

NHAI rushes to secure bitumen as Iran war disrupts supplies

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After oil and fertilizer, a new commodity is feeling the heat of the West Asia conflict: bitumen. With India's plan to build nearly 10,000 km of highways in FY27 under threat, the National Highways Authority of India (NHAI) is urgently securing bitumen supplies from state-run oil refiners like Indian Oil Corp. Ltd (IOCL), Bharat Petroleum Corp. Ltd (BPCL), and Hindustan Petroleum Corp. Ltd (HPCL), two people aware of the development said.

"Bitumen prices are revised every 15 days, and in discussions with highway builders, NHAI has said it will coordinate with oil marketing companies IOCL, HPCL, and BPCL to ensure that supplies are not impacted," said one of the people cited above, speaking on the condition of anonymity.

India's annual bitumen requirement is nearly 9 million tonnes. Industry estimates suggest bitumen prices range from



India requires nearly 9 million tonnes of bitumen a year. MINT

₹40,000-60,000 per tonne in India, depending on quality. Global prices are in the \$400-500 per tonne range, roughly equivalent to Indian prices using the current rupee-dollar exchange rate. The ministry of road transport and highways, through NHAI, started discussions with the industry over bitumen supplies because it is a crucial input and India is dependent on West Asian imports, said the second person, also requesting anonymity.

Queries emailed to NHAI, road ministry, IOCL, BPCL, HPCL on 6 March remained unanswered.

Experts said India's depend-

ence on bitumen imports is significant, and that a prolonged conflict in West Asia could push India to diversify its sources.

"India imported about 35-36% of its bitumen requirement in FY25, with a significant amount coming from the Middle East (West Asia). Out of the 8.3 million tonnes of bitumen used in India last year, 5.3 million tonnes were made domestically, and the rest was imported," said Prashant Vashisht, senior vice-president and co-group head at ratings agency Icria.

Vashisht said Indian refineries could raise bitumen output, but if the conflict drags on, other import sources such as Singapore or other Southeast Asian nations might be needed.

Other experts said the import dependence could be higher if oil imports are factored in, and that diversifying imports could cover the supply gap but may not reduce prices, which have already begun to increase.

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