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Russia Begins Fuel Deliveries to Iran by Train – Reuters

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Oil transporters in the southern Russian city of Krasnodar. **Igor Onuchin / TASS**

Moscow began exporting fuel products to Iran by rail for the first time earlier this year after its main purchasers stopped importing Russian fuel in the wake of the invasion of Ukraine, Reuters reported on Tuesday, citing three industry sources and export data.

Now both subject to strict Western sanctions, Russia and Iran have increasingly been trading with each other in order to keep their embargoed economies afloat.

While Russia's Deputy Prime Minister Alexander Novak announced that Iran would begin importing Russian oil in the fall, the first deliveries only began earlier this year, Reuters reported.

In February and March, Moscow supplied up to 30,000 tons of gasoline and diesel to Iran by rail via Kazakhstan and Turkmenistan, Reuters said, citing two sources familiar with export data.

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A third source confirmed the delivery but was unable to confirm the volume of the sale.

One of the Reuters sources said that some of the Russian gasoline deliveries were subsequently sent from Iran by truck to neighboring states, including Iraq.

In the past Moscow has supplied small volumes of fuel by oil tanker across the Caspian Sea to Iran, which despite being an oil producer itself has recently experienced fuel shortages, two traders familiar with the matter told Reuters.

While the decision to deliver fuel by rail is believed to be linked to high freight costs and an oil price cap imposed by the G7 countries on exports by sea, rail exports come with their own set of problems.

"We expect fuel supplies to Iran to rise this year, but we already see several issues with logistics due to rail congestion. That may keep exports from booming," one of the sources told Reuters.

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