BODHIVRUKSHA JOURNAL OF DIVERSE DISCIPLINE (BJDD)
An Open-Access, Peer-Reviewed, Multidisciplinary Scholarly Journal | Bi-Monthly | Multilingual | Academic Research
Vol 2, Issue 6 (November-December 2026) (Special Issue 2) | ISSN: 3139-1486 (Online) | ISSN: 3139-9819 (Print)

Present Scenario of Petroleum Product Imports and Exports in India

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Abstract

India's energy security and trade is significantly influenced by the petroleum industry. This study is an attempt to make a comparative study of the imports and exports of petroleum products in India with a view to the existence of a wide structural imbalance. The analysis shows that total imports are at ₹11,36,787 crores with crude oil alone accounting for ₹9,63,824 crores, meaning there is a significant reliance on outside sources for raw energy supplies. On the other hand, exports are valued at ₹3,15,750 crores and mainly of refined petroleum products like High-Speed Diesel and Motor Spirit. This is indicative of India's high refining potential and being a global supplier of transport fuels. The study defines the "import crude–export refined" model that is characterized by predominating crude oil imports and relatively diversified exports. While exports have helped drive economic strength, the reliance on crude oil puts the economy at risk from international events, highlighting the need to plan for sustainable energy and diversifying.

Key words: Crude oil, Petroleum products, Export, Import.

1. Introduction

India's petroleum trade has a special feature to it, with high level of import dependence and good export performance. India is one of the largest consumers of crude oil, with only a small portion of the energy being sourced from within the country. Meanwhile, the country has established a strong refining industry that can supply and export various petroleum products. This forms a unique trade pattern which involves large volume of imports of crude oil and exports of refined products to international markets. The present study is a comparative scenario of the imports and exports of petroleum products in India, which covers the composition, value distribution of it and its economic implications. It shows the importance of crude oil for imports and the export concentration on transport fuels (diesel and petrol). This imbalance is crucial to assess India's energy security, trade sustainability, and policy direction in the changing global energy landscape.

2. Objectives of the Study

1. To examine the structure and composition of imports and exports of petroleum products in India in particular the dominance of crude oil in imports and refined petroleum products in exports.
2. To compare the trends between dependence on imports and export performance in petroleum, emphasizing the 'import crude–export refined' trade model followed by India.

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3. Research Methodology

The present study used descriptive and analytical research design to focus on the secondary data regarding petroleum import and export in India. The data has been gathered from trusted sources like government reports, petroleum statistics, trade databases, etc. The method used for qualitative analysis is tabular comparison of import and export valued in rupees crore to look out for the pattern and difference among different petroleum products. A comparative method is used to compare the difference in structures between import and export. In addition, interpretative analysis is undertaken to gain insight into the economic implications, such as reliance on crude oil and the robustness of refining capacity. This study is a secondary data analysis and only published data are used.

4. Scenario of Indian Petroleum Products

Indian petroleum product trends indicate a distinct pattern of a high dependence on crude oil imports and good performance in exports through petroleum refining. The most noticeable trend is that crude oil has become the primary component of the import basket, making up most of the total imports of petroleum. This reflects India's continued dependence on external sources for its primary energy needs because of limited resources of the country. Meanwhile, imports of refined petroleum products like motor spirit, aviation turbine fuel and high-speed diesel are discernibly down. This is a sign of steady improvements in domestic refineries in terms of efficiency and capacity, and the ability of the refineries to serve internal demand is increasing. LPG still shares a relatively large percentage of imports, indicating solid demand from consumers and increasing energy demand.

India has become a big exporter on the export side, mainly refined petroleum products including transport fuels like high speed diesel and motor spirit. This development highlights the country's impressive refining capabilities and its strategic role in the international energy market. In addition, exports are diversified by product, such as ATF and naphtha, but still focused on high demand fuel products. Limited trading of products like SKO, LDO and bitumen is another development which might indicate either low global demand for such products or prioritization for their use domestically. In general, the patterns suggest a "import crude–export refined" scenario, highlighting India's reliance and its rising strength in petroleum imports and exports.

Table No.1 Indian Petroleum products import (April 2025 to Feb 2026)

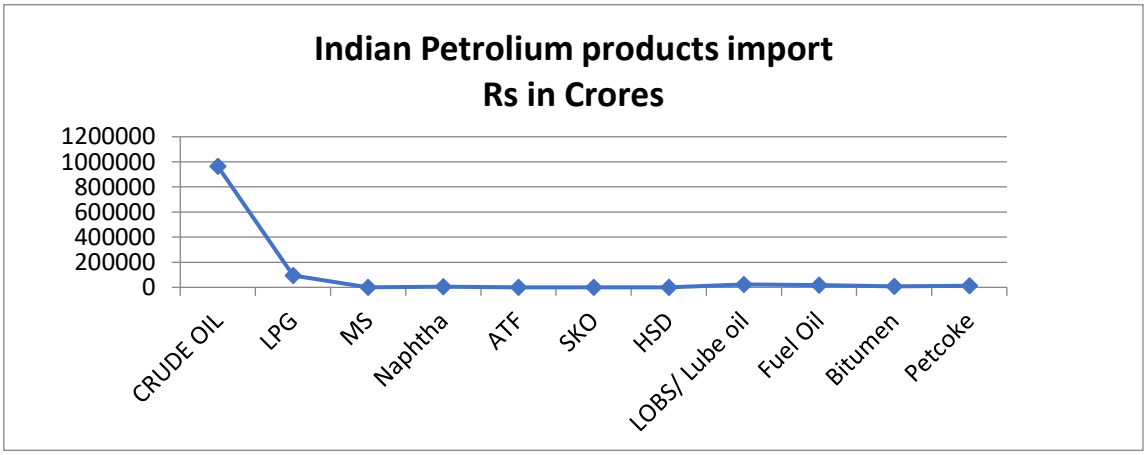
S.N.	Product	Rs In Crores
1.	Crude Oil	963824
2.	LPG	94844
3.	MS	01
4.	Naphtha	5030
5.	ATF	-
6.	SKO	-
7.	HSD	230
8.	LOBS/ Lube oil	21925
9.	Fuel Oil	17154
10.	Bitumen	8432
11.	Petcoke	12754

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12.	Others	12592
13.	Total	1136787

Source: https://ppac.gov.in/import-export

Graph No.1 Indian Petroleum products import (April 2025 to Feb 2026)



The given table no.1 presents the value of various petroleum product imports in India, measured in rupees crores, and highlights a highly uneven distribution across different products. The total import value stands at ₹11,36,787 crores, with crude oil dominating the basket at ₹9,63,824 crores, accounting for the overwhelming majority of total imports. This clearly indicates that India's energy dependence is primarily driven by crude oil rather than refined petroleum products. Among the refined products, LPG emerges as the second-largest import item at ₹94,844 crores, reflecting strong domestic demand for cooking fuel and household consumption. Other notable contributors include lube oil (₹21,925 crores), fuel oil (₹17,154 crores), petcoke (₹12,754 crores), others (₹12,592 crores), and bitumen (₹8,432 crores), which are mainly used in industrial applications, construction, and infrastructure development. In contrast, products like motor spirit (MS), aviation turbine fuel (ATF), and superior kerosene oil (SKO) show negligible or zero imports, indicating sufficient domestic production or reduced demand. High-speed diesel (HSD) imports are also minimal at ₹230 crores, suggesting strong domestic refining capacity.

Overall, the data reveals that while India has developed significant refining capabilities reducing dependence on certain petroleum products, it remains heavily reliant on crude oil imports, making the economy vulnerable to global price fluctuations and supply disruptions.

Table No.2 Indian Petroleum products Export (April 2025 to Feb 2026)

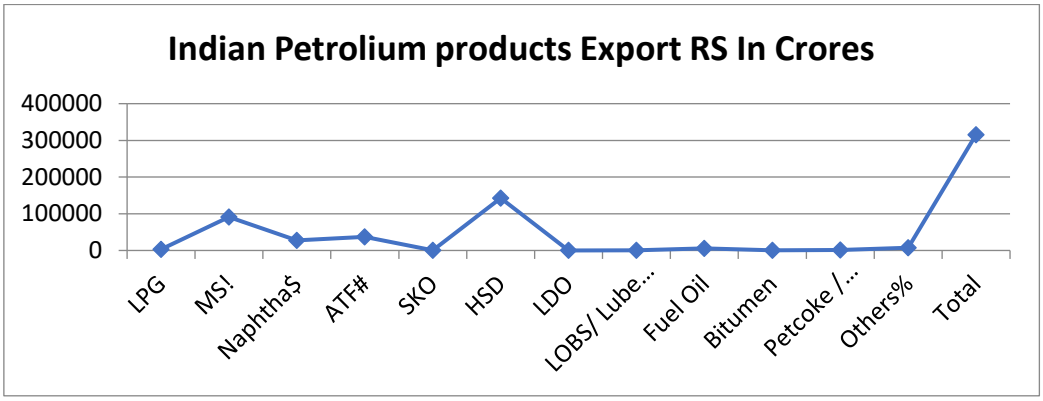
S.N.	Product Export	Rs in Crores
1.	LPG	3139
2.	MS!	90977
3.	Naphtha$	27214
4.	ATF#	37150
5.	SKO	107
6.	HSD	142373

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7.	LDO	0
8.	LOBS/ Lube Oil	130
9.	Fuel Oil	5990
10.	Bitumen	118
11.	Petcoke / CBFS	1144
12.	Others%	7408
13.	Total	315750

Source: https://ppac.gov.in/import-export

Graph No.2 Indian Petroleum products Export (April 2025 to Feb 2026)



India's value imports of various petroleum products in the given table no.2 are presented in crore of rupees and shows a highly uneven distribution across various products. The total value of import is ₹11, 36,787 crores where crude oil is the largest contributor to the basket with ₹9,63,824 crores of total import value. This is a clear sign of the fact that dependence on crude oil is the major factor in India's energy dependence but not on refined petroleum products. Out of the refined products, LPG is the second highest import at ₹94,844 crore, which shows that the demand for LPG in the domestic market has been high for cooking purposes and household consumption. Lube oil (₹21,925 crores), fuel oil (₹17,154 crores), petcoke (₹12,754 crores), others (₹12,592 crores), and bitumen (₹8,432 crores) are among the other significant contributors, with the majority of these materials utilized in industrial applications, for infrastructure and construction.Motor spirit (MS), aviation turbine fuel (ATF) and superior kerosene oil (SKO) are examples of products with either non-existent or very low imports, suggesting either large domestic production volumes or low demand. High speed diesel (HSD) imports have also remained low at ₹230 crores, indicating good refining capacity in the country. Overall, the data highlights that India has made substantial strides in refining its crude oil, reducing its reliance on some petroleum products, but has yet to become independent from crude oil imports, making the economy susceptible to global prices and supply shocks.

5. Overall Observation about Indian Petroleum products

The comparative figures of the imports and exports of petroleum products show that there is a definite structural imbalance in India's energy trade. The total value of imports is much higher at ₹11,36,787 crores, of which crude oil alone's value is ₹9,63,824 crores. This dominance indicates that India is highly dependent on crude oil imports instead of finished petroleum products. Refined products like LPG, lube oil and fuel

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oil, however, are quite small imports and show that domestic refineries are able to supply most of the finished fuel needs. On the exports side, it is significantly lower at ₹3,15,750 crores with high value refined products dominating the exports. High-Speed Diesel (HSD) and Motor Spirit (MS) are the two major items that make up a significant part of export earnings, followed by ATF and naphtha. This is indicative of India's robust refining facilities as well as its status as a leading world supplier of transport fuels. One of the differences is that India imports huge quantities of crude oil and exports substantial amounts of refined petroleum products. This means that it's a typical example of "import crude–export refined". The exports are more diversified, but also dominated by transport fuels, while the imports consist mainly of one product, crude oil. Moreover, low import and export volumes of some products like SKO, LDO and bitumen indicate either low demand for these products or preference for local consumption.

6. Conclusion

Petroleum product imports and exports in India reveal a structurally unbalanced and strategically important energy trade pattern. India has been hugely dependent upon crude oil imports, making it susceptible to fluctuations in global markets, geopolitical tensions, and price volatility. Imported crude oil makes up the bulk of the imports, which shows that domestic crude oil output is not enough to satisfy the increasing demands for energy. Meanwhile, the nation has built up its refining capacity, allowing it to export significant amounts of higher value products like petrol and diesel. This duality of dependency and strength is due to India's being a significant consumer of raw energy resources and a world-class refiner of energy. The export data reflects efficiency of processing and value addition which has helped in net foreign exchange earnings to a great extent. The uneven distribution of both imports and exports also indicates that reliance on some goods for imports and some goods for exports may be a risk in the event of a demand or supply shock. In general, although India has made significant strides in developing and export capability, the need to decrease the reliance on crude oil imports is a key challenge. Energy security, energy sources diversification and energy fuels promotion are key elements to achieve sustainable economic growth.

7. Suggestions

1. India should focus on increasing domestic crude oil exploration and production to reduce heavy import dependency and enhance energy security, thereby minimizing the risks associated with global price volatility and geopolitical uncertainties.
2. Diversification of import sources should be strengthened to avoid over-reliance on specific countries, ensuring a stable and secure supply chain even during international conflicts or disruptions in major oil-producing regions.
3. Expansion of renewable energy sources such as solar, wind, and biofuels should be prioritized to gradually reduce dependence on fossil fuels and promote sustainable energy consumption in the long run.
4. Investment in advanced refining technologies should be increased to further enhance efficiency, improve product quality, and maintain India's competitive advantage as a global exporter of refined petroleum products.

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5. The government should promote energy conservation measures and fuel efficiency standards across industries and transportation sectors to reduce overall petroleum consumption and import requirements.
6. Strategic petroleum reserves should be expanded to safeguard against supply disruptions and ensure availability during emergencies, thereby stabilizing the economy during global oil crises or sudden price hikes.
7. Encouraging the adoption of electric vehicles and alternative fuels can significantly reduce demand for petroleum products, helping India transition toward a cleaner and more sustainable energy future while lowering import dependence.

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