GEOPOLITICS

WHY RUBIO WENT TO JAMNAGAR: INDIA'S OIL REFINING POWER AND WHAT IT BUYS US

By **Kamlesh Bhagatkar**, *Politician, Author & Geopolitical Analyst · 18 November 2026*

India's oil refining capacity has become a foreign policy asset, and one visit last month showed it plainly. On Wednesday, 21 October, US Secretary of State Marco Rubio flew to Jamnagar in Gujarat to see the Reliance Industries refinery, the largest single-site refinery in the world. He had met External Affairs Minister S. Jaishankar in Mumbai the day before, Business Today reported. Al Jazeera noted that he was skipping New Delhi on this trip.

Five days before Rubio landed, on 16 October, President Donald Trump had signed an executive order waiving the tariffs and sanctions in the Lindsey O. Graham Sanctioning Russia and Iran Act. That law, signed on 18 September, allowed tariffs of up to 100 per cent on goods from the five largest buyers of Russian crude oil or natural gas, and India is one of the largest buyers. The penalties were due to apply from 18 October, according to Outlook India. The waiver stays in place until Trump or senior officials decide that "further action is appropriate".

So in one week Washington stepped back from punishing India for buying Russian oil, and then sent its top diplomat to an Indian refinery that buys Russian oil. I think the reason is simple. The world needs what Indian refineries make, and the United States needs it too.

How big India's refining really is

India is "already the fourth-largest refining nation", Petroleum Minister Hardeep Singh Puri said late last year, in a statement released by PIB. He put capacity then at about 258 million tonnes a year, with a target of around 310 million tonnes by 2030 and long-term plans for 400 to 450 million tonnes. An IANS report this month put installed capacity at 267.1 million tonnes a year as of April 2026, roughly 5.3 to 5.6 million barrels a day, behind only the United States, China and Russia.

Puri also said our refineries export to more than 50 countries, with petroleum product exports worth over USD 45 billion in 2024-25. He expects India to move from fourth to "possibly the second-largest refining power" by 2035. That is his projection, and a bold one, but the direction is real: Puri noted that several refineries worldwide face closure while India keeps adding capacity.

This capacity was built over a long time. Our first refinery was at Digboi, in 1901. Jamnagar alone now processes 1.4 million barrels a day, which Reliance says is nearly 1.5 per cent of global refining capacity. It is two refineries on one site: the first commissioned in 1999 with 660,000 barrels a day, and a second, export-oriented one added in 2008 with 580,000 barrels a day, inside a special economic zone. Both figures are from Al Jazeera's report.

The more important point is what kind of crude these plants can take. Jamnagar can process heavy, sulphur-rich crude that many refineries cannot handle efficiently. Reliance said in September that the complex had processed more than 216 crude grades, and called itself "perhaps the only refinery to achieve this feat". A refinery that can run almost any crude gives its country choices. When one supplier is cut off, India can buy from another.

Why Washington needs Indian diesel

The American interest is fuel prices. Al Jazeera reported that diesel prices in the United States had reached historic highs before the November midterm elections, and that diesel is Reliance's biggest export. In the first half of 2025, according to a Reuters analysis of trade data quoted in the same report, Reliance exported 21.66 million tonnes of refined products from Jamnagar, of which 9.81 million tonnes was diesel. Europe took 28 per cent of those exports. In September this year, six of the seven large cargo ships carrying oil products that docked at European Union ports carried Reliance goods.

Rubio also had a specific request. "We will talk with Reliance about refining more Venezuelan crude," he told reporters. Analytics firm Kpler estimated that Reliance would take roughly 350,000 to 370,000 barrels a day of Venezuelan crude in October. Reliance is also backing a planned refinery at the Port of Brownsville in Texas, expected to cost USD 3 billion to USD 4 billion, and has signed a 20-year agreement to buy a large share of its output, with operations expected around 2029.

Rubio's own description of India was careful. "You've got countries like India, for example, that have voluntarily diversified their energy portfolio, but are still getting a substantial amount of energy from Russia because it's hard to pivot from one day to the next," he said. "But they're also an important ally and partner of the United States."

I read that as an admission. Indian refineries take crude from many places, including Russia, and turn it into diesel and jet fuel that Europe and America buy. Washington can complain about the crude going in and still depend on the fuel coming out.

The Russian oil question

The Russian share of our imports has fallen but not vanished. Reliance sourced only 3 per cent of its oil from Russia before 2022 and 50 per cent by 2025, according to Al Jazeera. After Trump imposed an extra 25 per cent tariff on Indian goods in August 2025 over these purchases, Reliance cut back sharply, yet

Russian crude was still about a third of what Jamnagar processed in July to September 2026. Across India, the Global Trade Research Initiative said Russia's share of our oil imports fell from 51 per cent in July to 44 per cent in August, Outlook India reported.

India's position has been consistent. New Delhi has defended these purchases on grounds of national interest, affordability and the need to secure supplies for a large and growing economy. I agree with that position. India meets about 88 per cent of its crude needs through imports, according to the IANS report. A country that depends on imports to that extent cannot let any one capital decide where it buys.

Europe has used a different tool. On 18 July 2025 the European Union sanctioned Nayara Energy's refinery at Vadinar in Gujarat, the first Indian refinery to come under Western sanctions. Russia's Rosneft holds a 49.13 per cent stake in it. "For the first time, we're designating a flag registry and the biggest Rosneft refinery in India," wrote the EU's foreign policy chief, Kaja Kallas. The EU has also banned imports of petroleum products made from Russian crude from January 2026.

I see a contradiction in Western policy here. The same governments that object to Indian refiners using Russian crude are glad of Indian diesel when their own pumps run short. That contradiction is a strength for India only as long as our refineries stay competitive and our buying stays commercial.

What refining capacity gives Bharat

The most direct gain is energy security at home. Plants that can run many grades protect us when a supply route closes. I wrote about this during the Hormuz crisis, when our oil kept flowing despite the disruption.

Refining also gives us weight in trade talks. Rubio said in Mumbai that only "a small number of items" remained in the India-US trade agreement, according to Business Today. The deal is still unsigned, as it was when I looked at Piyush Goyal's promise of a strong US trade deal. In my view, a partner that keeps diesel moving to Western markets is harder to push around on tariffs.

It is also a base for industrial depth. Puri said India has reached nearly 80 per cent import substitution across the energy value chain, while catalysts and some specialised equipment are still imported. That gap is worth closing, for the same reason India should make its own tunnel boring machines.

The limits are real too. Capacity is leverage only if it is used. Waivers can be withdrawn: the October order requires the US Trade Representative to keep monitoring purchases of Russian oil and gas and report to the President. Europe's sanctions on Nayara show that a refinery can be targeted directly.

What to watch next

I am watching three things. The first is whether the India-US trade agreement is signed, and whether it includes energy purchases. The second is whether Washington revives the tariff threat once fuel prices ease. The third is the capacity target: Puri's goal of around 310 million tonnes by 2030 depends on new projects such as the Barmer and Andhra refineries, which he named as examples of the sector's momentum. If those come on time, India's place in world fuel markets will grow, and so will our room to choose.

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