the oil.

"The inclusion of the U.S. as a source for crude oil imports by India's largest refiner will go a long way in mitigating the risks arising out of geo-political disruptions.

"I hope that the new arrangement will also usher in price stability and energy security for India, which is witnessing robust growth in demand for petroleum products," added Mr. Sudhir.

Bilateral trade boost

U.S. crude oil shipments to India have the potential to boost bilateral trade by up to \$2 billion, according to a U.S. Embassy release. The crude oil shipment was delivered by MT New Prosperity, a Very Large Crude Carrier (VLCC) of capacity 2 million barrels of crude, which left the U.S. Gulf Coast on August 19.

"This event marks a significant milestone in the growing partnership between the United States and India," MaryKay Carlson, Chargé d'Affaires at the U.S. Embassy in Delhi said in the release.

"The United States and India are elevating our cooperation in the field of energy, including plans for cleaner fossil fuels, renewables, nuclear and cutting edge storage and energy efficiency technologies. "We look forward to working together on further sales of U.S. crude and exploring opportunities to expand the role of natural gas in India." Ms. Carlson added.

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