4. International Energy Agency – International Relation

In March 2026, against the backdrop of the escalating West Asia conflict and crude prices surging to $120 per barrel, India has formally declined to participate in the International Energy Agency (IEA) initiative to release strategic oil reserves. This decision underscores India's priority to safeguard its own energy security while maintaining its strategic autonomy as a non-member of the IEA.

1. Background- The 2026 Energy Crisis

The current volatility is rooted in the Israel-U.S. strikes on Iran, which have severely disrupted global oil supply chains.

Price Surge- Crude prices reached a four-year high, prompting the G7 nations to consider a coordinated release of emergency stocks to stabilize the global market.

Supply Chain Vulnerability- In February 2026, roughly 50% of India's oil supplies passed through the Strait of Hormuz, a critical chokepoint now under intense geopolitical pressure.

The IEA Request- The IEA often requests its members and associates to release "Strategic Petroleum Reserves" (SPR) during such supply shocks to increase global supply and lower prices.

2. Definitions and Key Concepts

Term	Definition and Context
Strategic Petroleum Reserves (SPR)	Emergency stockpiles of crude oil maintained by a country to ensure energy security during supply disruptions or national emergencies.
OECD	The Organisation for Economic Co-operation and Development; an intergovernmental group of 38 mostly high-income, developed countries.
Associate Member (IEA)	A status for non-OECD countries (like India) to participate in IEA activities and data sharing without being bound by the mandatory 90-day oil stock holding requirement.
Strait of Hormuz	A vital waterway between the Persian Gulf and the Gulf of Oman, through which a significant portion of the world's oil passes.

3. India's Strategic Position and Oil Imports

India's refusal to release reserves is driven by its massive consumption needs and current stock levels.

Consumption Status- India is the world's third-largest oil-importing and consuming nation.

Import Dependency- India imports nearly 88% of its crude oil requirements, sourcing from 41 different countries to diversify risk.

Current Reserve Status- India maintains 5.33 million tonnes of underground strategic reserves (located in Visakhapatnam, Mangaluru, and Padur). As of March 2026, these are only 80% filled.

Major Suppliers (2026)- Russia remains the largest supplier to India, followed closely by Saudi Arabia and Iraq. In February 2026, 53% of imports (2.8 million bpd) came from the Middle East (Iraq, Saudi Arabia, UAE, Kuwait, and Qatar).

4. The International Energy Agency (IEA)

The IEA is the world's premier energy advisory body, but its membership structure limits India's obligations.

Origin- Established in **1974** following the 1973 oil crisis to help industrialized nations prevent future supply shocks.

Membership Tiers-

1. **Full Members (33 countries)-** Only **OECD members** can become full members. They must maintain emergency oil reserves equivalent to at least **90 days** of net imports.
2. **Associate Members (13 countries)-** India became an associate member in **2017**. While India participates in policy discussions, it has **no decision-making rights** and no mandatory obligation to follow IEA mandates.

The Mandate- To ensure stable oil supplies, provide authoritative energy statistics, and coordinate collective responses to energy emergencies.

5. India vs. IEA- A Comparative Look

Feature	IEA Full Member Mandate	India's Status (Associate Member)
OECD Membership	**Mandatory**	Not a member of OECD.
Oil Stock Obligation	Must hold **90 days** of net imports.	No mandatory holding requirement; currently holds significantly less than the 90-day benchmark.
Strategic Release	Obliged to participate in collective action.	Participates on a voluntary basis; currently chose to prioritize domestic security.
Decision Making	Voting rights on global energy policy.	Can attend meetings but cannot vote.

6. The OECD Factor

The IEA is closely linked to the Organisation for Economic Co-operation & Development (OECD).
Established- 1961, headquartered in Paris.
Motto- "Better Policies for Better Lives."
Role- Promotes economic development and global cooperation among its 38 member states.
India's Status- India is not a member of the OECD, which remains the primary barrier to India becoming a full member of the IEA.

7. Rationale for India's Decision

Incomplete Reserves- With reserves only 80% full, the Indian government believes releasing oil now would leave the country vulnerable if the West Asia conflict worsens.
Domestic Inflation Control- Releasing reserves might cool global prices slightly, but maintaining stocks ensures that India can shield its own domestic market from sudden physical shortages.
Sovereignty- India aims to signal that its energy policy is dictated by national interest rather than the mandates of Western-led industrialized blocks.
Source- https-//www.businesstoday.in/india/story/those-responsible-have-to-deal-with-it-india-refuses-ieas-call-to-release-strategic-oil-reserves-519808-2026-03-10