Indian Economy · GS - III

Examine the implications of geopolitical disruptions in the Strait of Hormuz for India's energy security. Suggest measures to strengthen India's resilience against disruptions in global oil supply chains.

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MARKS	WORD LIMIT
10	~150 words

Answer Hint

Strait of Hormuz, maritime chokepoints, geopolitical instability, crude oil imports, energy security, supply-chain vulnerability, strategic petroleum reserves, import diversification, alternative shipping routes, renewable energy

Model Answer

Introduction

India's dependence on imported crude oil makes its energy security vulnerable to geopolitical tensions and disruptions along critical maritime routes. The Strait of Hormuz is particularly significant because of its role in global petroleum transportation.

Implications for India

Disruptions can delay tanker movements, increase freight and insurance costs and create uncertainty in crude oil supplies. Refining companies may face difficulties in chartering vessels, affecting procurement schedules and operational planning.

Higher transportation and crude prices can also increase domestic inflation, widen the current account deficit and put pressure on the rupee.

Measures to Strengthen Energy Security

India should diversify crude oil suppliers and develop alternative procurement arrangements. Strategic petroleum reserves can provide temporary protection against supply disruptions.

Strengthening domestic shipping capacity, improving maritime security and expanding flexible logistics arrangements can reduce transportation risks. Greater investment in renewable energy, electric mobility and energy efficiency can gradually reduce import dependence.

Conclusion

A diversified energy supply system, supported by strategic reserves and resilient maritime logistics, is essential for India's long-term energy security.

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