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THE HINDU



The Indian EXPRESS

SUMMARY OF IMPORTANT EDITORIALS

27th May 2026

TOPICS:-

- 1. India's energy strategy needs price correction**
(GS Paper III Economy)
- 2. Rajya Sabha defections, constitutional questions**
(GS Paper II Polity)
- 3. In new world, with US, India has the cards. It must play them confidently**
(GS Paper II International Relations)

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1. INDIA'S ENERGY STRATEGY NEEDS PRICE CORRECTION

(GS Paper III Economy)

This editorial 'India's energy strategy needs price correction' was published in **The Hindu** on 27th May 2026, highlights India's need for **realistic fuel pricing** amid geopolitical energy shocks and rising fiscal pressure.

Energy Shock and Consumer Shielding

- Disruptions around the **Strait of Hormuz** have exposed India's crude import dependence, linking energy security directly with **geopolitical risk**.
- Global crude prices, freight costs and **insurance premiums** rose sharply, while Cape of Good Hope rerouting increased **delivery timelines**.
- Petrol and diesel stayed near **₹95 per litre** in Indian cities, showing consumer protection through state intervention and **financial absorption**.
- The crisis was softened by **supply diversification**, strategic reserves and wider sourcing from Russia, the U.S., West Africa and the Atlantic basin.

Costly Interventions and Structural Exposure

- India's UAE storage agreement for **30 million barrels** and rapid crisis response bought time, but such interventions carried **steep costs**.
- Rising LPG use under **Ujjwala** pushed connections from 14.5 crore to over 33 crore, deepening household dependence on stable **energy supply**.
- Gas allocation prioritised households, public transport and fertiliser plants, while domestic production rose nearly **50%** during peak crisis response.
- Oil Marketing Companies faced **under-recoveries** of ₹700–800 crore daily, making prolonged price suppression fiscally and commercially unsustainable.
- India's dependence on imported fuels across transport, logistics, aviation, manufacturing, agriculture and fertilisers makes its vulnerability **structural**, not temporary.

Price Correction and New Energy Realism

- The government cut **excise duties** and limited refined fuel exports, but shielding consumers for long can distort prices and strain **public finances**.
- Frequent small revisions create uncertainty for households and businesses; a one-time **13% hike** could stabilise OMC finances and market expectations.