

Hormuz Halt: India Boosts Russian Oil Imports Amid Strait Crisis

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Hormuz Halt

A map showing the Strait of Hormuz, a narrow waterway between the Persian Gulf and the Arabian Sea. The strait is labeled "Strait of Hormuz" in a stylized font. The surrounding landmasses are colored in shades of green and brown, and the water is light blue.

Hormuz Halt Latest News

- Due to disruptions in oil flows through the Strait of Hormuz amid the West Asia conflict, the Indian government and public sector refiners are considering increasing imports of Russian crude to maintain supply continuity.
- India had recently reduced Russian oil purchases during trade negotiations with the United States. However, with Hormuz shipments effectively suspended, abundant Russian supplies could help India manage potential shortages.

India's Oil Dependence and the Strait of Hormuz

- Around 2.5–2.7 million barrels per day of India's crude imports pass through the Strait of Hormuz.
- This accounts for nearly **half of India's total oil imports**, mainly from Iraq, Saudi Arabia, the UAE, and Kuwait.

- India is the world's third-largest crude oil consumer and imports over 88% of its oil needs.
- A large share of its gas consumption also depends on imports from West Asia through the Strait.

Strategic Importance of the Strait of Hormuz

- The Strait of Hormuz is a narrow waterway between Iran and Oman connecting the Persian Gulf to the Arabian Sea.
- It is the world's most critical oil transit chokepoint, handling about one-fifth of global petroleum and LNG trade.
- Following messages from Iran's Islamic Revolutionary Guards Corps claiming closure of the Strait, many traders, insurers, and shipping companies suspended shipments to avoid conflict risks.

Russian Crude as an Alternative

- With Hormuz shipments disrupted, India may turn to Russian oil. Russian crude is available in significant volumes in the Indian Ocean and Arabian Sea, including in floating storage.
- Industry estimates suggest about 10 million barrels of Russian crude are currently available in Asian waters.

Changing Import Patterns

- India imported about 1.1 million barrels per day of Russian crude in February, lower than the 2025 peak of over 2 million barrels per day.
- Loadings for Indian ports, which averaged 1.7 million barrels per day last year, fell to 0.7 million barrels per day in February.
- This earlier reduction in Russian imports has now created room for a possible increase if supply from the Strait of Hormuz remains disrupted.

India's Immediate Energy Cushion

- Indian refiners currently hold more than 10 days of crude oil inventories and about a week's worth of fuel stocks.
- In addition, roughly a week's supply of crude is available in India's strategic petroleum reserves.
- These buffers provide short-term protection against sudden supply disruptions.

Alternative Sourcing Options

- To manage potential shortages, India can draw from strategic reserves and accelerate spot purchases from non-Hormuz regions.
- Alternative suppliers include the United States, West Africa, Latin America, and Russia.
- Russian crude available in nearby waters, including floating storage, offers immediate flexibility if Middle Eastern imports are constrained.

Risk Depends on Duration of Disruption

- The overall impact on India will depend on how long the Strait of Hormuz remains disrupted. Most experts believe a prolonged blockade is unlikely.
- However, the longer the disruption continues, the greater the effect on global energy markets and domestic fuel prices.

LPG and LNG: Key Vulnerabilities

- LPG is India's biggest vulnerability. The country imports 80–85% of its LPG needs, mostly from Gulf suppliers through Hormuz.
- Unlike crude oil, India does not maintain large strategic LPG reserves, making supplies more sensitive to disruption.
- Similarly, around 60% of India's LNG imports pass through the Strait. Structural buffers for LNG are limited, and spot cargo availability is relatively thin.
- In the event of a prolonged closure of Hormuz, securing LPG and LNG supplies could become more challenging than crude oil.

Source: IE | IE

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