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EDITORIAL ANALYSIS

India's Energy Security Amid Geopolitical Conflicts — The Fossil Fuel Dependence Problem

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INTERVIEW ANGLE

"India faces a fundamental tension between energy security and climate commitments. With 87–89% oil import dependency, how should India balance short-term energy security with long-term decarbonisation? What reforms are needed?"

WHY IN NEWS

The ongoing **Russia-Ukraine war** (energy corridor disruption), **West Asia tensions** (Strait of Hormuz risk), and **India-Pakistan military standoff (Operation Sindoor)** have all simultaneously highlighted India's acute **energy security vulnerabilities**. India imports ~87–89% of crude oil — disruption to even one major corridor would trigger price spikes, inflation, and growth slowdown. This editorial examines India's energy security architecture and its adequacy.

INDIA'S ENERGY IMPORT PROFILE

Oil Import Dependency

PARAMETER	DATA
Crude oil import dependency	**~87–89%** of total consumption (FY24: 87.7%; FY25: ~89%)
Total oil imports (FY25)	**~$123 billion**
Top suppliers	Russia (~35%), Iraq (~25%), Saudi Arabia (~16%)
Domestic production (FY25)	~29 million tonnes (ONGC + OIL)
Consumption (FY25)	~240 million tonnes

Natural Gas

PARAMETER	DATA
LNG import dependency	**~50%** of gas consumption
India's gas share in energy mix	**6%** (global average: 23%)
LNG suppliers	Qatar (largest), Australia, USA

Coal

- India is the **world's 2nd largest coal importer** (behind China)
- Imports ~240 million tonnes/year despite being 4th largest producer
- Coking coal for steel: heavily import-dependent

STRATEGIC PETROLEUM RESERVE (SPR)

PARAMETER	DETAIL
Current capacity	~5.33 million metric tonnes (MMT)
Locations	Visakhapatnam (AP), Mangaluru (Karnataka), Padur (Karnataka)
Days of cover	~9.5 days of net oil imports
IEA standard	90 days
Gap	India covers only **~10%** of IEA recommended minimum
Phase II expansion	Chandikhole (Odisha) + Padur expansion — approved but delayed
Managed by	Indian Strategic Petroleum Reserves Limited (ISPRL) — a wholly owned subsidiary of **OIDB** (Oil Industry Development Board), MoPNG

Critical gap: India's SPR provides only ~9–10 days cover vs. IEA's 90-day standard. A Strait of Hormuz disruption lasting >2 weeks would critically impact India.

GEOPOLITICAL RISK CORRIDORS

Strait of Hormuz

- **~20% of global oil trade** passes through this 33-km-wide strait
- Iran has threatened closure multiple times (US-Iran tensions, Israel-Iran)
- India imports ~60–65% of crude from Gulf — all transiting Hormuz
- **No bypass route** of comparable capacity (Oman-Abu Dhabi pipeline limited)

Russia Discount — A Double-Edged Sword

- After 2022 sanctions, India bought discounted Russian Urals crude heavily
- Russia's share rose from <2% (2021) to ~35% (2024) of India's oil imports
- **Risk**: Secondary sanctions threat from USA; routing through UAE payment systems vulnerable
- **Benefit**: Saved India ~$14–20 billion vs. market price in 2022–24

West Asia Risk

- **Israel-Hamas** conflict → Houthi attacks on Red Sea shipping → freight rates +300%

- Bulk of India's West Asia LNG (Qatar pipeline) and oil passes through this region

INDIA'S ENERGY DIVERSIFICATION STRATEGY

Geographic Diversification

REGION	INDIA'S STRATEGY
West Africa	ONGC Videsh equity stakes (Nigeria, Mozambique)
Latin America	Venezuela (curtailed post-sanctions), Guyana (new)
Russia	Discounted crude; Rosneft stake (Essar deal)
Central Asia	INSTC (Iran-Russia corridor); Chabahar port
USA	US LNG long-term contracts (10–20 year deals)

Renewable Transition as Energy Security

- **Solar + Wind**: Reduces oil/gas demand in power sector
- **Target**: 500 GW non-fossil capacity by 2030
- **Current**: ~220 GW renewable installed (May 2026)
- **EV push**: 30% EV penetration by 2030 → reduce transport oil demand
- **Green Hydrogen**: National Green Hydrogen Mission — ₹19,744 crore outlay; 5 MMT production target by 2030

Gas Infrastructure

- PM Urja Ganga pipeline; city gas distribution expansion
- **ONGC's KG-DWN-98/2 block**: India's largest deep-water gas discovery — production ramping up
- Target: Raise gas share in energy mix from 6% → 15% by 2030

THE CLIMATE-SECURITY TENSION

DIMENSION	CONFLICT
Short-term energy security	Requires maintaining coal + gas as backup
Long-term climate targets	Requires phase-down of fossils
Russia oil discounts	Cheaper energy → GDP growth → more emissions
SPR expansion	Fossil fuel lock-in vs. stranded asset risk

India's position at COP: CBDR-RC (Common But Differentiated Responsibilities); peak emissions year not yet committed; Net Zero by 2070.

UPSC RELEVANCE

PAPER	ANGLE
GS3 — Economy	Energy security, oil imports, strategic petroleum reserves, LNG, renewable transition
GS2 — IR	Strait of Hormuz, INSTC, Russia sanctions impact on India, energy diplomacy
GS3 — Environment	Climate-security tension, renewable targets, Green Hydrogen Mission

Mains Keywords: Energy security, crude oil import dependency, Strategic Petroleum Reserve, ISPRL, Strait of Hormuz, Russian oil discount, Houthi Red Sea attacks, INSTC, Green Hydrogen Mission, 500 GW renewable target, CBDR-RC, KG-DWN-98/2, energy diversification

Prelims Facts Corner

ITEM	FACT
India crude oil import dependency	**~87–89%** of consumption (FY24: 87.7%; FY25: ~89%)
India LNG import dependency	**~50%** of gas consumption
India gas share in energy mix	**~6%** (global average: 23%)
SPR current capacity	**~5.33 MMT** (locations: Vizag, Mangaluru, Padur)
SPR days cover	**~9.5 days** (IEA standard: 90 days)
ISPRL	Indian Strategic Petroleum Reserves Limited — wholly owned subsidiary of **OIDB** (Oil Industry Development Board), MoPNG
Strait of Hormuz global oil share	**~20% of global oil trade**
Russia's share of India oil imports (2024)	**~35%** (up from <2% in 2021)
National Green Hydrogen Mission outlay	**₹19,744 crore**
Green H_2 production target	**5 MMT by 2030**
Renewable installed capacity (May 2026)	**~220 GW**
2030 non-fossil target	**500 GW**
India Net Zero target year	**2070**

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