

## West Asia Conflict and its impact on Indian Industries

*Prelims: Current events of national and international importance | International Relations*

### Why in News?

*The ongoing conflict in West Asia is causing significant turbulence in global energy markets and creating supply chain bottlenecks for critical industrial raw materials essential to India's core sectors.*

*The West Asia region broadly includes the 6 Gulf Cooperation Council (GCC) countries like Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE along with other regional economies such as Iran, Iraq, Israel, Jordan, Lebanon, Syria and Yemen.*

- **Recent issue** - The West Asia conflict is a major, escalating war primarily driven by joint U.S.-Israel military strikes against Iran, aimed at regime change and disrupting its network of proxy forces.
- This conflict involves direct, intense fighting, including Israeli strikes on Hezbollah and Iranian targets, and retaliatory Iranian actions impacting oil infrastructure.
- The missile and drone strikes hitting several energy and logistics facilities across the Gulf, fears of supply disruptions have intensified.
- The possibility of a closure of the [Strait of Hormuz](#) one of the world's most critical energy and trade routes has heightened concerns of a global energy supply shock.
- **Report Findings** - A report by the Global Trade Research Initiative (GTRI) warns that the West Asian conflict threatens \$98.7 billion in Indian imports, extending economic risks far beyond the energy sector.
- **The Energy Core - Oil & Gas**
  - Crude Oil: With only one month of stockpiles, India is pivoting to discounted Russian oil to mitigate price spikes.
  - LNG: Reliance on Qatari gas threatens industrial supply stability;

steel and fertilizer sectors are most at risk from prolonged disruptions.

- **Strategic Mineral Dependence - Construction** - India sources 68.5% of its limestone and 62.1% of its gypsum from West Asia. Delays would spike cement prices and stall infrastructure projects.
- **Fertilizers** - 65.8% of sulphur (used for sulphuric acid) comes from the region. While currently the "off-season," a month-long disruption would hit urea production for the next crop cycle.
- **Steel** - The region provides 59.1% of Direct Reduced Iron (DRI) and the natural gas required to process it. High energy volatility remains a bigger threat than raw material scarcity.
- **Electronics/Power** - 50.7% of copper wire imports are at risk, threatening renewable energy and power grid expansion.
- **Impact on Exports - Diamonds - Surat Hub**- India imports over 40% of its rough diamonds from West Asia.
- Supply breaks would paralyze the cutting and polishing industry, a major Indian export earner.

## Reference

[The Indian Express | The West Asia conflict is hitting core Indian industries](#)

