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Russian oil tracker

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Summary

- In October 2023 Russian seaborne oil exports volumes decreased by ~3% driven by 13% oil products exports decline (MoM). The total oil exports revenues changed little over September as $690 mln drop in oil products exports were mostly compensated by $660 mln increase in crude export revenues.
- In October 2023 Russia managed to continue lowering its reliance on Western maritime services mainly for crude shipments – only 26% of crude oil were shipped by tankers with P&I insurance compared to 32% in September. On contrary, coverage of oil products shipments with P&I Club insurance barely changed since September and stayed at 60%.
- The KSE Institute estimates 185 loaded Russian shadow fleet tankers left Russian ports in October 2023, 72% of which were built more than 15 years ago. Russian shadow fleet poses huge environmental risks for the EU as decrepit tankers without P&I insurance navigate several European countries coastlines including Danish Straits.[1]. In October 2023, the shadow fleet was responsible for exports of around 2.6 mb/d of crude oil and 0.8 mb/d of oil products.
- Russia hides its connections to shadow fleet operations by dispersing ship managers[2] and hiding its ownership of shadow fleet tankers. As KSE Institute found in October, Sun Ship Management and Scf Mgmt Fzco, top two leaders in seaborne oil exports by shadow fleet, operate the fleet of tankers that has the same features as owner possesses only one tanker, but all these owners have the same registration address.
- Narrowing but still significant price discounts for both Russian crude and oil products continue to support the strong demand for Russian oil exports. Average Urals FOB Baltic, Black Sea and ESPO FOB decreased by over $2/bbl to $77/bbl, $79/bbl and $84/bbl respectively. Diesel, fuel oil and naphtha prices were traded above the price caps in October. However, the discount on Urals has widened by $3/bbl by the end of October after the US OFAC imposed its first blocking sanctions on two vessels and owners for using US-based services while carrying Russian crude sold above the price cap. The US Treasury letters to shipping companies for potentially breaching G7/EU price cap sent in early November also indicates a switch to tough-touch approach of price cap enforcement.
- Russian oil export revenues barely changed since previous month and stayed at $18.3 bn, the second highest level since July 2022. KSE Institute now projects Russian oil revenues of $178 billion in 2023, while in July they had been expected to reach only $153 billion. According to the KSE Institute modelling, in the base case with current oil price caps and status quo of sanctions but their stronger enforcement, revenues will contract to $155 bn and $152 bn in 2024 and 2025 respectively compared to $218 bn and projected $178 bn in 2023 respectively. If the price cap is lowered to US$ 50/bbl discount to forecast Brent prices, revenues will fall to $77 bn and $70 bn in 2024 and 2025 respectively. However, in case of weak sanctions enforcement, Russian oil revenues could increase to the robust $200 bn and $197 bn in 2024 and 2025 respectively.

[1]See Craig Kennedy, August 23, 2023, Measuring the Shadows. Moscow's Strategies for Evading Oil Sanctions and How to Stop them from Succeeding, https://navigatingrussia.substack.com/p/measuring-the-shadows?utm_source=substack&utm_medium=email for details and examples

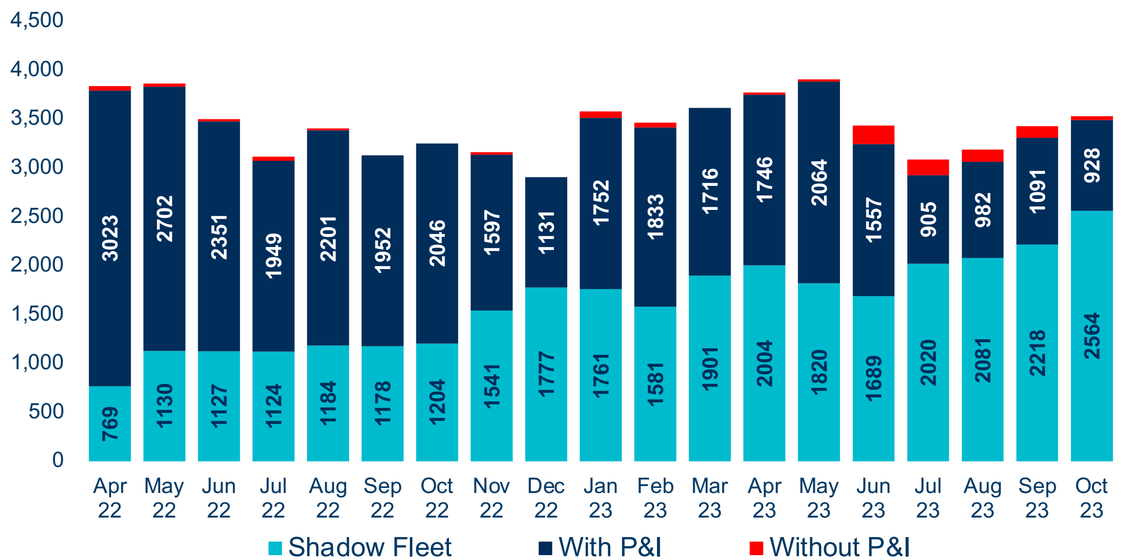
[2] Please see the KSE October issue of Russia Oil Tracker https://kse.ua/about-the-school/news/russian-oil-tracker-october-2023/

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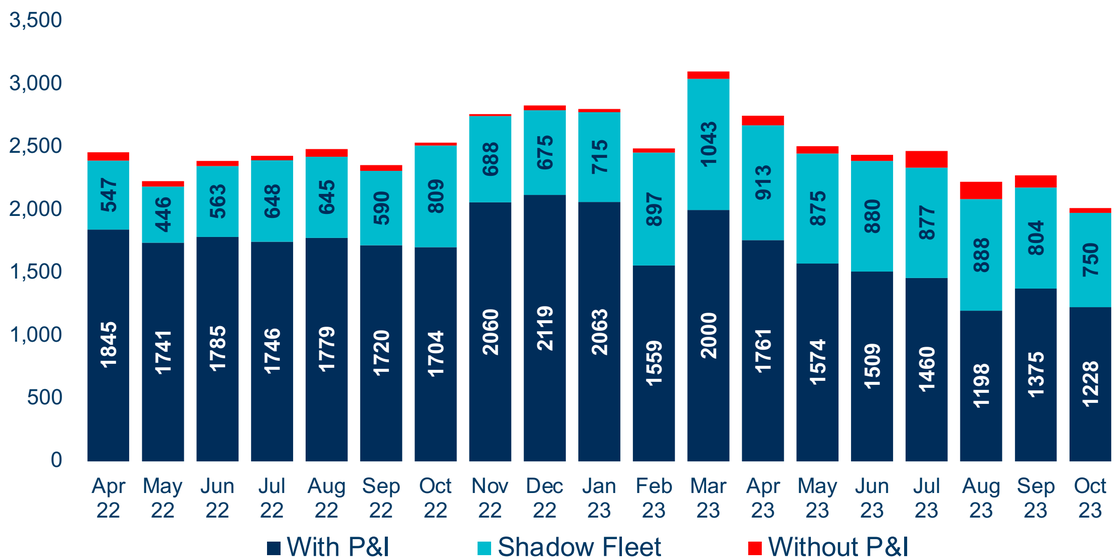
Russian seaborne oil exports volumes decreased by 3% in October 2023 driven by 13% oil products exports decline. Russia continued boosting crude shipments by shadow fleet

- October 2023 Russian seaborne oil exports decreased by 158 kb/d or by 2.8% MoM and was also 4.1% lower YoY
- Shipments of seaborne crude oil increased by around 2.9% MoM while products exports were 12.9% lower than in September
- Russia managed to lower its reliance on Western maritime services mainly for crude shipments as 26% of crude oil (32% in September) and 61% (60% in September) of oil products were shipped by tankers with P&I Club insurance in October 2023

Russian seaborne crude oil exports, kb/d



Exports of Russian oil products, kb/d



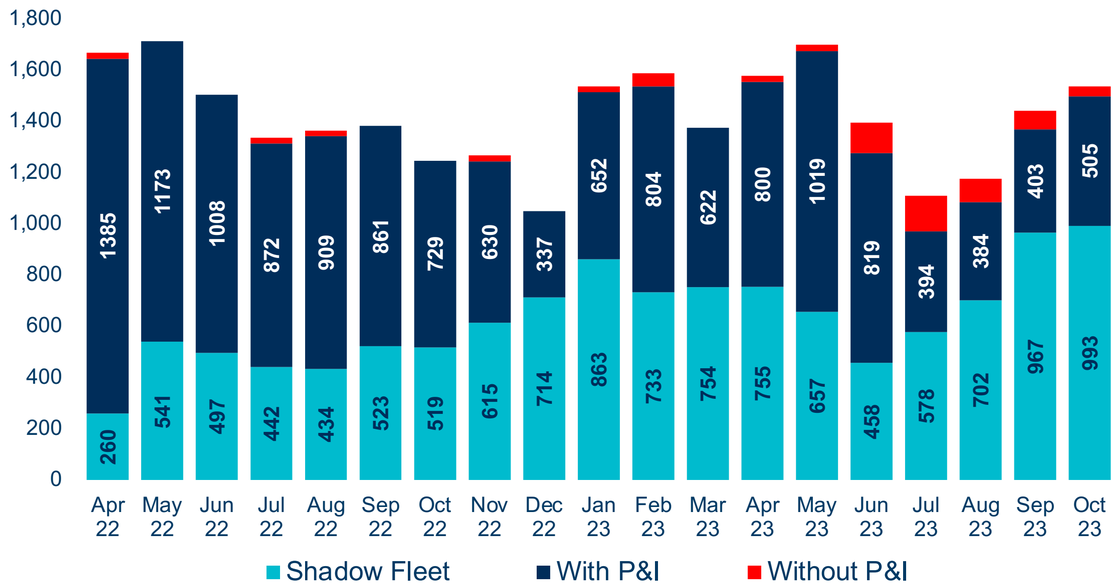
Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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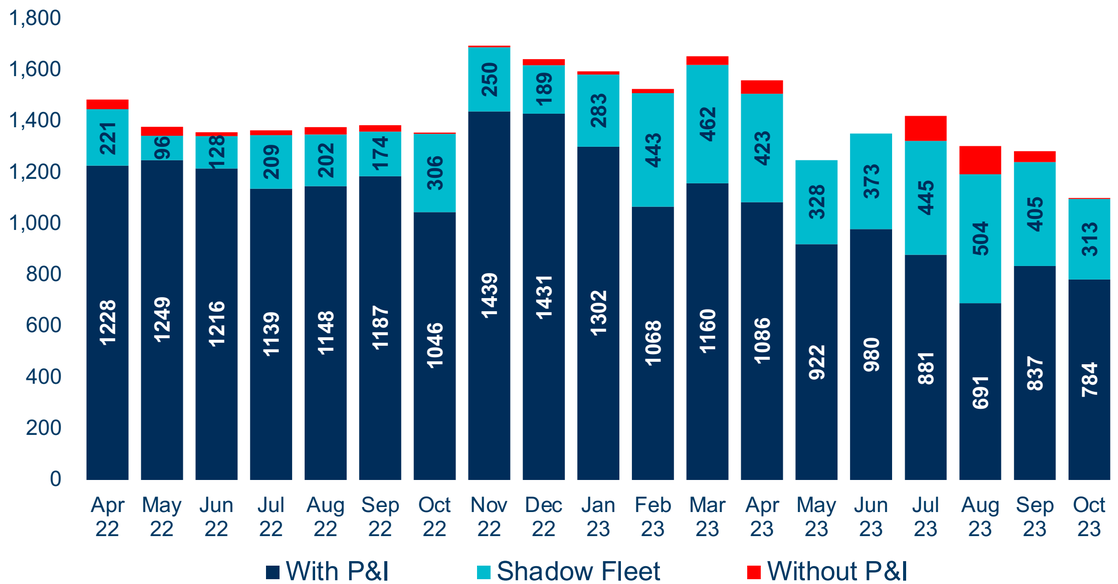
49% of crude oil & oil products were shipped by tankers with P&I Club insurance from Baltic Sea ports in October 2023

- In October 2023 the exports of crude oil from Baltic ports increased by 6.5% MoM and by 23.2% YoY
- The exports of oil products from Baltic ports decreased by 14.3% MoM and by 18.8% YoY in October
- 33% of crude oil and 71% of oil products were shipped by tankers with P&I Club insurance in October compared to 28% and 65% respectively in September

Russian crude oil exports from Baltic Sea ports, kb/d



Exports of Russian oil products from Baltic Sea ports, kb/d



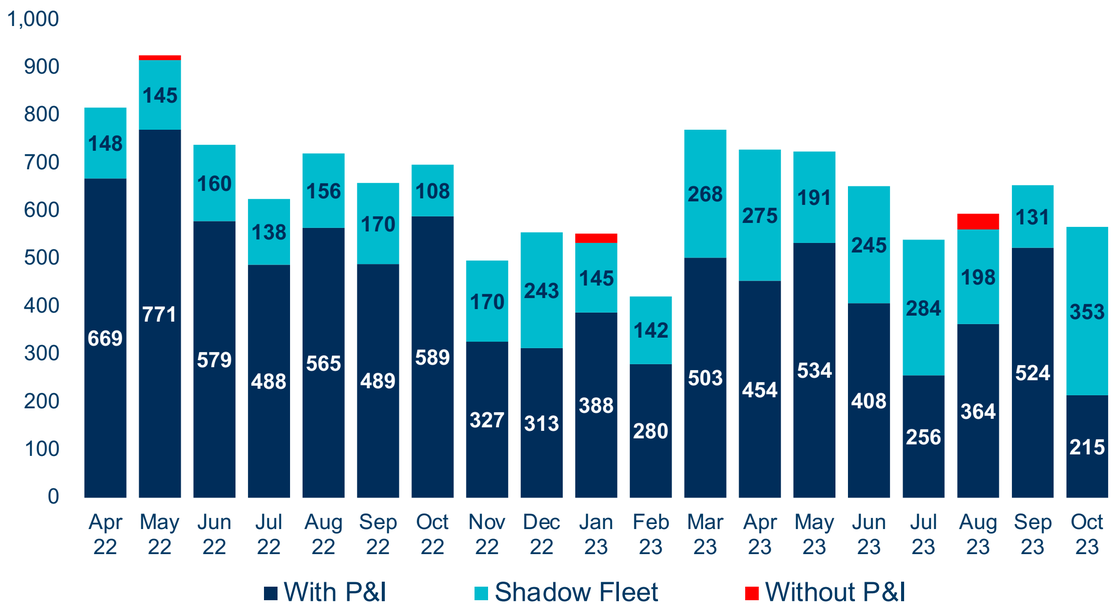
Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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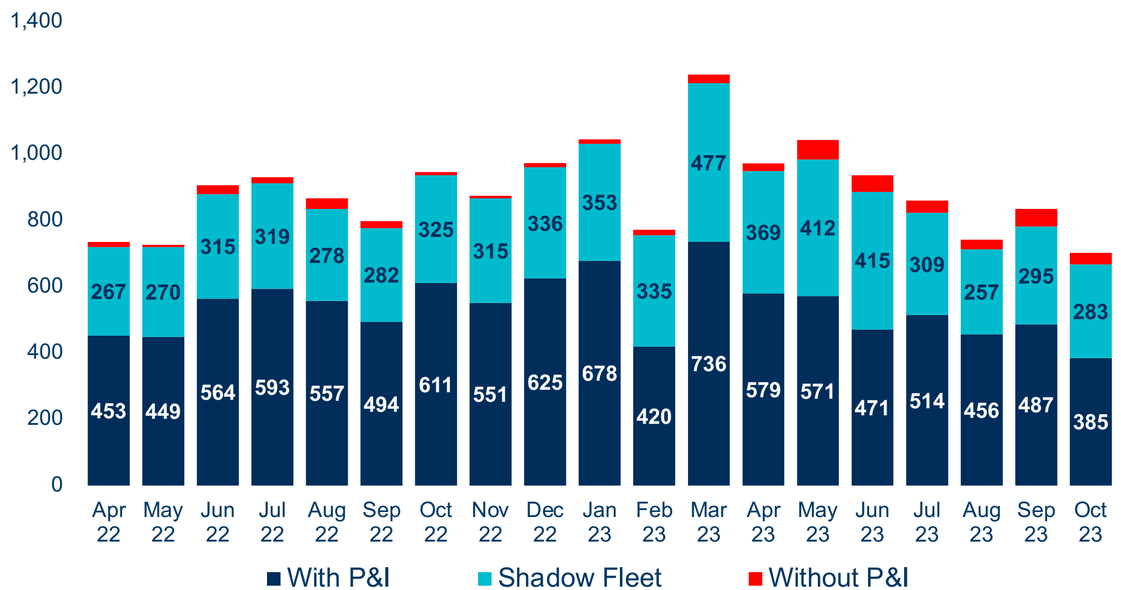
47% of crude oil & oil products were shipped by tankers with P&I Club insurance from Black Sea ports in October 2023

- In October 2023 the exports of crude oil from Black Sea ports decreased by 13.3% MoM and by 18.6% YoY
- The exports of oil products from Black Sea ports decreased by 15.9% MoM and by 25.8% YoY
- 38% of crude oil and 55% of oil products were shipped by tankers with P&I insurance compared to 80% and 58% in September

Russian crude oil exports from Black Sea ports, kb/d



Exports of Russian oil products from Black Sea ports, kb/d



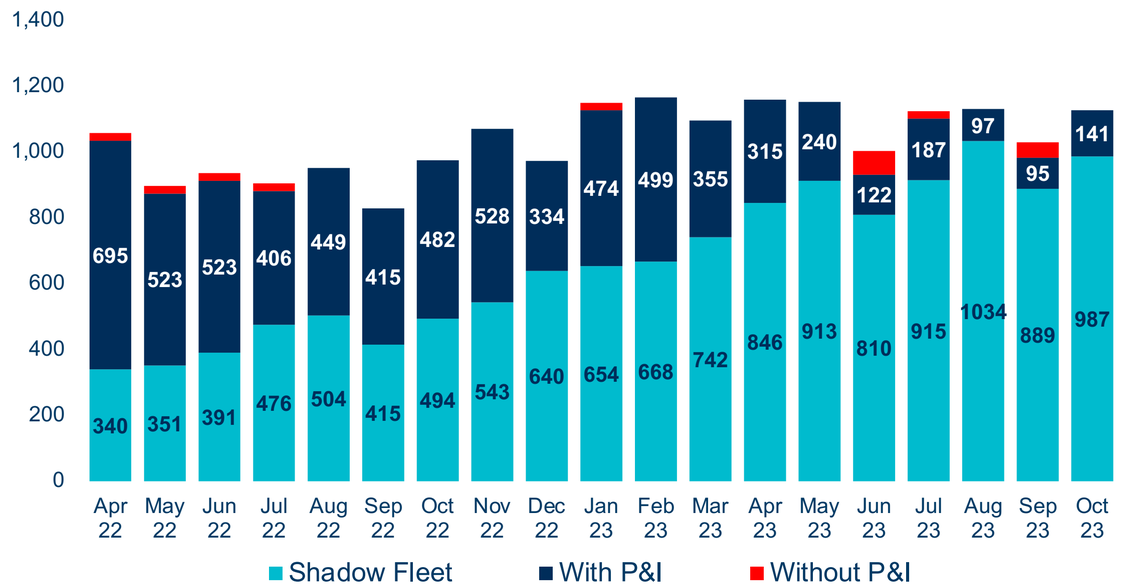
Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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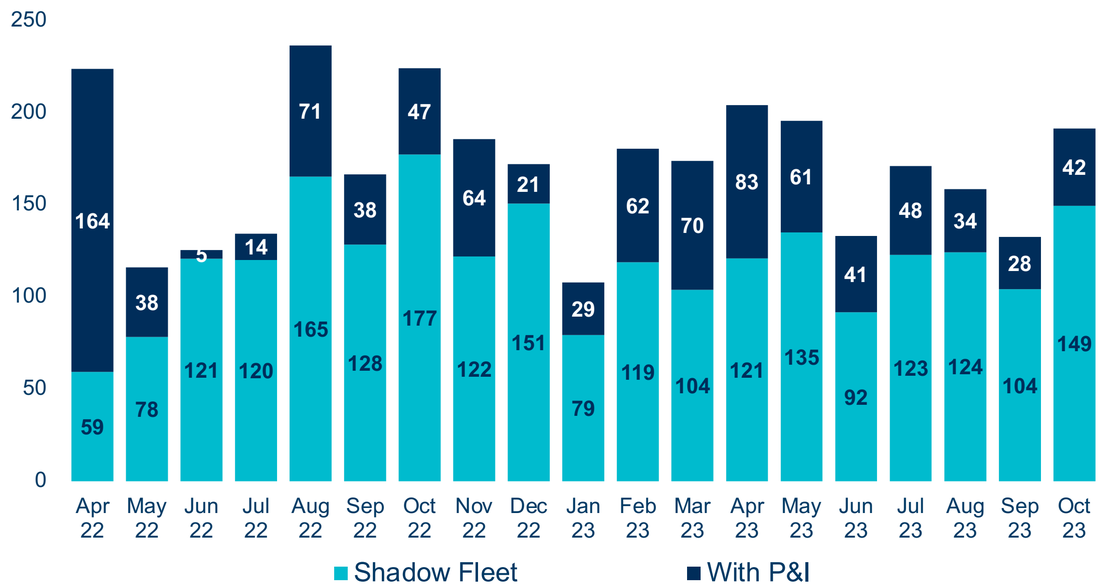
14% of crude oil & oil products were shipped by tankers with P&I Club insurance from Pacific Ocean ports in October 2023

- In October 2023 the exports of crude oil from Pacific Ocean ports increased by 9.4% MoM and by 15.6% YoY
- The exports of oil products from Pacific Ocean ports increased by 44.4% MoM and by 15.6% YoY
- Only 12% of crude oil and 22% of oil products were shipped by tankers with P&I Club insurance in October 2023

Russian crude oil exports from Pacific Ocean ports, kb/d



Exports of Russian oil products from Pacific Ocean ports, kb/d



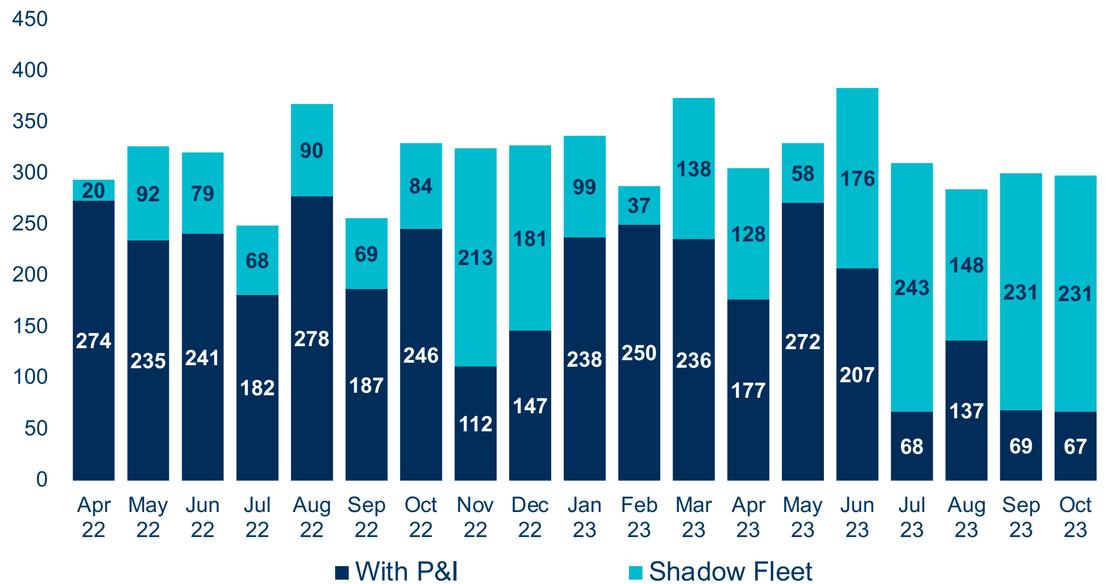
Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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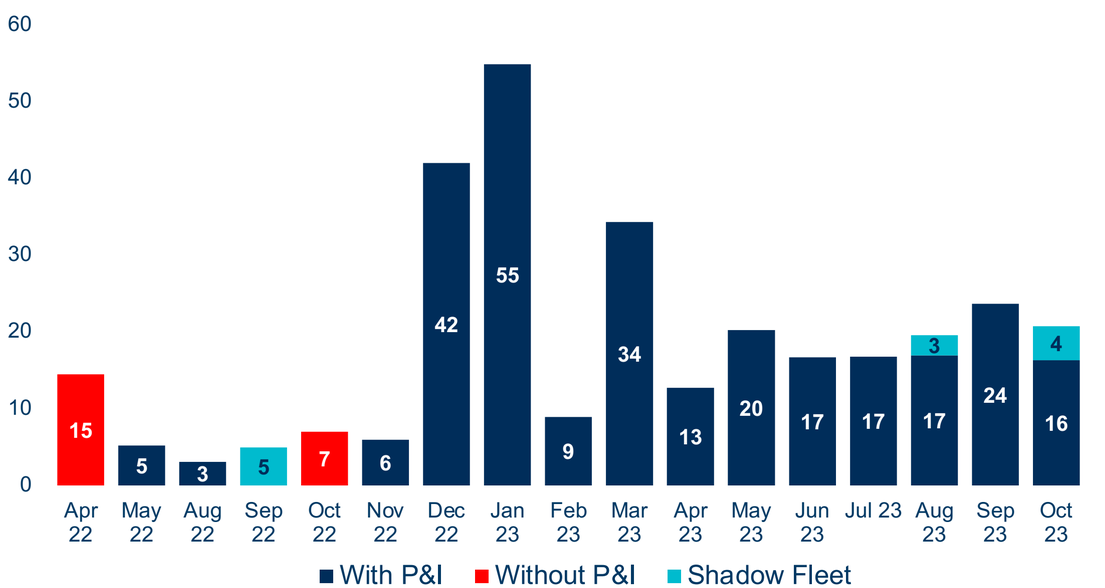
27% of crude oil and oil products were shipped by tankers with P&I Club insurance from Arctic Ocean ports in October 2023

- The exports of crude oil from Arctic Ocean ports changed little over previous month while decreased by 9.7% YoY
- The exports of oil products from Arctic Ocean is insignificant as Russia ships predominantly crude from these ports
- 23% of crude oil was shipped by tankers with P&I Club insurance in October 2023 as in the previous month

Russian crude oil exports from Arctic Ocean ports, kb/d



Exports of Russian oil products from Arctic Ocean ports, kb/d



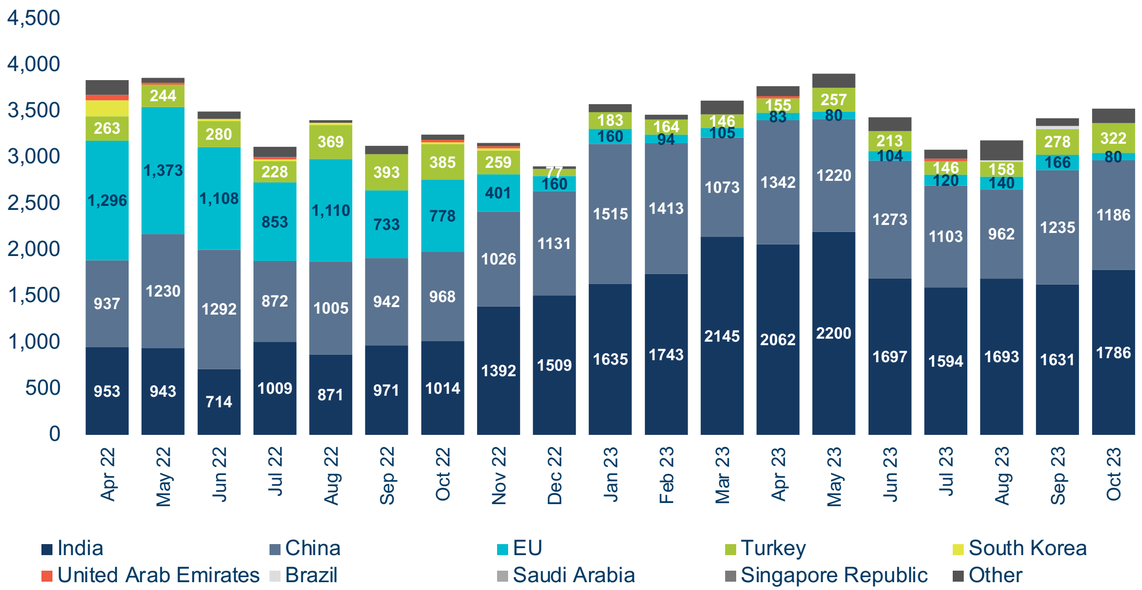
Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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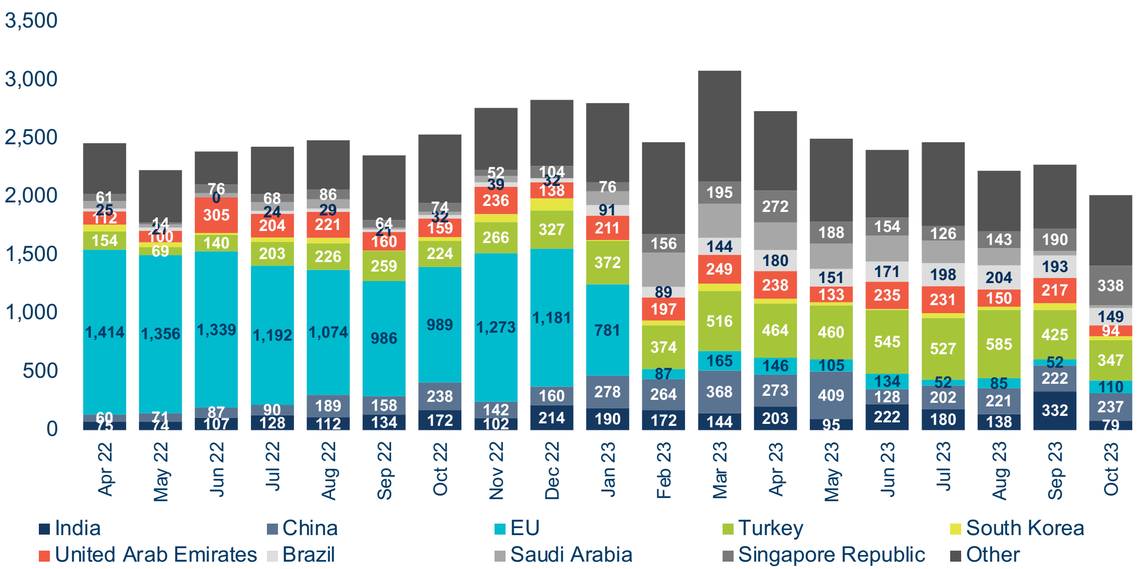
India remains the biggest buyer of Russian seaborne crude while Turkey remains the biggest importer of oil products after the coalition of advanced democracies refused to purchase Russian oil

- EU's share in Russian crude exports decreased to 2% from 24% YoY (only Bulgaria remains eligible to import seaborne oil from Russia)
- EU's share in Russian oil products exports increased to 5% from only 2% MoM but decreased from 39% YoY
- Altogether India, China and Turkey were responsible for 93% of Russian crude oil exports in October
- India remains the biggest buyer of Russian seaborne crude - its share in Russian crude oil exports increased from ~2% to 51% in October 2023 while Turkey retains the leader position in oil products imports since the EU imposed embargo on Russian oil products imports
- Singapore increased oil products import by 78% MoM to 338 kb/d and almost equaled Turkey as top Russian oil products importer in October

Russian seaborne crude oil exports by destinations countries, kb/d



Russian oil products exports by destinations countries, kb/d



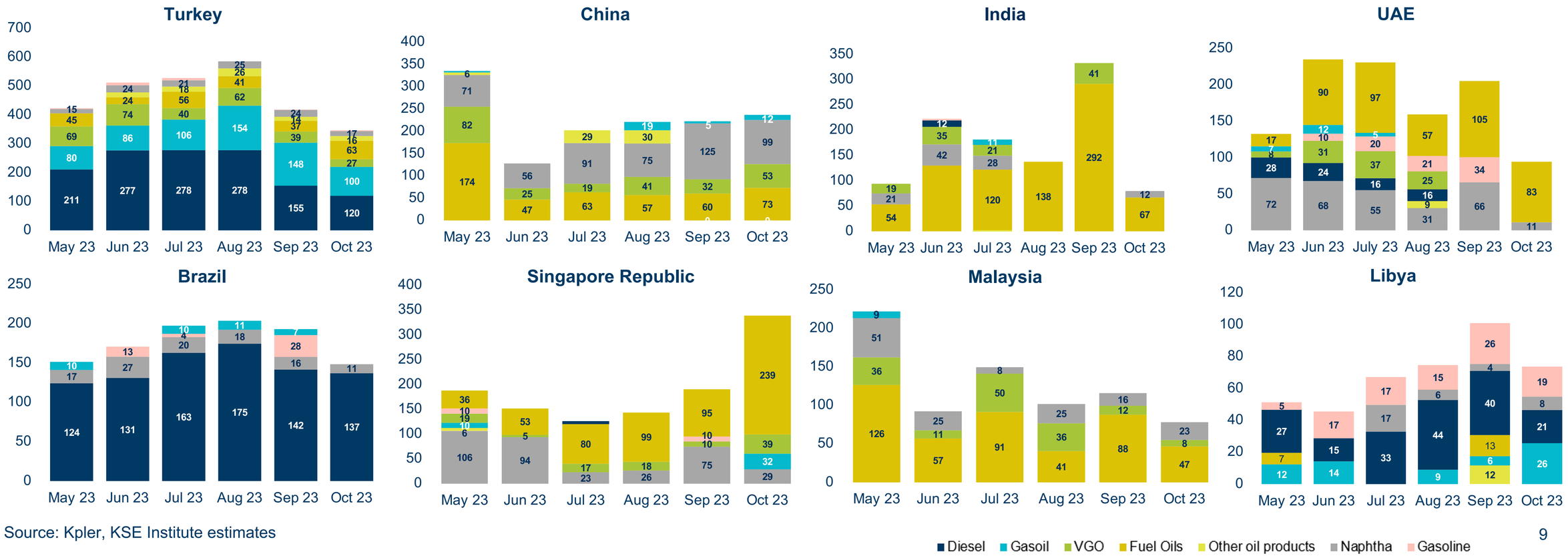
Source: Kpler, KSE Institute estimates

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Leading producers are maximizing refining profits by importing record volumes of cheap Russian oil products and shipping products to other destinations

- Turkey decreased oil products imports from Russia from record high 585 kb/d in August to 347 kb/d in October but remained the biggest importer
- Singapore increased oil products import by 78% (MoM) to 338 kb/d and almost equaled Turkey as top Russian oil products importer in October
- China's imports changed little over several months while India & UAE sharply decreased their imports of Russian oil products by 76% and 54%(MoM) respectively

Top 8 importers of Russian oil products, kb/d



Source: Kpler, KSE Institute estimates

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Sun Ship Management and Tankers Scf Mgmt Fzc shipped around a quarter of Russian crude during last three months. Only one Greek company remained in top ten shippers of Russian crude in October 2023 compared to four just a month earlier and shipments of Russian crude by Greek shipping companies are expected to go further down after the US Treasury sent letters to shipping companies for potentially breaching G7/EU price cap while carrying the Russian crude in November

Russian crude oil exports by ship managers

Aug 23			Sep 23			Oct 23		
Ship manager	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**
Other	1614	51%	Other	1770	52%	Other	1781	50%
UAE.Sun Ship Management	553	17%	UAE.Sun Ship Management	535	16%	UAE.Oil Tankers Scf Mgmt Fzco	499	14%
UAE.Oil Tankers Scf Mgmt Fzco	316	10%	UAE.Oil Tankers Scf Mgmt Fzco	299	9%	UAE.Sun Ship Management	433	12%
Greece.Tms Tankers Ltd	258	8%	China.Sunne Co Ltd	149	4%	China.Sunne Co Ltd	144	4%
Greece.Kyklades Maritime Corp	144	4%	Greece.Tms Tankers Ltd	133	4%	Greece.Marine Trust Ltd-Mai	138	4%
Greece.New Shipping Ltd-Lib	60	2%	UAE.Radiating World Shipping Servs	106	3%	UAE.Radiating World Shipping Servs	125	4%
Greece.Marine Trust Ltd-Mai	56	2%	Greece.New Shipping Ltd-Lib	97	3%	UAE.Star Voyages Shipping	122	3%
China.Intercon Marine Shanghai Co	50	2%	UAE.K&O Shipmanagement Fze	93	3%	China.Prominent Shipmanagement Ltd	81	2%
Liberia.Hs Esberg Ltd	49	2%	Turkey.Gungen Denizcilik Ve Ticaret	90	3%	Russia.Rosnefteflot Jsc	71	2%
China.Supership Management Co Ltd	48	2%	Greece.Minerva Marine Inc	88	3%	China.Shanghai Future Ship Mgmt Co	70	2%
China.Sunne Co Ltd	48	1%	Greece.Marine Trust Ltd-Mai	69	2%	Turkey.Gungen Denizcilik Ve Ticaret	67	2%
Total	**3196**	**100%**	**Total**	**3428**	**100%**	**Total**	**3530**	**100%**

Source: Kpler, KSE Institute estimates

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Registered in the UAE Oil Tankers Scf Mgmt Fzco remained the leading shipper of Russian oil products by operating vessels obtained from Sun Ship Management. Seven out of ten biggest shippers of Russian oil products were Greek companies in October 2023 as in the previous month

Russian oil products exports by ship managers

Aug 23			Sep 23			Oct 23		
Ship manager	Volume, kb/d	%	Ship manager	Volume, kb/d	%	Ship manager	Volume, kb/d	%
Other	1608	72%	Other	1548	68%	Other	1350	67%
UAE.Oil Tankers Scf Mgmt	104	5%	UAE.Oil Tankers Scf Mgmt	124	5%	UAE.Oil Tankers Scf Mgmt	159	8%
Greece.Spring Marine Management Sa	81	4%	Greece.Ims Sa	103	5%	Greece.Tms Tankers Ltd	101	5%
Greece.Sea Trade Marine Sa	81	4%	Greece.Eastern Mediterranean Maritime Ltd	85	4%	Greece.Velos Tankers Ltd	69	3%
Greece.Tms Tankers Ltd	72	3%	Greece.Stealth Maritime Corp Sa	79	3%	Turkey.Active Denizcilik Ve Gemi	63	3%
Turkey.Beks Tanker Isletmeciligi As	65	3%	Greece.Minerva Marine Inc	77	3%	Greece.Thenamaris Ships Management	54	3%
Greece.Eastern Mediterranean Maritime Ltd	60	3%	Greece.Sea Trade Marine Sa	61	3%	Greece.Eastern Mediterranean Maritime Ltd	46	2%
Greece.Velos Tankers Ltd	49	2%	Greece.Tms Tankers Ltd	60	3%	Greece.Chemnav Shipmanagement Ltd	46	2%
Greece.Minerva Marine Inc	39	2%	UAE.Radiating World Shipping	49	2%	Greece.Ims Sa	45	2%
Kuwait.Arab Maritime Petroleum Trans	34	2%	Kuwait.Arab Maritime Petroleum Trans	49	2%	Greece.Minerva Marine Inc	43	2%
Greece.Product Shipping & Trading Sa	32	1%	Greece.Alberta Shipmanagement Ltd	41	2%	Vietnam.Sao Viet Petrol Transportation	41	2%
Total	**2225**	**100%**	**Total**	**2276**	**100%**	**Total**	**2016**	**100%**

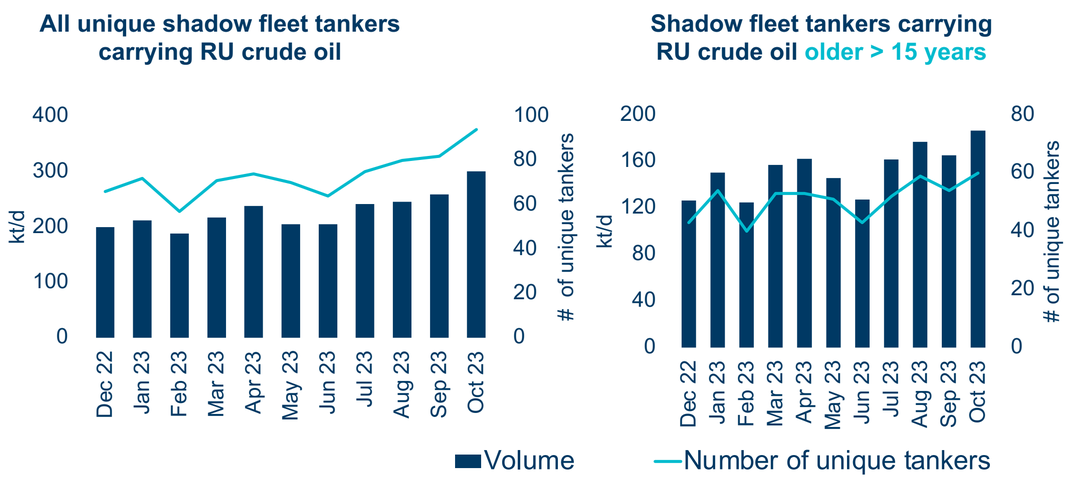
Source: Kpler, KSE Institute estimates

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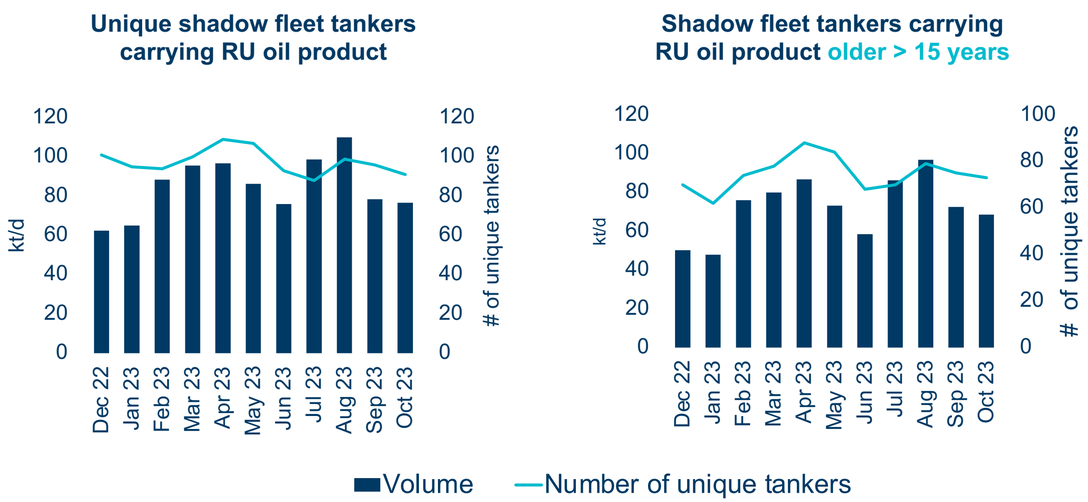
The number of Russian shadow fleet tankers carrying crude and oil products from Russian ports vessels in September 2023 is estimated at 185

- Russian oil exporters increased the number of shadow fleet tankers carrying crude from Russian ports to 94 in October 2023 while 64% of them were older than 15 years
- The number of shadow fleet tankers carrying Russian oil products from Russian ports decreased to 91 in September 2023 while 84% of them were older than 15 years
- Having moved into the shadow, the tankers are not likely to be properly maintained and operated increasing the probability of environment catastrophe for which Russia will refuse to pay

Crude oil



Oil products

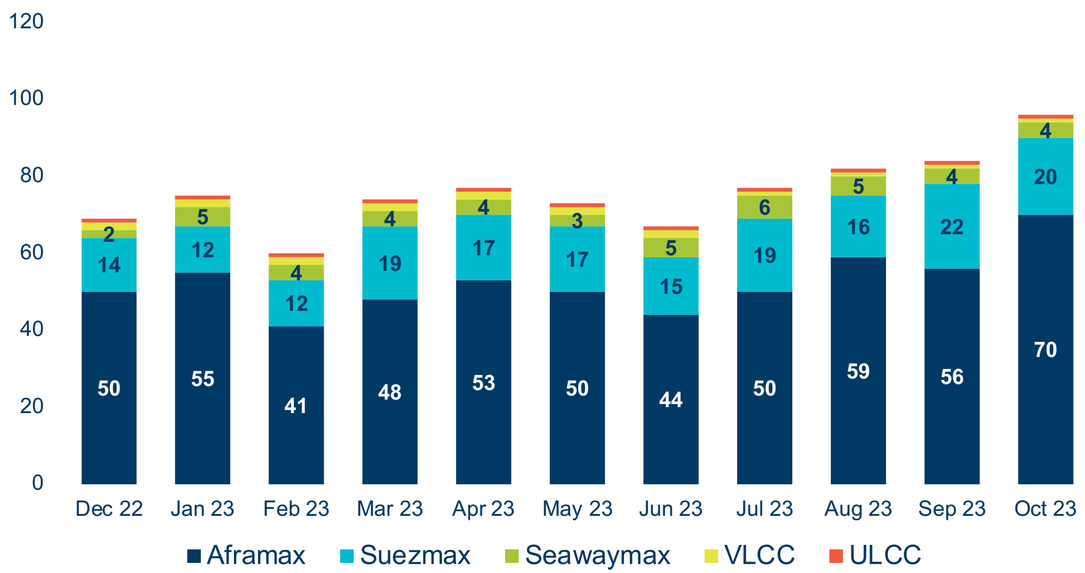


Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

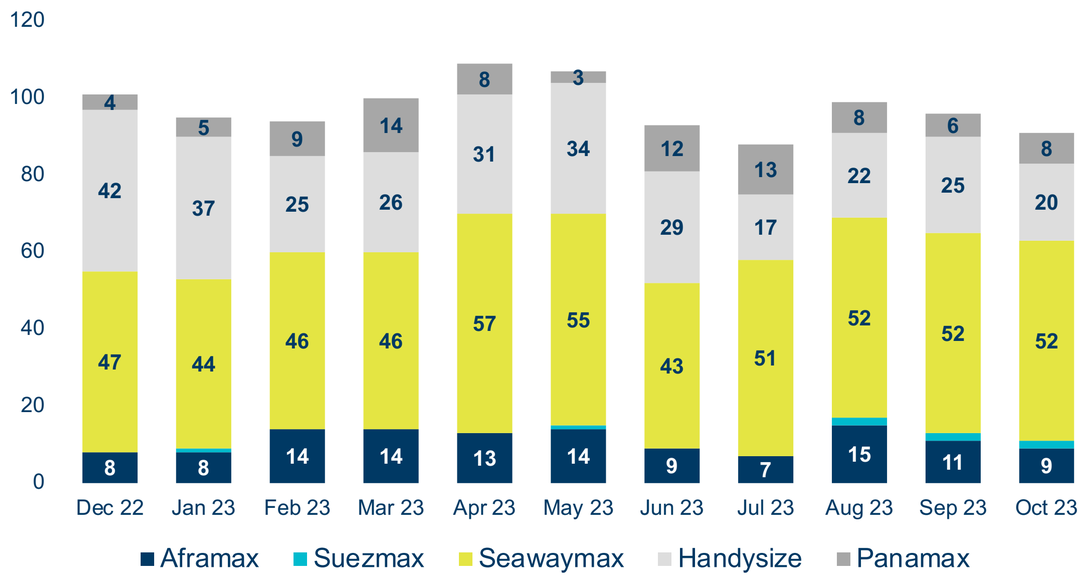
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Aframax and Seuzmax are the core of Russian shadow fleet carrying crude while Seawaymax and Handysize form the Russian shadow fleet carrying oil products. Total Russian shadow fleet carrying oil and oil products from Russian ports and involved in STS transfers is estimated at 187 tankers in October 2023

Structure of Russian shadow fleet carrying crude oil, number of unique tankers



Structure of Russian shadow fleet tankers carrying oil products, number of unique tankers



Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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The share of Russian crude oil exports by shadow fleet increased by 8% MoM to 73% in October 2023

- Russian crude oil exports by shadow fleet increased by around 137 kb/d MoM to a record 2564 kb/d in October and its share in total crude shipments increased also to a record 73%
- The share of leaders Sun Ship Management and connected to it Scf Mgmt Fzco little changed in October 2023 over previous month

Russian crude oil exports by shadow fleet, kb/d

Aug 23			Sep 23			Oct 23		
Ship manager	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**
Other	829	40%	Other	788	36%	Other	920	36%
UAE.Sun Ship Management	553	27%	UAE.Sun Ship Management	535	24%	UAE.Oil Tankers Scf Mgmt Fzco	499	19%
UAE.Oil Tankers Scf Mgmt Fzco	316	15%	UAE.Oil Tankers Scf Mgmt Fzco	299	13%	UAE.Sun Ship Management	433	17%
China.Intercon Marine Shanghai Co	50	2%	China.Sunne Co Ltd	149	7%	China.Sunne Co Ltd	144	6%
Liberia.Hs Esberg Ltd	49	2%	UAE.Radiating World Shipping Servs	106	5%	UAE.Radiating World Shipping Servs	125	5%
China.Supership Management Co Ltd	48	2%	UAE.K&O Shipmanagement Fze	93	4%	UAE.Star Voyages Shipping	122	5%
China.Sunne Co Ltd	48	2%	China.Intercon Marine Shanghai Co	51	2%	China.Prominent Shipmanagement Ltd	81	3%
China.Rptd Sold China	48	2%	China.Supership Management Co Ltd	50	2%	Russia.Rosnefteflot Jsc	71	3%
Seychelles.Loengo Shipping & Trader Ltd	48	2%	China.Rptd Sold China	49	2%	China.Shanghai Future Ship Mgmt Co	70	3%
China.Shanghai Future Ship Mgmt Co	46	2%	Marshall Islands.Protogeno Shipping & Marine	49	2%	Turkey.Beks Gemi Isletmeciligi Ve Tic	50	2%
Vietnam.Opec Petrol Transportation Co	46	2%	China.Prominent Shipmanagement Ltd	49	2%	China.Intercon Marine Shanghai Co	50	2%
Total	**2081**	**100%**	**Total**	**2218**	**100%**	**Total**	**2564**	**100%**

Source: Kpler, KSE Institute estimates

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Russia oil products exports by shadow fleet decreased by 54 kb/d but the share of products exports by shadow fleet increased by 2% MoM in October

- Russia shipped 750 kb/d or around 37% of its oil products exports by shadow fleet in October
- Oil Tankers Scf Mgmt Fzco retained the leader position as top ship manager with a share in total oil product shipments by shadow fleet of 21% in October

Russian oil products exports by shadow fleet, kb/d

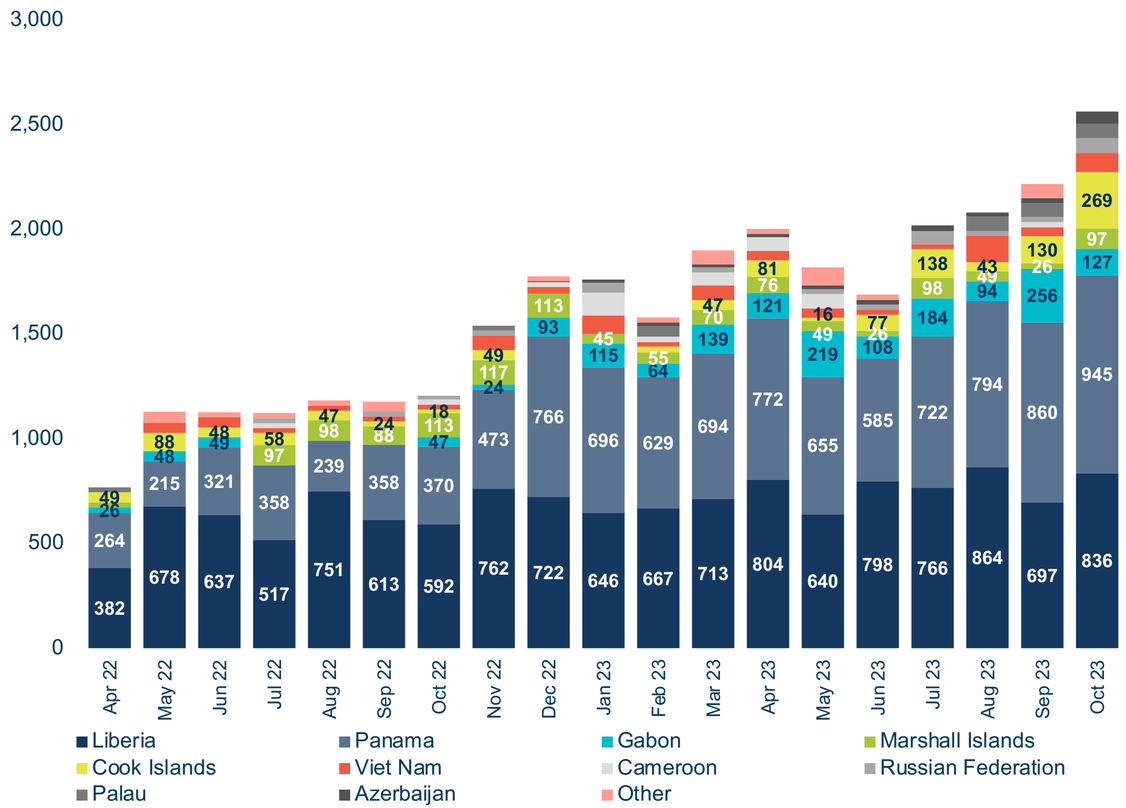
Aug 23			Sep 23			Oct 23		
Ship manager	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**
Other	522	59%	Other	420	52%	Other	357	48%
UAE.Oil Tankers Scf Mgmt Fzco	104	12%	UAE.Oil Tankers Scf Mgmt Fzco	124	15%	UAE.Oil Tankers Scf Mgmt Fzco	159	21%
Turkey.Beks Tanker Isletmeciligi As	65	7%	UAE.Radiating World Shipping Servs	41	5%	Vietnam.Sao Viet Petrol Transportation	41	5%
UAE.Radiating World Shipping Servs	30	3%	UAE.Fractal Marine Dmcc	39	5%	Turkey.Active Denizcilik Ve Gemi	38	5%
UAE.Sun Ship Management	29	3%	India.Maritas Fleet Pvt Ltd	31	4%	Seychelles.Lorni Marine Ltd	30	4%
UAE.Lta Shipping Fzco	26	3%	UAE.Fmtc Ship Charter Llc	30	4%	Liberia.Hs La Pride Ltd	24	3%
India.Xfinity Maritime Services Pvt	23	3%	India.Ark Seakonnect Shipmanagment	29	4%	Marshall Islands.Oriental Dynasty Inc	21	3%
UAE.Indo Gulf Ship Management Llc	23	3%	Liberia.Hs Legend Ltd	24	3%	Marshall Islands.Otto Shipping & Marine Inc	20	3%
India.Maritas Fleet Pvt Ltd	23	3%	India.Eastern Euro Ship Management	22	3%	Vietnam.Hung Phat Maritime Trading	20	3%
Singapore.Vr Marine Management Pte Ltd	22	2%	Marshall Islands.Hippocampus Shipping & Marine	22	3%	UAE.Fractal Marine Dmcc	20	3%
Liberia.Hs Star Ltd	21	2%	UAE.Sun Ship Management	22	3%	UAE.Sun Ship Management	20	3%
Total	**888**	**100%**	**Total**	**804**	**100%**	**Total**	**750**	**100%**

Source: Kpler, KSE Institute estimates

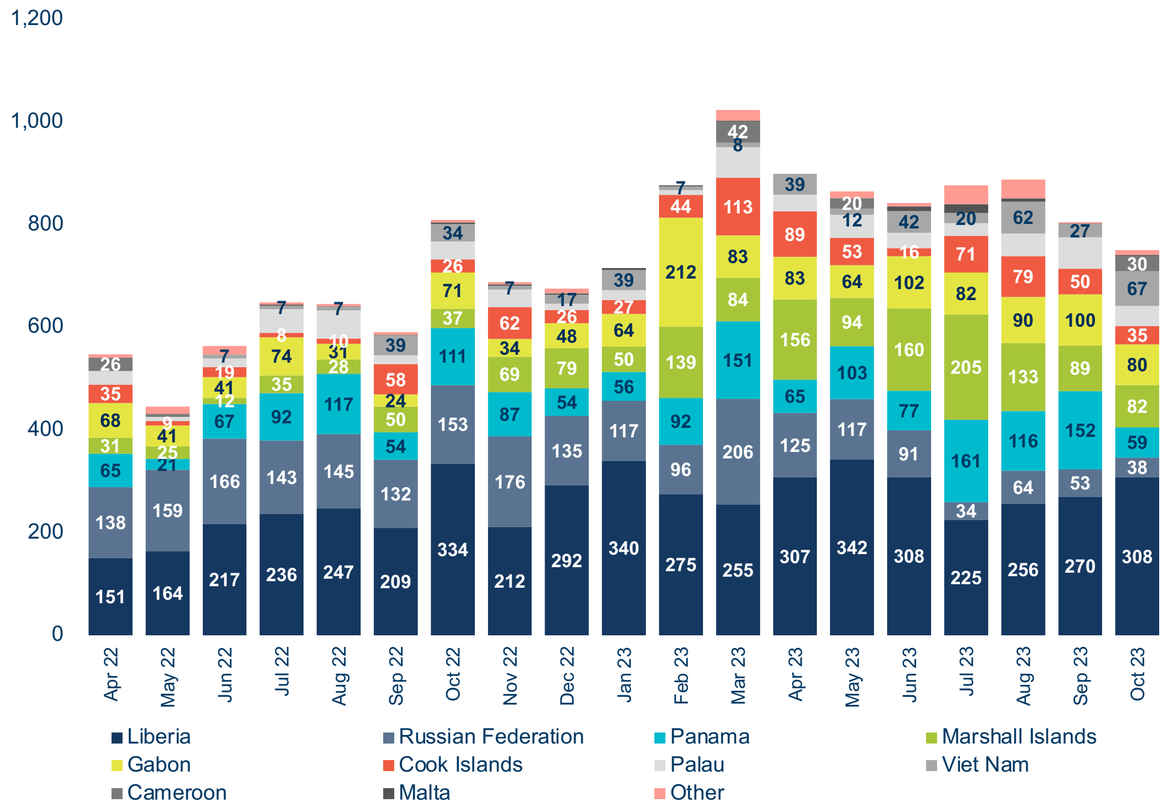
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The top five flags of Russian shadow fleet vessels are Panama, Liberia, Gabon, Cook and Marshall Islands

Russian crude oil exports by shadow fleet by flag, kb/d



Russian oil products exports by shadow fleet by flag, kb/d



Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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The top ten ship managers of the top three flags of Russian shadow fleet vessels shipping crude oil

Russian crude oil exports by shadow fleet by tankers flag in Oct 23, kb/d

Flag: Panama			Flag: Liberia			Flag: Cook Islands		
Ship manager	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**
UAE.Sun Ship Management	247	26%	UAE.Oil Tankers Scf Mgmt Fzco	477	57%	UAE.Radiating World Shipping Servs	125	46%
China.Sunne Co Ltd	144	15%	UAE.Sun Ship Management	187	22%	UAE.Star Voyages Shipping	122	45%
China.Prominent Shipmanagement Ltd	81	9%	Liberia.Hs Esberg Ltd	48	6%	India.Tbb Ship Management Pvt Ltd	22	8%
China.Rptd Sold China	71	8%	China.Shanghai Future Ship Mgmt Co	47	6%			
China.Intercon Marine Shanghai Co	50	5%	Turkey.Active Denizcilik Ve Gemi	35	4%			
China.Merluza Group Ltd	49	5%	Marshall Islands.Morea Shipping & Marine Inc	23	3%			
Seychelles.Loengo Shipping & Trader Ltd	48	5%	Liberia.Symi Shipping Ltd	20	2%			
China.Star Ocean Shipmanage Ltd	35	4%						
UAE.Fractal Marine Dmcc	34	4%						
China.Hong Kong Hanyuan Shipping Co	25	3%						
Other	163	17%						
Total	**945**	**100%**	**Total**	**836**	**100%**	**Total**	**269**	**100%**

Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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The top ten ship managers of the top three flags of Russian shadow fleet vessels shipping oil products

Russian oil products exports by shadow fleet by tankers flag in Oct 23, kb/d

Flag: Liberia			Flag: Marshall Islands			Flag: Gabon		
Ship manager	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**
UAE.Oil Tankers Scf Mgmt Fzco	159	52%	Singapore.Vr Marine Management Pte Ltd	18	21%	Marshall Islands.Oriental Dynasty Inc	21	27%
Turkey.Active Denizcilik Ve Gemi	38	12%	Turkey.Beks Gemi Isletmeciligi Ve Tic	17	21%	Marshall Islands.Otto Shipping & Marine Inc	20	25%
Liberia.Hs La Pride Ltd	24	8%	Liberia.Stellaris Tankers Ltd	16	20%	Marshall Islands.Nargis Shipping & Marine Inc	13	17%
UAE.Sun Ship Management	20	6%	Marshall Islands.Blue Maritime & Trading Inc	9	11%	Marshall Islands.Hai Shipping & Marine Inc	9	11%
Marshall Islands.Seventh Shipping & Marine Inc	18	6%	Singapore.Executive Ship Management	8	10%	Marshall Islands.Neptune Shipping & Marine	8	11%
India.Eastern Euro Ship Management	12	4%	Seychelles.Kings & Queens Marine Corp	7	9%	Marshall Islands.Leopard Shipping Inc	7	8%
Marshall Islands.Fist Management Ltd	10	3%	UAE.Lotty Marine - Fzco	7	8%	India.Ark Seakonnect Shipmanagment	1	1%
India.Maritas Fleet Pvt Ltd	9	3%						
Marshall Islands.Tsui Shipping & Marine Inc	9	3%						
Russia.Argo Tanker Group Llc	5	2%						
Other	3	1%						
Total	**308**	**100%**	**Total**	**82**	**100%**	**Total**	**80**	**100%**

Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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Although managed by Oil Tankers Scf Mgmt Fzco tankers that were previously managed by Scf Management Services Ltd (Sovcomflot) and Sun Ship Management (SSM) are owned by different entities now, all of these owners have the same registration address, own only one tanker that carries cargos without P&I insurance either to India or China

Ship manager / Commercial manager company (formerly)	Ship manager / Commercial manager company	Ship manager / Commercial manager country	Registered owner	Owner's address	Type of tanker	Vessel name	Vessel IMO	Flag	Destination country	Barrels
Scf Management Services Ltd	Oil Tankers Scf Mgmt Fzco	United Arab Emirates	Sandoy Shipping Ltd	Care of Oil Tankers (SCF) Management - FZCO , Unit 27610 - 001, Building A1, IFZA Business Park, DDP, Dubai Silicon Oasis, Dubai, United Arab Emirates.	Aframax	Anatoly Kolodkin	9610808	Liberia	India	730 008
			Glimmer Shipping Hk Ltd			Captain Kostichev	9301392	Panama		698 993
			Kismet Ventures Ltd			Korolev Prospect	9826902	Liberia	China	769 061
			Sumerton Shipholding Inc			Moskovsky Prospect	9511521		India	762 237
			Ns Africa Shipping Inc			Ns Africa	9413573			621 874
			Ns Antarctic Shipping Inc			Ns Antarctic	9413559			730 008
			Wyatt Marine Co			Ns Concord	9299692			716 504
			Waterways Tankers Inc			Ns Corona	9341079		China	716 504
			Niva Transport Sa			Ns Creation	9312896		India	716 504
			Ns Leader Shipping Inc			Ns Leader	9339301			730 008
			Ns Lion Shipping Inc			Ns Lion	9339313		Unspecified country	611 640
			Shardlow Maritime Ltd			Primorsky Prospect	9511533		India	730 008
			Irma Corp			Vernadsky Prospect	9843560		China	769 043
			Streymoy Shipping Ltd			Viktor Bakaev	9610810		India	730 008
			Myrtle Marine Inc			Zaliv Amerika	9354301			700 773
			Buxus Seaway Ltd			Zaliv Amurskiy	9354313			700 823
			Kunoy Shipping		Suezmax	Georgy Maslov	9610793			468 786
			Angelic Seas Corp			Scf Vankor	9316127			1 095 779
			Bassett Oceanway Ltd			Vladimir Tikhonov	9311622			1 087 861
			Kalsoy Shipping Ltd	Care of SUN Ship Management (D) Ltd , Office OT 17-32, 17th Floor, Office Tower, Central Park Towers, Dubai International Financial Centre, PO Box 507065, Dubai, United Arab Emirates.		Nikolay Zuyev	9610781		China	696 351

Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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Previously managed by Sakhalin Energy Investment, Scf Unicom Singapore Pte Ltd (a likely subsidiary of Sovcomflot) and Scf Management Services Ltd tankers are now managed by SSM and although owned by different entities, almost all of which share the same place of registration and own just one vessel. All these vessels carried cargo without P&I insurance to either India and China.

Ship manager/Commercial manager company (formerly)	Ship manager/Commercial manager company	Ship manager/Commercial manager country	Registered owner	Owner's address	Type of tanker	Vessel name	Vessel IMO	Flag	Destination country	Barrels
Sakhalin Energy Investment	Sun Ship Management	United Arab Emirates	Besento Shipping Hk Ltd	Hong Kong, China. (Not specified)	Aframax	Zaliv Baikal	9360128	Panama	China	700 754
			Castellario Shipping Hk Ltd	Care of SUN Ship Management (D) Ltd , Office OT 17-32, 17th Floor, Office Tower, Central Park Towers, Dubai International Financial Centre, PO Box 507065, Dubai, United Arab Emirates.		Viktor Titov	9301407		India	698 993
			Ivora Shipping Hk Ltd			Zaliv Vostok	9360130		China	700 716
Scf Management Services Ltd			Ns Arctic Shipping Inc			Ns Arctic	9413547	Liberia		730 008
			Ns Asia Shipping Inc			Ns Asia	9413561			748 620
			Erdington Navigation Corp			Olympiysky Prospect	9511387			730 008
			Insania Shipping Hk Ltd			Pavel Chernysh	9301380	Panama	India	489 517
			Ashbourne Navigation Ltd			Scf Baltica	9305568	Liberia	China	785 239
			Anchorstar Shipping Hk Ltd		Suezmax	Nikolay Zadornov	9901037	Panama		644 674
			Ns Burgas Shipping Inc			Ns Burgas	9411020	Liberia		1 038 077
			Chamber Marine Sa			Scf Samotlor	9421972			696 351
			Gatson Shipping Ltd			Scf Surgut	9422445			1 059 311
			Majoria Shipping Hk Ltd			Vladimir Arsenyev	9901025	Panama	India	742 286
Scf Unicom Singapore Pte Ltd			Vimena Shipping Hk Ltd		Aframax	Victor Konetsky	9301421		China	677 230
			Comitana Shipping Hk Ltd			Yuri Senkevich	9301419		India	698 993
			Kandita Shipping Hk Ltd			Zaliv Aniva	9418494		China	754 589

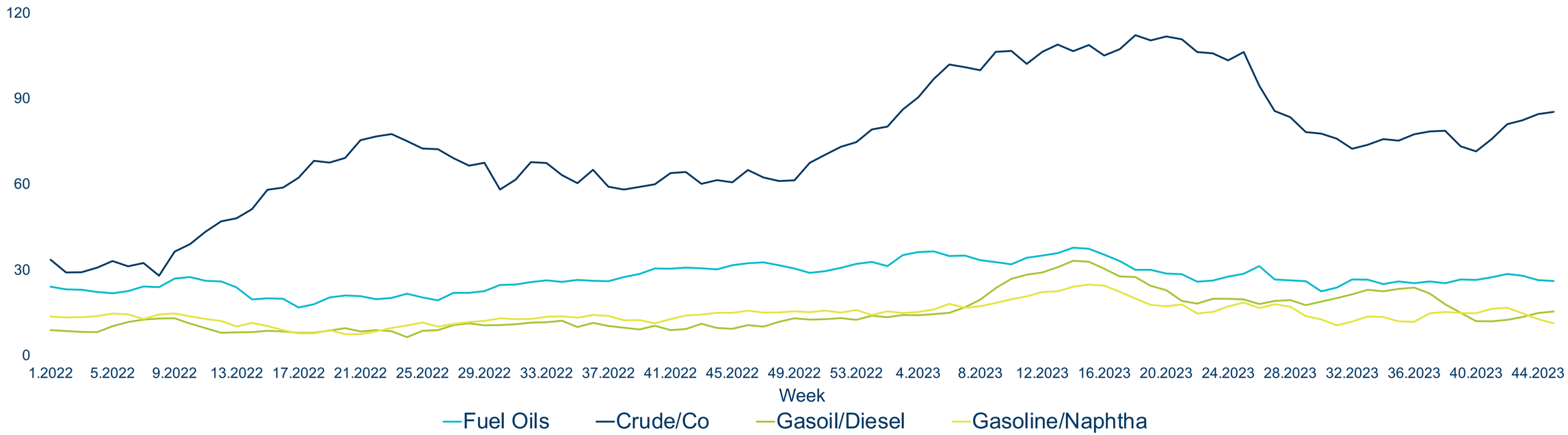
Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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Rerouting of Russian crude and oil products to new destinations increased Russian oil on water by around 61 mb compared to the pre-invasion average

- Rerouting of Russian crude and oil products to new destinations have significantly increased Russian oil on water
- In October 2023, the volume of Russian oil on water was around 61 mb higher than the pre-invasion average
- Although the volumes of Russian crude and diesel on water decreased in October compared to their peaks after the introduction of oil embargo by the EU, they were around 2.7 and 1.6 times higher respectively compared to January 2022

Russian oil on water, mb, average per week



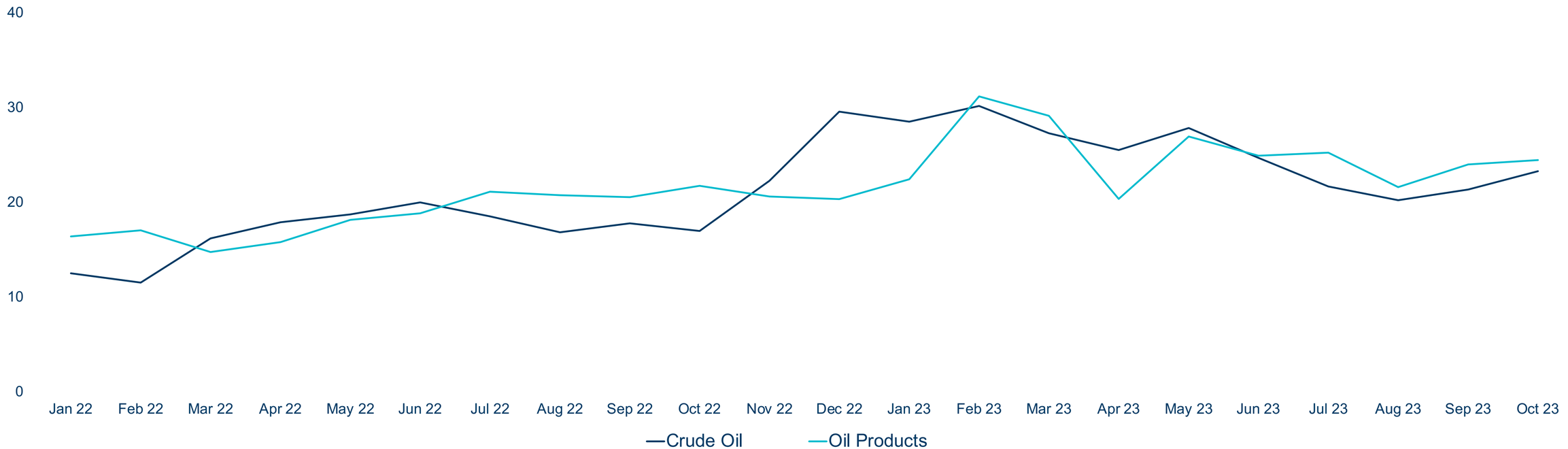
Source: Kpler, KSE Institute estimates

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Average transit days of crude and oil products increased by 101% and 43% respectively compared to February 2022

- Rerouting crude oil from Europe to mostly India and China increased the average transit days for crude oil from 12 in February 2022 to 30 in February 2023 but decreased to 23 in October 2023
- The average transit days for oil products increased from 17 in February 2022 to 31 in February 2023 but declined to 25 in October 2023

Monthly average transit days of crude oil and oil products from Russia



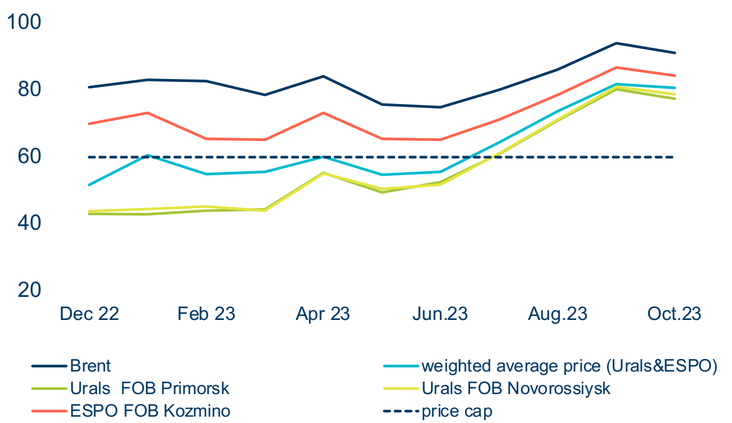
Source: Kpler, KSE Institute estimates

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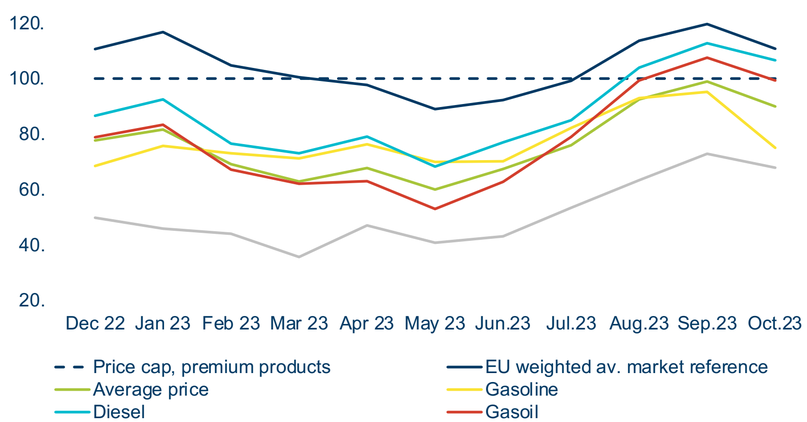
In October 2023, Urals FOB Baltic, Black Sea and ESPO FOB decreased by over $2/bbl to $77/bbl, $79/bbl and $84/bbl respectively. Diesel, fuel oil and naphtha prices were traded above the price caps in October

- In October 2023, Urals FOB Baltic and Black Sea decreased by 2.9/bbl and 2.2/bbl to $77/bbl and $79/bbl respectively. The trade of Urals at around $80/bbl in September-October had marginal effect of its shipments so far from Baltic and Black Sea ports.
- The discount on Urals has widened by $3/bbl by the end of October after OFAC imposed its first blocking sanctions on two vessels and owners for using US-based services while carrying Russian crude sold above the price cap. The discount may widen even further after the US Treasury sent letters to shipping companies for potentially breaching G7/EU price cap in November
- ESPO FOB decreased by $2.5/bbl to $84.3/bbl remaining ineligible for Western maritime service as since the embargo introduction.
- Prices for Russian diesel decreased to $106.5/bbl to around $6.5/bbl above price cap. The price of gasoline collapsed by $20.2/bb to $75.0/bbl while gasoil decreased by $8.2/bbl to $99.4/bbl MoM. The price of VGO which had to be placed to discounted products instead of the premium ones decreased by $5.0/bbl to $67.9/bbl MoM in October.
- Price for fuel oil decreased to around $12.0/bbl to $51.2/bbl while price for naphtha decreased to $51.8/bbl exceeding the approved price cap for discounted products at $45/bbl but as for the Urals and ESPO it had a marginal impact on their shipments so far.

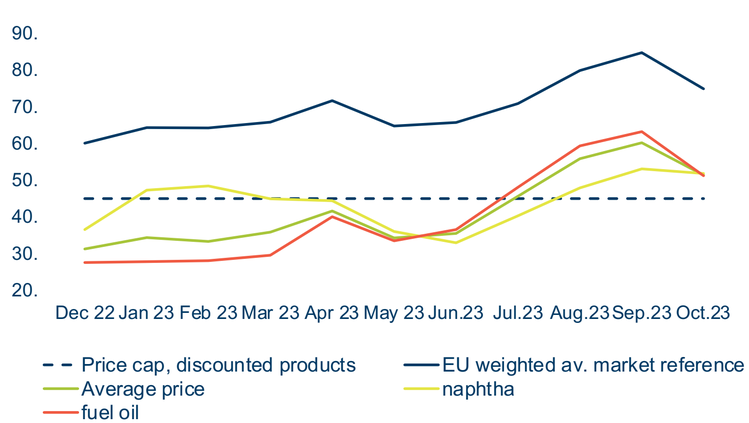
Russian Crude FOB Export Prices



Russian Premium Products FOB Export Prices



Russian Discounted Products FOB Export Prices



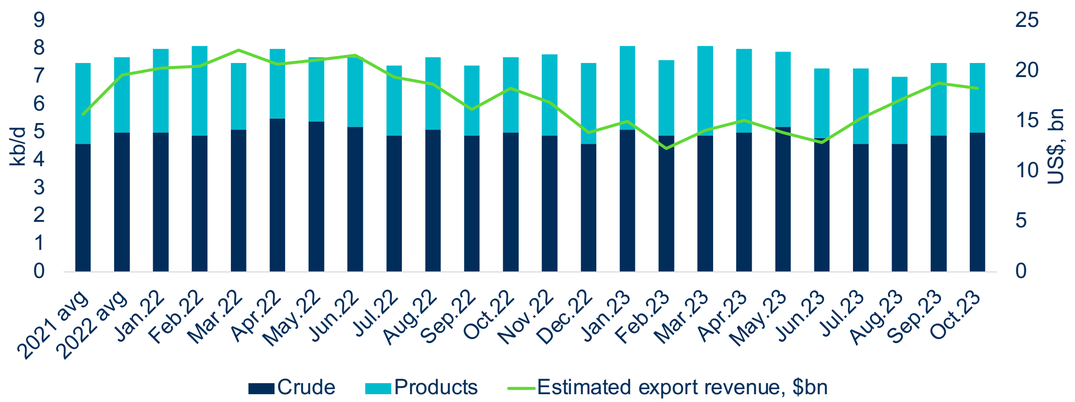
Source: IEA (2023), Oil Market Report - October 2023, IEA, Paris https://www.iea.org/reports/oil-market-report-october-2023,, WB Commodity Prices (Brent)

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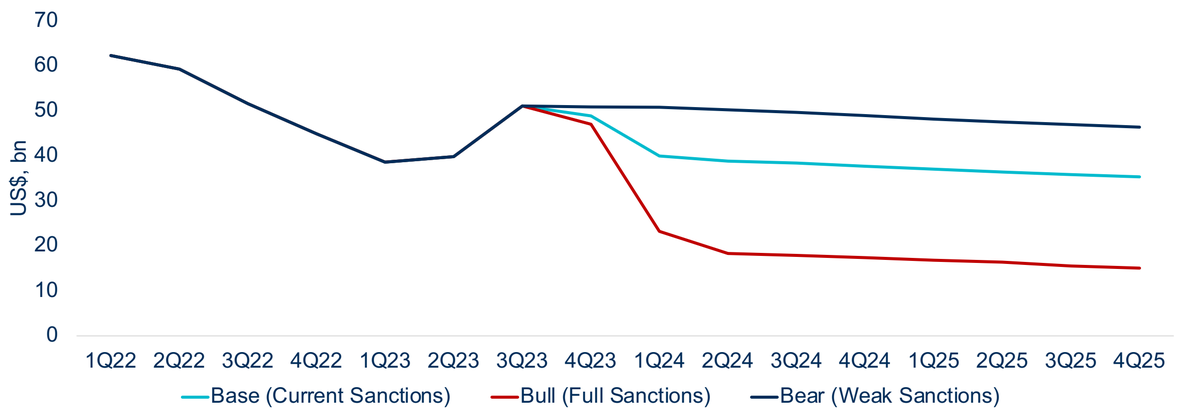
In October 2023 Russian oil export revenues barely changed since previous month and stayed at $18.3 bn. KSE Institute projects that revenues will contract to still robust $155 bn and $152 bn in 2024 and 2025 respectively in the base case scenario from $218 bn in 2022 and projected $178 bn in 2023, but the scenario outcome is sensitive to sanctions enforcement

- Although volumes of Russian oil exports marginally changed since the invasion as it was able to redirect exports to other markets proposing steep discounts, the decline in the world oil prices and steep discount on Russian oil resulted in a sharp fall in Russian oil revenues in 1H2023. Narrowing the discount on Russian oil and soaring world market prices led to a surge of Russian oil revenues since July 2023.
- Russian oil export revenues decreased by $25 m to $18.3 bn in October (MoM) despite lower products shipments that were mostly offset by higher crude exports. Total export revenues were the second highest since July 2022.
- According to the KSE Institute modelling, in the base case with current oil price caps and status quo of sanctions but their stronger enforcement, revenues will contract to $155 bn and $152 bn in 2024 and 2025 respectively compared to $218 bn and projected $178 bn in 2023 respectively. Total Russian oil exports goes down to 7.0 mb/d.
- In the bull sanctions case, with lower price cap equivalent to $50/bbl discount to forecast Brent prices, revenues fall to $77 bn and $70 bn in 2024 and 2025 respectively. Total Russian oil exports goes down to 5.2 mb/d in this scenario.
- In the bear case, with US$ 10/bbl discount to forecast Brent prices, and less decline in oil export volumes, revenues will increase to robust $200 bn and $197 bn in 2024 and 2025 respectively. Total Russian oil exports goes down to only to 7.4 mb/d in this scenario.

Russian Oil Exports and Revenues, kb/d, US$ bn



Russian Oil Earnings by Scenarios, US$ bn



Source: IEA Oil Market Reports, KSE Institute estimates

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Policy Recommendations

Russia is heavily dependent on oil earnings, which finance Russia's imports and budget, and thereby Russia's war on Ukraine. Unfortunately, just as energy sanctions start to bite, Russia is having some success in circumventing them as in August 2023 its oil revenues exceeded the 2021 average. In order to deprive Russia from windfall revenues and help to bring the war to an end, KSE Institute and International Group of Working Sanctions [1] recommend that the EU/G7 governments should:

- **Undertake regular risk-based audits of attestations**. Investigations should start with traders that have only recently begun to participate in the Russian oil trade and may have links to Russian oil companies.
- **Strengthen documentation requirements**. Authorities should require all participants in trade with Russian oil to provide additional evidence regarding the terms of the transaction, inc. original contracts and related customs declarations that indicate the price of sale
- **Set up whitelist of brokers/traders authorized to provide information**. Coalition governments should create a list of well-established commodity trading groups based in G7/EU countries and subject to G7/EU law enforcement, which are permitted to provide information with regard to transactions under the price cap (e.g., attestations).
- **Enforce oil price cap violations on strict liability basis for civil monetary penalties**. Penalties should be increased considerably; civil fines could be set at a level of 10% of worldwide turnover (similar to those for antitrust violations).
- **Impose sanctions on third-country entities that facilitate price cap violations.**
- **Require tankers transiting G7/EU territorial waters to verify adequacy of mandatory spill insurance** to ensure that Russia remains heavily reliant on G7/EU-insured vessels and maintain the price cap's key lever.
- **Ban participation of G7/EU players in sale of vessels or its financing to Russia – or to any buyers whose ultimate beneficial ownership is not fully disclosed** to constrain Russia's ability to build up a sanctions-proof fleet – and significantly increase the cost for doing so.

[1] Please see for analysis and detailed recommendation: The International Group of Working Sanctions, September 4, 2023, Using Energy Sanctions to Shorten the War, Working Paper #14, https://fsi9-prod.s3.us-west-1.amazonaws.com/s3fs-public/2023-09/working_paper_14_-_using-energy-sanctions_09-04-23.pdf