

Vitol and Gunvor help keep Russian refined oil flowing, data shows

European energy traders are still large buyers, according to FT analysis of exporters' customs declarations



Vitol was the 10th-largest buyer of refined oil from Russia in the first four months of 2023, according to data reviewed by the Financial Times
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Tom Wilson, David Sheppard and Chris Cook in London 5 HOURS AGO



Vitol and Gunvor, two of the world's largest independent energy traders, remain significant buyers of refined oil from Russia more than a year after both companies pledged to drastically reduce their business with Moscow following President Vladimir Putin's full-scale invasion of Ukraine.

Analysis of export records filed with Russian customs in the first four months of 2023 show that both companies were among the top-10 buyers of refined products, such as petrol and diesel.

Switzerland-headquartered [Gunvor](#) was the eighth-largest buyer by value, shipping 1mn tonnes of petroleum products worth about \$540mn, according to the data reviewed by the Financial Times. Vitol, whose top executives largely sit in London and Geneva, was the 10th-largest buyer, shipping about 600,000 tonnes worth about \$400mn, according to the data.

Both companies confirmed they were regular buyers of Russian refined fuels but disputed the accuracy of the data.

Trading in Russian refined fuels is not prohibited by western sanctions and has even been [encouraged by Washington](#) to limit supply disruptions, as long as traders comply with western restrictions imposed since Moscow's full-scale invasion of Ukraine in 2022. Punitive measures include the G7 price cap introduced in February this year that seeks to limit the price Moscow gets for its refined oil products.

However, the challenge of complying with the price caps, combined with the reputational risk in Europe of continuing to trade with Russia, has led many European traders, including BP and Shell, to cease dealing with Russian flows entirely. [Vitol](#) and Gunvor have stopped dealing in Russian crude oil.

Jean-François Lambert, a consultant in the commodity trading industry, said there were questions about why the trading houses were keen to maintain the shrunken business.

“If this is no longer a material part of their business then why take on the reputational risk?” said Lambert, who once worked in commodity trade finance. “It may be profitable in the short term but there are questions over just how sensible it is.”

Exporters' customs declarations have been one of the last remaining tools for analysing Russian trade flows after Moscow stopped publishing its aggregated customs statistics last year. They shine a light on some of the steps international trading houses have taken to remain involved in the lucrative refined oil market. In total, 50 companies exported a combined \$16bn worth of refined petroleum from Russia over the first four months of this year, the data shows.

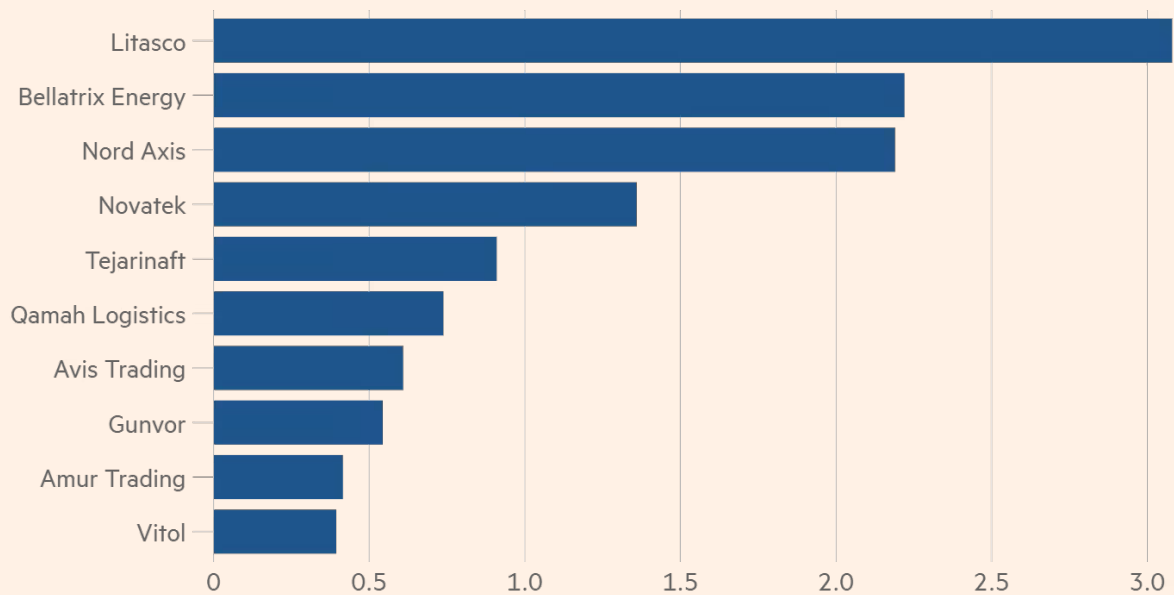
Gunvor said its own records showed it had purchased just over 700,000 tonnes in the period with a value of about \$330mn. Vitol said the customs declarations did not match its internal figures but declined to provide its own data. It reiterated a comment from chief executive Russell Hardy in March that it was trading “less than 100,000 barrels a day” — suggesting a maximum of about 1.5mn tonnes over four months.

The customs records show that Gunvor and Vitol are the only western-owned companies still among the top-10 buyers of Russian refined petroleum.

The other eight largest buyers are a mixture of Russian-controlled traders and recently established entities in the United Arab Emirates, Hong Kong or Singapore.

Top 10 traders of Russian refined petroleum products

January to April 2023, \$bn



Source: Russian customs data

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Topping the ranking is Litasco, the trading arm of Russia's Lukoil. The company moved most of its operations from Geneva to Dubai last year and traded more than \$3bn of Russian refined fuels between January and April, according to the data. The second largest, Bellatrix Energy Limited, was incorporated in Hong Kong in 2020. Litasco and Bellatrix did not respond to requests for comment.

Geneva-based Trafigura, which along with Vitol was one of the biggest lifters of Russian oil before the war, is not in the top 10 but has also continued to buy some refined fuels. The Swiss trader received a cargo of Russian diesel into a terminal in Argentina last week, according to ship tracking data from Kpler. Trafigura declined to comment, pointing to previous comments from chief executive Jeremy Weir that it trades a "limited" amount of refined products from Russia in compliance with the sanctions.

Vitol said its exports of refined Russian petroleum products complied with "all applicable legislation and regulation". In line with its policy to "minimise Russian origin purchases", the total volume of oil Vitol buys from the country had fallen by more than 90 per cent since before the war, the company said.

Vitol said it could not match some of the Russian exporters' declarations with its own records. It added that Russian customs records were sometimes filed after cargoes leave the country, meaning Vitol shipments from December, for example, may have been recorded for January.

Gunvor also disputed some of the data, saying that the totals were too high for the period.

All the Gunvor-related customs declarations in January and February list its Swiss entity, Gunvor SA, as the buyer. In April, Gunvor Energy Trading DMCC, registered in the UAE, was the buying entity listed by Russian exporters.

Gunvor Energy Trading was incorporated in the Dubai Multi Commodities Centre — a UAE free zone used by many of the companies continuing to trade Russian oil — on October 18 2022.

Gunvor said the Dubai entity was set up to “ensure strict compliance with all applicable international economic sanctions . . . whilst clearly segregating from our other trading activities the handling and financing of any potential Russia-related deals”.

It added that all deals executed by Gunvor Energy Trading DMCC were made under the G7 price caps and that the entity was overseen by EU citizens.

Vitol last year traded Russian oil through at least two other entities as well but is now primarily trading it from its subsidiary in Switzerland. Between March and October 2022, Amur Trading SA and Amur Investments SA, two Swiss-registered companies jointly controlled by Vitol and Singapore-based Mercantile & Maritime Group, bought an estimated \$3bn of Russian crude and refined products, the exporters’ declarations show.

Two new entities with similar names, registered in September 2022 in the UAE — Amur Trading FZCO and Amur Investments Ltd — then started buying Russian oil earlier this year, exporting more than \$1bn of crude and refined products between March and April.

Vitol said it had no involvement in either Amur entity in the UAE. It sold its interests in the various Swiss Amur companies to another UAE-registered company, Fossil Trading FZCO, when it divested its interest in Rosneft’s Vostok oil project last year, it said. The sale to Fossil was agreed in July and completed in December. Swiss corporate records show Vitol’s directors stepped down from Amur Trading SA and Amur Investments SA in January.

Fossil Trading did not respond to a request for comment. Amur Trading FZCO and Amur Investments Ltd could not be reached.

