GEOPOLITICS

HORMUZ IS BURNING, AND INDIA'S OIL STILL FLOWS. HERE IS WHY

By **Kamlesh Bhagatkar**, *Politician, Author & Geopolitical Analyst · 10 November 2026*

On Sunday, 8 November, the war in West Asia came close to the oil that powers our economy. Iran said several tankers caught fire in the Strait of Hormuz after hitting mines. The same morning, the Saudi-led coalition said it had destroyed Houthi missiles launched towards Riyadh, and AFP reported that an Aramco building in the city's financial district was damaged. Saudi Arabia called the damage minor. By evening, the coalition said it had struck the Houthi launchers used in the attack.

On the same day, the state-owned Indian Oil Corporation (IOC) explained how it is getting through all this. On its second-quarter earnings call, IOC said it plans to buy its own crude oil and LPG carriers. According to Director of Finance Anuj Jain, the board has already approved the purchase of a few vessels, and tenders were issued several months ago. "The country needs oil sector companies to focus more on the shipping area now," he said, as reported by PTI.

IOC's numbers tell the bigger story. In the first half of this financial year, 55 per cent of its crude came from Russia and only 24 per cent from the Middle East. Africa supplied about 10 per cent, Brazil 7 per cent, the United States 2 to 5 per cent and Venezuela 3 to 4 per cent. IOC has also raised its crude stocks to about 39 days, against its usual 33 to 35.

What the crisis has cost

None of this has been cheap. According to PTI's report of the call, the Indian basket of crude was about USD 65 to 70 a barrel in February, stayed above USD 100 for much of the April to June quarter, and was about USD 120 in October. PTI linked the rise to US-Iran hostilities that escalated towards the end of February.

Shipping has become a second battlefield. A crude carrier on time charter costs IOC about USD 2 to 2.50 a barrel, while spot rates have gone up to USD 8 to 10. LPG freight, normally about USD 40 a tonne, now costs USD 160 to 180 a tonne on the spot market. That is why IOC is weighing three options: making better use of charters, owning ships, and supporting shipbuilding in India under Make in India.

The diplomacy has been tense too. Al Jazeera reported that President Trump signed a law allowing tariffs of up to 100 per cent on countries such as India that buy Russian oil, then paused it before the US midterm elections. External Affairs Minister S. Jaishankar called the Trump administration an "insensitive partner" on India's concerns about terrorism, and Finance Minister Nirmala Sitharaman said trade talks had reached a "plateau beyond which giving or taking might be very difficult."

Why India's choices look right today

India has faced steady pressure for buying Russian oil, and Washington turned that pressure into a tariff law. I think the Hormuz crisis has settled the argument in India's favour.

Look at what would have happened if India had done as it was told. If most of our crude still came through the Gulf, a closed or mined Strait of Hormuz would have hit us at the source. In my reading, because the government held its line on buying wherever the price and terms were right, more than half of IOC's crude now comes from Russia, and the rest from Africa, Brazil, the Americas and the Middle East. In my view, this is what strategic autonomy means in practice: a country that keeps its options open is harder to hurt.

The second lesson is about ships. A country that imports most of its oil cannot leave the carrying of it entirely to others. IOC's spot crude purchases rose to about 87 per cent of its sourcing, from about 50 per cent last year. Buying on the spot market gives flexibility, but it also exposes buyers to spot freight, which for LPG has risen to four times its normal rate. Owning ships, and building them in India, is the sensible answer. I would like to see other public sector oil companies follow.

There is a diplomatic lesson too. India talks to all sides in this war: Iran, the Gulf states, Israel and the United States. I think that is what gives New Delhi room to speak up for its ships and its people in the region, and a country that took sides loudly would have lost that room.

What to watch next

The Strait itself comes first: whether shipping through Hormuz becomes safer or the reported mine strikes continue. Then there is the US-Iran track. On 8 November Iran's foreign minister said there had been no negotiations since the US midterms, while CNN reported that Trump was unlikely to order an attack if talks progressed. The paused US tariff law on Russian oil buyers will matter for India once the midterm season is over. At home, the number I will watch is IOC's LPG cover of about 20 days, the thinnest of its stocks, against 23 to 25 days for petrol and diesel.

Sources

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