

**CRUDE OIL @ \$100**



As expected, after the combined US-Israel strikes on Iran, and counter-attacks by the latter, global crude oil prices jumped. They inched upwards of \$70, the highest since August 2025, and almost a quarter up from the lowest level in December 2025. Indeed, the recent rise over the past several weeks was prompted by the fears that the US was likely to attack Iran, not if but when. Now that the missiles have hit Iran, its supreme leader, Ali Khamenei, is dead, and Iran has launched attacks on the US bases in the Middle East, and struck high-profile airports, ports, and landmark buildings in the region, the prices are likely to shoot up. A figure of \$100, say experts, is a distinct reality. If the war escalates for a few days, or several weeks, and if some oil-related infrastructure and ships are destroyed in the process, who knows what will happen. Think of crude oil at \$125, or even higher.

Such dire predictions stem from several factors. The most important is the disruptions in oil flows through the Strait of Hormuz, "a chokepoint that carries roughly 20 per cent of global oil supply." Tanker traffic through the waterway has already been significantly curtailed, heightening concerns," states a media report. If Iran's Islamic Revolutionary Guards Corp (IRGC) escalates the war, the Strait will be on their radar. According to an analyst quoted on a website, "Though the IRGC may not be able to physically close the Strait of Hormuz, it could potentially still deploy small boats, mines, drones, and missiles to compel insurers and shipping companies to avoid the waterway." Another media report adds that oil tankers have begun to avoid the Strait since the attacks started on Saturday. "Historically, crude prices often jump whenever there are major oil supply issues at the Strait of Hormuz," it explained. Huge risk premiums will be added to oil prices.

Worse, the options for fresh and additional supplies from producer nations through alternate routes are limited. For one, the huge spare capacity in the Middle East will remain blocked, if Hormuz remains under siege, or fear of one. Couple this with the fact that most OPEC+ producers are "already near maximum output, leaving Saudi Arabia as the primary holder of meaningful spare capacity." Non-OPEC supplies can increase, but scaling up will require some time. The transport will happen only if the crucial sea lanes remain open and safe. Add to this the thinking among most producer nations, who wish to hike profits due to higher prices, and have suffered for long from subdued ones in the recent past. Even the US, saddled by the recent Supreme Court judgment on trade tariffs, may wish to boost export revenues via more expensive crude oil to make up for lower import revenues, and the inevitable refunds of earlier revenues collected at higher tariffs.

Technical charts forecast a coming bullish phase. According to a website, "The weekly timeframe chart shows... crude oil price has rebounded in the past few weeks. This rebound started after it formed a double-bottom pattern at \$55.15. A double-bottom is one of the most common bullish reversal signs in technical analysis." "The prices have moved higher than the 50-week and 100-week averages, and the directional index on the charts has jumped to the highest level since August 2025. The same is the case with the relative strength index. "Therefore, the most likely scenario is where the price continues rising now that the war in Iran is escalated. The price may soar to over \$80 when the market opens today," states the website. Thus, there was a clear possibility of an upward movement, which got fresh impetus due to the Iran war. Remember, there is still a war on in Ukraine, and Pakistan and Afghanistan are at loggerheads on their borders.

According to some analysts, the Hormuz scare is horrifying, and the world is yet to come to grips with it. Most of the oil that passes through the Strait moves from the Middle East to the largest consumers such as China, India, Japan, and South Korea. Half of China's supplies pass through it. Hence, a prolonged closure of the Strait, says one analyst, is a "guaranteed global recession." He adds that if this happens, the Asian consumers will go crazy. "What you would see is hoarding, especially by Asian countries that were big importers of oil and gas when they realised that Hormuz is closed. You could see the mother of all bidding wars." The end-result: Prices will go through the sky. In the end, the duration of the war will matter, as it does during crises, and so will the scale of the war. In such situations, strategic stocks held by nations such as the US (inventory of more than 400 million barrels) and China will not matter. What will be evident is high prices.

Like in the case of the Russia-Ukraine war, there will be choices to make. Dependence on coal may go up, as it did in Europe in the past few years. Oil consumption may be curtailed, as happened in consumer nations. Renewables may get a boost. However, the oil giants will have a gala time, even as they aim to use the cash flows to discover more oil, acquire more oil reserves, or force production to meet future demand.

# Iran crisis: No immediate oil disruption for India

PIONEER NEWS SERVICE  
■ New Delhi

India is unlikely to face any immediate physical disruption in oil supplies despite escalating tensions around Iran and the Strait of Hormuz, but higher crude prices and broader macroeconomic pressures are expected in the near term, officials and analysts said. Indian refiners currently hold sufficient crude inventories to meet at least 10 days of requirements, with fuel stocks covering another 5-7 days, cushioning the impact of any short-duration disruption. Even as rapidly unfolding developments in West Asia raise geopolitical uncertainty, contingency plans - including tapping diversified suppliers in US, West Africa, Latin America and even Russia as well as strategic reserves - are in place, they said.

The Strait of Hormuz, one of the world's most critical energy chokepoints, handles nearly 20 per cent of global petroleum liquids and about a fifth of global LNG shipments. About 2.5-2.7 million barrels per day, or roughly 50 per cent of India's crude imports, transit through the route, largely sourced from Iraq, Saudi Arabia, the UAE and Kuwait. Close to 60 per cent of India's LNG imports

and almost all of its LPG shipments also pass through the Strait, underscoring its importance to India's energy security.

While a short-lived disruption may have limited supply impact, the immediate fallout is expected to be reflected in oil prices. Brent crude closed near seven-month highs at around \$73 per barrel, up more than \$12 per barrel year-to-date amid rising geopolitical tensions. Traders are modelling heightened volatility, with some scenarios pointing towards \$80 per barrel if supply flows face credible threats.

Iran's state media said February 28 that the Islamic Republic has shut the Strait of Hormuz in response to US and Israeli military strikes.

The closure for a short duration will not have much impact on India as it already has supplies to meet fuel requirement, they said adding in the event of a prolonged disruption or closure of the narrow Strait of Hormuz, the country can recalibrate imports, tapping into its diversified supply sources, including increasing purchases of Russian oil.

Analysts, however, did not expect the Strait to be closed for long as regional powers like Saudi Arabia and Qatar will be economically hit by



such an act and could decisively act. "In case Iran were to force the closure for long, the possibility of a military action by the US and other powers in the region to physically take control of the coastal belt from where the Islamic Revolutionary Guards Corps (IRGC) exercises control of the sea lane, cannot be ruled out," an analyst said.

For now, India is working on the assumption that the closure will be short, lasting less than a week.

"Indian refineries put together hold anywhere between 10 to 15 days of crude inventories, both in tanks and in transit. Besides, all their fuel tanks are full that can easily meet 7-10 days of the country's fuel requirement," an official said. "For now, we think the closure of the Strait of

the closure lasts long. While near term supplies are secured, a prolonged closure of Strait of Hormuz may leave India with not enough alternatives. This is because unlike crude oil, most LNG volumes are locked in long-term contracts and only limited volumes are available in the spot or current market, another official said.

LNG prices may soar if India, or China - the other big import of fuel from the Middle East - were to tap into alternate supplies, he said.

Similar is the situation with LPG. The Government is closely monitoring the evolving situation and working on alternatives, another official said. "India's recent pivot back toward Middle Eastern crude has increased its near-term exposure to Hormuz-linked risks. Escalation would most immediately manifest through higher prices, freight and insurance costs and also at last outright supply shock (as of now probability of supply/production reduction is low)," said Sumit Ritolia, Lead Research Analyst, Refining and Modelling at commodity market analytic firm Kpler. He went on to state that while temporary disruptions cannot be ruled out, a prolonged full blockade remains low probability.

"Diversified sourcing,

Russian optionality and layered inventory buffers - including strategic petroleum reserves and commercial stocks - materially reduce the risk of sustained physical shortages. The principal near-term vulnerability is therefore price volatility and macro impact, not structural supply insecurity," he said.

Crude has climbed more than \$12 per barrel year-to-date amid rising geopolitical tensions. Brent futures settled at \$72.87 per barrel on February 27, after touching an intraday high of \$73.54 - the highest level since July 30, 2025. "In the current escalation scenario, the initial impact is likely to be price-driven rather than volume-driven. A geopolitical risk premium would lift Brent prices, alongside increases in freight rates and war-risk insurance costs," Ritolia said.

Even without physical shortages, higher landed crude costs would raise India's import bill and exert pressure on inflation and the current account deficit, he said. Aditi Nayar, Chief Economist at ICRA, said the extent and duration of the West Asia conflict will determine its impact on India's macroeconomic indicators, including inflation, fiscal and current account balances, and remittances.

The situation on LNG supplies may turn precarious if

# Iran turmoil to fuel oil price rise

Crude inventory to cover 10 days, fuel stocks last 7 days; Centre to meet exporters, shipping lines, freight forwarders

MADHUSUDAN SAHOO  
NEW DELHI, MARCH 1

Disruption of oil supply chain globally is expected to be reflected in oil prices. India has crude inventories to meet at least 10 days of requirements and fuel stocks covering another upto seven days, said government official sources.

"We are monitoring the situation that arose following tensions between Iran and Israel. We don't see any disruption on the oil supply chain. India has crude inventories to meet at least 10 days of requirements and fuel reserve covering another upto 7 days. There may be some oil price volatility and broader macro-economic effects if the Iran crisis escalates further," said a government functionary.

The tensions around the Strait of Hormuz has already pushed Brent crude prices toward a seven-month high of \$73 per barrel. Experts in the oil sector are of the view that India's oil supply chain does not yet face structural insecurity, though the country may face oil price volatility in the near term.

"The initial impact is likely to be price-driven rather than volume-driven. A geopolitical risk premium would lift Brent prices, alongside increases in freight rates and war-risk insurance costs," said Sumit Ritolia, lead research analyst, Kpler.

Oil traders are bracing for heightened volatility next week, with some models pointing to prices moving towards \$80 a barrel if supply flows are disrupted or face credible

threats. The Strait of Hormuz remains a critical global energy choke point, with nearly 20 percent of global petroleum liquids and 20 percent of global liquefied natural gas (LNG) shipments transiting through the route.

Kpler vessel tracking data showed that 2.5-2.7 million barrels per day, or about 50 per cent of India's crude imports, transit the Strait of Hormuz, largely sourced from Iraq, Saudi Arabia, the UAE and Kuwait.

"Over the past two to three months, India's dependence on Middle Eastern barrels has increased as refiners have pivoted away from a portion of Russian volumes. As a result, the relative weight of Gulf-origin crude in India's import basket has risen, increasing short-term sensitivity to any disruption in Hormuz transit," Ritolia said.

Meanwhile, the commerce ministry has convened a meeting of exporters, shipping lines, freight forwarders and officials on Monday to assess the impact.

Exporters expressed concerns that the war will affect trade routes through the Strait of Hormuz and the Bab el-Mandeb Strait. Both are key for movement of ships. It may take few days to get a clarity on the availability of shipping capacity, new routes, insurance and freight rates, they said.

FIEO president SC Ralhan said the ongoing conflict has already begun to disrupt established global logistics channels.



## GLOBAL VOLUME

About 20 to 21 million barrels of oil accounting for about 20 per cent of the global petroleum liquids consumption is routed through the Strait of Hormuz. This is now an area where there is a lot of active kinetic action.

**THE STRAIT** of Hormuz along with the Red Sea route are both closed.

## IMPORTS

Now about 50% of our Indian imports of crude oil and 54% or 55% of our LNG is routed through the Strait of Hormuz. If this situation is prolonged, where no ships can sail through safely through this strait, then these supplies could be impacted.

## COSTLY OPTIONS

Then there are alternative sources, which would have to be other geographies like the US, South America, Africa. But in case this oil route is disrupted for a prolonged period of time, crude oil prices would go up, in which case even if you get alternative supplies, these would be at higher prices and higher freight costs, which would lead to a higher import bill.

**STRAIT OF HORMUZ** The Strait of Hormuz is a critical 33-km wide maritime chokepoint connecting the Persian Gulf to the Gulf of Oman. It is bordered by Iran to the north and Oman/UAE to the south.



## NO ALTERNATIVE ROUTES

There aren't many alternative routes for routing this crude oil or LNG. There are a couple of pipelines, but they can accommodate only a fraction of the crude oil that actually passes through the strait. In that sense, there could be a situation where supplies are restricted.



## Import bill to jump \$14 bn if crude rises \$10 per barrel

SANGEETHA G  
CHENNAI, MARCH 1

A sustained rise in crude oil prices could sharply inflate India's import bill, with every \$10 per barrel increase adding an estimated \$13-14 billion annually. It can also lead to a spike in inflation.

The escalating tensions around the Strait of Hormuz and the wider Middle East conflict threaten a key global energy chokepoint and, by extension, India's energy security, said Prashant Vasisht, senior vice president and co-group head, corporate ratings, ICRA.

About 20-21 million barrels per day—nearly 20 per cent of global petroleum liquids consumption—pass through the Strait of Hormuz. For India, roughly 50 per cent of crude oil

imports and 54-55 per cent of LNG supplies transit this route. With both the Strait of Hormuz and the Red Sea corridor currently disrupted due to active hostilities, any prolonged closure could severely constrain supplies.

Alternative routes offer limited relief. While a few pipelines exist, they can handle only a fraction of the volumes that typically pass through the strait. Supply shortages could emerge, pushing global crude prices higher.

India could attempt to diversify sourcing to the US, South America or Africa. Freight rates from the Middle East are typically 40-70 cents per barrel, owing to proximity. Shipments from the US can range from \$2.5 to \$4 per barrel, with freight rates themselves highly

volatile.

In a tight global market triggered by disruption, India would face higher transport costs and elevated benchmark crude prices as well, compounding the import burden.

Since tensions escalated about two weeks ago, crude prices have already climbed from around \$65 per barrel to \$72-73. The trajectory will depend on how long the disruption lasts.

Beyond oil, broader trade ties with the Middle East could also be affected. India exports consumer goods, textiles, and gems and jewellery to the region, and disruptions in key shipping routes could impede these flows. The large Indian diaspora in the Gulf adds another dimension. Remittances may initially spike.

# Oil lines blocked, India eyes options

Rituraj Baruah,  
Dhirendra Kumar &  
Subhash Narayan

NEW DELHI

India's crude oil refiners are scouting for new supply sources after Iran's historic announcement of the closure of Strait of Hormuz, three people aware of the development said. The Union petroleum ministry is consulting with the refiners, taking stock of oil stocks and exploring possible alternatives in Africa and South America, even as the global oil cartel Opec+ has decided to boost production.

The assassination of Iran's supreme leader Ali Khamenei on Saturday during joint strikes by the US and Israel and Iran's retaliatory attacks across the US military and air bases in the Gulf and civilian areas are expected to hit the global trade in oil. Freight rates are expected to soar, even as cargo vessels are stuck at both sides of the Strait.



The Strait of Hormuz closure is a setback for India. **BLOOMBERG**

In FY25, nearly half of India's crude oil imports and 54% of LNG imports were routed through the Strait of Hormuz. Even during previous periods of strife in West Asia, such as the Iran-Iraq war, the vital supply route had remained open. Its closure is a setback for New Delhi, which was beginning to veer towards West Asian supplies.

"The petroleum ministry is

**TURN TO PAGE 4**

# War in West Asia blocks oil lines, India explores options

FROM PAGE 1

taking continuous stock of the energy supply scenario along with the refiners. They are looking at ways to ensure that supplies are not interrupted. Saudi Arabia and Iraq have emerged as the major suppliers of late, and the situation is concerning. Import from alternative sources may pick up. Even if supplies are ensured, prices are sure to rise and will impact the cost and margins of the refineries," said one of the three people mentioned above.

While experts had forecast Opec+ to increase production by 137,000 barrels per day, the cartel agreed on 206,000 bpd, citing "a steady global economic outlook and current healthy market fundamentals." The eight-nation V8 group in the alliance, which includes top oil producers Saudi Arabia and Russia, as well as several Gulf states bearing the brunt of Tehran's missile strikes, said they had agreed a "production adjustment", but skipped mention of Iran.

"Over the past two to three months, India's dependence on Middle Eastern (West Asian)

barrels has increased as refiners have pivoted away from a portion of Russian volumes. As a result, the relative weight of Gulf-origin crude in India's import basket has risen, increasing short-term sensitivity to any disruption in Hormuz transit. Kpler tracking indicates continued availability of Russian cargoes in the Indian Ocean and Arabian Sea region, including volumes in floating storage. Should Middle Eastern inflows tighten, Indian refiners could pivot back toward Russian grades relatively quickly," said Sumit Ritolia, lead research analyst, refining & modelling at Kpler.

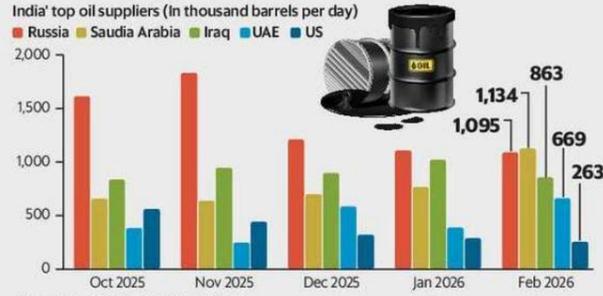
Fatih Birol, executive director of the International Energy Agency, wrote on X that the agency is "actively monitoring" events and the potential implications for global oil & gas markets and trade flows. "Markets have been well supplied to date. I am in contact with ministers from major producers in the region & IEA governments about the situation," Birol wrote.

### Choke point

With crude oil prices set to rally as global markets open

## Oil crunch

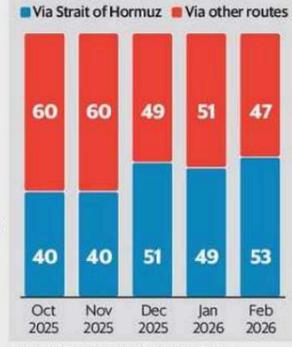
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Note: Latest data as of 10 February

Source: Kpler

## Share (%) in India's oil imports



Note: Latest data as of 28 February

GOPAKUMAR WARRIER/MINT

Monday, the evolving situation assumes strategic importance for India. With India already lowering Russian oil imports, West Asia had emerged as an alternative during the past two months.

Aditi Nayar, chief economist at Iera Ltd said: "The situation in West Asia is unfolding and the extent that it prolongs and widens, would have a bearing on India's macros, including things like the impact of fuel prices on inflation and the twin deficits, as well remittances."

Supplies of liquefied natural

gas (LNG) would be impacted as well. In February 2024, Petronet LNG Ltd extended its contract to buy 7.5 million tonnes of LNG annually from QatarEnergy for another 20 years. Abu Dhabi National Oil Co. Gas (Adnoc Gas) and its subsidiaries signed a 10-year LNG sales and purchase agreement with Hindustan Petroleum Corp. Ltd in January this year.

India imports nearly 90% of its oil requirement and sourced oil worth \$161 billion last fiscal, with its 'total petroleum product consumption projected to

increase by 4.65% and reach a record 252.9 million metric tonnes (mmt) in FY26.

Queries mailed to the ministries of petroleum and external affairs, and the state-owned refiners remained unanswered.

### Volatility

Harsh V. Pant, vice president of Observer Research Foundation and professor of international relations with King's India Institute at King's College London, said: "The (Iranian regime) is at a critical point. They would be looking at survival. Now, everything depends

on what happens in Iran internally".

He said there may be managed continuity, with the regime able to find a successor and the governance model and regime continuing; the Islamic Revolutionary Guard Corps (IRGC) taking over control; or the regime completely collapsing.

According to Anil Devli, CEO of the Indian National Shipowners' Association (INSA), the developments have the potential to impact shipping and world trade. "There are mostly tanker movements in the region and about seven to eight Indian ships are also moving in the Strait at present. We are also in close touch with the Information Fusion Centre - Indian Ocean Region (IFC-IOR), hosted by the Indian Navy. Whether the Indian Navy would enter in the war zone to provide safety cover to Indian ships is not known at present," he said. Right now, ships are stuck in the Strait on both sides, Devli said. The real impact would be felt for fresh freight bookings, he added.

For an extended version of this story, go to [livemint.com](https://www.livemint.com)

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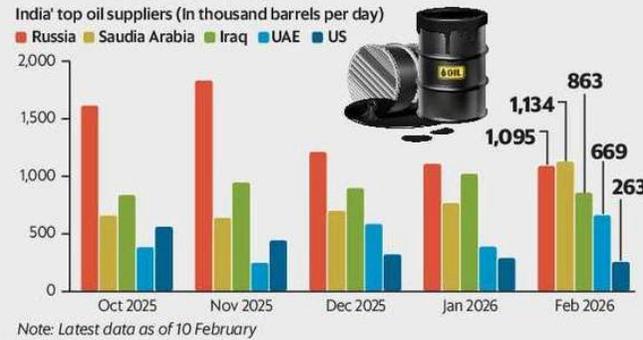
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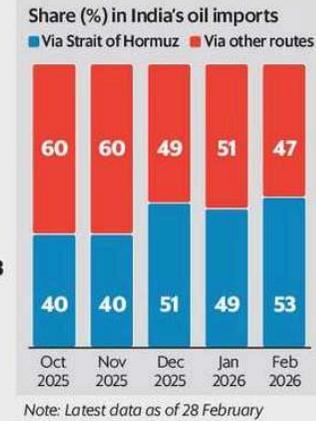
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# Iran war raises fears of oil supply, price shock for India

**MITIGATING RISK.** New Delhi analysing price volatility, weighing alternative buying options

**Rishi Ranjan Kala**  
New Delhi

The killing of Iran's Supreme Leader Ayatollah Khamenei by Israel and the United States, and Iran's retaliatory attacks against Israel and civilian and military targets in the Gulf, have raised fears of disruption in India's oil supplies and a higher oil import bill.

Indian officials and oil refiners are trying to analyse price volatility and supply chain vulnerabilities while actively weighing alternative procurement options to mitigate the risk of a prolonged regional conflict.

## SUPPLY WATCH

"We are in touch with the Foreign and Commerce Ministries and the Prime Minister's Office. We are told vessels carrying crude, LNG, fertilizers, etc are not entering Hormuz but lining up in the Persian Gulf. Clarity will come once Tehran has an interim government," a senior government official said.

Over the past 2-3 months, India's dependence on Middle Eastern barrels has increased as refiners moved



**STRIKE AFTERMATH.** Rescue forces at a building hit by an Iranian missile strike in Tel Aviv, Israel BLOOMBERG

away from Russian volumes, said Sumit Ritolia, Kpler's Lead Research Analyst for Refining & Modelling. Roughly 2.5-2.7 million barrels per day of India's crude imports transit Hormuz, largely from Iraq, Saudi Arabia, UAE and Kuwait, he said. This has increased short-term sensitivity to any disruption in Hormuz, he added.

Estimates suggest about 35-50 per cent of India's crude imports and a significant portion of LNG pass through the strait, said Ajay Srivastava from GTRI.

## AVAILABLE CHOICES

Diversification options include increased sourcing

from Russia (via eastern routes or oil on water around India), the US, West Africa (Nigeria & Angola), Latin America (Brazil, Colombia & Venezuela), Kpler said.

An official with a refiner explained that the import bill will rise as logistics and war premium go up. The Protection and Indemnity (P&I) club is notifying clients that liability cover will become expensive due to additional protection.

"Diversification has a cost. A comparatively cheaper alternative could be Russian crude at sea. The next 3-4 days will give a better view of the situation and Hormuz blockade," he added.

Global real-time data and

analysis provider Kpler's tracking indicates continued availability of Russian cargoes in the Indian Ocean and Arabian Sea region, including volumes in floating storage.

## BUFFER STOCK

Oil Minister Hardeep S Puri told Parliament recently that India has around 4.094 million tonnes (mt) of crude oil in strategic petroleum reserves (SPRs), which is around 77 per cent of the total 5.33 mt capacity.

At full capacity, SPRs will last for 9.5 days.

Besides, oil marketing companies (OMCs) have storage facilities for crude oil and petroleum products for roughly 64-65 days.

The bigger vulnerability, pointed out by Ritolia, is LPG. India imports around 80-85 per cent of its LPG needs, with the majority sourced from Gulf suppliers — almost entirely transiting Hormuz.

Unlike crude, India does not maintain strategic LPG reserves of comparable scale, making LPG flows more logistically sensitive in a disruption scenario.

**More reports on p4**



# Iran crisis threatens worst gas market disruption since 2022

Bloomberg

feedback@livemint.com

**A** widening Middle East conflict looks set to create the most significant disruption for gas markets since Russia's invasion of Ukraine upended global trade four years ago.

Iran's neighbors, like Qatar, are some of the world's most important producers, and the region is also a vital supply route, with 20% of liquefied

natural gas (LNG) exports traveling through the Strait of Hormuz, a crucial chokepoint for global energy.

LNG trade through the narrow waterway is now all but halted, according to ship-tracking data. Asian buyers—which take roughly a quarter of their LNG from Qatar, the world's second-largest exporter—have been calling suppliers to check if alternative cargoes are available, according to traders. Egypt, meanwhile, is trying to

bring forward shipments, after supplier Israel shuttered some fields.

“Any naval activity in the Straits of Hormuz will be particularly bullish, as will any developments with Qatari LNG production,” said Tom Marzec-Manser, director of Europe LNG and gas at Wood Mackenzie.

Russia's invasion of Ukraine in 2022 created unprecedented turmoil in the international gas trade, cutting Mos-

cow off from its largest export market, fueling volatility and triggering a record spike in prices in Europe and elsewhere.

Asia is particularly vulnerable to similar ripple effects from the Middle East's worsening crisis. More than four-fifths of Qatar's LNG was delivered to Asian buyers last year, with China the biggest purchaser, taking almost a third of its imports from the country. India is the second-largest importer.

Shipments to Asia and

Europe must pass through the Strait of Hormuz. So far, at least eleven LNG tankers going to or from Qatar have paused voyages to avoid the waterway. Smaller exporter UAE also sends its LNG exports through the Strait.

“There is no replacement,” Anne-Sophie Corbeau, a researcher at Columbia University's Center on Global Energy Policy, said in a post on LinkedIn. “Will prices spike more in Asia or in Europe?”

Europe is less exposed, but has low storage levels. It also depends on how much is diverted to Asia.”

If the conflict drags and shipping disruptions continue, risks will grow rapidly for LNG output, which require steady exports to move fuel—or risk forcing output cuts.

Traders in India, Japan and elsewhere are also bracing for higher prices, reversing over a year of relatively subdued rates at a time of ample new supply..

# Iran war may hit India's 3-pronged fuel reliance

Timing of the new US-Israel bombing of Iran and Tehran's response couldn't be worse for India

S DINAKAR  
Hyderabad, 1 March

Plotting the course of war is not easy. Russia invaded Ukraine, planning to subdue it in a month — four years on, the fighting rages on. Former US President George Bush invaded Iraq as a “shock and awe” exercise to unseat Saddam Hussein. It led to a decade of chaos and violence, giving birth to the fundamentalist terrorist group, the Islamic State of Iraq and Syria (ISIS), which, at one time, ruled over Iraq's second-largest city, Mosul. So, the outcome of 90 million Iranians taking over the regime — if at all it happens — is unclear.

As West Asia goes up in flames, it is worth examining why and by how much India has hitched its energy security to the region and what options the country has in the event of a prolonged conflict.

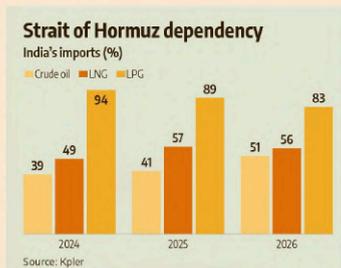
Imports of crude oil were the second-highest ever at 5.22 million barrels per day in February, with Russia's share at just 20 per cent and West Asia surging to 51 per cent, ship tracking data showed. In March 2025, Russia's share was 36 per cent (during record imports) and Gulf nations' 39 per cent, maritime agency Kpler data showed.

Meanwhile, domestic fuel use is surging, with petrol growing by 6 per cent, liquefied petroleum gas (LPG) by 8 per cent, and diesel by 3 per cent in the April-January period from a year earlier, according to the oil ministry.

Fuels shipped mainly via the Suez in Egypt, which were at \$4.4 billion in FY25, or 10 per cent of India's exports, have been diverted for the last two years because of attacks by Iran-backed Houthi rebels on tankers, and the fresh hostilities may further constrain Indian exports.

“We are prepared and continuously look out for suitable sources but will have to brace for supply and price challenges in the short term,” G Krishnakumar, former chairman, Bharat Petroleum, told *Business Standard*.

Crude oil dependency is just the beginning and perhaps the easiest to tackle, said Kpler analyst Sumit Ritolla. That's just one prong of the country's three-pronged reliance. The second involves natural gas, half of which comes from overseas in the form of liquefied natural gas, or LNG, predominantly from the Gulf. The third, or the central, prong is LPG,



Source: Kpler



PHOTO: REUTERS

nearly all of which comes from West Asia, which is used for cooking by most Indian households in urban centres.

This, in a nutshell, is the extent of India's reliance on foreign fuels: 90 per cent for crude oil, over 66 per cent for LPG, and over 50 per cent for LNG, according to oil ministry data.

### The chokepoint

While the attack on Iran carries the potential for a wider war, Iran was yet to block the Strait of Hormuz at the time of publication.

“If flows through the Strait of Hormuz have to be temporarily suspended for safety reasons, it will be problematic, though perhaps manageable for India with the cushion of commercial stockpiles,” said Vandana Hari, a leading Singapore-based oil analyst. “If the shipments are blocked for a protracted period, it would become a graver emergency.”

In FY25, about 50 per cent of India's crude oil and 54 per cent of LNG imports were routed through this narrow chokepoint.

“As Iran and West Asian energy producers straddle the Strait of Hormuz, a prolonged and/or widening conflict involving several oil and gas producers could adversely impact global crude oil and LNG supplies,” said Prashant Vasishit, senior vice president at ratings agency Ica. “Additionally, any attack on oil and

gas production facilities of other major West Asian producers would further aggravate the situation.” Iran has already begun bombing oil facilities in eastern Saudi Arabia, officials in Riyadh said.

The war that began on February 28 has already stalled most shipping through the Strait of Hormuz, according to ship tracking companies and Iran's state Tasnim news agency. As many as 35 oil tankers remain in Iranian waters — 18 filled with crude and 37 sitting empty, according to TankerTrackers.com. The US Maritime Administration advised vessels to avoid the strait, and Iran's Revolutionary Guards said that the passage was unsafe for commercial traffic. Tasnim reported, according to the *New York Times*.

Kpler's ship-tracking platform MarineTraffic showed a 70 per cent drop in vessel traffic through the Strait of Hormuz, as of late evening on Sunday in Iran, with many vessels reversing course, heading to new routes or idling in the Gulf of Oman.

### The options

Until early 2025, Indian refiners, both state and private, were on cruise control — around 37 per cent of discounted supplies of Russian crude oil was flowing to India, around 45 per cent came from

West Asia, and the rest from nations in North and South America. Then began Trump's tariff war, which shaved off 36 per cent of Russian supplies in February to 1.4 million barrels per day (bpd), according to shipping data.

If Gulf supplies are disrupted but Russian exports continue (even with longer routes around Africa, increased freight and insurance), India can continue to receive supplies as Russian ports do not depend on Hormuz, said Krishnakumar. “Even if Suez faces issues, cargo can still move via the Cape of Good Hope (in southern Africa). Indian refiners are already configured to process Urals and ESPO (Eastern Siberia-Pacific Ocean, a pipeline blends).”

Payment and insurance channels were established post-US sanctions, a senior refining official said.

Ritolla said the floating storage of Russian oil around the Arabian Sea is around 20-24 million barrels, available at a week's notice; another 10 million barrels are in the Sea of Japan, 8 million barrels in the Singapore Strait, and 4 million barrels in the Central Indian Ocean.

While floating storage is plentiful, India's domestic storage options for crude oil, LNG and LPG are limited at best when compared with the scale of demand.

The trickiest part is LPG, a politically sensitive fuel, as storage is limited to just around 1 million tonnes or 10 days of LPG storage capacity. There is no data on how much is stored. That compares with 33 million tonnes consumed in 2025, with over 85 per cent used in kitchens. Imports totalled 23.3 million tonnes, of which 93 per cent came from West Asia — a 57-day voyage.

Of the 25 million tonnes in LNG imports in 2025, around 67 per cent came from West Asia, Kpler data showed. There is no underground or tank storage available for gas, as in the case of China or other developed nations. Tanks available at LNG import terminals are limited in capacity and operational in nature, a senior official from a state refiner said, which must be kept partly full at all times for the terminal to function.

While New Delhi grapples with options, prices of crude oil, LPG and LNG are surging. “The inevitable spike in crude prices coming on top of the already red-hot tanker rates will pinch,” Hari said.

# Brent prices flare up; Russian cargoes come back in focus

● Every \$10 rise to up annual import bill by \$14 billion

SAURAV ANAND  
New Delhi, March 1

**THE WAR THAT** erupted in West Asia on February 28 has triggered an oil shock that is now rippling through global markets and straight into India's economic calculus.

Brent crude prices had surged from around \$65 per barrel to \$72-73 on Friday, the highest since July, buoyed by growing concern over the potential attacks that arrived a day later.

On Sunday, prices jumped 10% to about \$80 a barrel over the counter, oil traders told Reuters, jolting energy markets and placing the Strait of Hor-

## OIL TURMOIL

Brent crude prices  
(\$ per barrel)



Source: Investing.com

muz — the narrow artery carrying nearly half of India's crude imports — under the spotlight.

Continued on Page 2

# Brent prices flare up; Russian cargoes come back in focus

**A SUSTAINED \$10-15 PER barrel increase would inflate India's annual oil import outgo by well over \$20 billion, widening the current account deficit and placing renewed pressure on the rupee.**

Higher crude feeds into inflation through transport and input costs, complicating fiscal arithmetic at a time when growth momentum remains a policy priority.

The downstream impact is equally significant. "Sustained high crude oil prices are expected to moderate marketing margins and profitability of oil marketing companies," said Prashant Vasisht, senior vice president and co-group head, Corporate Ratings, ICRA, flagging pressure on OMC balance sheets if price pass-through at the pump lags global movements.

India imported about 91% of its crude requirements to meet domestic consumption in H1 FY2026. About 50% of India's crude imports were routed through the Strait of Hormuz.

That corridor handles nearly 20% of global petroleum liquids trade, making it one of the world's most critical energy chokepoints. With active hostilities underway in the region, shipping routes, freight costs and insurance premiums are already reflecting elevated risk.

"The escalating conflict in West Asia and reported attacks on several oil producers are likely to exacerbate volatility in crude oil prices," Vasisht said. "Any escalation in regional conflict could impede energy ship-



ments through this corridor."

For India — the world's third-largest oil importer — the implications are direct and quantifiable. "For every \$10 per barrel increase in international crude prices, the rise in India's import bill on an annual basis would be \$13-14 billion," Vasisht said.

India's vulnerability is not only about price but also about supply concentration. "India imports roughly 50% of its crude oil through the Strait of Hormuz — one of the world's most critical energy chokepoints," said Nikhil Dubey, senior refining analyst at Kpler.

Yet, India is not without buffers.

"In terms of strategic and operational reserves at refineries and floating storage at ports there are about 74 days of crude reserves," Vasisht said. Kpler's inventory data offers further detail. "Commercial crude stocks are around 100 million barrels, with an additional ~39 million barrels held in strategic reserves at Manga-

lore, Padur, and Visakhapatnam," Dubey said.

"With imports via the Strait of Hormuz averaging roughly 2.5 million barrels per day — about 50% of India's ~5 mb/d total crude imports — these combined reserves could theoretically cover close to 60 days of imports in a disruption scenario from a crude perspective. In addition, companies also hold refined product inventories, which would extend effective coverage further," he added.

The reserves provide breathing space, allowing refiners to recalibrate supply chains and source crude from alternate locations such as the United States, Africa or South America. But diversification does not eliminate exposure to global price spikes.

"For Indian refiners, crude oil could be sourced from alternate locations such as the US, Africa and South America. However, elevated energy prices could lead to a soaring import bill," Vasisht said.

Beyond physical flows, cost pressures are intensifying through secondary channels. "Any restriction — or even the perception of risk — would push crude benchmarks higher on supply concerns, drive freight rates sharply upward due to vessel operators' hesitancy, create effective tanker tightness, and increase insurance costs through elevated war risk premiums," Dubey said. "Even without a blockade, these factors are enough to raise India's energy import bill."

"At the same time, Russian barrels currently floating in the Arabian Sea without clear buyers are likely to be absorbed quickly as Indian and Chinese refiners move to secure supply in the current environment," Dubey added.

The exposure extends beyond crude. In FY2025, about 54% of India's LNG imports were also routed through the Strait of Hormuz, underscoring the breadth of India's energy linkage to the region.

With 91% import dependence and roughly half of crude shipments tied to a single maritime corridor now at the centre of war, India's oil vulnerability is structural — and measurable. Strategic reserves offer roughly 60-74 days of cover, a significant but finite shield.

The oil shock has moved from possibility to present reality. For policymakers, refiners and markets alike, the Strait of Hormuz is no longer just a trade route — it is the fault line running through India's fiscal and external balance sheet.



# Imported LNG, fertilisers may turn costlier & strain the fisc

SAURAV ANAND, SANDIP DAS & RAGHAVENDRA KAMATH

AS HOSTILITIES INTENSIFY and shipping activity through the Strait of Hormuz faces disruption risks, India's fertiliser, LNG and LPG supply chains are emerging as critical pressure points, with potential implications for the farm economy, cooking fuel supply and macro stability.

The Strait of Hormuz remains a critical global energy choke point, with nearly 20% of global liquefied natural gas (LNG) shipments transiting through the route. "In FY25, about 54% of India's LNG imports were routed through the Strait of Hormuz," said Prashant Vasisht, senior vice president and co-group head, corporate ratings, Icra. As per Vortexa data, around 20% of global LNG transits the Strait of Hormuz, and over 90% of Qatar's LNG exports must pass through this route.

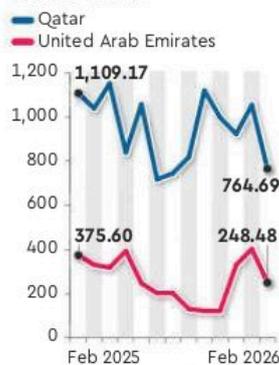
Fertiliser industry sources said that if the conflict prolongs, it could impact LNG supplies — a key feedstock for urea manufacturing in India. Currently, 60% of LNG used in urea manufacturing is imported from Qatar, with India having a long-term agreement in place. About 87% of the country's annual urea demand — 38.79 million tonne (MT) in FY25 — was met locally. However, India imports a significant volume of natural gas to produce that urea. At present, 30 out of 32 urea units use natural gas as feedstock.

"While we hold sufficient stocks of LNG for urea manufacturing, if the Iran conflict persists, it would pose a challenge for feedstock supplies," an official with a leading fertiliser company told FE. Any sus-

## CHOKO POINT



India's LNG imports via Strait of Hormuz



Note: Values in thousand tonne  
Source: Kpler

tained supply bottleneck could tighten feedstock availability and potentially impact production costs, even if physical shortages do not materialise immediately.

Beyond urea, the risk extends to imported finished fertilisers and raw materials. Industry sources indicated that imports of diammonium phosphate (DAP) and its key inputs — rock phosphate and phosphoric acid — could also be affected if the conflict continues, as India sources significant volumes of soil nutrients from Saudi Arabia and North African countries.

Last year, three Indian fertiliser

firms — IPL, KRIBHCO, and Coromandel — signed a five-year agreement with Saudi Arabia's Ma'aden to import 3.1 MT of DAP annually starting this financial year. Two-thirds of India's DAP consumption is met via imports from Saudi Arabia, Jordan and Morocco, increasing the sector's exposure to regional shipping and pricing volatility.

## Structural vulnerability appears sharper in LPG

"The more structural vulnerability lies on the LPG side," said Nikhil Dubey, senior refining analyst at Kpler. "India is heavily dependent on Persian Gulf LPG imports routed through Hormuz and does not have any strategic LPG reserves. Unlike crude, LPG sourcing flexibility and storage buffers are limited, making the supply chain significantly more sensitive to regional instability." The absence of strategic LPG reserves, unlike crude oil, makes the cooking gas supply chain more exposed to shipping disruptions or price spikes.

## Macro risks in focus

"The situation in West Asia is unfolding and the extent that it prolongs and widens would have a bearing on India's macros, including the impact of fuel prices on inflation and the twin deficits, as well as remittances," said Aditi Nayar, chief economist, Icra. Brent has already moved to a seven-month high of around \$72.8/barrel, and scenario analysis suggests that Hormuz disruption could push prices above \$90/bbl, while a broader regional conflict could take crude beyond \$100/bbl," JM Financial Institutional Securities noted.



**RUSSIA PIVOT POSSIBLE IF CONFLICT DRAGS ON**

# Iran Crisis: India unlikely to face disruption in its crude oil supplies

**OUR CORRESPONDENT**

**NEW DELHI:** With crude inventories sufficient to meet at least 10 days of requirements and fuel stocks covering another 5-7 days, India is unlikely to face any near-term disruption in oil supplies from the closure of the key supply route of the Strait of Hormuz, officials said.

Even as rapidly unfolding developments, following US and Israeli military strikes on Iran, including the reported killing of the Islamic Republic's Supreme Leader, suggest the conflict may not last very long, New Delhi has contingency plans in place should tensions escalate, top officials and analysts said.

Iran's state media said on February 28 that the Islamic Republic has shut the Strait of Hormuz - one of the world's most critical energy chokepoints through which about a fifth of global oil and gas supplies transit - in response to US and Israeli missile strikes.

The closure for a short duration will not have much impact on India as it already has supplies to meet fuel requirements, they said, adding that in the event of a prolonged disruption or closure of the narrow Strait of Hormuz, the country can recalibrate imports, tapping into its diversified supply sources, including increasing purchases of Russian oil.



**Kpler vessel tracking data shows that 2.5-2.7 million bpd, roughly 50% of India's crude oil import, transits Via Strait of Hormuz**

The immediate fallout is expected to be reflected in oil prices. Brent crude closed the week near seven-month highs at around \$73 per barrel, after rising roughly 16 per cent since the start of the year. Traders are bracing for heightened volatility next week, with some models pointing to prices moving towards \$80 a barrel if supply flows are disrupted or face credible threats.

India imports 88 per cent of its crude oil - the raw material for making fuels like petrol and diesel - and about half of its requirement of natural gas - the feedstock for generating electricity, producing fertiliser, fuel for household kitchens

**Highlights**

- » Besides, as much as 60% of India's LNG imports move via Strait of Hormuz, primarily from Gulf suppliers such as Qatar and the UAE
- » More importantly, India imports almost all of its LPG through the Strait of Hormuz
- » Any disruption or restriction at this chokepoint would immediately pressure LPG flows

and CNG for automobiles - and cooking gas LPG.

Kpler vessel tracking data shows that 2.5-2.7 million barrels per day, roughly 50 per cent of India's crude oil import, transits through the Strait of Hormuz, largely sourced from Iraq, Saudi Arabia, the UAE and Kuwait.

Besides, as much as 60 per cent of India's liquefied natural gas (LNG) imports move through the Strait of Hormuz, primarily from Gulf suppliers, such as Qatar and the UAE, making India's gas supplies vulnerable to disruptions in the route.

More importantly, India imports almost all of its LPG

through the Strait of Hormuz. Any disruption or restriction at this chokepoint would immediately pressure LPG flows.

"Indian refineries put together hold anywhere between 10 to 15 days of crude inventories, both in tanks and in transit. Besides, all their fuel tanks are full, which can easily meet 7-10 days of the country's fuel requirement," an official said. "For now, we think the closure of the Strait of Hormuz will not be very long." Islamic Revolutionary Guards Corps, which controls the sea lane, has in messages in high frequency warned that no ships are allowed to pass through the Strait, but has so far not attacked any of them.

Another official said the world has enough crude oil supplies and India can tap sellers as far as Venezuela and Brazil besides Africa.

"India had cut purchases from Russia in response to US pressure, but we can go back to buying from Moscow in case there is disruption in the Middle East," he said. "The only question is transit time. It takes 5 days for a ship from the Middle East to travel to India, while it takes at least a month for those coming from Russia. So, it is a question of placing orders well in time." There is also the option of tapping into strategic reserves, which hold inventories to meet a week's require-

ment, he said.

The situation on LNG supplies may turn precarious if the closure lasts long. While near-term supplies are secured, a prolonged closure of the Strait of Hormuz may leave India with not enough alternatives. This is because, unlike crude oil, most LNG volumes are locked in long-term contracts, and only limited volumes are available in the spot or current market, another official said.

LNG prices may soar if India, or China - the other big import of fuel from the Middle East - were to tap into alternative supplies, he added. Similar is the situation with LPG. The government is closely monitoring the evolving situation and working on alternatives, a separate official said.

"India's recent pivot back toward Middle Eastern crude has increased its near-term exposure to Hormuz-linked risks. Escalation would most immediately manifest through higher prices, freight and insurance costs and also at last outright supply shock (as of now, the probability of supply/production reduction is low)," said Sumit Ritolia, Lead Research Analyst, Refining and Modelling at Kpler. He went on to state that while temporary disruptions cannot be ruled out, a prolonged full blockade remains a low probability.

## Strait of shock

Oil prices are bound to spike with a full-blown conflict in West Asia

**B**RENT PRICES SPIKED to a seven-month high of \$73 a barrel on Friday ahead of massive US and Israeli air strikes on Iran over the weekend which has killed Ayatollah Ali Khamenei, the nation's supreme leader, besides top officials of the defence establishment. Hundreds of civilians, including children, have been killed and wounded in these ongoing major combat operations targeting Iran Revolutionary Guard Corps (IRGC) command centres, missile launch sites, air defence systems, and nuclear facilities. US President Donald Trump has vowed to eliminate Iran's nuclear programme and bring about regime change. To Iran's threat that the US has to pay the price for "crossing the red line", Trump retorted "if they do, we will hit them with a force that has never been seen before". Iran's president, the head of the judiciary, and a jurist of the Guardian Council are now in charge during this transition period. Tehran has retaliated with a barrage of medium-range ballistic missile strikes targeting US bases in Qatar, Bahrain, Kuwait, and of course Jerusalem and Tel Aviv, triggering a full-blown conflict in West Asia. Iran will be also aided in its retaliatory drive by its various regional militant proxies.

Oil markets are bound to be jittery on Monday, especially after messages were reportedly transmitted by the IRGC saying "no ship is allowed to pass the Strait of Hormuz", through which a fifth of global seaborne traded oil flows daily. Prices would zoom upwards if this chokepoint is indeed blockaded. Last year, the 12-day war between Israel and Iran saw Brent spot prices jump more than 20% to \$80 a barrel before retreating as tensions eased. Oil prices have been on the boil this year, climbing 17% since December to \$73 a barrel initially on concerns in Venezuela and more recently due to the massive build-up of US forces in the region, the highest since 2003, due to tensions with Iran. The outlook on global oil prices could be much worse if US and Israeli strikes also disrupt Iran's oil production as it is the fourth-largest Organization of Petroleum Exporting Countries (OPEC) producer, generating 3.37 million barrels per day in 2025.

Disruption would straightaway take out 4.2% of global crude supplies. OPEC+ agreed to a modest oil output boost of 206,000 barrels per day on Sunday. Analysts, however, said OPEC+ has a history of raising oil output to cushion disruptions but the group currently has little spare capacity to add to supply, except for its leader Saudi Arabia and the United Arab Emirates which will also struggle to export oil until navigation in the Gulf returns to normal. The likelihood of a spike in oil prices amidst a broader regional conflict is bad news for India which depends massively on energy imports. India is also concerned about the safety of its 10-million strong diaspora in the region and has urged dialogue and diplomacy to de-escalate tensions.

India is also seriously impacted if the Strait of Hormuz closes as more than 52% of its monthly crude imports passes through this artery. Crude volumes jumped to 2,911 thousand barrels per day in February (month till date), up from 1,860 thousand barrels per day in September 2025, according to FE. Due to the strikes on Iran, our refiners are naturally putting in place contingency sourcing strategies, including the possibility of turning back to higher volumes of deeply discounted Russian crude if West Asian supplies are seriously disrupted. The prospect of costlier oil only underscores the imperative of making determined efforts to step up relative self-sufficiency in domestic oil production over the medium term to bolster our energy security.



# Should Be a Short Sputter in Pipelines

The fallout of US-Israeli strikes on Iran on energy markets is likely to increase short-term volatility rather than long-term fundamentals of the energy market. Iran has limited capability to sustain a blockade of the Strait of Hormuz, given the US military presence in the Persian Gulf, and Tehran will isolate itself further by missile strikes on its energy-exporting neighbours. Disruption to Iran's oil exports will have a marginal impact on global crude prices, which may be magnified by the closure of the shipping lanes. Natural gas faces greater volatility due to low stockpiles in importing nations.

India is particularly susceptible to diversion of the energy trade through the Persian Gulf because of its dependence on im-



ports from the region. It is also affected by rising shipping costs on account of its maritime energy imports. Retail prices have, however, remained frozen for an extended period as India has purposefully diversified its energy sources to lower concentration risk. Glut in the global energy market should cushion the impact of escalating

tensions in West Asia.

Iran's ability to escalate the conflict is limited by behavioural changes in its regime that the US is hoping to achieve. A further degradation of its military capabilities would challenge its national integrity. Pressure is mounting in Iran over economic hardships brought on by sanctions. A successor regime may find its options for dealing with restive ethnic minorities shrinking if it significantly loses air power. Trump should have support at home so long as he does not commit troops on the ground in Iran. After Venezuela, Iran may provide him with another success in strategically choking China's energy sources.

**COLLATERAL DAMAGE**

# Braving Trade Winds of Change

SHARP HIT TO AIR CARGO, CONTAINER MOVEMENTS

## Centre to Hold Urgent Meeting with Exporters, Industry Today

Twesh Mishra & Kirtika Suneja

**New Delhi:** The government has called an urgent meeting with exporters and industry on Monday to assess the impact of the rapidly evolving geopolitical scenario in West Asia and its impact on India amid a sharp hit to air cargo and container movement, impacting trade with the region.

The commerce and industry ministry will meet officials from other ministries, freight forwarders, shipping industry, and exporters on Monday to "assess the impact of contemporary developments on exports, with a specific focus on logistics and the challenges being faced," an official said on Sunday. The meeting comes amid Indian exporters expecting a surge in demand for rice especially the basmati variety due to increased stockpiling by Gulf nations in the medium term fol-

**SHIFTING BALANCE**

Exporters expect a surge in demand for rice especially the basmati variety due to increased stockpiling by Gulf nations in the medium term

lowing the turmoil in the region after the joint US-Israeli military operation against Iran and the latter's retaliation against US assets and allies, targeting several countries. Exporters of fresh fruits and vegetables said however that shipments to the West haven't been impacted so far, with air cargoes being rerouted through South Africa to avoid West Asia routes, which will increase costs. Risks of higher crude oil prices could also weigh on container and bulk vessel availability, inflating costs, exposing exporters to losses on fixed delivered-price contracts. It may also lead to steep increase in insurance premiums, exporters

opined. "As of now, the impact on ports is minimal but we expect some impact on the overall maritime ecosystem in the days to come, especially on the movement of oil carriers and containers," said another official. India exported goods worth about \$1.2 billion to Iran in 2025, dominated by agricultural products. Rice accounted for roughly \$747 million, followed by bananas (\$61 million) and tea (\$51 million). India also imported \$408.6 million worth of goods from Iran, including petroleum coke (\$33.7 million), apples (\$71.5 million), and dates (\$33.3 million). "We expect an impact on rice and

tea exports in the short term but in a month's time, all countries would want to ensure food security," said Mohit Singla, chairman, TPCL. "We expect a surge in demand for rice especially basmati and heavy stockpiling by Gulf countries."

Singla highlighted prevailing uncertainty in logistics, which is impacting shipments, and is likely to trigger a spike in transportation costs in the short term.

"The Strait of Hormuz has been closed for marine traffic, and this will affect Indian fruits and vegetables headed to certain Middle East countries. However, as of now, we feel that shipments headed for Europe and US may not be affected," said Kaushal Khakhar, CEO, Kay Bee Exports. Due to airspace closures, airlines are taking longer routes. However, this restricts the amount of cargo they can take as they have to carry more fuel.



### Oil, Trade Risks for India amid Iran-Israel War

Escalating tensions between Iran and Israel pose a threat to India's energy security. Disruptions in West Asia could lift oil prices, push inflation higher, pressure the rupee, and force exporters to seek alternative trade routes. The region remains India's largest trading bloc at \$178.5 billion, making stability critical. Anoushka Sawhney & Kirtika Suneja take a look:

**WEST ASIA'S TRADE SHARE RISES IRAN, ISRAEL MARGINAL**

Share in India's trade (%)	FY19	FY25
West Asia	14.4	15.4
Iran	2	0.1
Israel	0.7	0.3

Note: West Asia includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE

**UAE ANCHORS INDIA'S WEST ASIA TRADE**

India-West Asia trade (FY25, \$ b)

	Exports	Imports
Bahrain	0.8	0.8
Kuwait	1.9	8.3
Oman	4.1	6.5
Qatar	1.7	12.5
S Arabia	11.8	30.1
UAE	36.6	63.4
Iran	1.2	0.4
Israel	2.1	1.5

**STRAIT OF HORMUZ CHOKEPOINT**

40-50% of India's crude imports, 55% of LNG supplies, 80-90% of cooking gas imports pass through the Strait of Hormuz

Benchmark Brent futures settled near \$73 a barrel on Friday, around \$6 higher since early February

Prolonged tensions to lead to higher oil risk

**ECONOMIC SPILLOVER**

Wider current account deficit risk  
Higher freight, insurance, transit delays  
Pressure on rupee

Remittances flow vulnerable  
Airspace curbs and supply chain costs

**WEST ASIA: INDIA'S THIRD LARGEST EXPORT MARKET**

Accounted for 13% of India's exports in FY25

Major exports to GCC	2023-24	2024-25
Mineral fuels, oils	11.2	9.9
Natural or cultured pearls	8.5	8.2
Electrical machinery & equipment	4.6	4.9
Aircraft, spacecraft & parts there of	1.5	3.3
Nuclear reactors, boilers	2.7	3.3

**ENERGY DOMINATES IMPORTS FROM REGION**

Accounted for 16.9% of imports in FY25

Top imports (\$ billion)	2023-24	2024-25
Mineral fuels, oils	61.4	68.3
Natural or cultured pearls	20.8	27.8
Aircraft, spacecraft & parts there of	3.6	4.2
Organic chemicals	3.0	3.3
Fertilisers	2.3	3.0

Source: Ministry of Commerce and Industry

# Oil tanker carrying 15 Indians, 5 Iranians attacked near Oman coast, 4 crew injured

Surendra.Singh@timesofindia.com

Amid the US-Iran conflict, an oil tanker, reportedly carrying 15 Indians among its 20 crew members, came under attack near the Strait of Hormuz. Four mariners were injured.

Oman's Maritime Security Centre confirmed that oil tanker Skylight — flying the flag of Palau — was targeted about 5 nautical miles north of Khasab Port. It wasn't clear who attacked the tanker in the strait, which accounts for about one-fifth of the world's oil flow

There were 20 crew members, including five Iranians, on the ship. According to initial information reported by the Times of Oman, four crew members suffered injuries of varying severity and were transferred to medical facilities. No death was reported. "All 20 crew members, including 15 Indian nationals and

Reuters



A video grab of burning oil tanker Skylight after the attack, about 5 nautical miles north of Khasab Port in Oman

five Iranian nationals, were evacuated," the centre said in a statement.

In Dec 2025, the US Treasury sanctioned Red Sea Ship Management and Skylight, among other vessels, accusing the management company and its owner of

operating a "shadow fleet" to transport Iranian petroleum products in the Gulf. Ship monitoring service Tankertrackers.com described Skylight as a small tanker that was mostly used for fuelling other vessels and had been anchored in Oman's Musandam Governorate since Feb 22.

Two ships, including Skylight, were attacked in the strait on Sunday, maritime security agencies said. A projectile hit the Marshall Islands-flagged product tanker MKD VYOM killing a crew member on board as the vessel sailed off the coast of Oman, manager VShips said on Sunday.

Iran's Islamic Revolutionary Guard Corps has stated that the strait is effectively closed to international navigation and warned vessels to stay away.

Three vessels operated by Pakistan National Shipping Corporation were stopped Sunday by Iran from proceeding towards the strait, ARY News reported.



## Refiners Step up LPG Production

Sanjeev Choudhary

New Delhi: Indian refiners have stepped up cooking gas (LPG) production to cushion potential supply losses as tanker traffic through the Strait of Hormuz slows to a near halt amid the widening West Asia conflict.

LPG carriers, crude tankers and LNG vessels stationed in the Persian Gulf are reluctant to transit the strait, disrupting a logistics artery that underpins energy supplies to India and much of the world. Oil and LNG prices are expected to surge when markets open on Monday after the effective blockage of the waterway, through which roughly a third of global seaborne crude and a fifth of LNG trade pass.



**Carriers in Persian Gulf are reluctant to transit the strait of Hormuz disrupting energy supplies to India**

Petroleum and natural gas ministry officials and industry executives held multiple meetings over the past two days to assess contingency plans. Executives told ET they do not expect the disruption to last beyond a week.

“The world — and the US — cannot afford very high energy prices for long,” a senior industry executive said on condition of anonymity, expressing confidence that diplomatic and strategic pressure would build quickly. Another senior executive said Iran’s retaliation was predictable but unlikely to be sustained.

# Oil At \$100?

*Not if war is short, or China and US use their oil reserves to ease pressure on market*

Oil prices were rising before Iran war started Saturday. Question now is, how high will they go? Analysts say it depends on how long war lasts. When Israel attacked Iran last June, oil briefly jumped from less than \$70 a barrel to around \$80, which was far below the \$100-\$120 analysts had predicted. But that was a 12-day war. This time, amid US buildup, oil had already touched \$72.5 by Friday. It's expected to nudge \$75 today, and rise to \$100 eventually if war drags on.

A prolonged war will impact W Asian oil supplies to big buyers like India and China in three ways. One, tankers can't sail through Strait of Hormuz under Iranian fire; two, Iran targets neighbours'



wells and refineries, and three, its proxies in Yemen once again close Red Sea route to ships. If tankers reroute around S Africa, freight costs alone could rise up to 60%.

Some 20mn barrels of oil flows through Strait of Hormuz daily – roughly equal to India-China combined daily demand. There's no easy way to replace it. After India scaled back Russian supplies under US pressure, its dependence on oil from Iraq and Saudi Arabia has increased. With Venezuela producing less than 1mn barrels a day, it's not an alternative. Brazil and US supplies won't be available immediately either.

Oil at \$100 is bad news beyond pump prices because it will stoke inflation. By some estimates, a 0.6-0.7 percentage point increase is possible. That will slow down economic growth. If dollar strengthens – it likely will – the hit will be even harder. But how bad things get will also depend on how US and China use their strategic petroleum reserves. Mid-Feb, US had around 415mn barrels in stock, and China possibly 1.3bn – enough to cover four months' demand. If both draw from their reserves – China probably will while prices are high – and buy less oil over the next few weeks, global price pressure might ease.

# India Inc's Energy Cost Hit Uneven, Sector Specific

Ranjit Shinde

**ET Intelligence Group:** Rising geopolitical tensions in the Middle East have raised concerns over their impact on corporate India's energy costs. Although the share of energy costs in total expenses at the aggregate level is just over 4% and has softened over the past three years, it has risen from 2.5% a decade ago.

In addition, the sectoral impact is far from uniform.

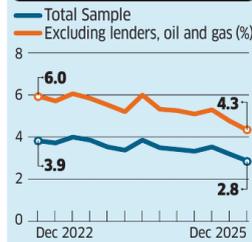
Companies from sectors including cement, glass and ceramics, transportation and logistics, and power generation show a higher proportion of energy related costs in total costs, which makes them prone to higher volatility in global energy prices.

Given this, while the impact may be limited at the aggregate level, select sectors could face margin pressures if the geopolitical crisis escalates. Energy costs are captured under the subhead of power and fuel expenses in the profit and loss statement of companies.

A quarterly trend analysis carried out by ETIG for a sample of companies excluding those from banking and finance, and oil and gas sectors reveals that though the share of power and fuel costs has remained in low-to-mid single digits over the past 10 years, it has gradually climbed compared with the decade-ago level.

In addition, while the share has softened to 4.3% in the December 2025 quarter from 6% in the December 2022 quarter, the latest geopolitical development may affect the trend. Exclusion of lending companies from the sample helps in shifting the focus on manufacturing companies while the oil and gas sector companies tend to skew the data given their large business sizes and hence are excluded. The share of power and fuel costs is the highest for the power generation sector at around 60% in the December 2025 quarter. It is followed by sectors including cement (25% share), transportation (18%), and glass and ceramics (15%). These sectors are particularly vulnerable to volatility in

**SHARE OF POWER & FUEL COSTS IN TOTAL EXPENSES**



**SECTOR-LEVEL SHARE OF ENERGY COSTS**



global energy prices. To be sure, coal prices often tend to move in tandem with crude oil prices though may not be in the same proportion. This may raise the cost for companies which use coal as a fuel source. For other sectors such as chemicals, fertilisers, paper, and metals, the exposure to energy costs between 5% and 10% is lesser but significant.

"Energy-intensive industries, including aviation, logistics, paints, and chemicals, are likely to experience margin compression due to rising input costs," Infometrics Ratings mentioned in a note, adding that upstream oil producers could benefit from higher crude prices.



# West Asia Conflict: No Immediate Threat Seen | Policymakers Maintain That It's Too Early To Assess Impact On Economy

## Govt keeps tabs on crude prices & goods movement

TIMES NEWS NETWORK

**New Delhi:** Policymakers are keeping a close eye on oil prices and goods movement in the wake of the latest tension in West Asia, while maintaining that it's too early to assess the impact on the economy.

The first direct impact will be felt through energy prices, especially with India dependent on imports for bulk of its oil and gas needs, most of which is routed through West Asia. Any spike in oil prices will have a bearing on consumers and industry.

The Modi govt has managed pump prices through a mix of taxes and margins for oil retailers and the regime will continue. While oil companies were making profits on every litre of petrol and diesel until global prices went up, retail prices will first be regulated through reduced margins and if the situation warrants govt has headroom to lower domestic levies as well as import duty. On Sunday, Brent prices went up 10% to \$80 a bar-

### ON A SLIPPERY WICKET

> Oil prices may put **pressure on margins of retailers, govt finances**

> **Eye on ships and containers** as some are stranded. Maersk announced a stop in sailings through the **Bab el-Mandeb Strait and the Suez Canal**, to reroute ships around



the Cape of Good Hope

> Dependence on some logistics cos can complicate matters. A disruption in UAE will mean that **Indian businesses will have to reroute goods flow**

> **Rice exporters** have been advised to review how they price their goods

rel on over-the-counter sales.

Given that there is less than a month to go for the close of the financial year, there is unlikely to be an impact on the budgeted numbers for the year. "It will all depend on how long this situation persists. At the moment, it's early to say what the impact will be," said an official.

If the tension persists, there will be an impact on goods moving in and out of the country and some of the supplies, including oil, gas, fertiliser and other critical inputs from the west. At the moment, no shortage is seen.

A critical issue in the coming days will be movement of ships, some of which are stranded after the military action by the US and Israel and Iran's response on Saturday. "We will get to know in the next few days," said Fieo director general Ajay Sahai.

Danish container shipping group Maersk will pause sailings through the Bab el-Mandeb Strait and the Suez Canal and reroute ships around the Cape of Good Hope, it said on Sunday. If this persists, ships going to Europe and the US will have to take a longer route, resulting in two-three weeks

of additional sailing time, and impacting the supply of containers and vessels.

What will add to the complication is India's strong reliance on DP World, which now accounts for a large chunk of goods movement from the country's shores. A disruption in UAE will mean that Indian businesses will have to reroute goods flow.

So far, only the rice traders have been advised to review how they price their goods. "Indian Rice Exporters Federation has issued an advisory to its members in view of the deteriorating situation in Iran and parts of the Gulf, and reports that movements through the Strait of Hormuz could be restricted. Members are advised not to undertake new CIF (cost, insurance and freight) commitments for these destinations and, wherever feasible, to conclude sales on FOB (free on board) terms so that freight & insurance and related risks remain with the international buyer," the industry body said Sunday.

# Crude spikes 10% to near \$80/bbl; Opec producers increase output

## Reflects Growing Anxiety Over Potential Supply Disruptions Via Strait of Hormuz

TIMES NEWS NETWORK

**New Delhi:** Brent crude jumped 10% to about \$80 a barrel in over-the-counter trade Sunday, reflecting growing anxiety over potential supply disruptions through the Strait of Hormuz, a critical energy choke-point for India and much of Asia. Amid the supply fears, OPEC producers met Sunday and decided to increase crude output in a phased manner to prevent excessive price spikes that could hurt global demand.

The key eight producers — Saudi Arabia, Russia, Iraq, the UAE, Kuwait, Kazakhstan, Algeria and Oman — met virtually to review market conditions and decided to cautiously begin restoring some of the crude output they had voluntarily cut in 2023 to support prices. Starting April 2026, the

### WHY THE STRAIT OF HORMUZ MATTERS

*The narrow waterway between Iran and Oman acts as a critical global oil artery.*

**20-21m** barrels per day (bpd) of crude oil and petroleum liquids pass through it — **about 20% of global oil trade**



**20-30%** of global LNG trade is through this route

**Why it's critical for India**

**2.6 million** bpd, nearly half of India's imports transit via the Strait

**50%-plus** of LNG moves through this route. India's natural gas consumption pegged at **196 million standard cubic meters per day**

group will collectively increase production by about 206,000 barrels a day, the first step towards gradually bringing back the 1.65 million barrels a day previously withheld from the market.

Traders fear that prices may rise to as much as \$100 a barrel, if flows remain

affected. A persistent increase in crude prices will force Indian refiners to reduce their margins or raise pump prices with govt too having to give up on some of the revenue that it has been raking in.

While govt and oil companies have maintained that

there is sufficient stock in the country, reports said that Iran has been relaying messages, warning ships that they will not be allowed to pass. Tanker traffic has slowed or been suspended as carriers avoid the region amid safety concerns.

Refiners and govt officials said adequate buffers are in place and that they are closely monitoring the evolving situation. Officials indicated that Indian refiners currently hold crude inventories equivalent to roughly 10-15 days of consumption, while fuel stocks are estimated to cover another five-seven days of national requirement. The total strategic petroleum reserves, including stocks in caverns and those held by refiners, amount to nearly 74 days of cover.

“Only a sustained blockage would lead to concern. The present assessment does

not point to immediate physical shortages, but we are closely monitoring how the situation is unfolding,” said a senior govt official.

Japanese shipping companies have halted movements through the strait due to safety concerns.

Agencies reported that war-risk insurance premiums for vessels in the Gulf spiked by nearly 50%, making tanker operations significantly more expensive. Insurers also told ship owners on Saturday that they would cancel existing policies and raise coverage prices for vessels travelling through the Gulf and Hormuz.

A govt official said that as per recent vessel-tracking trends, tanker traffic movement has turned cautious, with some vessels slowing transit or waiting outside the Gulf amid heightened security risks.

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# Oil lines blocked, India eyes options

Rituraj Baruah, Dharendra Kumar & Subhash Narayan

rituraj.baruah@livemint.com

**NEW DELHI:** India's crude oil refiners are scouting for new supply sources after Iran's historic announcement of the closure of Strait of Hormuz, three people aware of the development said. The Union petroleum ministry is consulting with the refiners, taking stock of oil stocks and exploring possible alternatives in Africa and South America, even as the global oil cartel Opec+ has decided to boost production.

The assassination of Iran's supreme leader Ali Khamenei on Saturday during joint strikes by the US and Israel and Iran's retaliatory attacks across the Gulf and civilian areas are expected to hit the global trade in oil. Freight rates are expected to soar, even as cargo vessels are stuck at both sides of the Strait.

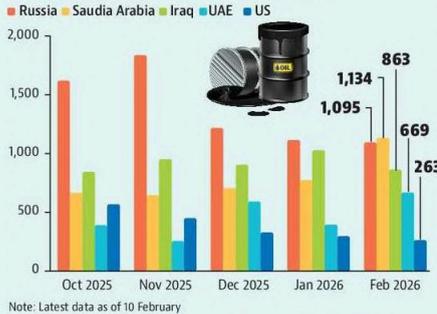
In FY25, nearly half of India's crude oil imports and 54% of LNG imports were routed through the Strait of Hormuz. Even during previous periods of strife in West Asia, such as the Iran-Iraq war, the vital supply route had remained open. Its closure is a setback for New Delhi, which was beginning to veer towards West Asian supplies.

"The petroleum ministry is taking continuous stock of the energy supply scenario along

## Oil crunch

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India's top oil suppliers (In thousand barrels per day)

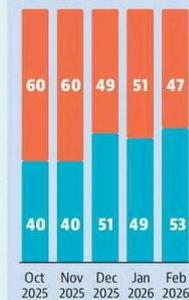


Note: Latest data as of 10 February

Source: Kpler

## Share (%) in India's oil imports

Via Strait of Hormuz  
Via other routes



Note: Latest data as of 28 February

mint

with the refiners. They are looking at ways to ensure that supplies are not interrupted. Saudi Arabia and Iraq have emerged as the major suppliers of late, and the situation is concerning. Import from alternative sources may pick up. Even if supplies are ensured, prices are sure to rise and will impact the cost and margins of the refineries," said one of the three people mentioned above.

While experts had forecast Opec+ to increase production by 137,000 barrels per day, the cartel agreed on 206,000 bpd, citing "a steady global economic outlook and current healthy market

fundamentals." The eight-nation V8 group in the alliance, which includes top oil producers Saudi Arabia and Russia, as well as several Gulf states bearing the brunt of Tehran's missile strikes, said they had agreed a "production adjustment", but skipped mention of Iran.

"Over the past two to three months, India's dependence on Middle Eastern (West Asian) barrels has increased as refiners have pivoted away from a portion of Russian volumes. As a result, the relative weight of Gulf-origin crude in India's import basket has risen, increasing short-term sensitivity to any

disruption in Hormuz transit. Kpler tracking indicates continued availability of Russian cargoes in the Indian Ocean and Arabian Sea region, including volumes in floating storage. Should Middle Eastern inflows tighten, Indian refiners could pivot back toward Russian grades relatively quickly," said Sumit Ritolia, lead research analyst, refining & modelling at Kpler.

Fatih Birol, executive director of the International Energy Agency, wrote on X that the agency is "actively monitoring" events and the potential implications for global oil & gas markets

and trade flows. "Markets have been well supplied to date. I am in contact with ministers from major producers in the region & IEA governments about the situation," Birol wrote.

## Choke point

With crude oil prices set to rally as global markets open Monday, the evolving situation assumes strategic importance for India. With India already lowering Russian oil imports, West Asia had emerged as an alternative during the past two months.

Aditi Nayar, chief economist at Icra Ltd said: "The situation in West Asia is unfolding and the extent that it prolongs and widens, would have a bearing on India's macros, including things like the impact of fuel prices on inflation and the twin deficits, as well remittances."

Supplies of liquefied natural gas (LNG) would be impacted as well. In February 2024, Petronet LNG Ltd extended its contract to buy 7.5 million tonnes of LNG annually from QatarEnergy for another 20 years. Abu Dhabi National Oil Co. Gas (Adnoc Gas) and its subsidiaries signed a 10-year LNG sales and purchase agreement with Hindustan Petroleum Corp. Ltd in January this year.

India imports nearly 90% of its oil requirement and sourced oil worth \$161 billion last fiscal, with its total petroleum product consumption projected to increase by 4.65% and reach a record 252.9 million metric tonnes (mmt) in FY26.

Queries mailed to the ministries of petroleum and external affairs, and the state-owned refiners remained unanswered.

## Volatility

Harsh V. Pant, vice president of Observer Research Foundation and professor of international relations with King's India Institute at King's College London, said: "The (Iranian regime) is at a critical point. They would be looking at survival. Now, everything depends on what happens in Iran internally".

He said there may be managed continuity, with the regime able to find a successor and the governance model and regime continuing: the Islamic Revolutionary Guard Corps (IRGC) taking over control; or the regime completely collapsing.

According to Anil Devli, CEO of the Indian National Shipowners' Association (INSA), the developments have the potential to impact shipping and world trade. "There are mostly tanker movements in the region and about seven to eight Indian ships are also moving in the Strait at present. We are also in close touch with the Information Fusion Centre-Indian Ocean Region (IFC-IOR), hosted by the Indian Navy. Whether the Indian Navy would enter in the war zone to provide safety cover to Indian ships is not known at present," he said.

Right now, ships are stuck in the Strait on both sides, Devli said. The real impact would be felt for fresh freight bookings, he added.

# Oil jumps 10%, India cushioned for now

TRIBUNE NEWS SERVICE

NEW DELHI, MARCH 1

Global oil prices surged sharply on Sunday after US and Israeli military strikes on Iran triggered fresh conflict in West Asia and Tehran reportedly moved to shut the strategically vital Strait of Hormuz, raising concerns over energy supplies to major importers, including India.

As per reports, Brent crude jumped nearly 10 per cent in over-the-counter trading to

## THREE TANKERS HIT

- A Palau-flagged oil tanker with 15 Indian crew came under attack from Iran off Oman's Musandam peninsula, injuring four.
- Another Marshall Islands-flagged oil tanker was hit by a projectile off Oman, while a third oil-bunkering tanker was damaged off UAE coast.

around \$80 a barrel, oil traders said, with analysts warning

CONTINUED ON PAGE 8

# Oil jumps 10%, India cushioned..

prices could climb towards \$100 if the crisis escalated or shipping disruptions persisted. The global benchmark had already touched \$73 per barrel on Friday — its highest level since July — amid mounting geopolitical tensions before markets closed for the weekend.

Despite the sharp market reaction, government officials said India faced no immediate threat to oil availability, citing adequate inventories and diversified sourcing.

Iran's announcement of closing the Strait of Hormuz — the narrow maritime corridor at the mouth of the Persian Gulf through which nearly one-fifth of global oil and gas supplies pass — has slowed tanker movement dramatically, according to maritime security assessments.

The situation acquired an Indian dimension after Oman's Maritime Security Centre reported that an oil tanker, Skylight, flying the Palau flag, was targeted near Khasab Port. Of the 20 crew members evacuated, 15 were Indian nationals. Four crew members sustained injuries

and were shifted for medical treatment following coordinated rescue operations by the regional authorities.

Officials in New Delhi said India "currently holds crude stocks sufficient for about 10 days of consumption", along with refined fuel reserves covering another five to seven days, providing a short-term cushion against supply disruptions.

"India remains adequately supplied in the near term," a senior official said, adding that contingency plans were in place should tensions prolong.

The International Energy Agency said it was closely monitoring developments and their implications for global energy markets. Its executive director, Fatih Birol, noted that markets remained well supplied so far, even as consultations continued with major producing nations.

However, analysts cautioned that India's heavy reliance on seaborne energy imports "makes the Strait of Hormuz a critical strategic vulnerability".

India imports nearly 88 per cent of its crude oil

requirement and about half of its natural gas needs. A large share of supplies from Iraq, Saudi Arabia, the UAE and Kuwait transits through the Hormuz passage before reaching Indian refineries.

More crucially, almost the entirety of India's liquefied petroleum gas (LPG) imports — essential for household cooking fuel and fertiliser production — moves through the same route. Any prolonged disruption could therefore quickly strain domestic LPG supplies and push up energy costs.

Energy economists warned that even partial disruption, without a complete blockade, could drive up freight charges, insurance premiums and benchmark crude prices, potentially feeding into inflation in an import-dependent economy.

Officials indicated India could recalibrate procurement by increasing purchases from alternative suppliers, including Russia and producers outside the Gulf region — an approach successfully deployed during earlier geopolitical crises.

# Hormuz closure could hit half of India's oil supply



**AUNINDYO CHAKRAVARTY**  
SENIOR ECONOMIC ANALYST

**A** COUPLE of weeks before Israeli and American missiles began raining down on Iran, one of the Islamic nation's two naval wings, the Islamic Revolutionary Guard Corps Navy, shut down the Strait of Hormuz for several hours as it conducted an exercise to test its new defence doctrine, the 'Smart Control of the Strait of Hormuz.' The objective was to show to the world that Iran had the capability to block any seaborne trade through the strait.

More than 20 million barrels of crude oil pass through the Strait of Hormuz every day. That makes up 25% of the world's crude shipments and 20% of global crude consumption. For us, the importance of the strait is even larger: 50% of India's crude imports transit through it.

Any sustained blockade will increase our crude import costs dramatically, over and

above the impact it will have on global crude prices.

Defence analysts are divided over whether Iran can actually implement the blockade for long. Some say that Iran has war-gamed this exact scenario for years and has built up maritime defence capabilities that rival the best in the world. *Janes*, the much-respected defence analysis group, once called Iran the "foremost... practitioner of small boat 'swarm' tactics", which is of crucial value in the Strait of Hormuz.

It also has over 5,000 naval mines, including Chinese-made EM-52 rising mines, that can lie dormant on the sea bed until they sense there is a high-value target above.

Iran also has the largest anti-ship missile arsenal in West Asia, including the short-range Noor and the mid- to long-range anti-ship ballistic missiles (ASBMs), *Khalij Fars*, *Zolfaghar Basir* and *Qasem Basir*.

Other defence experts say that the US and Israel have abundant firepower to take out this entire naval configuration within a few days and clear up the Strait of Hormuz within a week. Yet, even if this were true, they would not be able to rule out guerrilla strikes on ships, like the Houthi rebels have demonstrated in the Red Sea.



**CRITICAL :** More than 20 million barrels of crude oil pass through the Strait of Hormuz every day. REUTERS

That means ships will need to pay very high insurance premia to transit through the strait. Already, the additional war risk premium (AWRP) charged on ships that travel through the region has risen from 0.05% to 0.1% of the vessel's hull value.

That means a very large crude carrier (VLCC) with a hull value of \$100 million will have to pay up to \$1 million in insurance. In some cases, major maritime insurers have simply withdrawn insurance coverage for any ship going through the Strait of Hormuz.

This will have a deadly impact on the crude 'basket' we import, whose price is estimated using a combination of the price of heavy sour

crude from Oman and Dubai and sweet Brent crude.

We will have to pay more for the crude coming from the Gulf and also increase our dependence on crude from North America, which will drive up our import price. Estimates suggest that if the disruption in Hormuz continues, India's crude basket might rise from the current \$70 per barrel to \$100 per barrel or even higher.

There are four major effects of any large rise in crude prices on our economy. The first is the impact on our oil import bill and the current account deficit (CAD). The second is the cost of refining crude. The third is the impact on the price of fuel that a common citizen pays at the local

petrol pump. And the fourth is the effect on what the Centre and states earn from taxes on petrol and diesel.

Estimates suggest that for every \$10 increase in the global price of a barrel of crude, our oil import bill will go up by \$13-14 billion since we pay lower prices than the global average.

If global oil prices rise to \$100 per barrel, our oil import bill will rise by \$30-40 billion. Other things remaining the same, this will raise our CAD — the gap between our imports and exports — to 2.3% of the GDP.

If crude import prices rise, oil refineries will proportionately increase their refinery gate prices — the price at which they ship it to petrol pumps — to maintain their profit margins. If the Centre and state governments continue to tax at the same rate as they currently do, consumers will spend much more when they buy petrol and diesel.

At \$100 per barrel, refineries will sell petrol at Rs 80 per litre and consumers will end up paying between Rs 115 and Rs 135, depending on which state they are in. That, in turn, will have a huge impact on the overall retail inflation.

It is estimated that for every \$10 increase in the global price of crude, the consumer price index rises by

one-third of a per cent. A \$100 per barrel crude could add a full percentage point to retail inflation. That will force the RBI to reverse its stance on interest rates by raising them to curb inflation. In a situation where both investment and consumption are already strained, this would have a dampening effect on India's GDP growth.

One way to compensate for the inflationary impact of rising crude prices is for both the Centre and states to reduce the taxes levied on petrol and diesel. Currently, the Centre imposes Rs 13 per litre as central excise on petrol and Rs 10 on diesel. State VAT rates vary widely, ranging from 16% to 26%, depending on the fuel type.

If retail prices are to be kept where they are, the Centre could end up losing as much as Rs 1.5 lakh crore in tax revenue, which will push up the fiscal deficit to 4.6-4.7%.

The government will have to borrow more to fill the gap, increasing the supply of government bonds and pushing up yields. Corporates will also have to follow suit by offering higher returns on their bonds.

In short, whether the rise in crude prices is passed on to consumers or absorbed by the government, interest rates could rise and affect India's GDP growth in the coming financial year.

India's crude basket might rise from the current \$70 per barrel to \$100 per barrel or even higher.

## ईरान संकट: भारत पर कीमतों और व्यापक आर्थिक असर की आशंका, तेल आपूर्ति पर बड़ा खतरा नहीं

एजेंसी ■ नई दिल्ली

ईरान में गहरे संकट के कारण भारत को कच्चे तेल की कीमतों में उतार-चढ़ाव और व्यापक आर्थिक प्रभाव का सामना करना पड़ सकता है। विश्लेषकों ने यह राय जताई। हालांकि, देश की तेल आपूर्ति श्रृंखला को अभी तक किसी संरचनात्मक असुखा का सामना नहीं करना पड़ा है। होर्मुज जलडमरूमध्य के आसपास बढ़ते तनाव ने ब्रेंट क्रूड की कीमतों को 73 डॉलर प्रति बैरल के सात महीने के उच्चस्तर तक पहुंचा दिया है। इससे वैश्विक ऊर्जा बाजारों में भू-राजनीतिक जोखिम बढ़ गया है, जिससे मुद्रास्फीति और चालू खाते के



घाटे (सीएडी) पर दबाव बढ़ सकता है। हालांकि, निकट भविष्य में तेल आपूर्ति बाधित होने की संभावना कम है। केपलर के शीर्ष शोध विश्लेषक सुमित रितोलिया ने कहा, मौजूदा स्थिति में शुरुआती प्रभाव मात्रा के

बजाय कीमतों पर आधारित होने की संभावना है। भू-राजनीतिक जोखिम के कारण ब्रेंट की कीमतों के साथ ही माल दुलाई दरों और युद्ध-जोखिम बीमा लागत में भी वृद्धि होगी। रितोलिया के अनुसार, अगर पश्चिम एशिया से आपूर्ति कम होती है, तो भारतीय रिफ़ाइनरियां फिर से रूसी तेल की ओर रुख कर सकती हैं। समुद्र में मौजूद रूसी तेल का भंडार भारत के लिए एक बफर के रूप में काम करेगा। इक्रा की मुख्य अर्थशास्त्री अदिति नायर ने कहा कि पश्चिम एशिया की स्थिति का असर भारत की अर्थव्यवस्था, ईंधन की कीमतों, महंगाई और प्रवासियों द्वारा भेजे जाने वाले धन पर पड़ेगा।

# ईरान पर अमेरिका-इजरायल के हमले के बाद कच्चे तेल की कीमतों में तेज उछाल, कारोबारी चिंताएं बढ़ीं भारत पर व्यापक आर्थिक असर संभव



(अमेरिका-इजरायल, ईरान में जंग)

नई दिल्ली, विशेष संवाददाता/एजेंसी। अमेरिका-इजरायल द्वारा ईरान पर हमले के बाद से पश्चिम एशिया में स्थिति लगातार बिगड़ रही है। इससे भारत की चिंताएं भी बढ़ गई हैं। कच्चे तेल की कीमतों में तेज उछाल और प्रमुख व्यापारिक रास्ते बंद होने से पेट्रोल-डीजल की कीमतें तथा महंगाई बढ़ने की आशंका उत्पन्न हो गई है। माना जा रहा है कि ईरान द्वारा होर्मुज जलडमरूमध्य मार्ग बंद किए जाने से स्थिति तेजी से बदलेगी।

इस रास्ते भारत का माल खाड़ी देशों में पहुंचता है। आंकड़ों के अनुसार, अप्रैल से दिसंबर के बीच भारत ने यहां करीब 50 अरब डॉलर का सामान (गैर तेल आधारित) भेजा, जो देश के कुल निर्यात का करीब 13% है। इस मार्ग के आसपास तनाव बढ़ने से भारत के गैर तेल आधारित निर्यात का बड़ा हिस्सा खतरे में पड़ सकता है। विशेषज्ञों का कहना है कि फिलहाल निर्यात पूरी तरह ठप तो नहीं होगा लेकिन जोखिम बहुत बढ़ गया है। अगर युद्ध लंबा खिंचा, तो माल भेजने की लागत बढ़ेगी और आपूर्ति में देरी होगी।

**ये क्षेत्र हो सकते हैं प्रभावित :** सबसे अधिक असर इंजीनियरिंग सामान, जेम्स और ज्वेलरी, खाने के

## कच्चे तेल के भाव जा सकते हैं 100 डॉलर के पार

माना जा रहा है कि अगर युद्ध जारी रहता है तो आने वाले दिनों में कच्चे तेल की कीमतें 110 से 120 डॉलर प्रति बैरल तक पहुंच सकती हैं। होर्मुज स्ट्रेट के जरिए वैश्विक तेल और एलएनजी की करीब 30 प्रतिशत आपूर्ति होती है। इस मार्ग में किसी भी तरह का व्यवधान वैश्विक ऊर्जा बाजार और तेल-गैस की कीमतों पर बड़ा असर डाल सकता है। रविवार को अंतरराष्ट्रीय बाजार में ब्रेट कच्चे तेल की कीमत लगभग 72.87 डॉलर प्रति बैरल और वेस्ट टेक्सस इंटरमीडिएट कच्चे तेल की कीमत 67.02 डॉलर प्रति बैरल के आसपास थी, लेकिन माना जा रहा है कि युद्ध लंबा चला और होर्मुज जलडमरूमध्य मार्ग बंद रहा तो कीमतें 120 डॉलर तक पहुंच सकती हैं। होर्मुज स्ट्रेट दुनिया का सबसे जरूरी तेल निर्यात मार्ग है, जो सऊदी अरब, ईरान, इराक और संयुक्त अरब अमीरात जैसे सबसे बड़े गल्फ तेल उत्पादन को ओमान की खाड़ी और अरब सागर से जोड़ता है।

### महंगाई बढ़ने के आसार

भारत अपनी जरूरत का लगभग 85% कच्चा तेल आयात करता है, जिसका बड़ा हिस्सा करीब 50-60 प्रतिशत मध्य-पूर्व से आता है। कच्चा तेल महंगा होगा तो भारत में पेट्रोल-डीजल और गैस की कीमतें बढ़ेंगी। इसका परिणाम होगा कि परिवहन और उत्पादन लागत बढ़ेगी, जिससे महंगाई भी बढ़ेगी। आम लोगों की जेब पर सीधा असर पड़ेगा।



### देश के लिए इसलिए अहम है होर्मुज जलडमरूमध्य मार्ग



भारत होर्मुज मार्ग से खाड़ी देशों को लगभग **50 अरब डॉलर** (4.55 लाख करोड़ रुपये) का गैर तेल आधारित सामान निर्यात करता है।

**13.2**

फीसदी है यह सामान भारत के कुल नॉन-ऑयल निर्यात का

**88%**

कच्चा तेल जरूरत का भारत आयात करता है। इसका आधा हिस्सा होर्मुज से होकर आता है।

- भारत इंजीनियरिंग सामान, खाने-पीने की चीजें, कपड़े और दवाइयां बड़े पैमाने पर भेजता है।
- खाड़ी देशों से 116 अरब डॉलर का सामान (मुख्यतः तेल और गैस) मंगाया, जो हमारी कुल जरूरतों का पांचवां हिस्सा है।

### देश के पास तेल का पर्याप्त भंडार

अधिकारियों का कहना है कि होर्मुज मार्ग कम अवधि के लिए बंद होता है तो भारत पर ज्यादा असर नहीं पड़ेगा, क्योंकि कच्चे तेल का भंडार कम से कम 10 दिन की जरूरतों को पूरा करने के लिए पर्याप्त है। ईंधन टैंक भरे हुए हैं, जो देश की 7-10 दिन की ईंधन जरूरत को आसानी से पूरा कर सकते हैं।

### रूस से फिर खरीद

यदि यह लंबे समय तक बंद रहता है तो रूसी तेल की खरीद बढ़ाई जा सकती है। इसके अलावा भारत अन्य देशों से भी तेल खरीद सकता है।

### कब-कब रिकॉर्ड तेजी

- जुलाई 2008 में दाम 147.50 डॉलर प्रति बैरल के रिकॉर्ड स्तर पर पहुंचे। उस वक्त रुपया डालर के मुकाबले 43 रुपये था।
- वर्ष 2022 में रूस-यूक्रेन युद्ध के दौरान भी कीमतें 120-130 डॉलर प्रति बैरल के आसपास पहुंची। उस वक्त 79 से 80 रुपये प्रति डॉलर की कीमत थी।

उत्पादों, केमिकल और निर्माण क्षेत्र के सामान के निर्यात पर देखने को मिल सकता है। इक्रा की मुख्य अर्थशास्त्री अर्दित नायर ने कहा कि पश्चिम

एशिया की स्थिति का असर भारत की अर्थव्यवस्था, ईंधन की कीमतों, महंगाई और प्रवासियों द्वारा भेजे जाने वाले धन पर पड़ेगा।

**वैकल्पिक रास्तों पर नजर :** मामले से जुड़े लोगों का कहना है कि सरकार स्थिति पर नजर रख रही है कि युद्ध का दावरा कितना बढ़ता है।

अधिकारी यह देख रहे हैं कि अगर पुराने व्यापारिक रास्तों में रुकावट आती है तो माल भेजने या मंगाने के लिए कौन से दूसरे रास्ते सुरक्षित हो सकते हैं।

# संघर्ष खिंचने पर बढ़ सकती है रूस से खरीद ईरान संकट : भारत के लिए तेल आपूर्ति में तत्काल बाधा नहीं

नई दिल्ली, 1 मार्च (भाषा)।

होर्मुज जलडमरूमध्य जैसे कच्चे तेल के प्रमुख आपूर्ति मार्ग के बंद होने से भारत को निकट भविष्य में कच्चे तेल की आपूर्ति में किसी बड़े व्यवधान का सामना करने की आशंका नहीं है। अधिकारियों ने यह जानकारी देते हुए कहा कि कच्चे तेल का भंडार कम से कम 10 दिन की जरूरतों को पूरा करने के लिए पर्याप्त है।



एक अन्य अधिकारी ने कहा कि भारत वेनेजुएला, ब्राजील और अफ्रीका जैसे दूरदराज के देशों से भी तेल खरीद सकता है। ईरान पर अमेरिका और इजरायल के सैन्य हमलों के बाद तेजी से बदलते घटनाक्रम में इस्लामिक गणराज्य के सर्वोच्च नेता के मारे जाने की खबरें भी शामिल हैं।

इससे संकेत मिलता है कि यह संघर्ष बहुत लंबा नहीं चलेगा। हालांकि, शीर्ष अधिकारियों और विश्लेषकों का कहना है कि यदि तनाव बढ़ता है, तो भारत के पास आकस्मिक योजनाएं तैयार हैं। ईरान के सरकारी मीडिया ने 28 फरवरी को कहा था कि अमेरिका और इजरायल के मिसाइल हमलों के जवाब में उसने होर्मुज जलडमरूमध्य को बंद कर दिया है। यह दुनिया के सबसे महत्वपूर्ण ऊर्जा निकासी बिंदुओं में से एक है, जिससे वैश्विक तेल और गैस आपूर्ति का लगभग पांचवां हिस्सा गुजरता है। अधिकारियों ने कहा कि कम अवधि के लिए इसके बंद होने से भारत पर ज्यादा असर नहीं पड़ेगा क्योंकि उसके पास

## भारत पर कीमतों और व्यापक आर्थिक असर की आशंका

नई दिल्ली, एक मार्च (भाषा)।

ईरान में गहराते संकट के कारण भारत को कच्चे तेल की कीमतों में उतार-चढ़ाव और व्यापक आर्थिक प्रभाव का सामना करना पड़ सकता है। विश्लेषकों ने यह राय जताई। हालांकि, देश की तेल आपूर्ति

श्रृंखला को अभी तक किसी संरचनात्मक असुरक्षा का सामना नहीं करना पड़ा है।

होर्मुज जलडमरूमध्य के आसपास बढ़ते तनाव ने ब्रेट क्रूड की कीमतों को 73 डालर प्रति बैरल के सात महीने के उच्चस्तर तक पहुंचा दिया है। इससे वैश्विक ऊर्जा बाजारों में भू-राजनीतिक जोखिम बढ़ गया है, जिससे मुद्रास्फीति और चालू खाते के घाटे (सीएडी) पर दबाव बढ़ सकता है। हालांकि, निकट भविष्य में तेल आपूर्ति बाधित होने की संभावना कम है।

केपलर के शीर्ष शोध विश्लेषक सुमित रिंतोलिया ने कहा कि मौजूदा स्थिति में शुरुआती प्रभाव मात्रा के बजाय कीमतों पर आधारित होने की संभावना है। भू-राजनीतिक जोखिम के कारण ब्रेट की कीमतों के साथ ही माल बुलाई दरों और युद्ध-जोखिम बीमा लागत में भी वृद्धि होगी।

रिंतोलिया के अनुसार, अगर पश्चिम एशिया से आपूर्ति कम होती है, तो भारतीय रिफाइनरियां फिर से रूसी तेल की ओर रुख कर सकती हैं। समुद्र में मौजूद रूसी तेल का भंडार भारत के लिए एक बफर के रूप में काम करेगा।

इक्रा की मुख्य अर्थशास्त्री अदिति नायर ने कहा कि पश्चिम एशिया की स्थिति का असर भारत की अर्थव्यवस्था, ईंधन की कीमतों, महंगाई और प्रवासियों द्वारा भेजे जाने वाले धन पर पड़ेगा।

ईंधन की जरूरतों को पूरा करने के लिए पर्याप्त आपूर्ति है। उन्होंने आगे कहा कि यदि होर्मुज जलडमरूमध्य लंबे समय तक बंद रहता है, तो देश रूसी तेल की खरीद बढ़ाकर अपने आयात स्रोतों में बदलाव कर सकता है। हालांकि, इसका तत्काल प्रभाव तेल की कीमतों पर दिखेगा। ब्रेट क्रूड इस सप्ताह सात महीने के उच्चस्तर लगभग 73 डालर प्रति बैरल पर बंद

हुआ। यदि आपूर्ति बाधित होती है, तो कीमतें 80 डालर प्रति बैरल की ओर बढ़ सकती हैं।

एक अधिकारी ने कहा कि भारतीय रिफाइनरी कंपनियों के पास टैंक और पारगमन में मिलाकर 10 से 15 दिन का कच्चा तेल भंडार है। इसके अलावा, उनके ईंधन टैंक भरे हुए हैं, जो देश की 7-10 दिन की ईंधन जरूरत को आसानी से पूरा कर सकते हैं।

## तेल आपूर्ति के लिये रूस की तरफ रुख कर सकता है भारत

नई दिल्ली, (पंजाब केसरी): ईरान में गहराते संकट के कारण भारत को कच्चे तेल की कीमतों में उतार-चढ़ाव और व्यापक आर्थिक प्रभाव का सामना करना पड़ सकता है। विश्लेषकों ने यह राय जताई।

हालांकि, देश की तेल आपूर्ति श्रृंखला को अभी तक किसी संरचनात्मक असुरक्षा का सामना नहीं करना पड़ा है। लेकिन अगर पश्चिम एशिया से

● तेल कीमतों के उतार-चढ़ाव का व्यापक आर्थिक असर होगा

आपूर्ति कम होती है, तो भारतीय रिफाइनरियां फिर से रूसी तेल की ओर रुख कर सकती हैं। समुद्र में मौजूद रूसी तेल का भंडार भारत के लिए एक 'बफर' के रूप में काम करेगा। होमुंज जलडमरूमध्य के आसपास बढ़ते तनाव ने ब्रेंट क्रूड की कीमतों को 73 डॉलर प्रति बैरल के सात महीने के उच्चस्तर तक पहुंचा दिया है। इससे वैश्विक ऊर्जा बाजारों में भू-राजनीतिक जोखिम बढ़ गया है, जिससे मुद्रास्फीति और चालू खाते के घाटे (सीएडी) पर दबाव बढ़ सकता है। हालांकि, निकट भविष्य में तेल आपूर्ति बाधित होने की संभावना कम है। केपलर के शीर्ष शोध विश्लेषक सुमित रितोलिया ने कहा कि मौजूदा स्थिति में शुरुआती प्रभाव मात्रा के बजाय कीमतों पर आधारित होने की संभावना है। भू-राजनीतिक जोखिम के कारण ब्रेंट की कीमतों के साथ ही माल दुलाई दरों और युद्ध-जोखिम बीमा लागत में भी वृद्धि होगी।

# कच्चे तेल की कीमत 100 डॉलर प्रति बैरल पहुंचने की उम्मीद

नई दिल्ली, (पंजाब केसरी): अमेरिका-ईरान जंग से अगर होर्मुज जलडमरूमध्य प्रभावित होता है तो कच्चे तेल की कीमत 90 डॉलर प्रति बैरल तक पहुंच सकती है। वहीं, अगर यह बड़े क्षेत्रीय संघर्ष में बदलता है तो यह कच्चा तेल 100 डॉलर प्रति बैरल तक पहुंच सकता है। यह जानकारी रविवार को जारी रिपोर्ट में दी गई।

जेएम फाइनेंशियल इंस्टीट्यूशनल सिन्व्योरिटीज की रिपोर्ट में कहा गया कि फिलहाल ब्रेंट क्रूड की कीमत 72.8 डॉलर प्रति बैरल के करीब है और एक संमित जवाबी हमले से कीमतें 5-10 डॉलर प्रति बैरल तक बढ़ सकती हैं और ईरानी ऑयल इन्फ्रास्ट्रक्चर को नुकसान होने से कच्चे तेल की कीमतें 10-12 डॉलर प्रति बैरल तक बढ़ सकती हैं। रिपोर्ट में आगे कहा गया



है कि कच्चे तेल की कीमत में प्रति 1 डॉलर की वृद्धि से भारत का वार्षिक आयात बिल लगभग 2 अरब डॉलर बढ़ जाता है, जिससे व्यापार संतुलन पर दबाव पड़ता है।

वैश्विक तेल प्रवाह का लगभग 20 प्रतिशत होर्मुज जलडमरूमध्य से होकर गुजरता है और भारत के कच्चे तेल आयात का 40 प्रतिशत से अधिक इसी मार्ग से होता है। रिपोर्ट में कहा गया है कि निकट भविष्य में शेयर बाजार के आय-आधारित व्यापार से तेल-आधारित ट्रेडिंग की ओर बढ़ने की संभावना है।

ब्रोकरेज फर्म का अनुमान है कि

- प्रति 1 डॉलर की वृद्धि से भारत का वार्षिक आयात बिल लगभग 2 अरब डॉलर बढ़ जाता है
- वैश्विक तेल प्रवाह का लगभग 20 प्रतिशत होर्मुज जलडमरूमध्य से होकर गुजरता है

ऊर्जा और रक्षा क्षेत्र को अपेक्षाकृत समर्थन मिल सकता है, जबकि तेल से प्रभावित क्षेत्र जैसे तेल वितरक कंपनियों, पेंट, टायर, विमानन और केमिकल सेक्टर दबाव का सामना कर सकते हैं। मौजूदा आर्थिक वृद्धि के परिदृश्य में भारतीय शेयर बाजारों के लिए कच्चा तेल प्रमुख मैक्रो वेरिएबल बना हुआ है।

# | मुसीबत | दुनिया में दूसरा सबसे बड़ा सप्लायर है कतर ===== पैदा हो सकता है गैस का संकट

■ दिल्ली, एजेंसियां. ईरान संकट के कारण भारत, चीन, पाकिस्तान, कोरिया और ताइवान समेत कई देशों के सामने गैस का संकट पैदा हो सकता है. ईरान का पड़ोसी देश कतर दुनिया में गैस का दूसरा सबसे बड़ा सप्लायर है. लेकिन समस्या यह है कि इसकी सारी गैस होर्मुज की खाड़ी से गुजरती है जिसे ईरान ने बंद कर दिया है. दुनिया की 20 फीसदी एलएनजी सप्लायर की खाड़ी से होती है. एक रिपोर्ट के मुताबिक जानकारों का कहना है कि इस खाड़ी में कोई भी गतिविधि गैस सप्लायर को बाधित कर सकती है. कतर भारत का सबसे बड़ा गैस सप्लायर है. भारत की 40% गैस कतर से ही आती है. देखने को मिली थी भारी उथल-पुथल : चार साल पहले यूक्रेन पर रूस के हमले के बाद इंटरनेशनल गैस ट्रेड में भारी उथलपुथल देखने को मिली थी. रूस दुनिया में गैस का सबसे बड़ा सप्लायर है. तब यूरोप में गैस की कीमत आसमान



पर पहुंच गई थी क्योंकि यह रूस का सबसे बड़ा एक्सपोर्ट मार्केट था. इस बार सबसे ज्यादा खतरा एशियाई देशों को है. पिछले साल कतर ने जितनी गैस बेची थी, उसका करीब 20 फीसदी एशियाई देशों ने खरीदा था. कतर की गैस खरीदने में चीन पहले और भारत दूसरे नंबर पर है. चीन की एक तिहाई गैस कतर से आती है. कतर ने पिछले साल

## तुर्की की भी बड़ी परेशानी

- भारत, जापान और दूसरे देशों में ट्रेडर्स की कीमतें बढ़ने की आशंका है और वे इसके लिए खुद को तैयार कर रहे हैं. पिछले एक साल से पर्याप्त सप्लायर के कारण एलएनजी की कीमत में ज्यादा तेजी नहीं आई.
- एलएनजी के कॉन्ट्रैक्ट अमूमन कूड बैचमार्क से जुड़े होते हैं. ऐसे में ब्रेट की कीमत में तेजी से गैस की कीमत बढ़ सकती है.
- तुर्की की भी परेशानी बढ़ सकती है जो ईरान से पाइपलाइन के जरिए गैस मंगाता है. तुर्की की कुल सप्लायर में ईरान की हिस्सेदारी करीब 15 फीसदी है.

82.2 मिलियन टन गैस का एक्सपोर्ट किया था. इस दौरान चीन ने कतर से 20 मिलियन टन एलएनजी खरीदी थी जबकि भारत ने 12 मिलियन टन गैस खरीदी थी.



## Iran Strikes Will Be Nasty for Oil Prices But Not a Shock

March 1, 2026 at 8:55 PM GMT+5:30

By **Javier Blas**

One can look at oil and the Middle East through two lenses. Magnify every detail from the attacks on Iran and its responses and a chaotic picture emerges. When the market reopens on Sunday night, oil prices are likely to jump 10%-15% as a result. But seen from a wider angle — looking broadly at the global economy — the energy picture does not appear as scary, even if Brent crude does jump to, say, \$80-plus a barrel.

First, an obvious disclaimer. The situation is fluid, and for the oil market everything depends on how Tehran responds to the US-Israeli strikes in the coming hours. But after the first day of hostilities we can draw a few tentative conclusions based on the unlikelihood of the type of full-blown oil shock we've seen in the past, and the decent supply of barrels of oil currently available. The biggest market fear is the targeting of energy infrastructure (or not) by both sides, and the enforced closure of tanker routes. Neither has happened. Yet.

Put the war and its likely geopolitical impact into historical context, and you'd be forgiven for being anxious. The Americans and Israelis launched coordinated air strikes on Iran, killing the Supreme Leader Ayatollah Ali Khamenei and scores of other senior officials. Iran responded with an unprecedented volley of missiles and drones, hitting Israel, Jordan, Kuwait, Oman, the United Arab Emirates, Saudi Arabia and Bahrain. The Islamic Republic is fighting for its own survival. Cornered, Tehran can still weaponize oil as its last line of defense. It's a huge risk.

With a different economic backdrop, this wouldn't just be the mother of all oil shocks; it would be the rest of the family, too. It's Hollywood stuff that only a few years ago would have led to predictions of oil zooming past its 2008 high on the way to \$200 a barrel. That would have put the global economy on its knees, with runaway inflation likely forcing central bankers to hike interest rates and potentially crashing the financial markets.

For sure, the oil price is going to spike. But even the most bullish traders are talking about perhaps reaching \$100, well below the \$139 seen in 2022 after Russia invaded Ukraine, and 2008's all-time of \$147.50. Using that wide-angle lens, the Middle East isn't about to trigger an oil shock. It may be a wobble, perhaps a tremor, it may even get nasty, but the economy isn't heading into recession as in 1973-74 after the first oil crisis, or 1990-91 after Saddam Hussein invaded Kuwait. The main reason for this is the one that will have emboldened Trump and his military strategists: The US shale revolution, which hands the US a much stronger hand in controlling prices.

And despite fears that Iran could set the Middle East's energy industry on fire, targeting oilfields, refineries and export terminals, Tehran hasn't yet turned oil into a weapon. Neither have Israel and the US targeted Iran's oil infrastructure. The Iranian retaliation has been loud, but it appears largely ineffective so far. The US has said three service members were killed and five "seriously wounded." The damage elsewhere in the Gulf is relatively minor.



For energy markets, the biggest worry is the Strait of Hormuz, the narrow body of water to the south of Iran that's a chokepoint for about 20% of the world's oil. Shipping traffic has fallen sharply, although a handful of tankers passed through overnight without incident. Despite wild claims on social media, Iran has not closed the strait.

Any stoppages are being self-imposed by the shipping and oil industries, in part responding to some insurers withdrawing coverage and in part at the request of the US Navy in the first hours of the conflict. There's a bit of a buffer, as oil exporters such as Saudi Arabia, and even Iran, increased loadings in the days running up to the attacks. Oil exports from the Persian Gulf were nearly 10% higher in February than the month before. The bulk of that has already left the region. Still, unless Washington quickly convinces shipping firms that the strait is safe, the self-imposed pause would turn into real disruption.

In a social-media video, President Donald Trump promised to "annihilate" the Iranian navy, an indication of the White House's maritime priorities. The clock is ticking, and Hormuz will make or break this crisis. Fatih Birol, the head of the International Energy Agency, put it well by saying, "Markets had been well supplied to date." Those words "to date" are key. If oil prices get ugly, Trump may create an off-ramp for himself. Having killed Khamenei, he can claim "mission accomplished" and move on.

Thankfully, the physical oil market entered the crisis weak in terms of pricing pressure. For months supply has run ahead of demand, allowing inventories to slowly refill, albeit from a low level. Now the industry is heading into a couple of months of weak demand as the northern hemisphere emerges from winter.

For the last two years, China, the biggest buyer of Middle Eastern crude, has been building a massive strategic petroleum reserve, which could limit the wider market disruption. Iranian oil is sold almost exclusively to Chinese refineries. If needed, Western nations can tap their reserves as well.

And while the physical market has been weak, the financial oil market has been bullish, snapping up oil in the expectation of rising prices. A year ago, Israel and America's 12-Day War on Iran wrongfooted many traders, triggering a wave of buying that caused crude prices to leap. This time, the number of bullish positions is at one of the highest levels over the past 10 years. As such, oil traders are better prepared to digest the crisis.

The OPEC+ oil cartel can help cushion some of the impact, but more with words than barrels. On Sunday, the group announced a production increase for April, and hinted more to come. Still, unless the Strait of Hormuz fully reopens, all the incremental barrels will be trapped. Saudi Arabia and the UAE have pipelines that let them bypass the strait, partly anyway. If the conflict intensifies, they will highlight that alternative.

One of the world's chief oil bulls, of course, resides in the Kremlin. Vladimir Putin will benefit from the war via loftier oil prices and greater demand for his own sanctioned crude. Barely hiding his glee, Russia envoy Kirill Dmitriev posted on social media on Saturday: "\$100+ a barrel soon." He may be a tad too bullish, but directionally he's not wrong. Perhaps more important, Russia may find it easier to sell in the black market the millions of barrels of oil it has sitting in storage. If the White House turns a blind eye, India may buy them. That is hardly ideal for anyone trying to counter Putin's belligerence, but it would ease any global crude shortage linked to the Strait of Hormuz.

## Iran Crisis Threatens Worst Gas Market Disruption Since 2022

By [Ruth Liao](#), [Stephen Stapczynski](#), and [Salma El Wardany](#)

March 1, 2026 at 5:28 PM GMT+5:30

A widening Middle East conflict looks set to create the most significant disruption for gas markets since Russia's invasion of Ukraine upended global trade four years ago.

Iran's neighbors, like Qatar, are some of the world's most important producers, and the region is also a vital supply route, with 20% of liquefied natural gas exports traveling through the Strait of Hormuz, a crucial chokepoint for global energy.

LNG trade through the narrow waterway is now all but halted, according to ship-tracking data. Asian buyers — which take roughly a quarter of their LNG from Qatar, the world's second-largest exporter — have been calling suppliers to check if alternative cargoes are available, according to traders. Egypt, meanwhile, is trying to bring forward shipments, after supplier Israel shuttered some fields.

"Any naval activity in the Straits of Homuz will be particularly bullish, as will any developments with Qatari LNG production," said Tom Marzec-Manser, director of Europe LNG and gas at Wood Mackenzie.



LNG ships appear to halt on both sides of Hormuz, ship-tracking data shows.

Russia's invasion of Ukraine in 2022 created unprecedented turmoil in the international gas trade, cutting Moscow off from its largest export market, fueling volatility and triggering a record spike in prices in Europe and elsewhere.



Asia is particularly vulnerable to similar ripple effects from the Middle East's worsening crisis. More than four-fifths of Qatar's LNG was delivered to Asian buyers last year, with China the biggest purchaser, taking almost a third of its imports from the country. India is the second-largest importer.

Shipments to Asia — and the Europe — must pass through the Strait of Hormuz. So far, at least eleven LNG tankers going to or from Qatar have paused voyages to avoid the waterway, according to ship-tracking data.

Smaller exporter UAE also sends its LNG exports through the Strait.

“There is no replacement,” Anne-Sophie Corbeau, a researcher at Columbia University's Center on Global Energy Policy, said in a post on LinkedIn. “Will prices spike more in Asia or in Europe? Europe is less exposed, but has low storage levels. It also depends on how much is diverted to Asia.”

Qatar exported 82.2 million tons of LNG in 2025. One of the production units at Qatar's Ras Laffan complex was undergoing planned maintenance as of last week, according to the traders, which will contribute to lower flows. They asked not to be named as they are not authorized to speak to the media.

Nippon Yusen, a major Japanese LNG shipowner and manager, has instructed its affiliated ships to avoid the area around the Strait of Hormuz, according to a company spokesperson. Mitsui OSK Lines, another large Japanese LNG shipowner, has instructed vessels to wait in safe waters, while Kawasaki Kisen Kaisha confirmed it had ordered vessels in the Persian Gulf to stand by.

If the conflict drags on and shipping disruptions continue, risks will grow rapidly for LNG output, which requires steady exports to move fuel through the facility — or risk forcing output cuts.

Chinese importers are among those making last-minute calls this weekend to weigh up alternative supplies if Iranian efforts to curb shipping are sustained, traders said, though QatarEnergy has not delayed any shipments to its buyers. QatarEnergy did not immediately respond to a request for comment outside usual business hours.

Traders in India, Japan and elsewhere are also bracing for higher prices, reversing over a year of relatively subdued rates at a time of ample new supply. And it isn't just spot prices — long-term LNG contracts are usually linked to crude benchmarks, so an increase in Brent oil will also make gas more expensive for Asian consumers.

“If tensions in the Middle East intensify or become prolonged, restrictions on tanker navigation and other factors could affect supply to Japan,” Jera Co., Japan's largest LNG buyer, said in a statement. “We will continue to make every effort to secure flexible fuel procurement,” leveraging the capabilities of its trading arm.

Another potential pressure point will be Turkey, which imports pipeline gas from Iran. Like Egypt, the country may be forced to buy more LNG if key flows are curtailed as a result of the ongoing conflict, adding more upward pressure to prices for super-chilled seaborne gas shipments.

Iran exports gas to Turkey via a 9.6 billion cubic meters per year contract, even though actual volumes delivered have recently dipped below those quantities, according to



Columbia's CGEP. Supplies from Tehran made up less than 15% of the country's gas imports in 2024, according to data from the Oxford Institute for Energy Studies.



# Goldman Says European Gas Could Jump 130% on Hormuz Disruption

By [Keira Wright](#)

March 2, 2026 at 4:36 AM GMT+5:30

European natural gas prices could more than double if shipping through the [Strait of Hormuz](#) is halted for one month, according to Goldman Sachs Group Inc.

Benchmarks in Europe and Asia have hardly priced in risk premiums associated with Iran, Goldman analysts including Daan Struyven said in a note dated March 1. About a fifth of the world's liquefied natural gas, mainly from Qatar, goes through the chokepoint and a month-long halt could see European prices and spot Asian liquefied natural gas surge 130% to \$25 per million British thermal units, they said.

“A hypothetical longer disruption of natural gas supply transit through the Strait of Hormuz lasting more than two months would likely lift European natural gas prices above €100/MWh (\$35/mmBtu) to trigger more significant global gas demand destruction,” the analysts said.

However, the impact on US natural gas would likely be limited, according to Goldman. The nation is a large net exporter of the superchilled fuel while liquefaction plants typically operate at capacity, giving little scope for them to increase shipments.



## OPEC+ to Resume Oil Output Increases as Iran Conflict Rages

By [Grant Smith](#), [Nayla Razzouk](#), [Salma ELWardany](#), and [Fiona MacDonald](#)

March 1, 2026 at 7:01 PM GMT+5:30

OPEC+ agreed to resume oil production increases at a slightly accelerated pace as a conflict sparked by US-Israeli strikes on Iran threatened to bolster a rally in crude prices.

Key members led by Saudi Arabia and Russia — which had paused a series of hikes during the first quarter — will add 206,000 barrels a day in April, according to a [statement](#) after their monthly video conference on Sunday.

The hike is just 1.5 times bigger than the 137,000-barrel increments made by the group in December. The conflict in the Middle East threatens to disrupt global oil flows, yet several OPEC+ producers have limited capacity to increase, while one delegate said it was too early to assess the market impact. Key Gulf members could also face the risk of export constraints if there are [prolonged disruptions](#) in the critical Strait of Hormuz.

“This move is unlikely to calm markets — it’s a signal, not a solution,” said Jorge Leon, head of geopolitical analysis at consultant Rystad Energy AS who formerly worked at the OPEC secretariat. “You can announce higher production, but if tankers face constraints in Hormuz, the physical market remains tight.”

Oil prices climbed to a seven-month high of \$73 a barrel in London last week as concern over US President Donald Trump’s military build-up and a series of output disruptions shook up a global market that had seemed on track for significant oversupply.

The Saudis, Iraq, Kuwait and the United Arab Emirates had already started to [boost oil exports](#) last month, echoing a surge some of them made during the American assault on Iran’s nuclear facilities last June.

Whether they can continue the export push will ultimately depend on the status of Hormuz — a vital route to global markets for some of OPEC+’s biggest members — where traffic has slowed to a trickle as the conflict unfolds.

The Organization of the Petroleum Exporting Countries’ spare production capacity is largely confined to Saudi Arabia and the UAE, which together hold about 2.5 million barrels a day, or less than 3% of world supplies, according to the International Energy Agency. Some analysts believe that even this figure may be an overestimate.

“Spare capacity is really only sitting in Saudi Arabia at this stage, with the rest of the producers effectively maxed out — hence the actual barrel-add will be exceedingly modest,” said Helima Croft, head of commodity-markets strategy at RBC Capital Markets LLC. “Everything that you bring on now leaves less in reserve.”

### Returning Supply

OPEC+ has been restoring idled production in stages. The group has a flexible road map to restore the remainder of a tranche of halted output — amounting to just over 1 million barrels a day — in subsequent months, according to three delegates. Two said the process could be completed by the end of September, while a third said the option of a



three-month pause meant it may finish at year's end. All asked not to be identified discussing confidential information.

Heading into 2026, top traders and forecasters had braced for a substantial oil glut as swelling production from across the Americas overwhelmed growth in demand, which has slowed down.

Yet the picture has been scrambled after producers from North America to Kazakhstan were hit by outages, while sanctions caused a pile-up of cargoes from Russia and Iran that were inaccessible to most buyers. Meanwhile, China has continued to scoop up some of the excess for its strategic reserves.

Opening the taps further may also be consistent with Riyadh's long-term objectives. Almost one year ago, the Saudis stunned crude traders by rapidly restarting production that had been halted since 2023, ignoring widespread warnings that global oil markets were already plentifully supplied.

Some OPEC+ delegates explained that breakaway from defending oil prices as an attempt to reclaim global market share ceded in previous years to rivals such as US shale drillers. Riyadh was also heeding calls from Trump to lower fuel costs for American consumers, in the view of some analysts.

The coalition opted to pause supply increases during the first quarter, pointing to a seasonal slowdown in fuel consumption. With the hike now scheduled for April, they will have formally restored — at least on paper — about 73% of 3.85 million barrels a day of shuttered supply. The producers are due to meet again on April 5.

# OPEC+ announces more-than-expected oil output

By CUI HAIPEI in Dubai, UAE  
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The key members of the OPEC+ oil alliance announced a greater-than-expected increase to production quotas on Sunday following United States and Israeli strikes on Iran that triggered retaliation by Tehran across the Middle East.

The "Voluntary Eight" group in the alliance, which includes top oil producers Saudi Arabia and Russia, said they had agreed a "production adjustment" of 206,000 barrels per day.

"This adjustment will be implemented in April," they said in a statement.

The text did not mention the outbreak of the Iran conflict, instead citing "a steady global economic outlook and current healthy market fundamentals" as reasons for the increase.

Before the weekend's meeting,

experts had forecast a more modest increase of 137,000 barrels per day.

However, Jorge Leon, an analyst at Rystad Energy, warned the agreed increase was potentially not large enough to prevent the Iran conflict causing a spike in oil prices when trading opens on Monday.

Leon pointed to the possibility that Iran could target the Strait of Hormuz — a key waterway through which around nearly one-fourth of the world's seaborne oil supplies — in retaliation.

Iran's Revolutionary Guards have contacted ships to announce the strait is closed. On Sunday, Iranian state TV said an oil tanker in the strait was struck while attempting to "illegally" pass through and was sinking, showing footage of a burning tanker at sea.

"If oil cannot move through Hormuz, an extra 206,000 barrels per day does very little to ease the market," Leon said, arguing that

"logistics and transit risk matter more than production targets right now".

The OPEC+ move "is unlikely to calm markets", he said.

"Prices will respond to developments in the Gulf and the status of shipping flows, not to a relatively small increase in output."

Besides Russia and Saudi Arabia, the Voluntary Eight group within OPEC+ includes Kuwait, Oman, Iraq and the United Arab Emirates, all of which were targeted by Iranian attacks for a second day on Sunday.

Algeria and Kazakhstan are also part of the group.

Another analyst, Stephen Innes, managing partner at SPI Asset Management, said that, with the fear of incoming missiles in the Strait of Hormuz, insurers canceling contracts for vessels wanting to go through there, and jammed electronic signaling in the Gulf

region, commercial shippers were scared.

They are "starting to act as if the route is compromised", he said.

"A full closure for more than a few days is a nightmare scenario," he said.

A blockage of the strait could mean oil prices leaping from around \$72 before the conflict to \$120 to \$150 a barrel when trading starts on Monday, he said, based on industry estimates.

He and other analysts pointed to land pipelines Saudi Arabia and the UAE could use to get around shipping through the strait, but noted that would still leave a shortfall of some 8 million to 10 million barrels per day on the market.

"Those are meaningful pressure valves, but they are not a replacement for the full seaborne flow," Innes said.

*Agencies contributed to this story.*



## OPEC+ crude output boost ignored with duration of Hormuz disruption key

Clyde Russell

Asia Commodities and Energy Columnist

March 2, 2026 5:34 AM GMT+5:30 Updated 1 hour ago

LAUNCESTON, Australia, March 2 (Reuters) - The OPEC+ decision to lift crude oil output by 206,000 barrels per day (bpd) from April is probably the least consequential decision the group has made in nearly a decade of existence.

Adding about 0.2% of global oil demand to supply a month from now is little more than a symbolic gesture in the face of a widening conflict in the Middle East, which is already leading to serious supply disruptions.

But there was little the eight members of the OPEC+ group undertaking voluntary production cuts could have done at their meeting on Sunday to assure the market about supply security.

The increase of 206,000 bpd from April was above the 137,000 bpd that had been tipped by analysts ahead of the meeting, and if there is any impact it's the symbolism of the group saying they can add more barrels to the market if needed.

Certainly, the OPEC+ output decision wasn't enough to prevent crude prices spiking higher at Monday's open, with benchmark Brent futures jumping as much as 13.6% to a 12-month high of \$82.37 a barrel, before easing to trade at \$79.10 in early Asian trade.

The main issue for crude oil markets is how long will supplies be disrupted from the Middle East, and how will top importers react.

In the fog of war there is always considerable uncertainty, and the current bombing and missile strikes by Israel and the United States against Iran, and the retaliation targeting neighbouring Gulf countries, is no exception.

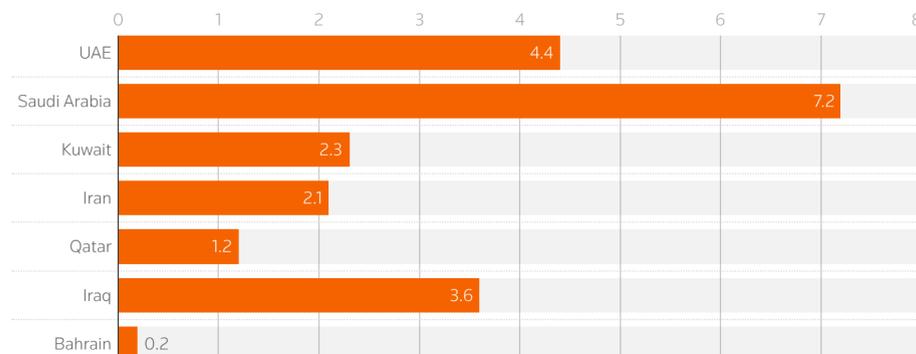
Iran's decision to strike at civilian targets in the United Arab Emirates (UAE) may be either a strategic blunder or strategic brilliance, with much riding on how long Tehran can keep up the attacks and how long the UAE can successfully defend what are likely to be increasingly worried civilian and expatriate populations.

But for crude oil markets, it's worth focusing on what is known and what the most likely responses are to the current situation.

The Strait of Hormuz, through which about 20 million bpd of crude and refined products moves, is effectively closed as ship owners and insurers are reluctant to risk vessels while a major conflict is underway.



### A fifth of global oil consumption flows through the Strait of Hormuz per day



Note: Includes both exports of crude oil and of oil products passing through the Strait of Hormuz off Iran's southern coast, as of May 2025

All data in millions of barrels a day

Source: Kpler, J.P. Morgan Commodities Research | G. Hay | February 28, 2026



### A graph showing how much oil passes through the Strait of Hormuz every day

The good news on this is that so far it appears Iran hasn't actively tried to block the narrow waterway that carries almost 20% of global crude and product supply.

This means that when the shooting stops tankers will be able to rapidly move through the Strait, easing any supply bottleneck.

### CHINA, INDIA

There are also other factors at work that will likely ease some of the supply concerns.

The first is that China, the world's biggest crude importer, is likely to trim arrivals in coming months.

China's imports have been strong in recent months, with LSEG Oil research estimating January arrivals at 11.61 million bpd and February's estimated at 13.42 million bpd, which would eclipse the previous record of 13.18 million bpd in December.

With the surge in prices it's likely that China will cut up to 2 million bpd from February's levels by the time cargoes being arranged currently are delivered in May and June.

Another factor is that India, Asia's second-biggest crude importer, will switch back to buying Russian crude even though it had agreed with U.S. President Donald Trump to dramatically cut imports from Russia.

For India, security of supply will top any deal with Trump, especially since it is Trump's war of choice with Iran that is creating the likely supply difficulties for India.

It's also likely that if supply through the Strait of Hormuz remains constrained for an extended period that importing countries will release strategic reserves while exporting countries across the globe will seek to maximise production and shipments.



While crude oil grabs the bulk of the media headlines, it's worth looking at liquefied natural gas (LNG), with all of Qatar's shipments, which are about 20% of the global total, also passing through the Strait of Hormuz.

Similar to crude, importing countries can adjust demand if prices spike because of supply disruptions, with top buyer China most likely to cut back on spot cargoes and possibly even resell term shipments.

Price-sensitive buyers in Asia such as India will also cut imports, and even Europe can trim imports and slow the rebuilding of inventories depleted during the winter peak demand.

The key for both crude and LNG markets is how long the shooting war continues, and this remains the biggest unknown.

Certainly both sides will likely run down essential munitions but probably can sustain some form of conflict for an extended period.

The more likely constraint is if oil and natural gas prices surge higher and maintain elevated levels, Trump and other leaders will come under increasing public pressure to end the conflict.



## Oil jumps as Iran conflict escalates, disrupts shipping

By [Florence Tan](#)

March 2, 2026 4:49 AM GMT+5:30 Updated 8 mins ago

SINGAPORE, March 2 (Reuters) - Oil prices jumped 7% to their highest levels in months on Monday as Iran and Israel stepped up attacks in the Middle East, damaging tankers and disrupting shipments from the key producing region.

Brent crude futures shot up to \$82.37, the highest since January 2025, in the first futures trading after the U.S. and Israel launched strikes on Iran and [killed](#) its Supreme Leader Ali Khamenei on Saturday. As of 0054 GMT, Brent futures were at \$78.24 a barrel, up \$5.37, or 7.37%.

U.S. West Texas Intermediate crude rose \$4.66, or 6.95%, to \$71.68 a barrel after touching \$75.33 earlier, the loftiest since June 2025.

Israel launched a [new wave of strikes](#) on Tehran on Sunday and Iran responded with more missile barrages, a day after the killing of Supreme Leader Ali Khamenei pitched the Middle East and the global economy into deepening uncertainty.

The attacks exposed ships to collateral damage as missiles hit at least [three tankers](#) off the Gulf coast and killed one seafarer, shipping sources and officials said on Sunday.

Iran has said it has [closed navigation](#) through the [Strait of Hormuz](#), prompting Asian governments and refiners - key buyers - to [assess oil stockpiles](#).

"With the retaliatory action now evolving to attacks on oil tankers in the Strait of Hormuz, the threat on oil supplies has substantially risen," ANZ analyst Daniel Hynes said in a note.

Citi analysts expect Brent to trade between \$80 and \$90 a barrel this week amid the ongoing conflict.

"Our baseline view is that the Iranian leadership changes, or that the regime changes sufficiently as to stop the war within 1-2 weeks, or the U.S. decides to de-escalate having seen a change in leadership and set back Iran's missiles and nuclear program over the same time frame," the analysts led by Max Layton said in a note.

Amid the conflict, [OPEC+ agreed](#) to a modest oil output boost of 206,000 barrels per day for April on Sunday.

Every OPEC+ producer is essentially producing at capacity except for Saudi Arabia, RBC Capital analyst Helima Croft said.

"The utilization of any spare barrels will be severely limited if critical waterways are rendered inoperable," she said.

Risks to commercial shipping have surged in the past 24 hours, with [more than 200 vessels](#) including oil and liquefied gas tankers dropping anchor around the strait and surrounding waters, shipping data showed on Sunday.

The International Energy Agency is actively monitoring events in the Middle East and is in touch with major producers in the region and IEA governments, director Fatih Birol



said on Sunday. The energy watchdog coordinates the release of strategic petroleum reserves (SPR) from developed countries during emergencies.

"Global total visible oil inventories stand at 7.827 million barrels now, near their historical median when expressed as covering 74 days of global demand," Goldman Sachs analysts led by Daan Struyven said in a note.

"The oil market could draw inventories, deploy spare capacity once the Strait reopens, and potentially benefit from global SPR releases," they added.



## OPEC+ agrees modest oil output boost even as US war on Iran disrupts shipments

By Olesya Astakhova, Alex Lawler and Ahmad Ghaddar

March 1, 2026 2:42 PM GMT+5:30 Updated 8 hours ago

LONDON/MOSCOW, March 1 (Reuters) - OPEC+ agreed a modest oil output boost of 206,000 barrels per day for April on Sunday just as the U.S.-Israeli [war on Iran](#) and Tehran's retaliation disrupted oil flows from key members of the producer group in the Middle East.

OPEC+ has a history of raising oil output to cushion disruptions but analysts said the group currently has little spare capacity to add to supply, except for its leader Saudi Arabia and the United Arab Emirates, which will also struggle to export oil until navigation in the Gulf returns to normal.

Riyadh has been increasing [oil production](#) and exports in recent weeks by around 500,000 bpd in preparation for U.S. strikes on OPEC+ member Iran, sources have told Reuters.

Oil, gas and other shipments from the Middle East via the Strait of Hormuz [have come to a halt](#) since Saturday after shipowners received a warning from Iran saying the area was closed for navigation.

Hundreds of ships [dropped anchor](#) and were not moving on Sunday and several ships came under attack. Hormuz is the world's most important oil route accounting for over 20% of global oil transit.

### OPEC+ DECISION MAY NOT CALM MARKETS

Despite fears of a glut that would weigh on prices, global benchmark Brent crude has rallied this year and jumped on Friday to \$73 per barrel, the highest level since July, on fears of a wider conflict in the Middle East.

[Brent traded](#) 8%-10% up around \$80 per barrel over the counter on Sunday, traders said.

OPEC+'s output increase is unlikely to calm markets, said Jorge Leon, a former OPEC official who now works as head of geopolitical analysis at Rystad Energy.

"Prices will respond to developments in the Gulf and the status of shipping flows, not to a relatively small increase in output."

OPEC+ will raise production by 206,000 barrels per day from April, it said in a statement on Sunday. It had [debated](#) options ranging from 137,000 bpd to 548,000 bpd, according to five sources who declined to be named because they are not authorised to speak to the press.

The agreed increase, which brings an end to a three-month pause in production hikes, represents less than 0.2% of global supply.



## **WARNING ABOUT OIL PRICE JUMP**

Middle East leaders have warned Washington that a war on Iran could lead to oil prices jumping to over \$100 per barrel, said veteran OPEC analyst Helima Croft from RBC. Analysts from Barclays also said prices could rise to \$100.

Croft said the market impact from any OPEC output increase will be limited due to a lack of production capabilities outside Saudi Arabia.

"A tighter market in the first quarter allows the group to continue increasing the quota, however real barrels being added to the market will be a fraction of it," said Giovanni Staunovo, an oil analyst at UBS.

OPEC+'s declining level of spare capacity might have been a factor behind the decision not to opt for a larger boost, he said.

The meeting on Sunday involved only eight members of OPEC+ - Saudi Arabia, Russia, the UAE, Kazakhstan, Kuwait, Iraq, Algeria and Oman. OPEC+ groups the Organization of the Petroleum Exporting Countries and allies like Russia but most production changes in the past years have been done by the eight members.

The eight members raised production quotas by about 2.9 million bpd from April through December 2025, roughly 3% of global demand, before pausing increases for January to March 2026 due to seasonal weakness.

# Fossil fuel giant's \$370 million tax break draws criticism

IRS ruling appears to let Cheniere claim burning gas as an 'alternative fuel'

BY EVAN HALPER

The Trump administration has handed a \$370 million windfall to one of the world's largest exporters of natural gas by allowing the company to claim an "alternative fuels" tax incentive for operating some of the planet's most heavily polluting ships.

Financial disclosures made Thursday by liquefied natural gas (LNG) exporter Cheniere reveal that the IRS green-lit the payment earlier this year, ruling that the company's tankers powered by liquefied natural gas that ship the fossil fuel worldwide qualified for the incentive.

The IRS decision was met with sharp criticism from environmentalists and bewilderment from tax experts, who said the alternative-fuels incentive was never meant to be used on the massive vessels. Most U.S. tankers carrying LNG use the "boiloff" from fuel they are shipping to power their engines, as Cheniere's vessels do.

"This is very questionable," Zorka Milin, the policy director at the nonprofit Financial Accountability and Corporate Transparency Coalition, said of the IRS ruling. "I am not sure how they could reach this conclusion."

The methane emissions from tankers burning LNG, according to scientists, are a significant driver of climate change.

Cheniere declined to respond to detailed questions from The Washington Post. The IRS and the Treasury Department did not immediately respond to questions.

The fossil fuel giant received the credit for the period spanning 2018 to 2024, according to Cheniere's disclosures, suggesting other LNG firms could also receive the same credits retroactively. The incentive expired at the end of 2024.

Cheniere invoked a George W. Bush-era tax break that was created to promote more energy efficient and environmentally friendly vehicles and boats during a time of concern about U.S.



Sen. Jeff Merkley (D-Oregon) called the IRS decision "a vivid example of [President Donald] Trump rewarding the fossil fuel companies that bankrolled his reelection."

energy independence, before the fracking boom transformed the country into a major exporter of LNG.

The 50 cents per gallon alternative-fuel tax credit was used to boost biodiesel and ethanol as a fuel for autos. The tax code also specifies that it can apply to natural gas-powered "motorboats," which federal regulations define as vessels shorter than 65 feet. Tax experts say the credit was widely understood not to apply to bunker fuel for giant shipping vessels.

"Cheniere has apparently succeeded in convincing the IRS that its city-block-sized ocean tankers are motorboats," said Lukas Shankar-Ross, an advocate at the

environmental group Friends of the Earth. "It is hard to understand how they could get away with that."

There appear to be no other public records of LNG exporters claiming the credit for powering their hulking vessels. Cheniere first disclosed that it was seeking the tax break in a financial filing last year.

The company's filings suggest its efforts to claim the credit predate the Trump administration. But tax officials did not rule in its favor until after Donald Trump returned to the White House.

Company CEO Jack Pusco donated at least \$250,000 to Trump campaign committees in 2024,

according to donor records. He was among the oil and gas executives at an April 2024 dinner where Trump urged them to collectively contribute \$1 billion to his campaign. The Post previously reported, arguing that it would be a "deal" considering all of the taxation and regulation he would help them avoid.

Sen. Jeff Merkley (D-Oregon), in a statement to The Post, called the IRS decision to grant Cheniere the \$370 million cash payment "a vivid example of Trump rewarding the fossil fuel companies that bankrolled his reelection" and "the latest in a pattern of pay-to-play donations leading to favorable treatment by the Administration."

The company's latest annual report, issued Thursday, says that its "use of LNG as transport fuel in our operations enabled us to claim federal alternative fuel excise tax credits totaling \$370 million for the period spanning from 2018 to 2024."

The company wrote that it had not claimed the tax credit by the end of last year "because there were inherent uncertainties associated with the realizability of these claims."

Earlier this year, according to Cheniere's annual report, the IRS "issued a closing letter to us indicating completion of their review, confirming our eligibility and issuing final cash payment." When Cheniere first disclosed

that it was seeking the credits in its annual report last year, it wrote that the move was justified because the company is using LNG to power its ships as a means to "mitigate our emissions" and offer "a substitute for diesel and heavy fuel oils, which have higher emission factors."

But industry experts said that burning LNG is standard in the industry and diesel has long accounted for only a tiny fraction of the fuel burned by LNG tankers.

"When LNG carriers burn LNG for propulsion, it's not an alternative fuel, it's the fuel," said Kirsten Sinclair Rossetot, an environmental performance analyst who runs the consultancy Process Profiles.