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EDITORIAL ANALYSIS

India's SPR at 64% — A Dangerously Thin Buffer Amid West Asia Turmoil

INDIAN EXPRESS

24 March 2026

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GS2

GS3

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The Indian Express

MAINS RELEVANCE:

GS Paper 2

GS Paper 3



INTERVIEW ANGLE

"India's SPR covers only 9.5 days of consumption against the IEA benchmark of 90 days. Is this an acceptable risk for the world's third-largest oil consumer?"

India's SPR at 64% — A Dangerously Thin Buffer Amid West Asia Turmoil

Indian Express editorial flags that India's Strategic Petroleum Reserves are only 64% filled (3.37 MT of 5.33 MT capacity), covering just 9.5 days of crude consumption, even as the West Asia conflict enters its fourth week and threatens the Strait of Hormuz through which ~20% of global energy supply transits.

THE VULNERABILITY EXPOSED

India is the world's **third-largest crude oil consumer** and **most import-dependent major economy**:

PARAMETER	INDIA	CHINA	USA
Crude import dependence	~88%	~73%	~40%
SPR days coverage	~9.5 days	~80 days	~400+ days
IEA benchmark	90 days	—	90 days

The editorial calls India's 9.5-day SPR buffer "dangerously inadequate" — equivalent to carrying a spare tyre for a journey of 1,000 km but having only enough air in it for 10 km.

WHY ONLY 64% FILLED?

Budgetary Constraints

- Filling 1 million tonnes of crude costs approximately **\$600-700 million** at current prices

- Filling the remaining 1.96 MT gap would cost ~\$1.2-1.4 billion
- This competes with other fiscal priorities (subsidies, defence, infrastructure)

Strategic Dilemma

- **Buy cheap, fill full:** Ideal strategy – but “cheap” crude windows are unpredictable
- India partially filled SPR during the 2020 price crash (\$20-30/barrel)
- Current prices (~\$80/barrel) make large purchases expensive
- The ADNOC commercial arrangement at Mangaluru means 7,50,000 tonnes serves a dual purpose (commercial + strategic)

The Expansion Lag

Approved Phase 2 facilities (Chandikhol, Padur expansion) have been slow:

- **Chandikhol, Odisha (4 MT):** Under construction – completion uncertain
- **Padur Phase 2 (2.5 MT):** Approved but land acquisition delayed
- **Bikaner and Rajkot (6 MT combined):** Only at proposal stage

THE IEA GAP

India is not an IEA member but is an IEA Associate Country. The IEA’s 90-day benchmark is considered the global standard for energy security:

COVERAGE TYPE	DAYS	STATUS
SPR alone	~9.5 days	Critically low
SPR + Government oil stocks	~12 days	Still inadequate
SPR + Commercial stocks	~74 days	Below IEA benchmark
IEA benchmark	90 days	Target
Gap	~16 days	Critical vulnerability

Even counting commercial stocks (held by oil companies for operational needs, not emergencies), India falls **16 days short** of the IEA benchmark.

THE HORMUZ SCENARIO

If the Strait of Hormuz were blocked for even **two weeks**:

- India would lose access to ~60% of its crude imports
- LPG prices would spike immediately (60% imported)

- Diesel and petrol prices would rise within days
- SPR would be exhausted within 10 days
- Economic cost: Estimated **0.5-1% of GDP** per month of disruption

WHAT INDIA SHOULD DO

The editorial recommends:

- 1 **Emergency purchase programme:** Fill SPR to 100% immediately at any cost — the cost of full reserves (~\$1.4 billion) is trivial compared to the economic cost of a supply disruption
- 2 **Accelerate Phase 2:** Fast-track Chandikhol and Padur expansion through green channel approvals
- 3 **Diversify beyond crude:** Build LPG and natural gas strategic reserves (neither exists currently)
- 4 **IEA membership:** Formally join IEA (requires 90-day coverage) — this provides access to coordinated emergency response mechanisms
- 5 **Long-term demand reduction:** Accelerate EV adoption, ethanol blending (E20 → E30), green hydrogen

UPSC RELEVANCE

ISPRL, SPR locations, IEA Associate membership, Strait of Hormuz, ADNOC agreement

MAINS GS-II:

India's West Asia policy, energy diplomacy, IEA framework

MAINS GS-III:

Energy security, crude import dependence, SPR infrastructure, renewable transition

INTERVIEW:

India is the world's third-largest oil consumer but has reserves for less than 10 days. Is this acceptable?

★ FACTS CORNER — KNOWLEDGE PEDIA

INDIA'S SPR:

Total capacity: 5.33 MT (3 facilities)

Current fill: 3.37 MT (64%)

Days coverage (SPR alone): ~9.5

Days coverage (total including commercial): ~74

IEA benchmark: 90 days

Locations: Visakhapatnam (1.33 MT), Mangaluru (1.50 MT), Padur (2.50 MT)

ISPRL: Indian Strategic Petroleum Reserves Limited

PHASE 2 EXPANSION:

Chandikhol, Odisha: 4 MT (under construction)

Padur Phase 2: 2.5 MT (approved)

Bikaner + Rajkot: 6 MT (proposed)

Total new: 12.5 MT → Total capacity: 17.83 MT

INDIA'S ENERGY DEPENDENCY:

Crude import: ~88%

LPG import: ~60%

Natural gas import: ~50%

Top suppliers: Iraq, Saudi Arabia, Russia, UAE, Kuwait

Annual crude import bill: ~\$150 billion

STRAIT OF HORMUZ:

Width: ~33 km

Daily transit: ~20 million barrels

Global seaborne oil share: ~20%

Bordered by: Iran and Oman

OTHER RELEVANT FACTS:

IEA: International Energy Agency (Paris, est. 1974)

India: IEA Associate Country (not full member)

US SPR: ~400 million barrels (largest globally)

China SPR: ~80 days coverage

Japan SPR: ~140 days coverage

Sources: [Indian Express](#), [Business Today](#), [IEA](#)

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