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EDITORIAL ANALYSIS

India's Oil Chokepoint Problem

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India's Oil Chokepoint Problem

 **Business Standard**

29 June 2026

GS3
GS2

 Source: ujyari.com — researched, fact-checked & UPSC-mapped


INTERVIEW ANGLE

"India has diversified suppliers but still imports most of its oil. Is true energy security achievable while a single waterway can spike global prices, or is the only real hedge to burn less oil altogether?"

 Source: [Original editorial](#)
Business Standard
 **Every fact web-verified against primary sources** (<https://ujyari.com/how-we-verify/>)

WHY THIS MATTERS NOW

In **June 2026**, renewed tension around the **Strait of Hormuz** (<https://ujyari.com/terms/strait-of-hormuz/>) and reporting that India now routes about **70 percent of its crude from outside the Strait** put energy security (<https://ujyari.com/terms/energy-security/>) back in focus. India imports over **85 percent** of its crude, so a single chokepoint (<https://ujyari.com/vocab/chokepoint/>) can move prices, inflation and the current account. For an aspirant, this is a GS3 and GS2 case on **energy security, trade vulnerability** (<https://ujyari.com/vocab/vulnerability/>) and the **clean-energy transition**.

THE CRUX IN 60 WORDS

India buys over **85 percent** of its oil abroad, much of it shipped through the **Strait of Hormuz**, which also carries most of India's **LNG and LPG**. Diversifying to around **40 suppliers** and Russian crude has cut exposure, but **route concentration** remains a single point of failure. The durable fix is **strategic reserves** (<https://ujyari.com/terms/strategic-reserves/>), **diversified routes and a faster clean-energy shift**.

THE ISSUE, DECODED

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CONCEPT	WHAT IT MEANS	WHY IT MATTERS
Import dependence	Over 85 percent of crude is imported	Price shocks pass straight to inflation and the rupee
Strait of Hormuz	Narrow chokepoint at the Gulf's mouth	Carries much of India's oil, LNG and LPG
Strategic Petroleum Reserve (https://ujjiyari.com/terms/strategic-petroleum-reserve/)	Underground emergency crude storage	Buffers short disruptions, buys negotiating time
Energy transition	Shift to solar, wind, hydrogen, EVs	The only structural cut to import dependence

THE ANALYSIS

- 1 Dependence transmits shocks instantly.** Importing the bulk of its crude means India cannot insulate itself from a Hormuz disruption through trade policy alone; prices, the current account and the rupee all move together.
- 2 Supplier diversity is not route diversity.** Sourcing from around 40 countries and routing 70 percent away from Hormuz is real progress, but much LNG and LPG still transits the same strait.
- 3 Reserves are a buffer, not a solution.** Roughly 74 days of cover (strategic plus refiner stocks) cushions a short shock but falls short of the 90-day IEA norm and cannot outlast a prolonged crisis.
- 4 The transition is the real security policy.** Every gigawatt of solar and every electric vehicle is a permanent reduction in the import bill and exposure to chokepoints.

DATA AND INSTITUTIONS VAULT

India imports **over 85 percent** of crude; about **70 percent** now arrives from outside Hormuz; sources from around **40 countries**; Russian crude roughly a third of imports. **The reserves: ISPRL** (Indian Strategic Petroleum Reserves Ltd) holds about **5.33 MMT** at **Mangaluru, Visakhapatnam and Padur**, near **9.5 days**; with refiner stocks, total cover around **74 days** (IEA norm: **90 days**). **The geography: Strait of Hormuz** (between Iran and Oman); other corridors via the Cape of Good Hope and pipelines. **Concept: chokepoint vulnerability; current account deficit; energy transition; strategic autonomy** (<https://ujjiyari.com/terms/strategic-autonomy/>).

THE DEBATE

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Argument that the risk is overstated: India has diversified to around 40 suppliers, routed 70 percent of crude away from Hormuz, and held 74 days of cover. Markets stayed calm through recent tension; the system is more resilient than alarmists claim.

Argument that the risk is structural: Importing over 85 percent of crude and shipping most LNG and LPG through one strait is a vulnerability no diplomacy can erase. Reserves fall short of the 90-day norm, and a prolonged closure would still inflict severe damage.

Balanced verdict: Both are right. India has bought meaningful **resilience** (<https://ujjiyari.com/vocab/resilience/>), but route concentration and reserve gaps remain. Buffers manage crises; only the energy transition removes the underlying dependence. Resilience now, freedom later.

HOW TO THINK ABOUT THIS (TRANSFERABLE SKILL)

For any dependence problem, separate measures that absorb shocks (reserves, diversification) from measures that remove the dependence itself (substitution). Buffers buy time but renew the vulnerability each cycle; cures end it. Mapping a policy mix onto this axis shows whether a country is managing a risk or actually eliminating it.

DIAGRAM-IN-WORDS

India imports 85%+ crude -> ships via Strait of Hormuz -> disruption -> price spike + CAD widening + rupee fall + inflation -> buffers: SPR + 40 suppliers + alternative routes (buy time) -> cure: solar/wind/hydrogen/EVs (cut import bill) -> structural energy security

THE WAY FORWARD

- ① **Fill and expand strategic reserves.** Move toward the 90-day IEA norm and add new storage caverns to deepen the buffer.
- ② **Diversify routes, not just suppliers.** Build pipeline and shipping options that bypass Hormuz and strengthen partnerships along alternative corridors.
- ③ **Accelerate the energy transition.** Scale solar, wind, green hydrogen and electric mobility to shrink the crude import bill itself.
- ④ **Hedge financially and diplomatically.** Use oil bonds, currency hedges and steady West Asia engagement to dampen price **volatility** (<https://ujjiyari.com/vocab/volatility/>).

THE TAKEAWAY BOX

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India's import-heavy energy security is hostage to the Strait of Hormuz; reserves and diversification buy resilience, but only the clean-energy transition removes the dependence.

"Reserves and diversification buy time; the clean-energy transition buys freedom."

Strait of Hormuz; ISPRL (Mangaluru, Visakhapatnam, Padur); 5.33 MMT, ~74 days cover; 90-day IEA norm; 85 percent import dependence; 70 percent routed outside Hormuz.

True energy security may require burning less oil, not just sourcing it more cleverly; long-term resilience over short-term cost.

UPSC has asked on energy security, the current account and renewable transition; this links chokepoint risk to the broader import-dependence debate.

Current account deficit, rupee management, renewable energy targets, green hydrogen mission, strategic autonomy in West Asia.

Sources: *Business Standard* (<https://www.business-standard.com/opinion>), *PIB* (<https://www.pib.gov.in>), *ISPRL* (<https://www.isprlindia.com>)

Source: India's Oil Chokepoint Problem — Ujyari.com | Free UPSC & State PCS Editorial Analysis

KEY ARGUMENTS AT A GLANCE

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India's heavy crude-import dependence, a large share of it routed through the Strait of Hormuz, is a structural energy-security vulnerability; resilience requires deeper strategic petroleum reserves, diversified sourcing and an accelerated clean-energy transition.

 **SUPPORTING**

- India imports over 85 percent of its crude, so any disruption at a single chokepoint transmits directly into prices, inflation and the current account.
- The Strait of Hormuz carries a large share of global oil and most of India's LNG and LPG, making it a single point of failure no diplomacy can fully neutralise.
- Diversification to around 40 suppliers and Russian crude has cut exposure, but supplier diversity does not remove route concentration.

 **COUNTER**

Officials note that about 70 percent of crude now arrives from outside the Strait, reserves and refiner stocks cover roughly 74 days, and markets stayed stable through recent tension, so panic is unwarranted.

 **WAY FORWARD**

Expand and fill strategic reserves toward the 90-day norm, keep diversifying suppliers and routes, deepen ties along alternative corridors, and treat the clean-energy transition as the ultimate energy-security policy.


MAINS ANSWER FRAMEWORK

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QUESTION

"India's energy security is hostage to a single maritime chokepoint." Examine the vulnerability posed by import dependence routed through the Strait of Hormuz and evaluate the policy options available to build resilience. (250 words)

INTRODUCTION

The cheapest barrel is the one you never need to import. India's oil story is a study in how a single waterway can hold a fast-growing economy's stability hostage.

BODY

India imports over 85 percent of the crude it consumes, so energy security is inseparable from the safety of sea lanes. The Strait of Hormuz, a narrow chokepoint between Iran and Oman, carries a large share of the world's seaborne oil and most of India's LNG and LPG. A blockage or conflict there would spike global prices, widen the current account deficit, weaken the rupee and stoke inflation, regardless of who India buys from.

Recent policy has reduced exposure: India now sources from around 40 countries, Russian crude is roughly a third of imports, and about 70 percent of crude arrives from outside Hormuz. Strategic reserves plus refiner stocks cover near 74 days.

This is genuine progress, and markets held steady through recent tension. Yet supplier diversity is not the same as route diversity, and 74 days falls short of the 90-day International Energy Agency norm.

Diplomacy can manage but not abolish a geographic chokepoint. The durable hedge is structural: bigger and fuller strategic reserves, continued diversification of suppliers and shipping routes, and above all an accelerated shift to solar, wind, green hydrogen and electric mobility that shrinks the import bill itself.

CONCLUSION

Reserves and diversification buy time; the clean-energy transition buys freedom. India's lasting answer to the Hormuz problem is to need less of what flows through it.


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