Strait of Hormuz disruption can send crude soaring; impact 2.6 mb/d of India's imports

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The escalating conflict between Iran and the US, which is now spreading across West Asia, is fuelling fears of a blockade of the world's most critical energy choke point — the Strait of Hormuz — threatening around 2.6 million barrels per day (mb/d) of India's crude oil imports.

ICRA points out that roughly 50 per cent of India's crude oil and 54 per cent of liquefied natural gas (LNG) imports were routed through the Strait of Hormuz in FY25.

IMMEDIATE HIT

Global real time data and analytics provider Kpler said: "A disruption at the Strait of Hormuz would have immediate and significant implications for both India and global oil markets, as roughly 2.6 mb/d of India's crude imports transit the Strait, primarily from Iraq, Saudi Arabia, the UAE and Kuwait."

Any blockade would likely trigger a sharp geopolitical risk premium, driving Brent prices higher, it added.

India's crude oil imports from Middle East/ West Asia

(Thousand Barrels Per Day -- kb/d)

Month/year	Iraq	Saudi Arabia	The UAE	Kuwait	Qatar	Oman
January 2026	1028	774	396	240	221	40
December 2025	904	706	592	290	117	7
November 2025	952	646	256	178	0	0
October 2025	844	667	390	65	33	0
September 2025	855	603	591	88	0	35
August 2025	731	634	615	16	42	0
July 2025	908	700	448	76	157	0
June 2025	835	579	430	50	9	0
May 2025	1078	581	460	19	41	0
April 2025	835	539	268	106	0	36
March 2025	889	565	429	110	70	33
February 2025	1084	716	327	55	75	70

Source: Kpler

Sumit Ritolia, Kpler's Lead Research Analyst for Refining and Modelling, told *businessline*: "For India, this would translate into higher import costs, freight and insurance spikes, potential short-term supply tightness, and pressure on the rupee and fiscal balances. However, a prolonged full blockade remains a low-probability scenario given the economic dependence of Gulf producers, including Iran, on uninterrupted export revenues."

RISING CRUDE PRICES

Prashant Vasisht, Senior VP and Co-Group Head, Corporate Ratings at ICRA, said,

"For Indian refiners, crude oil could be sourced from alternative locations such as the US, Africa, South America, however elevated energy prices could lead to a soaring import bill. Additionally, elevated crude oil prices would moderate the marketing margins and profitability of oil marketing companies," he warned.

Ritolia said diversification options include increased sourcing from Russia (via eastern routes or via the oil on water around India), the US, West Africa (Nigeria, Angola), and Latin America (Brazil, Colombia, Venezuela).