



RLA Market Insights – Friday, 16 January 2026

Saudi Aramco's Bet on India: Reshaping the Country's Refining and Petrochemical Future

Saudi Aramco's proposed acquisition of a 20% stake in Bharat Petroleum Corporation Limited's \$11 billion greenfield refinery and petrochemical complex at Ramayapatnam, Andhra Pradesh represents a strategically significant move for both companies and for India's broader energy ecosystem. As India has become the largest driver of global crude demand growth, surpassing China, the country has emerged as a cornerstone market for long-term energy partnerships.

For Saudi Aramco, the investment secures stable, long-term crude offtake by embedding the company directly into India's downstream value chain. Equity participation ensures predictable demand for Saudi crude in a fast-growing market while expanding Aramco's refining and petrochemical footprint. The integrated refinery-petrochemical configuration allows Aramco to benefit from India's accelerating demand for polymers, chemicals, and higher-value materials. This deal also fits within Aramco's wider India strategy, including discussions around other projects such as ONGC's proposed Gujarat refinery, and aligns with its long-term ambition to invest up to \$100 billion in India.

For BPCL, Aramco's entry materially strengthens the project's financial structure. The refinery is estimated to cost ₹96,000 crore, with potential escalation beyond ₹1 lakh crore, making capital support critical. Aramco also brings assured long-term crude supply, reducing feedstock risk and improving operating stability, alongside global expertise in refining and petrochemicals that enhances project execution and competitiveness.

At a national level, the project supports India's refining and petrochemical expansion, boosts export potential, deepens India–Saudi energy ties, and delivers a substantial economic and industrial push to Andhra Pradesh, reinforcing India's ambition to emerge as a global refining and petrochemical hub.

Out of a total of 23 refineries in the country, 8 are integrated with petrochemicals as listed below.

S.No.	Company name	State	Location	Refining capacity (Mln tonnes/year)
1	Indian Oil Corporation Limited (IOCL)	Gujarat	Koyali	13.7
2	Indian Oil Corporation Limited (IOCL)	Haryana	Panipat	15.0
3	Indian Oil Corporation Limited (IOCL)	Odisha	Paradip	15.0
4	HPCL-Hindustan Mittal Energy Limited (HMEI)	Punjab	Bathinda	11.3
5	Bharat Petroleum Corporation Limited (BPCL)	Kerala	Kochi	15.5
6	ONGC-Mangalore Refineries & Petrochemicals Limited (MRPL)	Karnataka	Mangalore	15.0
7	Reliance Industries Limited (RIL)	Gujarat	Jamnagar (DTA)	33.0
8	Reliance Industries Limited (RIL)	Gujarat	Jamnagar (SEZ)	35.2
Grand Total				153.7



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