



Geopolitics of Crude Oil: U.S. Pressure and India's Strategic Energy Choices between America, Venezuela, Russia, and Iran.

Dr. Ajay Kumar Sah

Assistant Professor,
Department of Economics,
Vanijya Mahavidyalaya,
Patna University, Patna, Bihar (India)

Abstract

The geopolitics of crude oil has re-emerged as a defining factor in shaping global diplomatic and economic relations in the post-Ukraine war era. As one of the world's largest crude oil importers, India faces complex strategic choices amid growing geopolitical pressures and shifting energy alliances. The United States, now a major energy exporter, has increasingly linked trade negotiations with energy cooperation, reflecting an interest-centric energy diplomacy framework. Simultaneously, Russia and Iran, historically long-standing partners of India, continue to hold strategic significance in India's energy calculus, particularly during periods of global instability and sanctions-driven market disruptions. Venezuela's gradual re-entry into the global oil trade further complicates the geopolitical landscape, offering diversification opportunities but accompanied by political risk.

This study analytically examines how India balances energy security, economic rationality, and strategic autonomy while navigating external pressures. By evaluating supplier dynamics across the United States, Russia, Iran, and Venezuela, the paper argues that India's oil import strategy is primarily guided by national interest, cost efficiency, and supply stability rather than geopolitical alignment alone. The findings suggest that India's doctrine of strategic autonomy remains central to its energy policy, enabling it to diversify suppliers while avoiding overdependence on any single geopolitical bloc. The research contributes to contemporary debates on sanctions diplomacy, de-dollarization, and the evolving multipolar energy order.

Keywords: Crude Oil Geopolitics; Energy Security; Strategic Autonomy; U.S. Energy Diplomacy; India–Russia Relations; Iran Energy Policy; Venezuela Oil Trade; Sanctions Diplomacy; BRICS and De-Dollarization; Multipolar Energy Order

Introduction

Crude oil has historically functioned not merely as a source of energy but as a decisive instrument of geopolitical influence, economic leverage, and strategic negotiation. In contemporary global politics, especially after the Russia–Ukraine conflict, energy markets have undergone structural realignment, transforming crude oil into a central pillar of international diplomacy. Sanctions regimes, trade agreements, maritime security concerns, and financial systems are increasingly interlinked with oil flows. The weaponization of energy supply chains and the strategic deployment of sanctions have altered traditional trade relationships, compelling major energy-importing nations to recalibrate their sourcing strategies. In this dynamic environment, crude oil diplomacy has evolved into a complex interplay of economics, security, and power politics¹.

India, as the world's third-largest energy consumer and one of the largest crude oil importers, occupies a strategically sensitive position within this shifting global energy order. With more than four-fifths of its crude oil requirements dependent on imports, India's economic growth trajectory, industrial production, transportation sector stability, and inflation management are closely tied to external energy supplies. A disruption in supply or an adverse shift in pricing dynamics can significantly impact fiscal stability and macroeconomic balance. Consequently, India's crude oil import decisions extend beyond commercial considerations; they are deeply embedded in the broader matrix of foreign policy, strategic autonomy, and national security. The country's energy strategy must reconcile the need for cost-effective supplies with the imperatives of diplomatic equilibrium and long-term sustainability.

The emergence of the United States as a major global energy exporter has introduced new dimensions to international oil trade. Over the past decade, advancements in shale oil production and liquefied natural gas infrastructure have enabled the United States to expand its energy footprint globally. American energy diplomacy increasingly reflects a pragmatic, interest-centric orientation, wherein energy exports are integrated with trade negotiations and broader geopolitical objectives. In its engagement with India, the United States has encouraged diversification of crude imports in a manner that aligns with expanding American energy exports. Such diplomatic positioning underscores a realist framework of international relations, where national economic advantage and strategic influence guide policy decisions. The U.S. approach, therefore, can be interpreted as commercially motivated and geopolitically strategic, emphasizing structured partnerships rooted in mutual economic benefit rather than historical affinity.

In contrast, India's relations with Russia are grounded in decades of strategic cooperation spanning defense, nuclear energy, and hydrocarbons. Russia has consistently remained an important partner in India's external energy portfolio, particularly during periods of global uncertainty. Following the imposition of Western sanctions on Russia, discounted Russian crude oil became economically attractive for Indian refiners, enhancing refining margins and supporting domestic fuel price stability. Beyond economic factors, the continuity of diplomatic engagement between India and Russia in international forums reflects a deeper level of strategic trust. This partnership illustrates how historical cooperation and pragmatic alignment can coexist within the evolving framework of multipolar geopolitics. Russia's role in India's energy mix thus represents not merely a transactional relationship but a component of long-standing strategic synergy.

Similarly, Iran occupies a distinctive place in India's geopolitical and energy landscape. Civilizational linkages, geographic proximity, and strategic connectivity projects such as the Chabahar Port underscore the multidimensional nature of India–Iran relations. Historically, Iran served as a significant crude supplier to India, and energy cooperation formed an essential pillar of bilateral engagement. Although international sanctions have constrained direct energy trade in recent years, Iran's strategic relevance in facilitating India's access to Central Asia and Afghanistan sustains its importance in India's long-term geopolitical calculus. The

episodic nature of sanctions and shifting diplomatic alignments indicate that Iran remains a latent yet meaningful component of India's diversification strategy².

Venezuela, endowed with some of the world's largest proven oil reserves, has re-emerged as a potential contributor to India's diversified crude basket. The heavy crude grades produced by Venezuela are technically compatible with several Indian refineries designed to process complex crude blends. However, political instability, financial constraints, and sanctions-related challenges introduce elements of risk into the supply equation. Nonetheless, the gradual relaxation of certain restrictions and the global search for diversified energy sources have renewed interest in Venezuelan supplies. This development illustrates the fluidity of contemporary energy geopolitics, where economic pragmatism often intersects with political recalibration³.

Against this intricate backdrop, India's energy policy reflects a calibrated balancing act between competing geopolitical forces and domestic imperatives. Rather than subscribing to bloc-based alignment, India appears to prioritize strategic autonomy—a doctrine rooted in independent decision-making and diversified partnerships. Energy security, inflation control, refinery optimization, and long-term economic stability remain central to policy formulation. The interplay between U.S. interest-driven diplomacy, Russia's established partnership, Iran's strategic connectivity, and Venezuela's re-emergence demonstrates the complexity of India's energy choices. Ultimately, India's crude oil strategy embodies a pragmatic synthesis of economic rationality and diplomatic equilibrium, reinforcing its position as a sovereign actor navigating an increasingly multipolar energy order.

India's Crude Oil Import Pattern : Detailed Analytical Overview

1. Import Dependency and Strategic Context⁴

India remains one of the world's largest energy importers, with 85–88 percent of domestic crude requirements sourced from abroad. Given limited domestic production, external supply choices directly affect inflation, fiscal stability, refining economics, and industrial growth. From 2019 through early 2026, India's oil sourcing has been reconfigured by evolving geopolitical influences including sanctions, conflict zones, strategic diplomacy, and diversification pressures.

2. Russia's Ascendancy in India's Crude Basket⁵

2019–2021: Russia played a relatively marginal role, contributing roughly 1–2 percent of India's crude imports.

2022: With the onset of the Russia–Ukraine conflict and swift Western sanctions, India's crude imports from Russia expanded sharply to about 16–20 percent.

2023: Russia became India's largest crude oil supplier with roughly 30–35 percent of total imports.

2024: India consolidated this trend, with Russia providing approximately 33–37 percent of imports.

2025: Analysis from trade flows shows Russia remaining a dominant partner, supplying 31–36 percent of crude imports through the year.

January–February 2026: Preliminary figures and industry reports indicate Russia's share continues near 30 – 35 percent, sustaining its position as a key supplier.

Analysis:

Russia's growth as a supplier stems from two major factors: discounted pricing and consistent supply availability under strained geopolitical conditions. In many shipments, Brent-linked pricing discounts ranged from \$10 to \$20 per barrel, enabling Indian refiners to benefit from enhanced margins and competitive export potential.

3. United States: Steady but Moderated Growth

2019: U.S. share was around 7–9 percent of India's crude imports.

2020–2021: The share varied between 6–8 percent, influenced by pandemic demand shifts and logistical constraints.

2022–2023: Post-global reconfiguration, U.S. exports to India rose to approximately 8–12 percent.

2024–2025: The U.S. share stabilized in the 9–12 percent range as American crude and LNG exports grew.

January–February 2026: Early trends suggest U.S. participation remains around 10–11 percent, reflecting a consistent diversification channel rather than a dominant supply source.

Analysis:

U.S. crude exports illustrate the integration of energy diplomacy with broader economic engagement. While supply volume is significant, factors such as higher freight costs and refinery grade compatibility mean American barrels remain part of a diversified strategy, not the central pivot.

4. Iran: Sanctions and Strategic Position⁶

2017–2018: Iran's share in India's imports was historically significant (~9–11 percent).

May 2019 onward: With U.S. sanctions restored, official crude imports from Iran dropped to zero and remained so through 2022, 2023, 2024, 2025, and into early 2026.

Analysis:

Iran's absence from the crude import list reflects the structural impact of sanctions enforcement rather than India's diplomatic stance. Despite the lack of official oil trade, Iran remains a strategic partner due to projects like the Chabahar Port, which enhance India's connectivity to Central Asia and Afghanistan. Thus, Iran's energy relevance has shifted from physical supply to geostrategic connectivity.

5. Venezuela: Decline and Emerging Engagement

2016–2018: Venezuela supplied about 3–5 percent of India's crude.

2019–2022: Sanctions and internal instability led to a sharp decline in Venezuela's contribution.

2023–2024: Reports indicate limited trial shipments and renewed discussions on commercial viability.

2025–Early 2026: Sporadic shipments continue, and refiners assess Venezuela's heavy crude blends on commercial merits.

Analysis:

Although Venezuela's overall share remains low relative to Russia or Middle Eastern sources, its heavy crude grades are technically attractive for certain Indian refineries. The gradual re-entry reflects market experimentation rather than systemic repositioning.

6. Middle East's Evolving Yet Sustained Presence

2019–2021: Combined Middle Eastern share hovered around 60–63 percent, dominated by Iraq, Saudi Arabia, and UAE.

2022–2023: Shares moderated to approximately 48–55 percent as imports from Russia and the U.S. rose.

2024–2025: The Middle East continued to supply a plurality of India's crude requirements, estimated near 48–52 percent.

January–February 2026: Initial data suggests Middle Eastern supplies remain central, collectively estimated at ~50 percent of total imports.

Analysis:

Although the Middle East's proportional share has declined in relative terms, its absolute volume remains significant. The region continues to be indispensable due to geographic proximity, pipeline linkages, and longstanding commercial relationships.

7. Structural Transformation (2019–Feb 2026)**Key Trends:**

1. Russia's ascendance from marginal to dominant supplier highlights pragmatic price-and-security tradeoffs.
2. U.S. participation represents strategic diversification, though not leading supply.
3. Iran's absence underscores sanctions' structural impact despite ongoing strategic cooperation.
4. Venezuela's gradual trial re-engagement points to future diversification potential.
5. Middle Eastern suppliers remain foundational but are no longer overwhelmingly dominant.

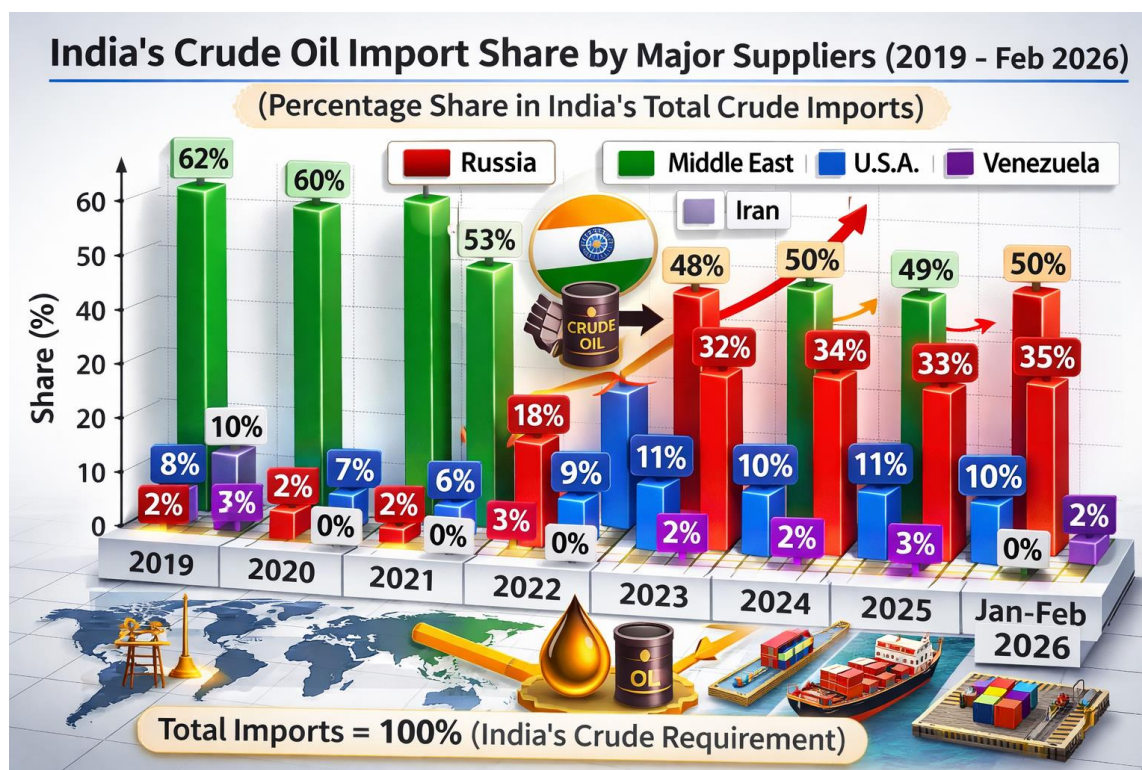
Interpretation:

The import pattern up to February 2026 confirms that India's crude sourcing is driven by cost efficiency, supply reliability, and strategic flexibility rather than fixed geopolitical alignment with any single bloc. Despite external pressures, India's policy exhibits strategic autonomy, prioritizing national energy security.

8. Policy Implications of the Trend

1. **Diversification Enhances Resilience:** India's multi-supplier strategy reduces vulnerability to single-source shocks.
2. **Economic Rationality Over Bloc Alignment:** Procurement decisions reflect pricing, freight, and refining considerations more than alliance politics.
3. **Sanctions Navigation:** India's trade structures adapt to avoid adverse secondary sanctions while preserving diplomatic channels.
4. **Strategic Diplomacy:** Engagements with Russia, the U.S., Middle East, and emerging Venezuelan participation demonstrate nuanced foreign policy calibration.

Figure 1: Russia's Rising Share in India's Crude Oil Imports (2019–2026)



Source: Compiled by the author from PPAC, MoPNG (Government of India), IEA Oil Market Reports, and trade data (2019–February 2026).

Interpretation

The 3D multicolour figure illustrates a clear structural transformation in India's crude oil import composition from 2019 to February 2026. The most significant trend is the sharp rise in Russia's share after 2022, moving from a negligible contributor (below 2%) before the Russia–Ukraine conflict to becoming India's largest supplier, contributing around 30–35% of total imports by 2023–2026. This surge reflects economic pragmatism driven by discounted pricing and supply availability rather than ideological alignment. At the same time, the Middle East, which historically accounted for more than 60% of India's crude imports during 2019–2021, shows a proportional decline to nearly 48–52% by 2024–2026. However, the region continues to remain foundational in absolute volume terms, indicating diversification rather than disengagement.

The figure further demonstrates the consistent but secondary role of the United States, whose share stabilized between 9–12% during the post-2022 period, reflecting strategic energy cooperation without dominance. Iran's complete disappearance from the chart after 2019 highlights the direct impact of sanctions on energy trade flows, while Venezuela's limited and fluctuating presence indicates cautious experimentation amid geopolitical constraints. Overall, the graphical evidence confirms that India's crude oil import strategy is guided primarily by cost efficiency, supply security, and strategic autonomy, rather than fixed geopolitical alignment with any single bloc.

United States: Interest-Centric Energy Diplomacy and Its Implications for India⁷

The emergence of the United States as a major global energy exporter over the past decade has significantly reshaped international crude oil trade patterns. Following the shale oil revolution, the United States transitioned from being a major energy importer to one of the world's largest exporters of crude oil and liquefied natural gas. This structural shift has enabled Washington to incorporate energy exports into its broader foreign policy and trade strategy. In the contemporary geopolitical environment, American energy diplomacy is closely intertwined with strategic influence, economic expansion, and alliance-building

objectives. Energy exports are not merely commercial transactions but instruments of geopolitical leverage within a competitive global order.

In relation to India, U.S. energy engagement reflects a combination of commercial opportunity and strategic alignment. India represents one of the fastest-growing energy markets in the world, making it an attractive destination for American crude exports. Between 2019 and February 2026, U.S. crude exports to India have maintained a relatively stable share ranging between 7–12 percent of total imports. Although this share does not make the United States the dominant supplier, it underscores the importance of energy as a pillar of bilateral cooperation. The Indo-Pacific strategic framework, defense collaboration, and expanding trade negotiations have increasingly included energy supply discussions as part of broader economic diplomacy.

However, the American approach to energy trade is largely grounded in national interest and market expansion. Sanctions regimes targeting countries such as Iran, Russia, and Venezuela demonstrate how energy policy can be integrated with financial and diplomatic pressure mechanisms. Secondary sanctions, shipping insurance restrictions, and dollar-denominated financial controls serve as instruments through which the United States shapes global oil flows. For energy-importing countries like India, this creates a complex environment in which procurement decisions must account not only for price and quality but also for geopolitical compliance risks. Thus, American energy diplomacy can be characterized as interest-centric—prioritizing strategic and economic advantage while reinforcing its global influence.

From India's perspective, engagement with the United States offers diversification benefits and strengthens diplomatic ties with a major global power. Yet, structural factors such as longer transportation routes, freight costs, and crude grade compatibility limit the scale of U.S. crude dominance in India's import basket. Consequently, while U.S. oil forms an important component of diversification, it does not replace other suppliers such as Russia or Middle Eastern countries. India's procurement strategy demonstrates that economic rationality and supply security remain primary determinants, even when strategic partnerships are expanding.

Overall, the data and policy developments up to February 2026 suggest that the United States plays a significant but not hegemonic role in India's crude oil portfolio. Its engagement reflects a broader pattern of interest-driven energy diplomacy in which trade, strategy, and geopolitical influence intersect. For India, managing this relationship requires balancing strategic cooperation with independent energy decision-making under the doctrine of strategic autonomy.

Russia: A Long-Standing Strategic Energy Partner of India⁸

India and Russia share a historically deep and multidimensional strategic relationship that extends beyond energy cooperation into defense, nuclear technology, space collaboration, and diplomatic coordination in multilateral forums. Since the Cold War era, Russia (formerly the Soviet Union) has been one of India's most consistent geopolitical partners. This long-standing trust has created a foundation of strategic comfort that influences contemporary economic and energy engagements. Unlike purely transactional trade relationships, India–Russia ties are embedded in decades of political alignment and diplomatic continuity, which provides resilience even during periods of global turbulence.

In the domain of energy, Russia's significance in India's crude oil basket remained limited until 2021. Prior to the Russia–Ukraine conflict, Russian crude accounted for less than 2 percent of India's total imports. However, the geopolitical realignment of 2022 marked a dramatic turning point. Following Western sanctions and the redirection of Russian crude flows away from Europe, India emerged as one of the largest buyers of Russian oil. In 2022, Russia's share in India's crude imports surged to approximately 16–20 percent. By 2023,

Russia had become India's largest crude supplier, contributing nearly 30–35 percent of total imports, a trend that continued through 2024 and into early 2026, where its share has remained around 30–35 percent.

The rapid expansion of Russian crude imports was driven primarily by economic incentives. Discounted pricing, often reported at \$10–20 per barrel below international benchmarks during peak sanction phases, significantly improved refining margins for Indian refiners. This allowed India not only to stabilize domestic fuel supply but also to enhance exports of refined petroleum products. Thus, the decision to increase Russian imports reflected pragmatic economic reasoning rather than ideological alignment. It demonstrated India's capacity to adapt to shifting global conditions while protecting domestic economic interests.

Beyond pricing advantages, Russia has consistently maintained diplomatic engagement with India in international forums such as the United Nations and BRICS. The two countries have historically supported each other's strategic concerns in global negotiations. Energy cooperation is therefore situated within a broader geopolitical partnership that includes nuclear power collaboration (e.g., civil nuclear energy projects) and defense cooperation. This multidimensional engagement strengthens strategic trust and reduces the uncertainty that often characterizes purely market-based supplier relationships.

However, the expansion of Russian imports has also required careful diplomatic balancing. Western sanctions, price cap mechanisms, and shipping insurance restrictions have introduced compliance complexities. India has navigated this environment by emphasizing that its energy purchases are driven by national energy security needs and commercial viability. The continued procurement of Russian crude up to February 2026 reflects India's adherence to its doctrine of strategic autonomy—prioritizing economic stability while maintaining diplomatic flexibility.

In essence, Russia's role in India's crude oil portfolio exemplifies how historical strategic partnerships can intersect with economic opportunity during geopolitical realignments. The data suggests that Russia is not merely a short-term substitute supplier but has become a structurally significant component of India's diversified energy strategy. While global dynamics remain fluid, Russia's position in India's oil basket underscores the broader principle that long-standing diplomatic trust combined with economic advantage can reinforce durable energy partnerships.

Iran: Historical Energy and Strategic Connectivity Partner⁹

Iran has historically occupied an important place in India's energy security framework as well as in its broader geopolitical strategy. During the period between 2017 and 2018, Iran accounted for nearly 9–11 percent of India's crude oil imports, making it one of the significant suppliers in India's energy basket. The bilateral relationship was not confined to oil trade alone; it was deeply rooted in civilizational linkages, geographic proximity, and strategic cooperation. Projects such as the Chabahar Port strengthened India's access to Afghanistan and Central Asia, reducing dependence on traditional transit routes. However, the reimposition of U.S. sanctions in May 2019 compelled India to halt crude imports from Iran completely, bringing its share down to zero from 2019 through February 2026. This abrupt cessation demonstrates how sanctions diplomacy can override established energy relationships, reshaping trade patterns irrespective of historical partnerships.

Despite the suspension of crude trade, Iran continues to retain long-term strategic relevance in India's geopolitical calculations. Its location in the Persian Gulf, vast hydrocarbon reserves, and connectivity potential make it a latent yet significant partner for future energy diversification. India's engagement with Iran has remained diplomatically cautious yet strategically sustained, reflecting a calibrated approach that balances compliance with international sanctions and preservation of strategic interests. Thus, while Iran's physical contribution to India's crude imports remains absent up to early 2026, its geopolitical and connectivity importance ensures that it remains embedded in India's long-term energy and regional strategy.

Venezuela: A Re-Emerging Supplier in a Sanctions-Driven Energy Market

Venezuela, possessing some of the world's largest proven crude oil reserves, has historically supplied heavy crude that is technically suitable for several complex Indian refineries. During 2016–2018, Venezuela contributed approximately 3–5 percent of India's total crude imports. However, political instability and U.S.-led sanctions significantly disrupted its export capacity, leading to a sharp decline in shipments after 2019 and negligible participation between 2020 and 2022. From 2023 onward, limited discussions and occasional trial cargoes signaled cautious re-engagement, particularly as global supply diversification gained importance following the Russia–Ukraine conflict. By 2025 and early 2026, Venezuela's role remains modest but strategically noteworthy, as Indian refiners evaluate its heavy crude blends on commercial merit. Although political and financial risks continue to constrain large-scale imports, Venezuela represents a potential diversification channel within India's broader energy security strategy, illustrating how shifting sanction regimes and market conditions can reopen previously restricted supply routes.

Energy Security versus Geopolitical Alignment: India's Balancing Strategy

1. Energy Security as the Primary Priority

- India imports around 85–88% of its crude oil requirement.
- Domestic fuel stability directly impacts inflation, fiscal balance, and economic growth.
- Therefore, uninterrupted supply and cost efficiency remain the foremost considerations in procurement decisions.

2. Economic Rationality over Political Alignment

- Post-2022, Russia's share increased mainly due to discounted pricing, not ideological alignment.
- Refinery margins and export competitiveness improved due to lower input costs.
- Procurement decisions are driven by commercial viability rather than diplomatic preference.

3. Diversification Strategy

- India maintains imports from Russia, Middle East, United States, and explores Venezuela.
- This multi-supplier model reduces dependency on any single geopolitical bloc.
- Diversification minimizes supply disruption risk.

4. Geopolitical Pressures and Sanctions Compliance

- U.S. sanctions on Iran (2019 onward) halted Iranian imports.
- Global price caps and insurance restrictions influence transaction mechanisms.
- India navigates these constraints cautiously to avoid secondary sanctions.

5. Strategic Partnerships and Historical Trust

- Russia remains a long-standing strategic partner beyond energy.
- Iran retains geopolitical significance through connectivity projects.
- U.S. cooperation strengthens Indo-Pacific strategic alignment.

6. Balancing Doctrine: Strategic Autonomy

- India does not adopt bloc-based alignment in energy trade.
- Policy decisions emphasize national interest, supply stability, and economic resilience.

- Strategic autonomy allows engagement with multiple powers simultaneously.

7. Integrated Outcome (2019–Feb 2026 Trend)

- Russia emerged as the largest supplier.
- The Middle East remains foundational.
- The U.S. plays a stable but secondary role.
- Iran remains absent due to sanctions.
- Venezuela presents limited diversification opportunities.

Strategic Autonomy in India's Energy Policy:

1. Conceptual Foundation of Strategic Autonomy

Strategic autonomy refers to India's long-standing principle of independent decision-making in foreign and economic policy. It originated during the Cold War under the non-alignment movement, where India avoided formal alignment with either the Western or Soviet bloc. In the contemporary global order, strategic autonomy has evolved into a pragmatic doctrine that allows India to cooperate with multiple powers without becoming dependent on any single geopolitical bloc. In energy policy, this principle translates into procurement decisions driven by national interest rather than external political pressure.

2. Energy Policy as a Tool of Foreign Policy¹⁰

Crude oil procurement is no longer a purely commercial transaction; it has become intertwined with diplomatic relations and geopolitical positioning. India's engagement with the United States, Russia, Middle Eastern countries, and others reflects how energy trade influences strategic partnerships. For example, maintaining oil imports from Russia while expanding trade with the United States demonstrates India's effort to balance economic needs with diplomatic relationships. Thus, energy sourcing functions as an extension of foreign policy.

3. Economic Pragmatism as the Core Driver

Between 2022 and February 2026, the significant increase in Russian crude imports was primarily driven by discounted pricing and refinery economics. This decision was not ideological but economic. Lower-priced crude improved refining margins and export competitiveness. Strategic autonomy here means prioritizing domestic economic stability and fuel affordability over geopolitical alignment narratives.

4. Diversification to Reduce Strategic Vulnerability

India's crude basket includes Russia, Middle Eastern suppliers, the United States, and limited engagement with Venezuela. This diversification strategy reduces dependency risk. If one supplier faces sanctions, conflict, or production cuts, India can shift volumes from alternative sources. Strategic autonomy therefore operates through diversification rather than isolation.

5. Sanctions Navigation and Compliance

The complete halt of Iranian crude imports after May 2019 illustrates India's pragmatic adjustment to global financial realities. While Iran remains strategically important, India complied with sanctions to avoid secondary financial consequences. Strategic autonomy does not imply confrontation; it implies calibrated compliance while preserving long-term diplomatic ties.

6. Balancing Competing Power Centers

India simultaneously engages with:

- The United States (strategic partnership and Indo-Pacific cooperation),
- Russia (defense and energy partnership),
- Middle Eastern countries (traditional energy backbone),
- Iran (regional connectivity significance).

This multi-vector engagement demonstrates that India avoids bloc politics and instead practices issue-based cooperation. Strategic autonomy allows India to extract economic and strategic benefits from all sides.

7. Institutional Support through Strategic Petroleum Reserves

India has strengthened its Strategic Petroleum Reserve (SPR) capacity to cushion supply shocks. This reflects operational autonomy—ensuring that short-term geopolitical disruptions do not destabilize domestic markets. Building reserves enhances negotiating power and reduces vulnerability.

8. Integration of Autonomy with Global Cooperation

Strategic autonomy does not mean isolationism. India continues to participate in global energy dialogues, trade forums, and multilateral institutions. It balances compliance with global financial systems while maintaining independent procurement logic. This integration ensures stability without sacrificing sovereignty.

Risk Assessment Framework in India's Crude Oil Strategy

1. Political Risk

Political risk refers to instability arising from sanctions, diplomatic tensions, regime change, or armed conflict in supplier countries. For example, the Russia–Ukraine conflict in 2022 significantly altered global oil trade routes. Similarly, U.S. sanctions on Iran (2019 onward) and restrictions on Venezuela disrupted established supply channels. India must constantly evaluate whether sourcing from politically sensitive regions could trigger diplomatic or financial consequences. Political risk does not necessarily prevent trade, but it increases compliance complexity and uncertainty.

2. Sanctions and Secondary Sanctions Risk

Sanctions have become a central instrument of geopolitical leverage. Secondary sanctions, particularly those linked to financial systems and shipping insurance, can indirectly impact countries trading with sanctioned suppliers. India's halt of Iranian crude imports after 2019 demonstrates how sanctions can abruptly alter trade patterns. Even when crude is available at discounted rates, payment mechanisms, shipping insurance, and banking transactions become operational challenges. Managing sanctions exposure is therefore a critical part of India's risk evaluation process.

3. Supply Disruption Risk

Supply disruption risk arises from war, political unrest, production cuts, or logistical bottlenecks. For instance, instability in the Middle East or disruptions in maritime routes like the Strait of Hormuz could impact oil shipments. Overdependence on a single supplier increases vulnerability. India's diversification strategy—

engaging Russia, Middle Eastern countries, the U.S., and exploring Venezuela—acts as a hedge against such disruption risk.

4. Price Volatility Risk

Global crude prices are highly sensitive to geopolitical developments, OPEC+ production decisions, and global demand shifts. Sudden price spikes can fuel inflation and widen the trade deficit. The discounted Russian crude imports after 2022 helped India mitigate price volatility risk. Thus, procurement strategy also functions as a tool to stabilize domestic fuel pricing.

5. Currency and Payment Risk

Most global oil trade is denominated in U.S. dollars. Currency fluctuations directly affect India's import bill. Additionally, sanctions-related payment restrictions complicate settlement mechanisms. Discussions within BRICS regarding alternative payment systems reflect attempts to reduce currency-related vulnerability. Managing exchange rate exposure remains an important component of risk strategy.

6. Logistical and Shipping Risk

Energy trade depends on maritime routes, tanker availability, and insurance coverage. Sanctioned crude shipments often require complex shipping arrangements. Any disruption in shipping insurance markets or freight availability can delay imports. India must therefore consider logistical reliability while selecting suppliers.

7. Strategic Overdependence Risk

Overdependence on any single supplier—whether Russia, Middle East, or the U.S.—can create strategic vulnerability. While Russia became India's largest supplier post-2022, India continues to maintain diversified sourcing to avoid excessive reliance. Strategic autonomy is strengthened when dependence is distributed.

8. Long-Term Transition Risk

Global movement toward renewable energy and decarbonization introduces long-term demand uncertainty. India must balance short-term fossil fuel security with long-term energy transition goals. Overinvestment in one supply chain without transition planning could create future economic risks.

Integrated Insight

India's crude oil strategy up to February 2026 reflects a structured risk-management approach rather than reactive decision-making. Political, economic, financial, and logistical risks are continuously assessed, and diversification functions as the central stabilizing mechanism. The overall objective is not alignment with any geopolitical bloc but resilience, stability, and economic sustainability.

Key Findings

1. Structural Transformation in Import Pattern (2019–February 2026)

The most significant finding is the structural shift in India's crude oil import composition after 2022. Russia moved from being a marginal supplier (below 2% before 2022) to becoming India's largest crude source, contributing approximately 30–35% of total imports by 2023–2026. This represents a major geopolitical realignment in India's energy sourcing strategy.

2. Economic Rationality as the Primary Driver

The increase in Russian imports was primarily driven by discounted pricing and refinery economics rather than ideological or political alignment. India's procurement decisions demonstrate that cost efficiency and supply reliability outweigh geopolitical narratives in operational decision-making.

3. Diversification over Dependence

Despite Russia's rise, India did not abandon other suppliers. The Middle East continues to provide nearly half of India's crude imports (around 48–52% by 2024–2026), while the United States maintains a stable share of 9–12%. This confirms that India follows a diversification model to reduce vulnerability.

4. Sanctions Have Direct Trade Impact

The complete halt of Iranian crude imports since May 2019 demonstrates the powerful impact of sanctions diplomacy on energy trade flows. Political decisions at the global level can immediately reshape commercial supply structures.

5. Strategic Autonomy in Practice

India's crude oil policy reflects the practical application of strategic autonomy. The country continues engagement with Russia, maintains cooperation with the United States, preserves diplomatic ties with Iran, and explores Venezuelan opportunities without committing exclusively to any bloc.

6. Energy Security Prioritized over Geopolitical Alignment

The data suggests that India's energy decisions are guided by national economic stability, inflation control, and supply security rather than geopolitical alignment. Domestic fuel affordability and economic resilience remain central priorities.

7. Risk Management as Core Strategy

India's diversified sourcing model reduces exposure to political risk, sanctions risk, supply disruption risk, and price volatility risk. Strategic petroleum reserves and multi-supplier engagement enhance resilience.

8. Multipolar Energy Order Reality

The period up to February 2026 confirms the emergence of a multipolar energy trade system where traditional supplier hierarchies have shifted. India has adapted effectively to this new environment through flexible procurement and diplomatic balancing.

Overall Conclusion from Findings

India's crude oil import strategy between 2019 and early 2026 illustrates a calibrated balance between economic pragmatism and geopolitical navigation. The country's approach demonstrates that strategic autonomy, diversification, and cost-efficiency form the foundation of its energy security framework in an increasingly fragmented global order.

Conclusion

In this study, I find that India's crude oil import strategy from 2019 to February 2026 reflects a deliberate and pragmatic balancing of economic necessity and geopolitical complexity. The evidence clearly shows that the sharp rise in Russian crude imports after 2022 was primarily driven by cost efficiency and supply stability rather than ideological alignment. At the same time, I observe that India did not disengage from traditional Middle Eastern suppliers nor from its growing energy cooperation with the United States. Instead, it adopted a diversification model that reduces dependency risk and enhances resilience. The complete halt of Iranian imports since 2019 highlights how sanctions diplomacy can reshape trade flows, yet India has continued to preserve its long-term strategic engagement with Iran beyond crude trade. In my assessment, India's approach demonstrates the operational application of strategic autonomy—where procurement decisions are guided by national economic interest, inflation control, and energy security rather than bloc politics. I conclude that in the evolving multipolar energy order, India's strength lies in its calibrated diplomacy, diversified sourcing, and commitment to safeguarding domestic economic stability while navigating global geopolitical pressures.

References

1. Government of India (2017). Indian Petroleum and Natural Gas Statistics 2016–17. Ministry of Petroleum and Natural Gas, New Delhi.
2. International Energy Agency (IEA) (2018). India Energy Outlook 2018. Paris: IEA Publications.
3. U.S. Energy Information Administration (EIA) (2019). Country Analysis Brief: India. Washington, D.C.
4. Ministry of Petroleum and Natural Gas (MoPNG) (2019). Annual Report 2018–19. Government of India, New Delhi.
5. Petroleum Planning and Analysis Cell (PPAC) (2020). Consumption and Import Statistics of Petroleum Products 2019–20. Government of India.
6. International Energy Agency (IEA) (2021). Oil Market Report 2021. Paris: IEA Publications.
7. Ministry of External Affairs (MEA), Government of India (2022). Statements on Energy Security and Crude Oil Procurement. New Delhi.
8. International Energy Agency (IEA) (2023). Oil Market Report 2023. Paris: IEA Publications.
9. Ministry of Petroleum and Natural Gas (MoPNG) (2024). Annual Report 2023–24. Government of India, New Delhi.
10. Petroleum Planning and Analysis Cell (PPAC) (2026). India Crude Oil Import Trends (2019–February 2026). Government of India Data Release.