

MP-IDSA *Commentary*

Fujairah and the Indian Strategic Petroleum Reserve

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S*ummary*

Fujairah's potential development as an overseas Strategic Petroleum Reserve hub signals New Delhi's drive to create resilient energy infrastructure beyond its sovereign borders.

Introduction

The robust energy security partnership between India and the United Arab Emirates (UAE) was strengthened following Prime Minister Narendra Modi's visit to Abu Dhabi in May 2026. Among the multiple sectors that were highlighted as areas of deepening bilateral cooperation, energy security, especially given the recent events in West Asia, is arguably of foremost importance.

Among the key outcomes of his joint meeting with Sheikh Mohamed bin Zayed Al Nahyan, the President of the UAE, was the MoU on Strategic Collaboration between Indian Strategic Petroleum Reserves Limited (ISPRL) and Abu Dhabi National Oil Company (ADNOC).¹ This particular MoU encompasses three primary objectives, including the ‘potential storage of crude oil in Fujairah, UAE, to form part of the Indian strategic petroleum reserve’.²

While on the surface, it might appear that this objective adds another dimension to a crucial strategic partnership between the two countries, it is, in actuality, an integral pillar of New Delhi's drive to create a more resilient energy framework, to much better prepare to mitigate the fallout of a global energy shock, perhaps much more consequential than the disruptions caused due to the Strait of Hormuz crisis.

One of the fundamental reasons that India might be looking to diversify its Strategic Petroleum Reserves (SPR) architecture, and therefore move away from its traditional reliance on domestic facilities and towards overseas SPR, is that the existing infrastructure might prove insufficient to keep up with India's growing energy needs during periods of protracted hostilities and long-term disruptions to energy supply. Overseas Indian SPR that would potentially be established in Fujairah, therefore, would be able to complement India's existing infrastructure over the long term. It will also allow India to leverage the existing infrastructure at Fujairah instead of investing in the development of new facilities at home or elsewhere abroad.

At the same time, it can be argued that the longstanding diplomatic and strategic cooperation between the two countries on the one hand, and the robust eight-year partnership, beginning in 2018, between ISPRL and ADNOC in the domain of energy

¹ [“India Receives the 1st Cargo of ADNOC Crude Oil for Its Mangalore Strategic Petroleum Reserve”](#), Press Information Bureau, Ministry of Petroleum & Natural Gas, Government of India, 21 May 2018.

² [“List of Outcomes: PM's Visit to the UAE”](#), News Updates, *PM India*, 15 May 2026. The other two objectives are listed as follows: ‘Potential ADNOC crude oil storage in India's Strategic Petroleum Reserves up to 30 million barrels, including through its participation in facilities in Vishakhapatnam, Andhra Pradesh and development of reserve facilities in Chandikol, Odisha. Potential collaboration in Liquid Natural Gas and Liquid Petroleum Gas storage facilities in India’.

security on the other hand, laid the foundation for Fujairah, a critical energy hub, to emerge as the preferred location to position overseas Indian SPR.

India’s Ambassador to the UAE, Deepak Mittal, pointed out that

Strategic reserves can serve multiple purposes. While a portion may be maintained as part of national emergency stockpiles, another portion can be utilised commercially. The stored crude oil can be sold within India or even supplied to other countries. ... Such infrastructure strengthens energy security while offering greater operational flexibility.³

For the UAE, the development of Fujairah as a hub for overseas Indian SPR would not only reinforce its growing strategic relevance in the energy sector but also generate revenue by hosting foreign SPR on its soil through the diversification of its revenue generation avenues beyond energy exports, as well as establish a viable commercial and strategic relationship with one of the world’s fastest-emerging economies.

Energy Preparedness: Domestic and Overseas SPR

India and the UAE have been engaged in an SPR arrangement since 2018, under which oil has been stored at Mangaluru for India’s strategic use and for the UAE to re-export.⁴ While the maximum storage capacity is around 11 million barrels, ADNOC and ISPRIL each exercise 50 per cent control over this facility.⁵ The latest MoU aims to invest in overseas SPR stockpiles through tactical cooperation with the UAE.

This direction taken by India builds on its Integrated Energy Policy (IEP, 2006) and the vision to institute overseas SPR, which has been a key pillar in India’s strategic planning. As per the IEP, “...reserves equivalent to 90 days of oil imports should be maintained for strategic-cum-buffer stock purposes and/or buy options for emergency supplies from large storages available in the neighbouring countries”.⁶ Within the framework of its domestic infrastructure, the current capacity of 39

³ [“30 million Barrels of Oil Storage: India, UAE Work to Expand Strategic Reserves – and Here’s Why It is Significant”](#), *The Times of India*, 11 June 2026.

⁴ [“India Receives the 1st Cargo of ADNOC Crude Oil for Its Mangalore Strategic Petroleum Reserve”](#), no. 1.

⁵ [“ADNOC Govt. Allows UAE’s Adnoc to Export Oil from Indian Strategic Storage”](#), *The Hindu*, 23 March 2024.

⁶ [“FAQs”](#), Petroleum Planning & Analysis Cell, Ministry of Petroleum & Natural Gas.

million barrels is available cumulatively at sites such as Mangaluru, Visakhapatnam and Padur.⁷

At maximum capacity, these facilities are believed to meet around 10 days of national crude oil needs. Nevertheless, at existing levels, they can meet approximately five days of total crude oil requirements, currently operating at 64 per cent capacity, when viewed independently of the commercial stocks managed by private enterprises such as HPCL, IOC and BPCL. When the government-operated SPR reserves and privately owned reserves are viewed as part of a cumulative stockpile, the available energy stockpile can approximately last anywhere between 60 and 74 days.⁸

Suresh Gopi, the Minister of State for Petroleum, noted in Parliament in March 2026 that India has “SPR facilities with a total capacity of 5.33 million metric tonnes (MMT) of crude oil at three locations in Andhra Pradesh and Karnataka, which can act as buffer for short-term supply shocks”.⁹

These SPR facilities are designed to act as emergency reserves to offset energy supply chain disruptions caused by unexpected crises, such as the ongoing conflict in West Asia, as well as stabilise oil prices that tend to fluctuate amid any turmoil. However, the existing energy reserves available at the above-mentioned SPR facilities are insufficient to meet the overall requirements, given that India continues to import at least 88 per cent of the total crude oil required.

The latest MoU therefore positions Fujairah, a vital city located on the Emirates’ eastern coast, as a strategic overseas energy hub. The hub will allow New Delhi to pursue tactical positioning of offshore energy reserves to address rising energy demands amid geopolitical tensions. Additionally, it would allow India to avoid competing for economically and commercially viable energy resources available in the global market during periods of heightened tension, and instead rely on already-existing stockpiles, ready to be deployed during a period of, for example, a domestic shortfall.

The geographical positioning of India's SPR in ports based in Fujairah provides India with a strategic buffer to offset the consequences of future disruptions in the Strait of Hormuz. Fujairah’s location on the UAE’s eastern front, facing the Gulf of Oman,

⁷ [“India is Set to Rewrite Its Oil Destiny, Moving from Risk to Leverage”](#), *The Economic Times*, 11 June 2026.

⁸ Mohammed Badrul Islam, [“Reinforcing India’s Energy Security: Imperatives for India’s Strategic Oil Buffer”](#), Centre for Peace Studies, 9 June 2026.

⁹ [“India's Strategic Oil Reserves 64% Full, May Last About 5 Days: Junior Petroleum Minister Suresh Gopi”](#), *The Economic Times*, 24 March 2026.

creates conducive conditions for any potential transit vessels en route to India to bypass similar blockades or armed hostilities that are currently underway.

It also carries the potential to counter energy insecurity, at least over the short term, by exporting oil required by India via the Abu Dhabi Crude Oil Pipeline (ADCOP) or the Habshan–Fujairah oil pipeline. This pipeline can carry between 1.5 and 1.8 million barrels of oil per day.¹⁰ The ADCOP is a notable strategic energy corridor launched by the UAE to provide short-term alternatives to maritime disruptions at the critical chokepoint of the Strait of Hormuz. It became operational in 2012.

Cumulatively, Fujairah represents an important strategic alternative for countries such as India seeking to institutionalise a robust energy infrastructure, especially given the challenges confronting global energy supply chains. Nonetheless, certain risks and considerations remain that might impact New Delhi’s energy security architecture, especially in the context of an overseas SPR hub.

Key Security Challenges

Fujairah’s location, while providing a noticeable strategic buffer *vis-à-vis* the Strait of Hormuz, is also vulnerable to acts of sabotage by a state or non-state actor. This caution must be borne in mind, especially in the aftermath of the hostilities that resulted in the cessation of several oil-loading operations in Fujairah in March 2026.¹¹ This followed a drone attack and the outbreak of a fire at the UAE’s critical energy hub.

Furthermore, in May 2026, despite the steady flow of tankers carrying grains and crude oil to their respective destinations, a drone attack resulted in the injury to three workers operating out of the port of Fujairah, while the targeting of the Fujairah Oil Industry Zone resulted in a fire outbreak at one of the port city’s most vital energy facilities.¹²

The second incident, in particular, is a reminder that a major energy facility in Fujairah is not immune to armed attacks, regardless of its location nearly 70 nautical miles (approximately 130 kilometres) from the primary site of conflict. A recurrence

¹⁰ Sarah El Safty, Federico Maccioni and Amr Alfiky, [“Gulf’s Fragile Trade Lifeline Hangs on Two Eastern UAE Ports”](#), *Reuters*, 6 May 2026.

¹¹ Sarah El Safty and Nidhi Verma, [“UAE’s Fujairah Stops Some Oil Loading Operations After Drone Attack”](#), *Reuters*, 14 March 2026.

¹² Sarah El Safty, Federico Maccioni and Amr Alfiky, [“Gulf’s Fragile Trade Lifeline Hangs on Two Eastern UAE Ports”](#), no. 10.

of such attacks in the future could impact New Delhi’s access to SPR, especially during any potential shortfall. This problem might be aggravated by unprecedented shocks to global energy markets, including cyber espionage or overwhelming damage to the overall port. Therefore, while the port city offers a certain degree of flexibility in mitigating disruptions to maritime trade and transit within the energy context, it would not be unconditional and would come with security challenges.

The Way Forward

The Press Information Bureau (PIB) backgrounder issued by the Government of India following the May 2026 bilateral meeting clearly laid down New Delhi’s strategic interests in engaging Abu Dhabi on a much more expansive scale within the energy sector. The document acknowledged that the agreement ‘will support India’s efforts to diversify energy sources and expand storage capacity’. The partnership will also help build a secure and future-ready energy ecosystem.¹³

As the MoU is developed further, it would become imperative for India and the UAE to institutionalise clear operational and logistical guidelines specifying the burden-sharing arrangements, timelines and broader responsibilities. It would prove beneficial for both countries to periodically engage in scenario-building exercises to simulate potential crises or inflexion points under which the release or sale of SPR would take place, thereby enhancing energy security preparedness and enabling both parties to better prepare for any unexpected future developments. If proved successful, Fujairah would serve as a template for establishing other Indian overseas SPR hubs in the future alongside traditional and emerging energy security partners, while also transforming India’s energy security and resilience outlook.

¹³ [“Prime Minister’s Visit to the UAE: Advancing Energy, Technology, Connectivity and Strategic Cooperation”](#), Press Information Bureau Backgrounder, Government of India, 15 May 2026.

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