

# Assessing the Closure of the EU's Refining Loophole

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- The European Union's ban on imports of petroleum products refined from Russian crude oil—the closing of the so-called “refining loophole”—took effect on January 21, 2026. This report assesses subsequent developments of EU imports from 11 refineries in India, Turkey, Brunei, and Georgia, which have exported Russian oil-derived products to sanctions coalition countries in the past.
- The prohibition has substantially reduced direct EU exposure to such products. Total EU imports fell by 69% in February–April 2026 compared with the second half of 2025. However, around 50 kb/d of remaining imports originate from refineries without clearly identifiable separate refining capacity, raising potential sanctions-compliance concerns and warranting further investigation.
- The measure may have also contributed to a broader decline in the use of Russian crude oil by the 11 refineries (-28% in February–April 2026 vs. H2 2025) and their exports of Russian-sourced products (-45%). Refinery-level dynamics were highly uneven, however, and overlapped with US sanctions on Russian oil producers and wider pressure on importers to reduce purchases.
- Indian refineries cut exports of Russian-sourced petroleum products to the EU by 97% after the ban took effect, almost exclusively supplying them to non-EU markets. Many of the refineries, including the world's largest in Jamnagar, retain the ability to export to the EU due to separate distillation units. The drop in imports of Russian crude (-28%) is likely a result of US sanctions.
- Turkish refinery dynamics varied significantly. Tüpraş İzmir stopped importing Russian crude and STAR reduced its dependence, while Tüpraş İzmit increased both Russian crude intake and exports of Russian-sourced products, suggesting different sanctions adaptation strategies. Continued exports of Russian-linked products from İzmit to the EU require additional analysis.
- Refineries in Brunei and Georgia were largely unaffected. Hengyi continued importing Russian crude and exporting mainly to Asia-Pacific markets, while Kulevi became fully reliant on Russian intake. The report's findings reveal gaps in the sanctions regime, as Russian-sourced petroleum products continued reaching coalition markets such as the United States and Australia.

## Executive Summary

This report assesses the impact of the European Union's prohibition on imports of petroleum products derived from Russian crude oil in third countries, introduced through Article 3ma of Council Regulation (EU) No. 833/2014 and effective from 21 January 2026.<sup>1</sup> The analysis examines 11 refineries in India, Turkey, Brunei, and Georgia that have exported products to sanction coalition markets while importing crude oil from Russia. These refineries account for a substantial share of imports in their respective countries and represent the principal channels through which products linked to Russian crude could reach the EU.<sup>2</sup>

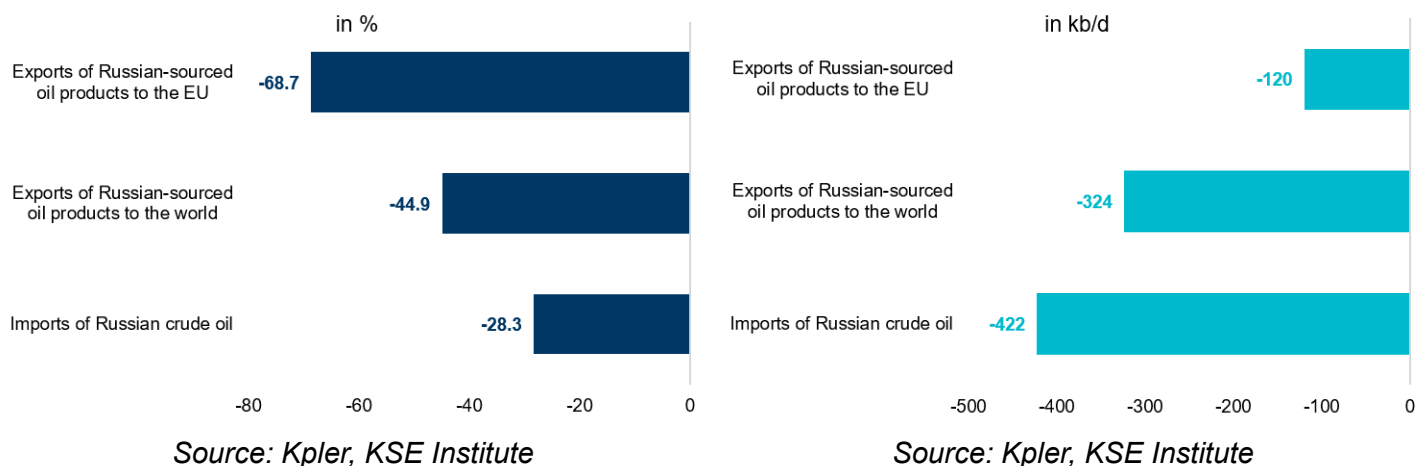
The findings suggest that the prohibition has been effective in reducing direct EU exposure to petroleum products derived from Russian crude oil. Total imports of such products from the 11 refineries dropped 69% (or 120 kb/d) in February–April 2026 (the first three full months after the ban's taking effect)

<sup>1</sup> See Council Regulation (EU) No 833/2014 [here](#).

<sup>2</sup> While the United Kingdom adopted a ban on products refined from Russian crude oil, it has temporarily exempted certain categories (i.e., diesel and jet fuel) due to supply concerns stemming from the Iran war (see [here](#)). Therefore, it is not part of this analysis.

compared to the second half of 2025 (see Figure 1).<sup>3</sup> **Whether the remaining 55 kb/d are a violation depends on the existence of separate trains for the refining of Russian and non-Russian crude oil.** According to the EU regulation, refineries with separate processing capacities are allowed to export non-Russian-sourced petroleum products to the EU, while refineries without it must demonstrate that they did not take in Russian crude oil over a period of 60 days before the respective export.<sup>4</sup> Jamnagar possesses separate crude distillation units (CDUs) but STAR and Tüpraş Izmit do not, while Kulevi exclusively uses Russian oil.<sup>5</sup> Thus, **a significant share of the remaining EU imports—around 50 kb/d in February–April from Tüpraş Izmit, STAR, and Kulevi—are potentially problematic from a sanctions perspective.**

**Figure 1: Change in export and import volumes of the 11 refineries, Feb.–Apr. 2026 vs. H2 2025**



The findings also suggest that the EU ban may have contributed to a broader decline in the total export of Russian-sourced petroleum products from the 11 refineries (-45% in February–April 2026 vs. H2 2025), as well as their total intake of Russian crude oil (-28%, see Figure 1). In absolute terms, exports of (estimated) Russian-sourced products declined by 324 kb/d, of which 120 kb/d are accounted for by lower shipments to the EU. The use of Russian crude oil declined by 422 kb/d. Dynamics are very heterogeneous, however, with some refineries decreasing their intake—e.g., Jamnagar, Vadinar, STAR, Tüpraş Izmir—and other increasing it—e.g., Mumbai, Paradip, Visakhapatnam, Tüpraş Izmit, Kulevi (see Figure 2). Because of the **temporal overlap of the EU’s refined products ban with other developments**, specifically US sanctions on Russian oil exporters and pressure on India to reduce imports of Russian oil, the **effects are difficult to disentangle**. However, these measures likely contributed significantly to the aforementioned dynamics.

**Indian exports of Russian-sourced petroleum products to the EU declined sharply** after the ban’s taking effect—by **97%** in February–April 2026 vs. H2 2025—almost exclusively driven by Jamnagar, the world’s largest oil refinery. As a result, 98% of exports estimated to be derived from Russian oil went to markets outside of the EU, compared to just 18% in H2 2025. The six Indian refineries’ **intake of Russian crude declined** by 28%, which was **likely driven by US sanctions** on Rosneft and Lukoil and cannot be attributed to a deterrent effect from the EU ban. As most of the Indian refineries in question appear to possess multiple CDUs, a fundamental move away from Russian crude is unnecessary to preserve the ability to export to the EU. The US-sanctions-driven reduction in the use of Russian oil also directly explains the decline in Indian refineries’ exports of Russian-sourced petroleum products to markets *outside* of the EU (-55%).

<sup>3</sup> For details of the perfect-mixing refinery attribution methodology employed to estimate the amount of Russian-sourced products, see the methodology section below.  
<sup>4</sup> See the European Commission’s FAQs on Article 3ma of Council Regulation (EU) No 833/2014 [here](#).  
<sup>5</sup> For an assessment by Kpler regarding Indian and Turkish refineries, see [here](#).

**Figure 2: Export and import volumes by refinery**



Source: Kpler, KSE Institute

**Headline numbers for refineries in Turkey**—a 35% decline in Russian-sourced products exports to the EU, 125% increase in Russian-sourced product exports elsewhere, and 39% reduction in Russian crude intake—**mask very divergent dynamics among them**. Tüpraş İzmir phased out Russian oil completely and the STAR refinery significantly reduced its intake (by 47%), while Tüpraş İzmit increased it (by 28%). As in the India case, US sanctions on major Russian oil producers likely played a role. The different decisions taken with regard to two refineries of the same company potentially suggest a response to the EU ban, as well, in the absence of separate CDSUs: the strategic positioning of one (e.g., İzmir) as an exporter of petroleum products to Europe—which does not use Russian crude—and another (e.g., İzmit) as a user of Russian oil—which (theoretically) does not export to the EU.<sup>6</sup> It should be noted that we find continued exports of Russian-sourced exports to the EU from Tüpraş İzmit, which contradicts this hypothesis and requires additional analysis.

Unlike several refineries in India and Turkey, **Hengyi (Brunei) showed no visible disruption linked to US sanctions**. Russian crude imports remained largely unchanged, suggesting that the refinery either had limited exposure to sanctioned entities or was able to access alternative supply chains for Russian crude. **The refinery was also largely unaffected by the EU ban** because it did not export to the EU either before or after the measure entered into force. **Kulevi (Georgia) sources 100% of its crude oil from Russia** and has become increasingly integrated into Russian supply chains since its launch in late 2025. Its increasing exports of products derived from Russian crude oil have been absorbed by non-EU markets but the analysis finds **some volumes delivered to the EU**. For refineries, such as Kulevi, with a single CDU, this indicates possible issues with the documentation of the products’ non-Russian origin.

<sup>6</sup> See [here](#).

The findings also show that gaps remain in the sanctions coalitions' approach to products refined from Russian oil.<sup>7</sup> While the UK, which recently watered down its planned ban, did not import any Russian-sourced products from the 11 refineries covered in the analysis, the US and Australia did. Over February–April 2026, the **United States** primarily received such products from Turkish refineries, while **Australia** grew in importance for Indian refineries and remains the primary sanctions coalition market for the Hengyi refinery.

**Overall, the analysis indicates that the ban has substantially reduced the EU's role as a destination for petroleum products linked to Russian crude oil. The impact on refineries' overall behavior is less clear due to other factors, particularly US sanctions. Moving forward, continued exports of Russian-sourced oil products to the EU from refineries without separate refining capacity requires additional analysis.**

## Methodology and Scope of Analysis

**Objective:** This analysis examines whether products derived from Russian crude oil continued to reach EU markets following the implementation of [Article 3ma of Council Regulation \(EU\) No 833/2014](#) on January 21, 2026, which prohibits such imports. The EU regulation specifies two specific cases: (1) Refineries that have separate crude distillation units (CDUs) and can, thus, segregate the refining of Russian and other crude oil (which must be clearly documented), are allowed to continue exporting petroleum products refined from non-Russian crude oil to the EU. (2) Refineries that cannot do so are only allowed to export petroleum products to the EU if they document that they have not received Russian crude oil over a period of 60 days before the shipment in question. Attestations from third-country refineries serve as supporting evidence and EU operators may ask their counterparts to provide additional documentary evidence.<sup>8</sup> While the primary objective is to assess the effectiveness of the EU prohibition, **we also look at exports of petroleum products refined from Russian crude oil to other destinations within the sanctions coalition.**

**Sample selection:** In line with the objectives outlined above, **we identify a set of 11 refineries in four countries that have imported Russian crude oil in the past and exported products refined from Russian oil to the European Union or other countries of the broader sanctions coalition**, e.g., the United States, United Kingdom, Australia, or Canada. Refineries exporting exclusively to non-sanctioning countries are excluded from the analysis, as these jurisdictions have not imposed restrictions on Russian oil imports and therefore do not represent potential sanctions circumvention pathways. The refineries included in the analysis are: **Jamnagar, New Mangalore, Mumbai, Visakhapatnam, Paradip, and Vadinar in India; STAR, Tüpraş İzmir, and Tüpraş İzmit in Turkey; Hengyi in Brunei; and Kulevi in Georgia** (see Figure 3).

**Methodology:** The analysis applies a perfect-mixing refinery attribution methodology to estimate the share of petroleum products derived from Russian crude oil. Under this approach, all crude oil processed by a refinery during the analysis period is assumed to be perfectly mixed, meaning that the share of Russian crude oil in a refinery's total crude intake is proportionally attributed across all refined petroleum product outputs, including diesel and jet fuel. For example, if 40% of a refinery's crude oil intake originates from Russia, it is assumed that 40% of the refinery's exported refined products are derived from Russian crude oil.

**The methodology has several limitations. First, it does not account for refinery-specific configurations, crude quality differences, or variations in product yields between products.** In practice, refineries optimize output depending on technical and commercial considerations, while middle distillates such as diesel and jet fuel may originate from multiple similar refining streams. **Second, the analysis is constrained by**

<sup>7</sup> Australian sanctions guidance distinguishes between refining and blending. Refining is considered a substantial transformation that changes the origin of the product, blending is not. This reflects a broader recognition that Russian crude may legally enter sanctioning markets after being refined in third countries, whereas simple mixing of Russian oil products does not remove their Russian origin.

<sup>8</sup> See the European Commission's FAQs on Article 3ma of Council Regulation (EU) No 833/2014 [here](#).

limited transparency regarding refinery operations, crude segregation practices, and commercial attestation mechanisms. As a result, the findings should be understood as indicative estimates of potential exposure to Russian crude within refined product trade, rather than a precise molecular tracing assessment.

**Figure 3: Refineries included in the analysis**



It is also important to underline that **the analysis focuses on refining activities and does not examine the blending of Russian and non-Russian petroleum products**. While refining is generally considered a substantial transformation that changes the origin of the product under applicable rules of origin, blending does not constitute substantial transformation and therefore falls outside the scope of this analysis.

**To assess changes following the implementation of Article 3ma, the analysis combines refinery crude intake data with trade-flow analysis of refined petroleum product exports.**

**Analysis periods:** The main analysis period differs from standard calendar quarters. Because the prohibition entered into force on January 21, 2026, this report uses the first three full months following the introduction of the prohibition (i.e., February–April 2026) as the analysis period (“P1”). Period-over-period (p-o-p) comparisons refer to the preceding three-month period (i.e., November 2025–January 2026), while year-over-year (y-o-y) comparisons refer to the corresponding period in 2025 (i.e., February–April 2025).

## Assessment of Refinery Dynamics: India

### Import Dynamics

Total Indian crude oil imports during the first three months following the EU's prohibition on refined products produced from Russian seaborne crude oil averaged 4.51 mb/d, representing an 11% period-over-period decline and a 7% year-over-year decrease. Imports specifically from Russia, however, followed a different trend. During the same period, Indian imports of Russian crude oil *increased* by 7% p-o-p, though they remained 13% lower than a year earlier. This divergence suggests that **the increase in Russian crude imports was not driven by seasonal factors affecting overall Indian crude demand, but rather as a response to supply disruptions in the Persian Gulf**. Imports from Gulf producers fell by 55% p-o-p, declining from 3.85 mb/d to 1.75 mb/d. The simultaneous contraction in Gulf supplies and increase in Russian imports indicates that Russian crude partially substituted for lost Middle Eastern volumes during the crisis.

**During the first three months following the ban, the six Indian refineries identified as importing Russian crude oil and exporting refined products to sanctioning countries accounted for 65% of India's total crude oil imports.** Their combined intake averaged 2.94 mb/d, down 14% p-o-p and 7% y-o-y.

**Jamnagar** refinery is by far the largest importing refinery in India, importing 111 mb of seaborne crude oil (1.21 mb/d) in February–April 2026, equivalent to 25% of India's total crude imports. The refinery's total crude imports were broadly unchanged year-over-year (+1%) but declined by 2% period-over-period. Russian crude imports increased to 0.68 mb/d in P1 2026, up from 0.57 mb/d in P1 2025 (+19% y-o-y) and 0.65 mb/d in P4 2025 (+4% p-o-p). However, despite the increase in Russian crude volumes, **the refinery's dependence on Russian feedstock continued to decline**. Russian crude accounted for 18% of total crude imports in P1 2026, compared with 19% in P4 2025 and 47% in P1 2025. In other words, while Jamnagar increased purchases of Russian crude in absolute terms, imports of non-Russian crude expanded even faster.

**Mumbai** imported 33 mb of crude oil (0.36 mb/d) in P1 2026, accounting for 7% of India's total crude imports, an increase of 6% y-o-y but a drop of 7% p-o-p. Russian crude imports rose to 0.08 mb/d, compared with just 0.01 mb/d in P1 2025 and 0.02 mb/d in P4 2025. As a result, Russian crude imports increased by 768% y-o-y and 229% p-o-p. Russian crude accounted for 22% of total refinery feedstock, up from 6% in P4 2025 and 3% in P1 2025. Although Russian crude still represented less than one-quarter of total imports, **Mumbai significantly increased its reliance on Russian feedstock over the past year**.

**New Mangalore** imported 24 mb (0.26 mb/d) in P1 2026, representing approximately 18% of India's total crude imports. Total crude imports declined by 12% p-o-p and 11% y-o-y. Russian crude imports averaged 0.08 mb/d, compared with 0.18 mb/d in P1 2025 and 0.04 mb/d in P4 2025. While Russian crude imports doubled compared with the previous period, they remained 56% below P1 2025 levels. Russian crude accounted for 28% of total feedstock, up from 16% in P4 2025, **but significantly below the 60% recorded in P1 2025**.

**Paradip** imported 57 mb of crude oil (0.62 mb/d) in P1 2026, accounting for 14% of India's total imports. Its total crude imports increased by 3% y-o-y but declined by 7% p-o-p. Russian crude imports averaged 0.16 mb/d, compared with 0.04 mb/d in P1 2025 and 0.19 mb/d in P4 2025. Consequently, Russian crude imports increased by 272% y-o-y, although they declined by 19% p-o-p. Russian crude accounted for 25% of total refinery feedstock, compared with 29% in P4 2025 and 7% in P1 2025. While dependence on Russian crude eased slightly compared with the previous period, **Paradip remained substantially more reliant on Russian feedstock than it was a year earlier**.

**Vadinar** imported 20 mb of crude oil (0.22 mb/d) in P1 2026, accounting for 5% of India's total imports. Its total crude imports declined by 44% p-o-p and 46% y-o-y, representing the steepest reduction in the sample.

Russian crude imports averaged 0.21 mb/d, down from 0.29 mb/d in P1 2025 and 0.39 mb/d in P4 2025, corresponding to declines of 26% y-o-y and 46% p-o-p. Despite the reduction in Russian crude volumes, it still accounted for 98% of total refinery feedstock, compared to 100% in P4 2025 and 71% in P1 2025. **Vadinar remained overwhelmingly dependent on Russian crude, with virtually all imports coming from Russia.**

**Visakhapatnam** imported 20 mb of crude oil (0.21 mb/d) in P1 2026, representing 4% of India's total imports. Its total crude imports declined sharply—by 27% p-o-p and 33% y-o-y—the second-largest reduction among the refineries analyzed. Russian crude imports averaged 0.05 mb/d, down from 0.08 mb/d in P1 2025 but above the 0.01 mb/d recorded in P4 2025.<sup>9</sup> Despite lower absolute Russian crude imports compared with a year earlier, Russian crude's share of total refinery feedstock increased to 32%, compared with 27% in P1 2025 and 3% in P4 2025. This indicates that **Russian crude became increasingly important to the refinery's feedstock mix despite an overall reduction in crude throughput.**

### Export Dynamics

**Refined product exports fell** by 15% p-o-p and 14% y-o-y to 96.4 mb (1.06 mb/d) in P1 2026, down from 113.5 mb (1.24 mb/d) in P4 2025 and 112.4 mb (1.23 mb/d) in P1 2025. **Exports of products estimated to be produced from Russian crude oil declined even more sharply**, down 32% period-over-period and 62% year-over-year to 20.5 mb (0.22 mb/d), compared with 30.1 mb (0.33 mb/d) in P4 2025 and 54.0 mb (0.59 mb/d) in P1 2025. As a result, **products derived from Russian crude accounted for approximately 21% of total exports in P1 2026, significantly below past levels of 48% in P1 2025 and 27% in P4 2025.**

**The decline in exports was accompanied by a significant shift in destinations, away from sanctioning jurisdictions.** The EU's share of refined product exports fell from 15% in P1 2025 to 10% in P4 2025 and just 2% in P1 2026, while exports to the UK and US became negligible. A similar pattern was observed for products produced from Russian crude oil, where the EU's share declined from 15% in P1 2025 to 6% in P4 2025 and 2% in P1 2026. At the same time, the share of exports destined for non-sanctioning countries increased from 73% to 87% for total exports and from 74% to 89% for exports derived from Russian crude oil.

**The monthly data suggest that this reorientation accelerated throughout late 2025 and early 2026.** For total refined product exports, the EU's share declined from levels exceeding 20% during parts of 2025 to 9% in November 2025, 6% in January 2026, 4% in February 2026, and effectively 0% in March 2026. A similar trend was observed for exports produced from Russian crude oil, where the EU's share fell from 13% in November 2025 to 3% in January 2026, 2% in February 2026, and 0% in March 2026. Concurrently, the share destined for non-sanctioning countries increased from 72% in November 2025 to 83% in March 2026 for total exports and from 72% in November 2025 to 84% in March 2026 for exports derived from Russian crude oil.

**Among sanctioning-country destinations, Australia became relatively more important.** Its share of total exports increased from 7% in P1 2025 to 10% in P1 2026, while its share of exports produced from Russian crude oil increased from 7% to 9% over the same period. Nevertheless, non-sanctioning countries became the dominant destination for both total refined product exports and exports derived from Russian crude oil.

**Overall, P1 2026 was characterized by both a decline in export volumes and a substantial reduction in exports to sanctioning countries, particularly the EU.** The trend was significantly more pronounced for products produced from Russian crude oil, suggesting that refiners increasingly redirected Russian-origin products towards non-sanctioning markets. **As a result, nearly nine out of every ten barrels of products derived from Russian crude oil were exported to non-sanctioning countries by the end of April 2026.**

<sup>9</sup> The decline in P4 import volumes is attributable to US sanctions on Rosneft and Lukoil, and Hindustan Petroleum's (pre-Iran war) decision to purchase crude from Iraq and other Gulf states.

## Assessment of Refinery Dynamics: Turkey

### Import Dynamics

Turkey's seaborne crude oil imports continued to decline in P1 2026, falling by 10% p-o-p and 17% y-o-y to 1.33 mb/d, compared with 1.47 mb/d in P4 2025 and 1.60 mb/d in P1 2025. The decline was broad-based across both Russian and non-Russian crude oil imports. Imports of Russian crude oil fell by 6% p-o-p and 19% y-o-y to 0.56 mb/d, while imports of non-Russian crude declined by 7% p-o-p and 15% y-o-y to 0.77 mb/d. Despite lower import volumes, **Russian crude remained Turkey's largest source of seaborne crude oil**, accounting for approximately 42% of total imports in P1 2026, compared with 44% in P4 2025 and 43% in P1 2025. The three refineries analyzed accounted for 97–100% of Turkey's seaborne crude oil imports throughout the period and were the only refineries importing Russian seaborne crude oil.

**STAR Refinery** remained the largest importer of Russian crude oil among the Turkish refineries analyzed, importing volumes equivalent to approximately 34% of Turkey's average seaborne crude oil imports during the analysis period. However, both total crude imports and Russian crude intake declined during P1 2026. Total crude imports fell by 19% p-o-p and 33% y-o-y to 0.39 mb/d, compared with 0.48 mb/d in P4 2025 and 0.58 mb/d in P1 2025. Russian crude imports declined even faster, falling by 30% p-o-p and 48% y-o-y to 0.27 mb/d, down from 0.38 mb/d in P4 2025 and 0.52 mb/d in P1 2025. As a result, Russian crude accounted for 68% of feedstock in P1 2026, compared with 79% and 89% shares in P4 2025 and P1 2025, respectively.

Looking at monthly developments, **STAR appears to have been significantly affected by the OFAC sanctions imposed on Rosneft and Lukoil**. Prior to the sanctions, the refinery was almost entirely dependent on Russian crude oil, with Russian feedstock accounting for 100% of crude imports in September and October 2025. Following the sanctions, Russian imports fell sharply to 0.09 mb/d in November 2025 and never recovered to pre-sanctions levels. **While Russian crude remained the refinery's dominant feedstock source, STAR gradually diversified its crude slate, reducing its dependence on Russian supplies.**

**Tüpraş İzmit** followed the opposite trajectory. Total crude imports declined by 9% p-o-p and 7% y-o-y to 0.39 mb/d in P1 2026, compared with 0.43 mb/d in P4 2025 and 0.42 mb/d in P1 2025. Despite lower overall crude intake, **Russian crude imports increased substantially** to 0.29 mb/d, up from 0.20 mb/d in P4 2025 and 0.09 mb/d in P1 2025. This represents a 135% p-o-p increase and a 239% y-o-y increase.

Consequently, Russian crude accounted for approximately 74% of refinery feedstock in P1 2026, compared with 47% in P4 2025 and 21% in P1 2025. **Following an initial decline in Russian imports immediately after the OFAC sanctions, the refinery rapidly increased purchases during P1 2026.** Russian crude imports doubled from 0.05 mb/d in December 2025 to approximately 0.10–0.11 mb/d during the first three months of 2026, while the Russian share of refinery feedstock increased from 24% in December 2025 to 60–75% during P1 2026. This suggests that **the sanctions-related disruption was merely temporary**, with the refinery subsequently increasing its reliance on Russian crude oil.

**Tüpraş İzmir** stood out as the only refinery among those analyzed to completely phase out imports of Russian seaborne crude oil. Although total crude imports increased by 38% p-o-p to 0.54 mb/d in P1 2026, Russian crude imports declined to zero, down from 0.07 mb/d in P4 2025 and 0.09 mb/d in P1 2025.

**The refinery last imported Russian seaborne crude oil in November 2025.** The timing closely coincides with the OFAC sanctions imposed on Rosneft and Lukoil suggesting that the sanctions likely led to the refinery's decision to replace Russian crude entirely with alternative supplies. By P1 2026, all crude imports originated from non-Russian sources.

## Export Dynamics

**STAR Refinery shifted exports away from the EU.** Total refined product exports continued to decline in P1 2026, falling by 19% p-o-p and 56% y-o-y to 0.16 mb/d, compared with 0.20 mb/d in P4 2025 and 0.37 mb/d in P1 2025. **The decline reflects both lower refinery throughput and a reduction in export-oriented production following the refinery's gradual diversification away from Russian crude oil.**

**The EU remained the refinery's primary market, despite exports to the bloc declining significantly.** Exports to the EU fell by 58% p-o-p and 77% y-o-y, declining from approximately 0.16 mb/d in P4 2025 and 0.29 mb/d in P1 2025 to 0.07 mb/d in P1 2026. As a result, the EU's share of STAR refinery exports fell from 78% in P4 2025 and 79% in P1 2025 to approximately 41% in P1 2026. At the same time, **exports to non-EU destinations increased in relative importance.** The share of exports directed to "other" destinations rose from 21% in P1 2025 and 21% in P4 2025 to approximately 43% in P1 2026, while exports to the US appeared for the first time during the analysis period, accounting for around 16% of exports in March 2026.

**Exports from STAR estimated to be derived from Russian crude oil declined even faster than total exports.** Russian-origin refined product exports fell by 27% p-o-p and 64% y-o-y to approximately 0.12 mb/d in P1 2026, compared with 0.16 mb/d in P4 2025 and 0.32 mb/d in P1 2025. **The sharpest decline occurred in exports to the EU.** Exports of products derived from Russian crude oil to the EU fell by 60% p-o-p and 80% y-o-y, declining from 0.13 mb/d in P4 2025 and 0.25 mb/d in P1 2025 to only 0.05 mb/d in P1 2026. This coincided with the implementation of Article 3ma on January 21, 2026 and reflects both lower exports and the refinery's reduced dependence on Russian crude oil.

Despite remaining the largest destination, **the EU's share of products estimated to be derived from Russian crude oil fell sharply** to an average of 43% in P1 2026, compared with 78% in P4 2025 and 76% in P1 2025. At the same time, the share of exports directed to other destinations increased to 42%, up from 22% in P4 2025 and 24% in P1 2025. The United States, a new destination, accounted for approximately 15% of Russian-origin product exports in P1 2026, compared with no exports during the comparison periods. In conjunction with the overall decline, **exports to the EU declined following the introduction of Article 3ma, a growing share of products derived from Russian crude oil was redirected to non-EU markets.**

**Tüpraş İzmit Refinery increased exports and diversified destination markets,** following a markedly different trajectory from STAR Refinery. Total refined product exports increased by 101% p-o-p and 35% y-o-y to 0.30 mb/d in P1 2026, compared with 0.15 mb/d in P4 2025 and 0.22 mb/d in P1 2025. The increase reflects both higher refinery throughput and a growing reliance on Russian crude oil during the first quarter of 2026.

**While the EU remained an important destination, exports became significantly more diversified.** Exports to the EU increased by 57% p-o-p, reaching 0.13 mb/d in P1 2026, although they remained 29% below P1 2025 levels. At the same time, exports to the United States rose by 77% p-o-p and 382% y-o-y to 0.13 mb/d, making the US a destination of similar importance to the EU. As a result, the EU's share of refinery exports declined from 82% in P1 2025 and 53% in P4 2025 to approximately 43% in P1 2026, while the US' share increased to 43%. Exports to other destinations accounted for the remaining 14% of total exports.

**Russian-origin exports—including those to the EU—grew despite the introduction of the ban.** Exports estimated to be derived from Russian crude oil increased even faster than overall refinery exports. Russian-origin refined product exports rose by 130% p-o-p and 386% y-o-y to approximately 0.17 mb/d in P1 2026, compared with 0.07 mb/d in P4 2025 and 0.03 mb/d in P1 2025. This increase reflects the refinery's sharp rise in Russian crude oil imports during the same period. The strongest growth occurred in exports to the United States. Exports of products estimated to be derived from Russian crude oil to the US increased by

662% p-o-p and more than 2,000% y-o-y, rising from 0.02 mb/d in P4 2025 to 0.07 mb/d in P1 2026. **Exports of Russian-origin products to the EU also increased**, rising by 63% p-o-p and 112% y-o-y to 0.06 mb/d.

Despite the increase in EU-bound volumes, **the destination profile of exports derived from Russian crude oil became substantially more diversified**. The EU's share of Russian-origin product exports declined from 62% in P4 2025 and 56% in P1 2025 to approximately 30% in P1 2026. At the same time, the share directed to other destinations increased from 26% to 49%; the United States accounted for 17% of exports derived from Russian crude oil, compared with 11% in P4 2025 and 5% in P1 2025. This suggests that as the refinery increased purchases of Russian crude oil, exports of products linked to Russian feedstock expanded across a broader range of destination markets rather than remaining concentrated in the EU.

**Tüpraş İzmir phased out Russian-origin exports following the cessation of Russian crude imports**. The refinery recorded a sharp decline in total exports of refined products during P1 2026, falling by 51% p-o-p and 64% y-o-y to 0.04 mb/d, compared with 0.07 mb/d in P4 2025 and 0.10 mb/d in P1 2025. The decline reflects lower refinery export activity following the refinery's decision to phase out Russian seaborne crude oil imports.

**The EU remained the refinery's largest export destination despite lower volumes**. Exports to the EU declined by 32% p-o-p and 74% y-o-y to 0.02 mb/d in P1 2026, compared with 0.03 mb/d in P4 2025 and 0.08 mb/d in P1 2025. Exports to other destinations declined even more sharply, resulting in a greater concentration of exports towards the EU market. The EU accounted for approximately 50% of total exports in P1 2026, compared with 43% in P4 2025 and 73% in P1 2025. The United States represented around 25% of exports, while the remaining volumes were directed to other destinations.

**Exports derived from Russian crude oil disappeared entirely**. Exports estimated to be derived from Russian crude oil fell from 0.002 mb/d in P4 2025 and 0.024 mb/d in P1 2025 to zero in P1 2026. Prior to the refinery's transition away from Russian crude oil, the EU had been the principal destination for products estimated to be derived from Russian feedstock. In P1 2025, approximately 44% of exports linked to Russian crude oil were directed to the EU; by P4 2025, the EU's share had declined to 27%. With the refinery's complete cessation of Russian crude oil imports after November 2025, no exports estimated to be derived from Russian crude oil were identified in P1 2026. Among the three Turkish refineries analyzed, **Tüpraş İzmit was the only refinery to fully eliminate both Russian crude oil imports and exports linked to Russian crude oil**, demonstrating the most complete adaptation to the OFAC sanctions imposed on Rosneft and Lukoil.

## Assessment of Refinery Dynamics: Brunei

### Import Dynamics

**Hengyi** imported 0.30 mb/d of crude oil in P1 2026, representing a 7% p-o-p increase compared with 0.28 mb/d in P4 2025, but remaining 16% below the 0.36 mb/d in P1 2025. Russian crude oil imports averaged 0.12 mb/d in P1 2026, broadly unchanged from P4 2025 (+2% p-o-p) but 21% higher y-o-y than the 0.10 mb/d in P1 2025. As a result, **Russian crude remained the refinery's largest single source of crude oil imports**.

**Despite stable Russian crude volumes, the refinery diversified its sourcing portfolio**. Imports from Australia increased from 0.03 mb/d in P4 2025 to 0.05 mb/d in P1 2026, while imports from Malaysia rose from 0.01 mb/d to 0.04 mb/d. Imports from Vietnam also increased from 0.01 mb/d to 0.03 mb/d, and additional volumes were sourced from unidentified origins.

**Although Russian crude imports remained broadly unchanged at 0.12 mb/d, Russian crude's share of total refinery feedstock declined from 42% in P4 2025 to 33% in P1 2026**. Nevertheless, this remained

above the 24% recorded in P1 2025, indicating that Russian crude continued to play a more important role in the refinery's feedstock mix than it did a year earlier, despite ongoing diversification.

While the OFAC sanctions coincided with significant changes in sourcing patterns at some Turkish and India refineries, **no comparable sanctions-related disruption is visible at Hengyi refinery**. Russian crude imports remained broadly unchanged, indicating that the refinery either faced limited exposure to the sanctioned entities or was able to source Russian crude through alternative supply chains.

### Export Dynamics

**No exports were recorded to the EU during the analysis period; rather, Hengyi's exports were primarily directed to Asia-Pacific markets and other countries that have imposed sanctions on Russia.** Unlike the refineries in India and Turkey, Hengyi refinery did not export refined products to the EU either before or after the prohibition entered into force. As a result, the refinery was not directly exposed to the EU restrictions, and exports estimated to be derived from Russian crude oil continued to be directed primarily toward Australia and other Asia-Pacific markets. Australia remained the refinery's largest export destination, receiving 0.15 mb/d in P1 2026, broadly unchanged compared with P1 2025 but 19% below P4 2025 levels. The refinery's export strategy was largely unaffected by Article 3ma, as it was already oriented towards non-EU markets.

Exports estimated to be derived from Russian crude oil declined to 0.12 mb/d in P1 2026, down from 0.15 mb/d in P4 2025, representing a 19% p-o-p decrease. Despite the decline, exports remained 54% higher than in P1 2025, when they averaged 0.08 mb/d. Australia remained the largest destination for products estimated to be derived from Russian crude oil, receiving 0.05 mb/d in P1 2026. Exports to Australia declined by 36% p-o-p compared with 0.08 mb/d in P4 2025 but remained 25% above P1 2025 levels. Exports to other destinations were broadly stable at 0.07 mb/d, down only 2% p-o-p, while increasing by 75% y-o-y.

**Russian-origin exports remained concentrated in Australia and other Asia-Pacific markets.** Australia accounted for approximately 41% of Hengyi's exports estimated to be derived from Russian crude oil in P1 2026, compared with 52% in P4 2025 and 51% in P1 2025. At the same time, the share of exports directed to other destinations increased to 56%, compared with 47% in P4 2025 and 49% in P1 2025, indicating a gradual diversification of destination markets.

## Assessment of Refinery Dynamics: Georgia

### Import Dynamics

Unlike several refineries analyzed, where Russian crude imports either declined or were phased out, **Kulevi increased its purchases of Russian crude oil during the period analyzed**. Given that the refinery only entered operation and began receiving Russian crude in late 2025, the increase observed in P1 2026 likely reflects the gradual ramp-up of refinery operations, rather than a shift in sourcing strategy. Nevertheless, the data indicate that Kulevi became increasingly integrated into Russian crude oil supply chains during the first months of operation.

Kulevi increased its imports of Russian crude oil during the first three months following the implementation of the EU prohibition on refined products produced from Russian crude oil. Russian crude imports averaged 0.06 mb/d in P1 2026, compared with 0.02 mb/d in P4 2025, representing a 203% p-o-p increase.

### Export Dynamics

Kulevi refinery exported an estimated 0.12 mb/d of refined products derived from Russian crude oil in P1 2026, representing a 40% p-o-p increase compared with 0.08 mb/d in P4 2025. This increase coincided with the

refinery's operational ramp-up following its commissioning in late 2025. During the analysis period, the refinery sourced 100% of its crude oil imports from Russia, meaning **all exported refined products were estimated to be derived from Russian crude oil.**

Despite the increase in total export volumes, exports to the EU declined after the ban. Shipments to the EU fell by 17% p-o-p, from 0.012 mb/d in P4 2025 to 0.010 mb/d in P1 2026. As a result, the EU's share of exports declined from 14% to 8% over the same period. In contrast, exports to non-EU destinations increased substantially, rising by 50% p-o-p from 0.072 mb/d to 0.108 mb/d. Consequently, more than 90% of the refinery's exports were directed to non-EU markets in P1 2026. In other words, while Kulevi increased exports of products derived from Russian crude oil, the additional volumes were primarily absorbed by non-EU destinations rather than the European market.

Although export volumes remain relatively small compared with the larger refineries analyzed in India and Turkey, Kulevi refinery warrants close monitoring. While only a limited share of its exports was directed to the EU, the refinery's growing throughput and complete reliance on Russian feedstock could create a potential pathway for Russian-origin petroleum products to reach sanctioning-country markets in the future. As a result, Kulevi may represent an emerging sanctions-risk case that could undermine the effectiveness of the EU's efforts to restrict market access for products derived from Russian crude oil.