HINDU, Delhi, 2.1.2024
Page No. 7, Size:(19.94)cms X (18.86)cms.

Attacks in the Red Sea by the Houthis may hit India's oil trade

Suez Canal key to crude imports from Russia and refined fuel exports to Europe

DATA POINT

The Hindu Data Team

Yemen's Iran-backed Houthis have been targeting vessels in the Red Sea since November to show their support for the Palestinian Islamist group Hamas in its war against Israel. This has prompted major shipping companies to take the longer and costlier route around Africa's Cape of Good Hope rather than through the Suez Canal. This is a cause for concern for India as it is a major importer of crude oil from Russia and a significant player in the export of petroleum products to Europe, both of which require transportation through the Suez Canal.

According to a recent Reuters report, at least four tankers transporting diesel and jet fuel from West Asia and India to Europe are taking the longer route around Africa to avoid the Red Sea. The diverted vessels were carrying a combined 2.4 million barrels of diesel and jet fuel.

India is increasingly becoming a significant player in the petroleum products export market. In May last year, data analytics firm Kpler reported that India became Europe's largest supplier of refined fuels. In the ongoing and previous financial years, the Netherlands was the biggest importer of India's refined fuels. In FY23 and FY24 (April-October), the country bought about $19,300 million worth of refined fuel from India.

These northbound oil shipments reach Europe via the Suez Canal. **Chart 1A** shows northbound crude oil and petroleum product volumes from origin countries transiting the Suez Canal and the SUMED pipeline (which transports crude oil north through Egypt). India was the third biggest player in terms of petroleum product volumes sent north in the first half of 2023.

Chart 1B shows the destination countries of the northbound crude oil and petroleum product volumes transiting the Suez Canal. In the first half of 2023, the Netherlands was the single largest importer of such products, most of which came from India.

These two charts show the significant impact that the attacks on commercial ships in the Red Sea can have on India's petroleum product exports. Both show million barrels per day of oil shipments.

An even bigger worry for India is the record amount of crude oil it imports from Russia. In FY24 (April-October), India imported over $26,900 million worth of crude oil from Russia – its biggest source of oil this year – with Iraq featuring a distant second ($15,582 million). A majority of this crude oil is arriving through the Suez Canal southbound to India.

Chart 2A shows southbound crude oil and petroleum product volumes from origin countries transiting Suez Canal, in million barrels per day. In FY23 and FY24 (April-October), southbound supply of crude oil from Russia through the Suez Canal grew exponentially.

Chart 2B shows the destination countries of the southbound crude oil and petroleum product volumes transiting the Suez Canal. Most of the southbound crude from Russia went to India followed by China in FY23 and FY24 (April-October). These two charts show the potential impact that the escalating tensions in the Red Sea can have on India's crude oil imports from Russia and other countries which use this route.

Reports show that refiners in India are looking to increase supply from West Asia as otherwise, the cost of imports may rise given the risk involved in transporting oil through the Suez Canal. With retail fuel costs already at a historical high in India, and the general elections approaching, it remains to be seen how this situation will unfold.

With inputs from Reuters, AP and the U.S. Energy Information Administration

Troubled waters

The charts are sourced from an article titled 'Red Sea chokepoints are critical for international oil and natural gas flows', published by the U.S. Energy Information Administration

Chart 1A | Northbound crude oil and petroleum product volumes from origin countries transiting the Suez Canal

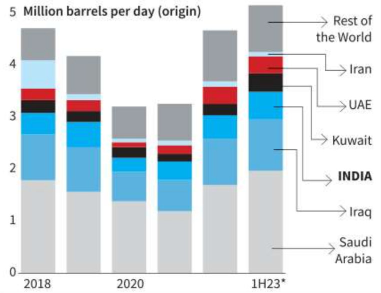


Chart 1B | Destination countries of the northbound crude oil and petroleum product volumes transiting the Suez Canal

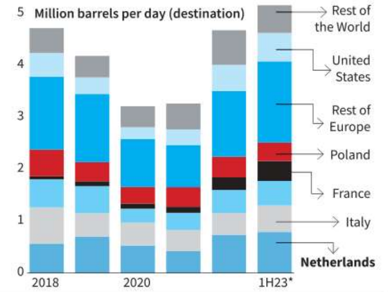


Chart 2A | Southbound crude oil and petroleum product volumes from origin countries transiting the Suez Canal

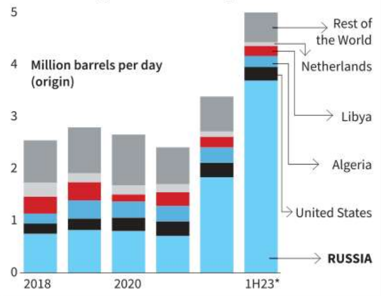
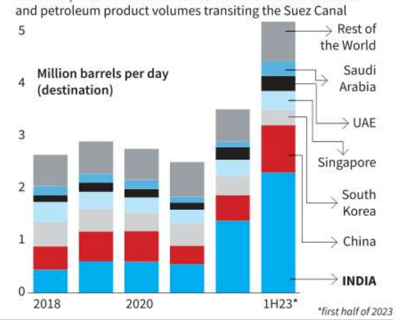


Chart 2B | Destination countries of the southbound crude oil and petroleum product volumes transiting the Suez Canal



*first half of 2023

BUSINESS STANDARD, Delhi, 2.1.2024
Page No. 2, Size:(29.00)cms X (17.04)cms.

Centre meets 70% of FAME-II target

NITIN KUMAR
New Delhi, 1 January

With the deadline for the Faster Adoption and Manufacturing of Electric (and Hybrid) Vehicles (FAME-II) programme nearing, the government has met 70 per cent (or 1.22 million) of the target of more than 1.74 million electric vehicles (EVs) since the launch of the scheme in March 2019.

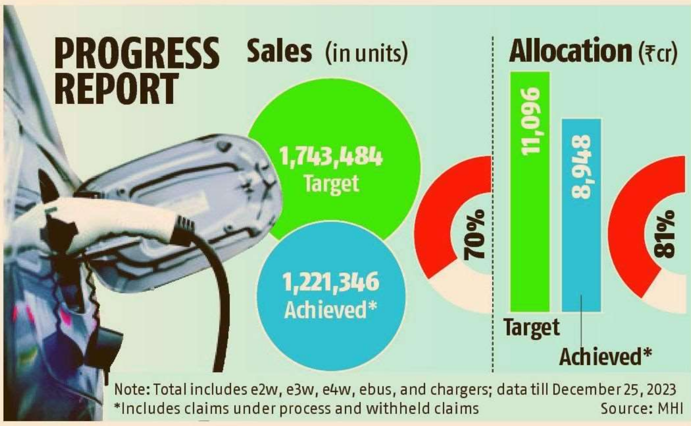
As monthly sales of EVs consistently surpassed 100,000 throughout 2023, the Centre is optimistic the target will be achieved before the March 31 deadline.

"Given the rapid rate of EV penetration, we are confident of achieving the target of supporting 1.74 million vehicles," an official of the Ministry of Heavy Industries said, adding, "soon there will be no money to spend".

As of December 26, the government utilised 81 per cent, or ₹8,948 crore, of the ₹11,096 crore funds allocated under the scheme.

According to the ministry data, sourced by *Business Standard*, the highest success was witnessed in the electric bus (e-bus) segment. The government has committed itself to 94 per cent of the targeted 7,262 e-buses, with 3,620 of them already deployed.

In contrast, the electric four-wheeler (e4W) segment exhibited the lowest success rate, with support provided to only 51 per cent of the targeted 30,461 vehicles.



Similarly, support was extended to 69 per cent of the 1.55 million vehicles in the electric two-wheeler (e2W) segment.

In the electric three-wheeler (e3W) segment, the support achieved was 80 per cent of the targeted 155,536.

In order to sustain the scheme until its deadline, the ministry initiated two steps. One was to reduce the maximum subsidy for an e2W from ₹66,000 to nearly ₹22,500, starting from June 1. And the second is getting an additional ₹1,500 crore from the finance ministry.

The vehicle-support target was also raised from 1.56 million to 1.74 million. The target for e2Ws was raised by 50 per cent to 1.55 million, while for e3Ws it was reduced by 68 per cent to 155,536. It was reduced for e4W by 13 per cent to 30,461.

More on business-standard.com

BUSINESS LINE, Delhi, 2.1.2024
Page No. 8, Size:(7.55)cms X (14.23)cms.

Crude oil declines 10% in 2023 on excess supply woes

Mangaluru: Crude oil futures closed 10 per cent during the calendar year 2023 due to the concerns over the increase in global supplies and decrease in the demand for the commodity. Crude oil prices had seen a growth of more than 7 per cent in 2022 due to the Russia-Ukraine war. However, there were some short rallies in the market during 2023. OUR BUREAU

Dividends from CPSEs cross FY24 Budget target

Collections so far at ₹43,843 cr versus FY24BE of ₹43,000 cr

PRASANTA SAHU
New Delhi, January 1

THE CENTRE'S DIVIDEND receipts from the central public sector enterprises (CPSEs) stood at ₹43,843 crore as of January 1, crossing the 2023-24 budget estimate (BE) of ₹43,000 crore, giving further comfort on the fiscal front.

The dividend receipts of ₹39,086 crore so far in FY24 were 26% higher than the receipts in the corresponding period of last fiscal. Given that the oil marketing companies' (OMCs') profitability has improved substantially due to softening of global crude prices, the CPSE dividend receipts will likely exceed ₹60,000 crore comfortably in FY24 as against the budget target of ₹43,000 crore.

CPSE dividend receipts are an important component of the government's non-tax receipts. Along with dividends from the Reserve Bank of India, banks and financial institutions, the Centre's dividend income might exceed the budget target by at least ₹60,000 crore to ₹80,000 crore, boosting its resources to keep the fiscal deficit within the targeted 5.9% of GDP.

In December, the government received substantial dividend installments from Coal India (₹5,933 crore), ONGC (₹4,260 crore) and BPCL (₹2,413 crore). It also recently received about ₹3,636 crore from Indian Oil Corporation and about ₹1,910 crore from Power Grid Corporation of India Ltd (PGCIL) as dividend tranches. The dividend payments reflect the robust profitability of state-run commodity and energy firms, among others.

Despite a drastic fall in the profitability of OMCs, a major contributor to dividend receipts, the Centre's dividend receipts in FY23 were around ₹59,000 crore, 37% more than the budget target of ₹40,000 crore. With disinvestment receipts likely to fall substantially short of the target of ₹51,000 crore in FY24, the extra dividend receipts would cover the shortfall to a large extent.

Despite the government reducing its stake in several of these companies, the department of investment and public asset management (Dipam)'s capital management policy of nudging CPSEs to give higher dividends to keep investors' interest in their stocks has aided the dividend payouts.

CPSE dividend receipts under the supervision of the Dipam do not include receipts from state-run financial institutions such as banks and insurance companies.

RBI's surplus transfer to the Centre rose 188% on year to ₹87,416 crore in FY24 (for accounting year FY23), which was very close to ₹91,000 crore estimated from dividend receipts from the RBI, public sector banks and financial institutions (₹48,000 crore) and the CPSEs (₹43,000 crore).

INDIAN EXPRESS, Delhi, 2.1.2024
Page No. 11, Size:(10.53)cms X (9.80)cms.

Houthi threat notwithstanding, it is smooth sailing for Russian oil through Red Sea

SUKALP SHARMA
NEW DELHI, JANUARY 1

Prior to December, the Suez Canal and the Red Sea accounted for around 10% of global crude oil flows. *Reuters*

THE RECENT spate of attacks on commercial vessels by Yemen-based Houthi rebels have not impacted flow of Russian crude through the Suez Canal-Red Sea route, even as a number of global shipping lines and oil companies are now avoiding the important global trade artery.

Tankers carrying Russian crude have not rerouted, and even the fresh cargoes leaving Russian ports are sticking to the Red Sea route to reach Asia, instead of going all the way around Africa via the Cape of Good Hope, as per data from commodity market analytics firm Kpler. Russian oil cargoes departing from the North Sea and Black Sea ports take the Suez Canal-Red Sea route to reach Asia, specifically India and China, which are currently the biggest buyers of Russian crude. Oil and shipping analysts do not foresee tankers carrying Russian oil coming under attack in the region as Russia is perceived as Iran's ally. The Houthi rebels are widely believed to be backed by Tehran.

"So far, it appears to be clear that Russian cargoes have a kind of safe passage through the Red Sea. They have been largely immune to the crisis and given the equation between Iran and Russia, it is likely to stay that way. It would be a surprise if the Houthis go after Russian oil passing through the region," an oil market analyst said on condition of anonymity.

Data on India's December crude oil imports corroborates the lack of impact of the Red Sea crisis on Russian oil flows. Volumes of Urals crude—the mainstay of India's Russian oil imports—received by Indian refiners in December were in the same range as the previous few months, as per Kpler data. Urals crude accounts for about three-fourths of India's Russian oil imports and is transported to India via the Suez Canal-Red Sea route.

Over the past few weeks, a number of cargo ships have come under attack from the Houthi rebels around the Bab al-Mandab strait, which leads to the Red Sea and Suez Canal, forming the shortest, albeit narrow, route to the Mediterranean Sea and beyond from the Arab Peninsula, North-East Africa, and the Arabian Sea. The route is seen as an important artery of global goods and energy supplies. The Houthis have so far claimed that they are targetting vessels with links to Israel in view of its military offensive in Gaza. Prior to December, the Suez Canal and the Red Sea accounted for around 10 per cent of global crude oil flows and 14 per cent of petroleum product flows.

But as a number of major shipping companies are now avoiding the route, choosing instead to go around the African continent via the Cape of Good Hope, the share of global oil and petroleum product flows passing through the Suez Canal has dropped significantly. Russian crude, however, stands out as an exception.

"Crude oil transits through the Suez Canal were 1.86 million bpd (barrels per day) in December, the lowest number since January 2022, which was also the last month before the start of the Russia-Ukraine conflict. Before that, Russian oil sailing to India was a rare phenomenon," said Viktor Katona, Kpler's Lead Crude Analyst. He added that Russian oil cargoes are accounting for nearly half of the crude oil transiting through the Suez Canal.

FULL REPORT ON
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BUT RELIANCE ON FOSSIL FUEL-BASED INSTALLED CAPACITY SEEN STAYING HIGH AT 41% BY FY30

India Inc embraces renewable energy goals

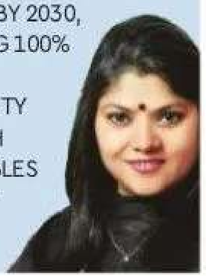
RAGHAVENDRA KAMATH, SWARAJ BAGGONKAR & RAJESH KURUP
Mumbai, January 1

AMIT SINGH,
CEO, ADANI GREEN ENERGY

"WE HAVE AN OPERATIONAL PORTFOLIO OF 8.4 GW AND TARGET TO DEVELOP 45 GW RE CAPACITY BY 2030, HENCE WE ARE NOT AIMING JUST THREE TIMES"

VAISHALI NIGAM SINHA,
CO-FOUNDER, RENEW

"OUR NOTABLE TARGETS INCLUDE BEING WATER-POSITIVE BY 2030, SOURCING 100% OF OUR ELECTRICITY THROUGH RENEWABLES BY 2030..."



GYANESH CHAUDHARY,
CMD, VIKRAM SOLAR

"WITH AFRICA'S VOICE AS PART OF THE GLOBAL ECONOMIC FORUM, PARTNERSHIP WITH THE CONTINENT WILL BE GREATLY INTENSIFIED"

WITH THE COP28 deciding to move away from fossil fuels, India Inc is gearing up for the green transition.

The UN Climate Change Conference last month also saw decisions on tripling renewable capacity, doubling energy efficiency, reducing methane emissions, phasing out coal, setting up a loss and damage fund, among others.

"In COP28, the primary commitments made were about tripling the renewable capacity and doubling the energy efficiency. I would say that Adani Green Energy (AGEL) is at the forefront of this movement and we are taking bold steps to realise these goals," said AGEL CEO Amit Singh.

"We have an operational portfolio of 8.4 GW and target to develop 45 GW RE capacity by 2030, hence, we are not aiming just three times, we are aiming beyond that," Singh said. The company is developing the world's largest renewable energy (RE) plant at Khavda, spread across 71,000 acre, which will further propel it towards the 2030 target. The plant will play a significant role in enabling India's target of 500 GW non-fossil fuel capacity by 2030.

According to Suzlon vice chairman Girish R Tanti, the 'Green Credit' initiative that Prime Minister Narendra Modi unveiled at COP28 would be a game changer for India. "He astutely underscored the inadequacies inherent in the prevailing carbon credit system. This critique serves as the catalyst for ushering in a transformative philosophy encapsulated by the groundbreaking green credit concept," Tanti said. "It is no wonder that this programme has garnered massive international support."

COP28 was definitely a positive step towards climate action, and has helped "India's solar pioneers to lay the foundation for a sustainable and prosperous nation", according to Vikram Solar CMD Gyanesh Chaudhary. "COP28's monumental pledge sets the stage for India's solar ambitions," he said.

He added that as the call for tripling renewable energy capacity by 2030 resonated at COP28, "India has emerged as a solar powerhouse driven by innovation".

At COP28, Vikram Solar signed a partnership agreement with the US International Development Finance Corporation for its upcoming 3 GW cell and module manufacturing facility in Tamil Nadu.

Reliance Industries, Tata Power Renewable Energy and Essar Group among others also had representations at COP28.

According to Vaishali Nigam Sinha, co-founder and chairperson (Sustainability) at ReNew, the climate summit's move to phase out fossil fuels was "remarkable".

"Some of our notable targets include being water-positive by 2030, sourcing 100% of our electricity through renewables by 2030, and a 30% women workforce by 2030. Our recently released sustainability report highlights the progress we have made in FY23," she said. The company, she said, has prevented over 14 million tonne of carbon emissions and conserved 318,000 kilolitres of water, marking a 48% year-on-year increase.

ReNew also generated 17,385 GWh of clean energy, sufficient to power five million Indian households annually. It has committed to achieve net-zero targets by 2040, Nigam Sinha said.

Mahesh Babu, CEO, Switch Mobility, said, "(The aim) is to accelerate zero-carbon mobility by all original equipment manufacturers (OEM) not just from India, but by makers from across the world. There is a lot of focus happening on this globally. Many stakeholders are making investments and taking the agenda of electrification forward."

According to a report by Icra, as per India's Nationally Determined Contributions (NDCs), the country has to increase its non-fossil energy share to 50% in total power installed capacity by 2030.

Icra estimates that the non-fossil installed capacity would be about 59% in FY30 with renewable energy capacity of about 50%, indicating achieving of NDC goals for RE. However, India's reliance on fossil fuel-based installed capacity will be high at 41% in FY30.

"Considering the upward trajectory of greenhouse gas (GHG) emissions for India and COP28 suggestions on increasing RE capacity, policy decisions for transition from fossil fuels while maintaining economic development, will play a critical role," the agency said, adding, GHG emission for India has increased in past decades.

MILLENNIUM POST, Delhi, 2.1.2024
Page No. 9, Size:(13.07)cms X (10.09)cms.

India's crude oil imports from Russia plunge on payment issues

NEW DELHI: India's crude oil imports from its largest supplier Russia plunged in December to their lowest since January 2023, as six tankers carrying Sokol grade oil could not deliver due to payment issues amid tightening sanctions, according to data intelligence company Kpler, *Bloomberg* reported.

After rising to an all time record of 2.15 million barrels a day in May, oil imports from Russia fluctuated downwards, experiencing a sharp decline between November and December to 1.48 million barrels a day last month, according to Kpler data.

Indian refiners, which bought an average 140,000 barrels a day of Sokol in 2023, couldn't receive any such cargoes last month. Sakhalin-1 LLC, which extracts crude from Russia's Far East, has not been able to open a bank account in the United Arab Emirates to enable buyers to pay in dirham as agreed, Viktor Katona, lead crude analyst with Kpler, said in an email on Sunday.

Of the six tankers left idle around India's coast, two indicated they may reroute to China, he said. Despite roadblocks, Sokol grade oil trade between Russia and India looks likely to continue, with three additional ship-to-ship transfer operations of Sokol cargoes and three new cargoes — NS Antarctic, Jaguar, Vostochny Prospect — now indicating India as their final destination, he said.

For the full year 2023, India's oil imports from Russia more than doubled on year to 1.79 million barrels a day, while those from the second biggest supplier Iraq contracted 11% to 908,000 barrels a day, according to Kpler data. AGENCIES

MINT, Delhi, 2.1.2024
Page No. 9, Size:(5.74)cms X (14.60)cms.

Crude oil imports from Russia had risen to an all-time high of 2.15 mn barrels a day in May. REUTERS

India's oil imports from Russia drop

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INDIAN EXPRESS, Delhi, 2.1.2024
Page No. 1, Size:(11.38)cms X (22.41)cms.

Ministries flagged MSP concerns: Low returns to rising oil imports

YOUR RIGHT TO KNOW
AN EXPRESS RTI APPLICATION

DHEERAJ MISHRA
NEW DELHI, JANUARY 1

A HIGH minimum support price (MSP) for some crops and not for others is hindering crop diversification and benefiting a select few states, various Union ministries have said in response to the proposal to fix MSP for rabi crops for marketing season 2024-25, an RTI filed by *The Indian Express* shows.

On October 18, 2023, the Cabinet approved the proposal to increase MSP of rabi crops such as wheat, barley, gram, lentil, rapeseed and mustard, and safflower, for marketing season 2024-25. The maximum increase over the previous year was 7.08% for lentil and 7.06% for wheat.

Documents accessed by *The Indian Express* under the Right to Information Act 2005 show that several departments wrote to the Ministry of Agriculture and Farmers Welfare, flagging concerns.

EXPLAINED

Beyond MSP hikes

MINIMUM SUPPORT Prices can influence farmers' decision on choice of crops. Higher MSP, for example, for wheat has skewed procurement, and lower returns on seeds for edible oil, have necessitated imports. The Agriculture Ministry has said while it has a separate mission for crop diversification, it also has proposed a higher MSP for lentils.

Concern 1: Import dependence

The Department of Food & Public Distribution said the MSP for oilseeds has not delivered the desired result in terms of an increase in domestic production, and India is still dependent on

CONTINUED ON PAGE 2

INDIAN EXPRESS, Delhi, 2.1.2024
Page No. 1, Size:(11.38)cms X (22.41)cms.

• Ministries flagged MSP concerns

imports to fulfil 55% of its requirements.

Pointing to how a high rate of return of 102% (over cost of production) for wheat and 98% for rapeseed/ mustard attracts farmers to cultivate these crops, the department said, "Other crops (pulses and safflower), due to less return… discourage farmers to grow (them), thereby resulting in the country resorting to imports," the department said in its September 14 letter.

"Even though an increase in production of oilseeds is estimated for 2022-23 (an increase in the domestic production of mustard by 5.31 lakh metric tonnes and safflower by 0.04 lakh metric tonnes) as compared to 2021-22, the country will still have to rely on imports to meet its requirement for edible oils," it said.

The department said an increase in the MSP of oilseeds will incentivise farmers to increase its production and also shift to high yielding varieties.

The department said it may be helpful if a long term MSP policy, preferably for the next five years, is put in place so that farmers know what they will get in the future for their crops and accordingly take an informed decision.

Concern 2: Unequal benefits

The Department of Expenditure said that the skew in favour of wheat procurement means a limited number of states will benefit. "There is a need to address skewness in the coverage of states from which wheat is procured," said the department in its letter dated September 25.

"The reason for the relatively high increase in MSP over previous years for wheat (7.06%) and lentil (7.08%) may be provided. MSP should promote crop diversification and incentivise production of oilseeds and pulses," it noted.

The department said that non-price recommendations should be examined for implementation, including enhancing farm mechanisation, and added that the proposal may be routed through the appraisal/approval mechanism of the Expenditure Finance Committee.

The NITI Aayog, too, said that 14 non-price recommendations such as crop diversification, access to quality seeds and promoting efficient use of fertilisers may be complied with to increase the productivity of oilseeds and pulses. "The productivity levels of pulses in rice fallow areas are low in many states, which need to be addressed by the Department," said the NITI Aayog in its letter dated September 11.

Concern 3: WTO obligations

The Department of Commerce, in its letter dated September 25, said the "de-minimis" subsidy limit has to be kept in mind, given India's commitments to the World Trade Organisation. De-minimis refers to the minimal amounts of domestic support allowed even though they distort trade — up to 5% of the value of production for developed countries, and 10% for developing countries.

"India has breached the de-minimis subsidy limit for rice in 2018-19, 2019-20, 2020-21 and 2021-22 respectively and has invoked the protection under the 'Peace Clause'. Some WTO members in recent years filed counter notifications claiming that India breached the commitment," the department highlighted. The 'peace clause' allows exceeding the product-specific de-minimis by developing country members, subject to certain conditions.

"The procurement under the MSP should, therefore, not be open-ended, and predetermined targets should be specified simultaneously for procurement of crops for which MSPs are announced," it noted.

The Agriculture Ministry response

While the proposal was eventually cleared by the Cabinet, the Agriculture Ministry, in its response to the suggestions, during an inter-ministerial consultation in September, said MSP recommendations are based on several factors, such as demand and supply, domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sectors, and the likely effect on the rest of economy.

"For rabi marketing season 2024-25, the all-India weighted average cost of production for wheat is expected to increase by 5.9% over the last year, therefore to compensate the farmers, an increase of Rs 150 per quintal is proposed. Further, to reduce import dependence and promote crop diversification towards oilseeds and pulses, higher increase in MSP is proposed in lentil," the ministry said in response to the Department of Expenditure.

It further said the government encourages diversified production of crops such as pulses, coarse cereals, nutri cereals, cotton and oilseeds under the National Food Security Mission and horticulture crops under the Mission for Integrated Development of Horticulture.

On the question of crop diversification, the ministry also said they are implementing the Crop Diversification Programme, a sub-scheme under the Rashtriya Krishi Vikas Yojana, in the original Green Revolution States — Haryana, Punjab and Western Uttar Pradesh — since 2013-14 to divert the area of water intensive paddy crop to alternative crops like pulses, oilseeds, coarse cereals, nutri cereals, cotton, etc.

"As far as the WTO commitment is concerned, It may be noted that while calculating the aggregate support, 'inflation' since 1986 has not been factored in. This leads to an understated External Reference Price, making the aggregate support overstated," said the ministry.

FINANCIAL EXPRESS, Delhi, 2.1.2024
Page No. 4, Size:(22.11)cms X (33.52)cms.

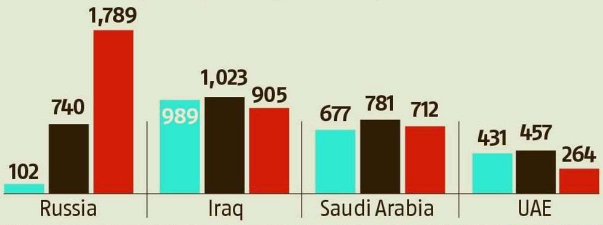
Oil imports from Russia likely to decline this year

Lower discounts, production cut may impact supply mix

S DINAKAR
Amritsar, 1 January

CRUDE SHIFT

India crude imports by country (in '000 bpd)



India's imports of Russian crude by company (in '000 bpd)

	Nov	Dec
Indian Oil	505	258
Reliance	291	285
Bharat Petroleum	253	314

All data is provisional and subject to revision
Source: Kpler

Indian imports of Russian crude oil may stabilise or even decline in 2024 from record 2023 levels amid shrinking discounts, lower output, and a rebound in West Asian supplies, according to the ship-tracking data and industry executives.

This may impact the billions of dollars in annual savings that India made last year.

Imports of Russian oil jumped by a record 140 per cent in calendar 2023 to 1.79 million barrels a day (b/d) from 740,400 b/d in 2022, when Russia marched into Ukraine in February, and from just 102,000 b/d in 2021, according to the data from Paris-based market intelligence agency Kpler.

Last year, the surge in Russian imports, which accounted for 39 per cent of India's crude oil imports from 16 per cent a year earlier, was accompanied by a decline in purchases from India's traditional suppliers in West Asia. Shipments from Iraq, Saudi Arabia, and the United Arab Emirates, the top three Gulf suppliers to India, fell by 17 per cent last year to 1.88 million b/d.

Russian Urals is now an important part of India's crude oil purchases because refiners are proficient in processing Russian grades, said R Ramachandran, former refinery head, Bharat Petroleum, and now an oil industry consultant.

Discounts on Russian grades have declined by more than half to $4-5 per barrel from $11-13 in early 2023, two Mumbai-based executives in the refining sector said. It is unlikely that Russian traders will offer record double-digit discounts this year because of higher demand for Russian export benchmark Urals grade, and amid lower production by Moscow, at least until the end of the first quarter of this year, an industry executive said.

A Mumbai-based refining executive responsible for Russian purchases said he did not expect discounts to expand, anticipating imports to average between 1.5 and 1.7 million b/d this year. The stricter enforcement of sanctions by the US in the past few months, resulting in more than 10 Russian tankers carrying crude oil to China and India being charged with violating rules, has led to an increase in freight rates by as much as 20 per cent.

These factors might cut India's savings on Russian oil imports, which averaged close to $4.5 billion, based on calculations from the ship-tracking and industry data. These savings may fall by a third — assuming an average of $5 per barrel (bbl) discount on imports of 1.6 million b/d in 2024, leading to savings of over $3 billion for Indian refiners. It is still a tidy sum, considering that oil firms are coping with volatility in global crude oil rates and a freeze in pump prices of diesel and petrol since May 2022. Imports of Russian crude oil in December averaged 1.44 million b/d, a fall of 14 per cent from November and from a record 2.16 million b/d in May, the Kpler data shows. Russian oil accounted for around 33 per cent of India's overall crude oil imports in December, six percentage points lower than the 2023 average.

The stricter policing of tankers carrying Russian oil amid reduction in output contributed to falling purchases, industry officials said. There were issues with payment. Indian Oil imported only 258,000 b/d of Russian oil in December, declining by nearly half in the month.

Bharat Petroleum was the biggest purchaser of Russian crude oil last month at 314,000 b/d, up by 60,000 b/d on the month, followed by Reliance Industries at 285,000 b/d, according to Kpler.

Washington has sent notices to some 30 owners and managers of oil tankers to check on their compliance with the price cap and warned the shipping industry against any violation, US market publication Energy Intelligence reported.

MILLENNIUM POST, Delhi, 2.1.2024
Page No. 9, Size:(34.50)cms X (9.52)cms.

ONGC seeks partners to cut gas flaring, zero methane emission by 2030

Oil and Natural Gas Corporation has substantially cut gas flaring and would look to bring it down to nil as part of its environmental commitments

NEW DELHI: India's top oil and gas producer ONGC is seeking global technology partners to cut gas flaring and achieve zero methane emission by 2030 as part of its ambitious decarbonisation plan, its chairman Arun Kumar Singh said on Monday.

Oil and Natural Gas Corporation (ONGC) has substantially cut gas flaring — burning of methane gas that is produced when oil is extracted from below surface — and would look to bring it down to nil as part of its environmental commitments.

In a post on LinkedIn, Singh said India's role in the global energy landscape is progressively becoming pivotal, and is likely to account for 25 per cent of global energy demand growth over the next two decades.

According to the International Energy Agency, India's share in global primary energy consumption is expected to rise to 9.8 per cent by 2050.

"India's share in cumulative global green-house-gas (GHG) emissions has been only 4 per cent, and current emission is 7 per cent, despite its population share of 16-17 per cent," he said. "As a responsible corporate citizen of the world, we are fully aware of our obligation towards the mother planet, which is shared by developing and developed world alike. Accordingly, our nation is chasing a paradigm shift in energy consumption, with a focus on cleaner, greener, and sustainable alternatives."

With increasing energy demand, the commitment to decarbonisation is stronger than ever.

"ONGC has made significant contributions in reducing gas flaring in our exploration and production (E&P) operations, aligning with our environmental commitments; we have consistently worked to bring it lower and lower, and we aim to bring avoidable flaring down to zero by 2030.

"Similarly, substantive reduction has been achieved in the area of methane emission, and we aim to bring it down to zero level by 2030," he said.

Singh said ONGC uses a lot of gas to generate electricity as well as meet compression and other process needs of an oil and gas field. By 2028, this gas is intended to be replaced with green power wheeled to installations as far as 160 km from the west coast. The gas thus freed will be sold to industries like fertiliser and power plants.

"We envisage to wheel green electricity to our Mumbai Offshore fields on the Arabian Sea, replacing natural gas, currently being used to drive power devices at process platforms," he said.

Companies around the globe have pledged to slash down methane emissions by 30 per cent from 2020 levels by 2030. Methane, which is a more potent greenhouse gas than carbon dioxide, tends to leak into the atmosphere.

This is sometimes deliberate when companies flare the gas that comes alongside crude oil, due to lack of consumption markets. It also can leak undetected from drill sites, gas pipelines and other oil and gas equipment.

Controlling methane, which has been rising in atmospheric concentration for decades, is seen as one of the easiest and cheapest ways to make an immediate impact on global greenhouse gas emissions.

"Collaboration and innovation are the key here. Realising this need, we extend an invitation to all the innovators offering superior technology and are ahead on the learning curve relating to this goal of nil methane emission and zero avoidable flaring," he said.

He went on to ask technology innovators to write to ONGC on possible solutions to the flaring and methane emission problem. Flaring, which used to be done in the past because of lack of customers for gas, has been reduced by almost 80 per cent, he said. PTI

ASIAN AGE, Delhi, 2.1.2024
Page No. 7, Size:(2.30)cms X (5.75)cms.

ONGC SEEKS TECH PARTNER TO CUT GAS FLARING

New Delhi, Jan. 1: ONGC is seeking global technology partners to cut gas flaring and achieve zero methane emission by 2030, its chairman Arun Kumar Singh said.

Oil and natural gas corporation (ONGC) has substantially cut gas flaring, burning of methane gas, and would look to bring it down to nil as part of its environmental commitments.

Singh said India's role in the global energy landscape is progressively becoming pivotal, and is likely to account for 25 per cent of global energy demand growth over the next two decades.

— *PTI*

BUSINESS LINE, Delhi, 2.1.2024
Page No. 3, Size:(20.57)cms X (15.54)cms.

Price of ATF cut by 4%, commercial LPG too turns cheaper

Press Trust of India
New Delhi

Jet fuel or ATF price on Monday was cut by 4 per cent, the third straight monthly reduction, and commercial cooking gas (LPG) rates were marginally lowered by ₹1.50 per 19-kg cylinder in line with international benchmarks.

However, the price of domestic LPG remained unchanged at ₹903 per 14.2-kg cylinder.

Aviation turbine fuel (ATF) price was cut by ₹4,162.5, or 3.9 per cent, in the national capital to ₹101,993.17 per kl, according to price notifications of state-owned fuel retailers.

This is the third straight monthly reduction in jet fuel prices. ATF price was cut by almost 6 per cent (₹6,854.25 per kl) in November and by ₹5,189.25, or 4.6 per cent, in December.

The three rounds of reduction have wiped away almost 45 per cent of ₹29,391.08 per kl increase in rates effected in four monthly tranches starting July 1.

The reduction in the price of jet fuel, which makes up for 40 per cent of an airline's operating cost, will ease the burden on already financially strained airlines.

Alongside, oil firms also reduced the price of commercial LPG - used in various establishments such as hotels and restaurants - by ₹1.50.

A 19-kg commercial LPG cylinder will now cost ₹1,755.50 in the national capital and ₹1,708.50 in Mumbai.

The price hike follows a ₹39.5 per cylinder reduction in rates effected on December 22.

State-owned Indian Oil Corporation (IOC), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) revise cooking gas and ATF prices on the 1st of every month, based on the average international price in the previous month. The revision on December 22 was an outlier.

Petrol and diesel prices continued to remain on freeze for a record 21st month in a row. Petrol costs ₹96.72 per litre in the national capital, and diesel costs ₹89.62 per litre.

State-owned fuel retailers are supposed to revise petrol and diesel prices daily, based on a 15-day rolling average of benchmark international fuel prices, but they haven't done that since April 6, 2022.

BUSINESS LINE, Delhi, 2.1.2024
Page No. 9, Size:(7.02)cms X (10.48)cms.

Russian oil imports plunge on payment issues

India's crude oil imports from its largest supplier Russia plunged in December to their lowest since January 2023, as six tankers carrying Sokol grade oil could not deliver due to payment issues amid tightening sanctions, according to data intelligence company Kpler. After rising to an all-time record of 2.15 million barrels a day in May, oil imports from Russia fluctuated downwards. BLOOMBERG

Shale is keeping the world awash with oil as conflicts abound

Collin Eaton
feedback@livemint.com

THE WALL STREET JOURNAL.

A surprise surge in American oil and gas production and exports is helping to keep the world stocked, blunting the impact of widening conflict in the Middle East that has crimped key shipping lanes.

When Iranian-backed Houthi militants began launching missiles and drones at ships crossing the Red Sea near Yemen in October, many feared disruption to the vital shipping lane would drive up energy prices. But oil and gas prices this past month have sunk about 5% and 23%, respectively.

That is largely because of record production of U.S. fossil fuels.

Shippers in November moved more oil out of the U.S. than what was produced in Iraq, OPEC's second-largest member, at a record 4.5 million barrels a day. Likewise, U.S. exports of liquefied natural gas, or LNG, are set to hit a record in December, according to market intelligence firm Kpler. European countries have snapped up more U.S. cargoes in recent months, becoming less reliant on shipments through the Suez Canal, a key Red Sea artery.


Many forecasters expected U.S. oil production to grow only modestly in 2023. BLOOMBERG

The attacks on vessels, which the Houthis say are in retaliation for the Israeli military operation in Gaza, have intensified in recent days. U.S. officials alleged a Dec. 23 attack drone launched directly from Iran struck a Japanese-owned chemical tanker off the coast of India, though Tehran denied that claim.

The shipping crisis is expected to raise consumer prices for goods that cross the Red Sea, as hundreds of vessels have been forced to reroute around the Cape of Good Hope in South Africa. But it is unfolding just as U.S. frackers have caught a second wind that, so far, has countered inflationary effects in energy.

Many forecasters expected U.S. oil production to grow only modestly in 2023 as frackers responded to investor pleas for conservative spending, allowing the companies to pay off debt and fund dividends and share buybacks.

It isn't entirely clear how long shale companies can keep increasing production at the same fast clip. Shale drillers, especially privately held companies, deployed more rigs in late 2022 in response to higher commodity prices driven by Russia's invasion of Ukraine. Much of the production from the wells they drilled came online recently, but the U.S. rig count dropped in 2023 and drillers have proposed relatively modest budgets for 2024.

At the same time, large public shale companies such as EOG Resources, Devon Energy and Diamondback Energy said they have sped up drilling times and are pumping more oil from wells they drilled. The scope and duration of those advances are unclear.

TURN TO PAGE 6

Shale is keeping the world awash with oil as conflicts abound

FROM PAGE 1

U.S. oil production had grown to about 13.2 million barrels a day as of October, up almost 900,000 barrels a day from the same month in 2022, according to the Energy Information Administration's latest available data.

Meanwhile drillers in Guyana and Brazil also swiftly increased their output in 2023, though neither gained as much as U.S. shale.

All of that has kept the world's oil inventories far more flush than traders expected months ago, subduing oil prices. In response, the Organization of the Petroleum Exporting Countries and its allies moved in November to cut output further to prop up prices. U.S. crude prices have dropped about 21% in the fourth quarter, and were down about 6% in December.

One beneficiary of cheaper oil: President Biden, whose Energy Department has recently accelerated its purchases of crude meant to replace the barrels it sold off in 2022 from the nation's strategic petroleum reserve. The government had sold the barrels at higher prices that year, and is now competing more actively with international oil buyers.

Tankers have recently carried more U.S. crude to the Netherlands, the U.K., Italy, Spain, France, Germany and other countries as more of Russia's crude has flowed to Asia following Western sanctions. U.S. oil shipments to Europe have jumped 34% since this time in 2022 and 82% from before Russia's invasion of Ukraine, Kpler data show.

Longer term, the Red Sea situation could bring more business for U.S. LNG shippers, which are building out export capacity at Gulf Coast facilities and are vying for lengthy contracts with big buyers in Europe, analysts said.

The percentage of LNG tankers set to pass through the Suez Canal has dropped to its lowest point in at least a decade. At the same time, American LNG exports are expected to rise to a record of more than 8 million metric tons in December, up from the previous record of 7.7 million in October, Kpler projected.


One beneficiary of cheaper oil has been US President Joe Biden. US crude prices fell about 21% in the December quarter. BLOOMBERG

Advocates for fracking have long said fast-growing U.S. shale production could help stabilize markets in times of crisis, in part, because of the speed with which a shale well produces. But analysts warned shale's market influence would diminish if Iran became directly embroiled in the conflict.

"When you're talking about a minor disruption here or there, surging U.S. production helps," said Robert McNally, president of consulting firm Rapidan Energy. "But Iran is a problem shale can't solve, because Iran threatens the Strait of Hormuz, through which 18 million barrels a day flows."

Also, with oil prices lower than in late 2022, many shale drillers large and small are planning to keep spending roughly flat in 2024, in line with investors' preferences. That is expected to curtail production growth. U.S. crude-oil production is expected to increase some 300,000 barrels a day in 2024, Rapidan Energy projects.

Spending by U.S. producers is expected to increase about 2% to a collective $115 billion in 2024. That is compared with a 19% spending boost in 2023, and still well below the annual average of $150 billion from 2010 to 2015, the industry's heyday, according to a survey conducted by James West, an analyst at investment bank Evercore ISI.

"They don't spend like drunken sailors anymore," West said.

West said U.S. shale companies have made some incremental improvements in efficiency, such as in the time it takes to drill a well. But the recent production boost is more the result of a large rig count in late 2022 and early 2023, he said.

As of Friday, the number of drilling rigs active in the U.S. had fallen by about 20% since the end of 2022, according to Baker Hughes.

Some analysts also expect continued consolidation in the oil patch to curtail growth, as large oil companies purchase smaller rivals. In October, Exxon Mobil agreed to buy Pioneer Natural Resources for nearly $60 billion in stock, and Chevron announced it would snap up Hess for $53 billion in stock.

Though the U.S. shale industry has moved away from its hypergrowth phase, there is a dawning realization following global conflicts that demand for oil and gas will remain healthy for years to come, said John Arnold, billionaire philanthropist and former natural-gas trader.

"I think there is growing confidence from investors that the industry isn't going away anytime soon," Arnold said.

When PSUs Start to Flex Their Muscles

But too early to read a productivity turnaround

Investors have bought enthusiastically in India's public sector and have been rewarded handsomely for their efforts. Public sector enterprises are leading the market capitalisation sweepstakes on specific government policies, and the expectation of policy continuity is fanning the exuberance. NTPC and Coal India have benefited from India's stand at climate talks that coal should not be singled out among fossil fuels for cutback commitments. LIC is in the process of transferring a slice of its profits to investors after listing. IRFC and REC are direct fallouts of GoI's bumped-up capital expenditure in railways and electrification. IOC improved its refining margins on easing crude oil prices, a process aided by New Delhi's decision to buy discounted Russian crude in circumvention of a Western blockade.

Beyond these top wealth creators, the overall performance of the pack of listed PSUs in 2023 is a validation of the government's economic management as well as its execution through state-owned enterprises. Alongside, incremental reforms in governance are helping close the valuation gap of PSUs with their private sector rivals. The third factor in play is GoI's stated intention of trimming its ownership in PSUs to promote efficiency. Investor expectations over languid disinvestment are being built up by their reading of the outcome of general elections later this year.

Investor behaviour has changed dramatically from much of India's reform experience since the 1990s when the accepted wisdom was to bet against state enterprise. The private sector led in productivity gains in sectors where state monopolies were being dismantled and built investor wealth. It would, however, be too early to read a turnaround in PSU productivity. Some of the PSU valuation increase is due to self-limiting causes like government capex and credit-funded consumption. The current bout of investor interest can feed a wider divestment pipeline with better exit prices for the government and improved market-led governance of PSUs.

DAINIK BHASKAR, Delhi, 2.1.2024
Page No. 4, Size:(4.83)cms X (7.77)cms.

फोटो | मनीष पारीक
ड्रोन सहयोग | अनु गुप्ता

बीकानेर : अच्छा तेल मिला तो यहां प्रदेश की दूसरी रिफाइनरी संभव

संभावनाओं का राजस्थान - 2

नाल में 31 जनवरी तक पूरा होगा पहले चरण का काम

नाल में 1 अन्य जगह व कोलायत के सालासर में इसके बाद होगी ड्रिलिंग

मनमोहन अग्रवाल | बीकानेर

नए साल में बीकानेर में तेल-गैस का बड़ा भंडार मिल सकता है। ऑइल एंड नेचुरल गैस कॉर्पोरेशन (ओएनजीसी) ने तीन साल सर्वे करने के बाद इसकी पूरी संभावना जताई है। नाल क्षेत्र में 26 दिसंबर से ड्रिलिंग का काम भी शुरू कर दिया है, जो 31 जनवरी तक पूरा हो जाएगा। इसके बाद टेस्टिंग में तेल-गैस की मात्रा और गुणवत्ता का पता लगेगा। सकारात्मक परिणाम मिले तो बीकानेर में रिफाइनरी लग सकती है। नाल में दो जगह, कोलायत के सालासर सहित तीन जगह ड्रिलिंग की जाएगी। पहले फेज में नाल में ड्रिलिंग शुरू कर दी गई है जो 37 दिन तक की जाएगी।

तेल-गैस-सिरेमिक का हब बनेगा बीकानेर

2183 वर्गकिमी में वर्ष 2020 में ओएनजीसी ने सर्वे शुरू किया। यह 3 साल चला। नाल-कोयलात में तेल-गैस का भंडार की पूरी संभावना जताई।

- बीकानेर-नागौर बेसिन में 2118 वर्ग किमी एरिया में तेल-गैस के साक्ष्य मिले। लगातार सर्वे किया गया। बीकानेर एरिया में 48 करोड़ खर्च हुए।

1527 मीटर बोरवेल के आकार का कुआं खोदकर आधुनिक मशीनों से ड्रिलिंग की जा रही है। इसके बाद 21 दिन तक टेस्टिंग की जाएगी।

- फरवरी अंत तक तेल-गैस की मात्रा और गुणवत्ता का पता चल जाएगा। 6 माह में तीनों जगह ड्रिलिंग-टेस्टिंग हो जाएगी। इस पर 49 करोड़ खर्च होंगे।

सबकुछ अच्छा रहा तो नए उद्योग लगेंगे, रोजगार भी बढ़ेगा

ओएनजीसी के एजीएम मनोज शर्मा ने बताया कि 36 कर्मचारी व 100 वर्कर दो शिफ्ट में 24 घंटे काम कर रहे हैं। तेल-गैस मिला तो बड़ा औद्योगिक विकास होगा और बीकानेर सिरेमिक हब बन जाएगा। मोरबी (गुजरात) की तरह बड़े उद्योग लगेंगे और लोगों को रोजगार मिलेगा।

इस बेल्ट में बाल क्ले, जिप्सम, बजरी, लिग्नाइट के भंडार हैं। बाल क्ले रॉ मटेरियल के रूप में देश-विदेश में सप्लाई किया जाता है। खनिज पोटाश भी है, जो देश में और कहीं नहीं है। अभी पोटाश को करोड़ों डॉलर खर्च कर विदेश से मंगवाना पड़ता है।

विमान ईंधन की कीमत में चार प्रतिशत की कटौती, वाणिज्यिक एलपीजी के दाम डेढ़ रुपये घटे

नई दिल्ली (भाषा)।

विमान ईंधन (एटीएफ) के दाम में सोमवार को चार प्रतिशत की कटौती की गयी। वहीं खाना पकाने के 19 किलो के वाणिज्यिक गैस सिलेंडर की कीमत में मामूली 1.50 रुपये प्रति सिलेंडर की कमी की गयी है। यह लगातार तीसरा महीना है जब एटीएफ के दाम कम हुए हैं।

हालांकि, रसोई गैस के रूप में घरों में उपयोग होने वाले 14.2 किलो के घरेलू एलपीजी सिलेंडर के दाम 903 रुपये पर बरकरार हैं। सार्वजनिक क्षेत्र की खुदरा ईंधन कंपनियों की अधिसूचना के अनुसार, एविएशन टर्बाइन फ्यूल (एटीएफ) यानी विमान ईंधन की कीमत में 4,162.5 रुपये यानी 3.9 प्रतिशत की कटौती की गयी है। इस कटौती के बाद दिल्ली में विमान ईंधन की कीमत 1,01,993.17 रुपये प्रति किलोलीटर हो गयी है। यह लगातार तीसरा महीना है जब विमान ईंधन के दाम में कटौती की गयी है। इससे पहले, नवंबर में एटीएफ के दाम में लगभग छह प्रतिशत (6,854.25 रुपये प्रति किलोलीटर) की कटौती की गयी थी।