

How Russian Oil Is Making Its Way From Europe to Asia

By [Irina Slav](#)

Global Research, August 08, 2022

[OilPrice.com](#) 1 August 2022

Region: [Asia](#), [Europe](#), [Russia and FSU](#)

Theme: [Oil and Energy](#)

All Global Research articles can be read in 51 languages by activating the “Translate Website” drop down menu on the top banner of our home page (Desktop version).

To receive Global Research’s Daily Newsletter (selected articles), [click here](#).

Follow us on [Instagram](#) and [Twitter](#) and subscribe to our [Telegram Channel](#). Feel free to repost and share widely Global Research articles.

Russia has been ramping up oil exports to Asia since its invasion of Ukraine led to Western sanctions on imports of Russian oil. Some of the crude and products going to Asia are being transferred from one vessel to another in international waters around Europe, including outside UK territorial waters. Off the coast of Suffolk in the UK, outside UK territorial waters, at least two ship-to-ship transfers took place in May, and UK-crewed boats helped the transfer and delivered supplies to the tankers, according to an investigation by Global Witness and [The Independent](#).

The coast off Southwold, Suffolk, is designated an area of outstanding natural beauty, but it is also one of the few areas around the UK where ship-to-ship transfers are allowed, The Independent’s Ben Chapman notes.

The STS transfers of fuel oil off Suffolk identified by Global Witness and The Independent saw two tankers carrying 165,000 tons of Russian fuel oil worth over \$201 million (£165 million) proceed to the Middle East and Singapore.

These oil transfers are not illegal. Yet, such ship-to-ship (STS) transfers around Europe are being increasingly used for reloading Russian oil onto ships that then head to Asia via the Suez Canal, tanker-tracking publications have shown. There are other areas around Europe where STS transfers are happening, and new STS transfer “hubs” have started to emerge in recent months.

According to vessel tracking and analysis by [Lloyd’s List](#), China-owned supertankers are at the center of a new STS transfer hub in the middle of the North Atlantic, around 860 nautical miles west of Portugal. Such operations in the area have never been seen before, Alex Glykas from maritime advisors Dynamarine told Lloyd’s List.

Russia is also redirecting its residual fuel oil (RFO) exports – the world’s largest such exports

- away from the West and to Asia, Africa, and the Middle East, according to Roslan Khasawneh, a senior fuel oil analyst at the energy analytics firm [Vortexa](#).

“Russia’s changing flows are establishing new transshipments hubs for Russian RFO including offshore Kalamata, Greece where there has been a spike in ship-to-ship transfers as well as in Egypt which has seen its imports of Russian fuel oil climb to a record 70kbd in June. As a result, Egypt’s fuel oil exports jumped to a 10-month high of 120kbd in June, mostly to Saudi Arabia,” Khasawneh wrote in an analysis in July.

Increased STS transfers help Russia move more and more of its oil volumes to Asia and its key buyers there, China and India. These moves are offsetting to a large extent the Western sanctions on Russia’s oil and the effect of the upcoming EU embargo on imports of seaborne Russian oil and products, expected to take effect at the end of the year.

Western sanctions have so far failed to crush Russia’s oil exports as Moscow is redirecting crude and products to its more than willing Asian buyers, China and India.

Russian oil exports dropped by just 250,000 bpd in June, to 7.4 million bpd, the International Energy Agency (IEA) said in its monthly [report](#) for July. Despite volumes of crude and product exports being at the lowest since August 2021, Russia’s export revenues increased by \$700 million month-over-month on higher oil prices, to \$20.4 billion, or 40% above last year’s average, the IEA’s estimates showed.

European vessel owners, especially private Greek operators, [are moving a lot of the Russian oil](#) in the months before the EU ban on seaborne Russian oil imports kicks in. Greek tanker owners have increased their exposure to Russian oil shipping in the past months as they race to profit from the higher demand for heavily discounted Russian oil in China and India.

Russian exports of crude and products are yet to see a significant dent. Despite slightly lower volumes, so far, Putin is generating more money from oil than he did prior to the invasion of Ukraine or last year, as oil prices stay elevated.

The West’s main goal to cripple Putin’s revenue but still allow Russian oil exports somewhere in the world has led to the idea of capping the price of Russian oil. The G7 group of leading industrialized nations, led by the United States, is considering waiving the ban on insurance and all services enabling transportation of Russian oil if that oil is bought at or below a certain price.

*

Note to readers: Please click the share buttons above or below. Follow us on Instagram and Twitter and subscribe to our Telegram Channel. Feel free to repost and share widely Global Research articles.

Irina is a writer for [Oilprice.com](#) with over a decade of experience writing on the oil and gas industry.

Featured image is from [OilPrice.com](#)

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Irina Slav](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca