Indian Economy

“The Russia-Ukraine conflict has reshaped global energy trade, creating both opportunities and challenges for India.” Discuss with reference to India's role in refining and exporting petroleum products.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 18/10/2026	—	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Russia-Ukraine conflict, discounted Russian crude, energy security, oil refining, petroleum exports, Western sanctions, strategic autonomy, global supply chains, economic gains, diplomatic balancing.

Model Answer

Introduction

The Russia-Ukraine conflict has significantly altered global energy markets. India's purchase of discounted Russian crude and export of refined petroleum products has highlighted its growing importance in global energy trade while raising geopolitical and diplomatic questions.

Main Body

Opportunities for India

1. Energy security: Discounted crude helps reduce import costs.

2. Economic gains: Higher refinery utilisation increases exports and foreign exchange earnings.
3. Refining hub: India strengthens its position as a major global refining centre.
4. Strategic autonomy: India continues to pursue its national interests while engaging with multiple partners.

Challenges

1. Sanctions-related scrutiny: India's energy trade attracts international attention.
2. Diplomatic balancing: India must maintain relations with Russia, Europe and the United States.
3. Price volatility: Global oil market fluctuations affect domestic inflation and energy costs.
4. Supply chain risks: Geopolitical conflicts can disrupt shipping and insurance.

Conclusion

India's energy strategy demonstrates the importance of balancing economic interests with diplomatic commitments. Diversifying energy sources, expanding renewable energy and strengthening domestic refining capacity will enhance long-term energy security.

BECOME IAS
AI POWERED UPSC PREP