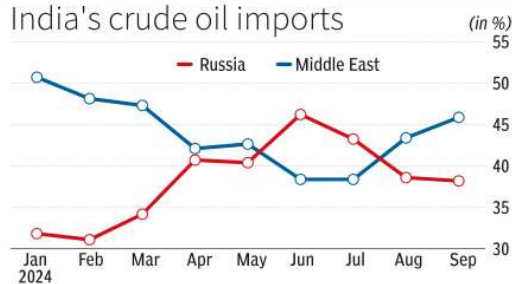


As Russian supplies wane, India turns to Middle East for crude



Middle East suppliers: Iraq, Saudi Arabia, The UAE, Qatar, Oman and Kuwait
Source: Vortexa

Rishi Ranjan Kala
New Delhi

Limited crude oil cargo from Russia, amidst strong import demand from Indian refiners, aided Middle Eastern suppliers regain some of their lost market share from the erstwhile Soviet Union for the second consecutive month in September.

Analysts and trade sources noted that higher supplies from Saudi Arabia to India in September 2024 — despite the world's largest crude oil exporter raising prices of Arab Light grade to Asia below market's expectations — is to protect market share at a time when Asian markets are staring at low margins and demand.

According to energy intelligence firm Vortexa, the cumulative share of Middle Eastern suppliers — Iraq, Saudi Arabia, The UAE, Qatar, Oman and Kuwait — rose to around 45.86 per cent of India's total crude oil imports of 4.703 million barrels per day (mb/d), on a provisional basis, last month.

In August 2024, the share of traditional suppliers to the world's third largest crude oil importer stood at roughly 43.38 per cent of the total imports of 4.172 mb/d. Middle East's share in total crude oil imports during July at 38.37 per cent is the lowest so far in 2024.

Vortexa's Head of APAC Analysis, Serena Huang, told

businessline, "India's imports of Middle Eastern crude have risen in recent months. Although Russian crude remains discounted to most Middle East grades, their limited supplies have driven refiners to increase imports from the Middle East to meet their crude import demand."

MIDDLE EAST SURGE

As per Vortexa data, India procured around 2.16 mb/d crude oil from Middle East, a growth of more than 19 per cent month-on-month (m-o-m). Middle Eastern suppliers clocked a record share of almost 51 per cent in January this year (4.917 mb/d total imports by India), the highest in the current calendar year so far.

Between March to July, the Middle East suppliers consistently lost the market share to Russia. India's imports of Russian crude rose almost 12 per cent m-o-m to hit almost 1.80 mb/d in September.

However, Russia's overall exports were flat. "Russian crude exports in September have totalled 3.23 mb/d, relatively flat versus August exports of 3.16 mb/d," Huang said.

Crude imports from Russia are expected to rebound in October with more supplies returning to the market. It is to be noted that Saudi Arabia will also have more supplies on hand as its domestic power requirement wanes from September.

BPCL Signs Deal for Green Ecosystem at Mumbai Port

Mumbai: State-run Bharat Petroleum Corporation (BPCL) signed a memorandum of understanding (MoU) with the Mumbai Port Authority (MbPA) and the Mumbai Port Sustainability Foundation (MPSF) to create a green fuel ecosystem in Mumbai port.

As part of this initiative, BPCL and MbPA will jointly set up electric vehicle (EV) charging stations in the port facility. Both partners will also explore converting diesel-powered vessels to cleaner fuel alternatives to enhance the port's green infrastructure and minimise its carbon footprint.

Krishna Kumar, chairman and managing director at BPCL, said the MoU aligns with the company's commitment to a sustainable future, and its goal of reaching net zero emissions for Scope 1 and Scope 2 by 2040. —Our Bureau

BPCL, Mumbai Port sign green fuel pact



Mumbai: BPCL has inked an initial pact with the Mumbai Port Authority and the Mumbai Port Sustainability Foundation for setting up a green fuel ecosystem at the port. It is a pivotal step towards driving India's transition to cleaner energy solutions. It aims to reduce greenhouse gas emissions, contributing to the country's climate change goals, a BPCL statement said. PTI

Govt's internship scheme gets 111 firms on board

50% slots reserved for SC/ST and OBCs

PRIYANSH VERMA
New Delhi, October 3



THE GOVERNMENT-ASSISTED scheme to provide internship opportunities to India's youth in top Indian companies, announced in Budget FY25, has got a head start with over 100 firms — 111 at last count — having already evinced interest in it. The companies on board include the who's who of Corporate India — Reliance Industries, Tata Consultancy Services, HDFC Bank, ONGC, Infosys, NTPC, Tata Steel, ITC, Indian Oil, ICICI Bank, Wipro, Mahindra and Mahindra, HUL, and JSW Steel.

The scheme will have a 50% reservation for SC/STs and OBCs, as in government jobs, according to official sources.

These firms have made a total of 1,077 offers on the designated ministry of corporate affairs' portal, which will go live on October 12 for the candidates to apply for training and skill development, the sources added.

The government formally rolled out the scheme on Thursday on a pilot basis. Virtual training of the company executives (trainers) has also commenced.

The scheme envisages top 500 companies in terms of their average corporate social responsibility (CSR) spend in the past three years to offer internship options to the youth. The intent behind it is to increase their

LENDING A HELPING HAND

- Govt formally rolled out the scheme on Thursday on a pilot basis
- Over 100 firms have made a total of 1,077 offers on designated govt portal
- Portal to go live on Oct 12 for candidates to apply for training and skill development
- RIL, TCS, HDFC Bank, ONGC, Infosys and NTPC among those on board

access to potential employers and making them more employable.

According to the sources, the scheme aims to provide internship opportunities to 125,000 youth in FY25, and entails a financial outgo of ₹800 crore. The scheme has a tall target of providing opportunities to 10 million youth over a five-year period. The participation of companies under the scheme is voluntary.

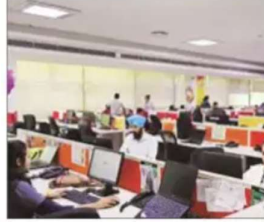
The actual training of selected interns will commence from December 2, and the duration of the training will be 12 months.

Continued on Page 7

Internship scheme: 111 firms on board

In case the 500 "partner companies" can't provide internships, they may tie up with entities in its forward and backward value chain (suppliers/vendors) for the purpose, the sources added. However, the partner companies will oversee the implementation of the scheme.

Candidates who have passed Grade 10 (high school) and beyond and in the age group of 21-24 years are eligible to apply, subject to riders. For instance, graduates from IITs, IIMs, NLU and those having qualifications such as CA, CMA, MBBS, BDS, and MBA are not eligible. Also, those undergoing any skill, apprenticeship training under central/state govern-



ment schemes are ineligible. Besides, individuals who have any family member whose income exceeds ₹8 lakh (in FY24), or has a member who is a permanent/regular government employee, can't apply for the intern-

ship programme.

As per the scheme, the candidates will have to register themselves on the dedicated online portal, which will automatically shortlist twice the number of vacancies available in the industry for each position. This shortlist will be based on the candidates' profiles, preferences, and eligibility. Once the portal has shortlisted the candidates, the industry (or the participating companies) will review the list and select candidates from the shortlist and send them an offer letter.

The Confederation of Indian Industry (CII) said that since a majority of the economically marginalised people belong to the SC/ST/OBC

communities, the 50% reservation will promote inclusivity and create a supportive environment for them. "By adding the reservation piece, the government has taken affirmative action that will go a long way to promote inclusiveness," said Sougata Roy Choudhury, executive director (skills, AA & IR) at CII.

The interns will receive financial assistance of ₹5,000 per month, with ₹4,500 provided by the government and ₹500 contributed by the company from its CSR funds. Additionally, each intern will be given a one-time grant of ₹6,000 for incidental expenses, disbursed by the ministry when they begin their internship.

Green Hydrogen Hype Fades as High Costs Force Project Retreat

Although hydrogen demand is expected to rise this decade, only a small part of that is being satisfied by clean fuel

Climate-friendly hydrogen was one of the most-hyped sectors in green energy. Now the reality of its high cost is taking its toll.

In recent months, some of the biggest would-be developers of the fuel have canceled projects, axed orders and scaled back investment plans. The low-carbon fuel is simply too expensive to stimulate demand in many sectors of the economy.

On Thursday, Origin Energy Ltd. canceled a project to produce the clean-burning fuel in an industrial area of eastern Australia.

"It has become clear that the hydrogen market is developing more slowly than anticipated, and there remain risks and both input cost and technology advancements to overcome," Ori-

gin's Chief Executive Officer Frank Calabria said in a statement. "The combination of these factors mean we are unable to see a current pathway to take a final investment decision on the project."

So-called green hydrogen is made by using renewable electricity to separate the hydrogen and oxygen atoms in water.

The resulting product can replace fossil fuel-derived hydrogen currently used in the chemicals and oil refining industries and potentially for new applications like power storage, steel production and shipping fuel.

Beyond the cancellations from publicly-listed com-

panies, smaller players are likely axing many more projects without publicity, according to Michael Liebreich, chief executive officer of Liebreich Associates and managing partner of EcoPragma Capital.

Still, Liebreich, who's both an analyst and investor, said that could be a positive reset for the industry, allowing economically robust projects to go ahead.

"A lot of people are just walking away and it's healthy," Liebreich said in an interview. "The more realism there is, the better, because we can focus time, capital and talent on things that will work rather than on things that won't work."

There are signs that hydrogen demand will grow this decade, but only a small part of that is being satisfied by clean fuel.

Production of clean hydrogen is set to jump more than 40% to reach 1 million tons in 2024, though that's still only about 1% of current hydrogen demand globally, according to the International Energy Agency. Projects with a further 3.4 million tons of capacity have to reach a final investment decision, the IEA found. **Bloomberg**

Experts say that the hydrogen market is developing slower than expected due to high input costs and technological barriers



India sees crude imports rise from Iraq, Saudi Arabia

MADHUSUDAN SAHOO
NEW DELHI, OCT. 3

India's oil demand surged significantly in the month of September as the country ramped up crude oil imports from its traditional suppliers, including Iraq and Saudi Arabia.

India's imports from Iraq and Saudi climbed by 16 percent and 37 percent, respectively, in the month, as per the data by energy cargo tracker, Vortexa.

As per the data, India imported 6,88,000 bpd in Sept. from Saudi Arabia from 5,01,000 bpd in Aug., whereas Iraq supplied 8,94,000 bpd of crude oil in Sept. against 771,000 bpd in the month of August.

"However, Russia still remains the country's top



crude supplier, with over 1.79 mn bpd, accounting for 38 per cent of India's total oil imports," it said.

India's crude oil imports rose by 12.7 per cent in Sept., reaching 4.7 million barrels per day (bpd). The demand is expected to climb further with the festive season approaching, pushing Indian refiners to seek more supplies.

Global oil benchmark Brent crude climbed 1.37

per cent to \$74.91 a barrel.

The weak global oil demand, primarily from China, has weighed on prices with crude oil hovering at \$72-\$74 per barrel.

However, experts said that the escalating tensions in Middle-East has led to sharp jumps in oil prices, but they believed the impact would be short-lived if the war does not spread to other areas.

India relies on imports for over 85 per cent of its crude oil needs. A drop in crude prices during the latter half of the year could benefit state-run oil marketing firms. "It is also expected that lower oil prices would translate into higher margins' for the leading refiners," experts said.

● INDIA BEST PERFORMER AMONG EM PEERS SO FAR IN 2024

Indices may slip further on oil

Crude prices jump 2% on supply fears over turmoils in West Asia

VIVEK KUMAR M
Mumbai, October 3

THE PRICES OF crude oil could play a key role in the performance of Indian equities in the next few months amid concerns over widening of conflict in West Asia. Any sharp spike in crude oil prices can accelerate the outflow of funds from foreign investors and turn India into an underperformer among emerging market (EM) peers, market participants said.

So far in 2024, India has been a best performer among EM peers with equity returns of over 16%. However, equities in China have seen a sharp rally in the last few weeks, driven by stimulus measures to boost economy and attractive valuations.

In three sessions since the tensions in West Asia started escalating and stimulus measures announced by China, FPIs have sold over ₹26,870 crore worth of shares in India.

On Thursday, benchmark indices Nifty and Sensex recorded an over 2% fall to close at their lowest levels in three weeks amid aggressive selling by FPIs. "If tensions in West Asia escalate from Iran's side, there could be supply disruption in oil. This would impact emerging markets, particularly India due to its expensive valuations," said Shrikant Chouhan, executive VP and head of equity research at Kotak Securities.

G Chokkalingam, founder and head of research at Equinomics Research, said if oil prices shoot up

BRENT FLARE-UP, A SHORT-TERM CHALLENGE

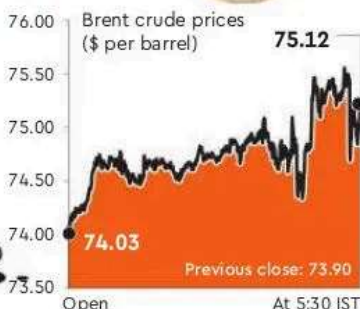
Major emerging markets countries (2024 YTD return, %)



10-year govt bond yield (%)



Source: Bloomberg



15-20%, then India could be worst affected among emerging markets.

So far this week, crude prices have risen over 4% to \$75.6 a barrel. Some market participants were surprised with the relatively modest rise in the prices, but said this could be an indication that experts do not see the conflict widening in the region.

Experts said that if crude prices do not surpass \$80 per barrel, India is likely to remain an outperformer

despite the relatively high valuations.

Chokkalingam said the good monsoon, crop output and strong macroeconomic factors will likely provide a support to Indian equities.

Vinit Sambre, head-equities at DSP Mutual Fund, too, said that though the flare-up in oil prices could be a short-term challenge for India, the long-term growth potential will help retain investor interest compared to other emerging markets.

Rupee falls 14p to log worst day in 2 months

SIDDHI NAYAK
Mumbai, October 3

THE RUPEE FELL for a fourth consecutive session on Thursday, logging its worst day against the dollar in two months, pressured by a decline in regional currencies and an uptick in crude prices amid intensifying West Asia conflict.

The rupee ended at 83.9675, down 14 paise from 83.82 in the previous session. The domestic currency fell to an intraday low of 83.97 during the session, just shy of its record low of 83.9850, hit last month.

"While the 84 level is expected to act as a strong support for the rupee, any escalation in geopolitical conflict or a significant surge in oil prices could push it to a new record low," said Sugandha Sachdeva, founder of SS WealthStreet, a research firm. Significant foreign portfolio outflows from Indian markets have also weighed on the rupee, Sachdeva said.

However, the RBI is unlikely to "loosen its grip" and will intervene if the rupee edges past 84 against the dollar, "in quick succession", a trader with a private bank said.

Most Asian currencies slipped, with the Thai baht, Malaysian ringgit and the Indonesian rupiah down about 1% each.

— REUTERS



IOC pipelines raise bar for Chinese entry into Nepal

New Delhi: India will lay two pipelines to supply petroleum products to Nepal in the most affordable and environment friendly way, a move that will raise the entry barrier for China in the country's oil market, reports **Sanjay Dutta**.

IndianOil and Nepal Oil Corporation Thursday signed the framework agreement. One pipeline will supply products from Siliguri to Jhapa in Nepal, 50 km away. The other pipeline will be laid

inside Nepal to push products upcountry from Amlekhgunj near the border town of Birganj to Lothar, 62 km away.

The agreement follows a 2023 MoU. Both the pipelines have been under discussion since 2019, when peeved by India's 2018 economic blockade, Kathmandu had signed a trade and fuel supply pact with China. But the Himalayan logistics involved in carting fuel from China has made the option economically unviable.

IOC, Nepal Oil join hands to construct pipelines

Press Trust of India

Kathmandu

Nepal Oil Corporation and Indian Oil Corporation Thursday signed an agreement for the construction of two new pipeline projects, marking a key milestone in the energy partnership between the two neighbouring countries.

The length of the Siliguri (India) to Jhapa (Nepal) pipeline will be 50 kms, while another pipeline from Amlekhgunj to Lothar of Chitwan will be 62 kms long.

NEW MILESTONE

“Marking a key milestone in the India-Nepal energy partnership, #IndianOil signed a B2B Framework Agreement with Nepal Oil Corporation today. This collaboration, in the presence of Secretary,

MoP&NG, Pankaj Jain, will enhance energy security and optimise petroleum logistics, particularly for the hilly terrains,” the Indian Oil posted on X.

“The Framework Agreement will extend the existing MAPL pipeline till Chitwan, construct a new pipeline from Siliguri to Jhapa, and build two terminals to connect major demand centres at Jhapa and Chitwan in Nepal. A testament to our commitment to a stronger, more resilient partnership,” Union Minister for Petroleum and Natural Gas, Hardeep Singh Puri posted on X.

IOC Chairman V Satish Kumar said this “collaboration builds on the success of the Motihari-Amlekhgunj pipeline and paves the way for seamless energy connectivity, enhancing energy security for both nations”.

CONFLICT THREATENS OIL SUPPLIES AND TRADE

MIDDLE EAST tensions escalate: India braces for economic impact

SIMONTINI BHATTACHARJEE

NEW DELHI: The intensifying violence in the Middle East has sent shockwaves through global financial markets, with significant implications for the oil and defence sectors. Rising oil prices, driven by fears of supply interruptions, have supported gains in the energy market. At the same time, geopolitical uncertainty has heightened risks for economies such as India, which rely significantly on regional oil imports. Any protracted disruption in Middle Eastern oil supplies might exacerbate India's energy security concerns, resulting in higher fuel costs that directly impact businesses and consumers.

India's economic links with the Middle East extend beyond oil to include commerce in machinery, medicines, natural gas, and fertilizers. A prolonged conflict in the region would not only impede these trade flows but would also result in higher global crude oil prices, putting central banks under pressure to regulate inflation. As energy prices rise, inflation may follow, undermining economic recovery efforts, particularly in emerging nations such as India.

Speculation over impending Israeli strikes on Iran's oil infrastructure has spooked global markets. In India, where stock valuations are already high, the uncertainty may trigger a shift in foreign portfolio investments, with investors potentially migrating to safer assets such as bonds and gold. Although domestic investments have offered some stability so far, market volatility is anticipated to rise in response to future geopolitical developments.



Any protracted disruption in Middle Eastern oil supplies might exacerbate India's energy security concerns, resulting in higher fuel costs that directly impact businesses and consumers REPRESENTATIVE IMAGE

Oil prices are projected to remain highly sensitive to the scenario, with investors anxiously watching the Federal Reserve's next interest rate decision. The combination of geopolitical threats and monetary policy will largely affect the global market mood in the next weeks, with the ongoing Middle Eastern war playing an important role.

A full-fledged battle, especially after Iran's missile bombardment on Israel, may have serious consequences for global trade and economies such as India's. A significant issue would be the security of the Red Sea shipping route, which is an important artery for world commerce. If this route is disrupted due to conflict, freight costs would rise, further raising commodity prices and exacerbating inflationary pressures on economies that rely largely on Middle Eastern oil imports.

Despite increasing imports from Russia, India continues to rely significantly on Middle Eastern oil. As of August 2024, Middle Eastern oil accounted for 44.6 per cent of India's crude

HIGHLIGHTS

- » India's economic links with the Middle East extend beyond oil to include commerce in machinery, medicines, natural gas, and fertilizers
- » A prolonged conflict in the region would not only impede these trade flows but would also result in higher global crude oil prices, putting central banks under pressure to regulate inflation
- » As energy prices rise, inflation may follow, undermining economic recovery efforts, particularly in emerging nations such as India

imports, with Iraq, Saudi Arabia, the UAE, and Kuwait serving as important suppliers, according to sources. Additionally, Qatar supplies roughly half of India's liquefied natural gas (LNG),

making the region critical to India's energy security. Any disruption in the Strait of Hormuz, a vital chokepoint for global oil imports, would jeopardize India's energy supply networks. This narrow channel is responsible for the transportation of a substantial part of the world's oil, and military activity in the region could jeopardize both oil and LNG exports to India.

In the event of a conflict, maritime lines may have to be redirected around the Cape of Good Hope, increasing transportation costs. This would put extra strain on Indian refiners, who rely on both Middle Eastern and Russian oil. As transportation and energy prices rise, India's inflation is expected to rise, challenging economic management efforts and potentially hampering GDP.

Meanwhile, experts believe that the Reserve Bank of India (RBI) would confront a difficult decision on monetary policy. While interest rate reduction is expected by the end of the year, they believe that stubbornly high oil prices would

force the central bank to defer such moves. A \$10 per barrel increase in crude oil prices could boost India's consumer price index (CPI) by up to 0.5 percentage points, adding to the country's already strong inflationary pressures.

Despite these hurdles, India has maintained strong trading ties with key Gulf Cooperation Council (GCC) members such as Saudi Arabia, the UAE, and Qatar. These countries have mainly remained neutral in the Iran-Israel dispute, bringing some stability to India's trading connections. Reports also stated that India's exports to Iran increased during this time.

However, persistent instability in the region may jeopardize critical infrastructure projects such as the India-Middle East-Europe Corridor (IMEC). This effort, announced at the G20 conference last year, aims to build a strategic transport and commercial network connecting India, the Gulf, and Europe. Furthermore, a conflict in the Middle East could stall the execution of this huge project, jeopardizing India's long-term economic and geopolitical goals.

Other sources indicated that the arrival of Indian naval ships in Iran during this time demonstrates India's strategic efforts to balance its diplomatic and defence partnerships while protecting its energy interests. However, the Indian Navy did not formally confirm the move and instead described it as a 'regular' one. However, as tensions in the Middle East rise, India will be forced to walk a fine line, balancing its connections with Iran and Israel to defend its interests in a more unpredictable global context.



Nepal Oil Corp, IOC sign pact to construct new pipelines

KATHMANDU, Oct 3: Nepal Oil Corporation and Indian Oil Corporation on Thursday signed an agreement for the construction of two new pipeline projects, marking a key milestone in the energy partnership between the two neighbouring countries.

The length of the Siliguri (India) to Jhapa (Nepal) pipeline will be 50 km, while another pipeline from Amlekhgunj to Lothar of Chitwan will be 62 km long.

"Marking a key milestone in the India-Nepal energy partnership, #IndianOil signed a B2B Framework Agreement with Nepal Oil Corporation today. This collaboration, in the presence of Secretary, MoP&NG, Pankaj Jain, will enhance energy security and optimise petroleum logistics, particularly for the hilly terrains," the Indian Oil posted on X.

Jain said that Indian Oil's pivotal role in these projects is commendable, and their timely execution will further strengthen ties between India and Nepal.

"Another milestone in #IndiaNepalFriendship! Strengthening petroleum infrastructure, reducing costs, and bolstering supply security for Nepal citizens and the economy under the leadership of PM @narendramodi Ji and his vision of Vasudhaiva Kutumbakam," Minister for Petroleum and Natural Gas Hardeep Singh Puri posted on X.

"The Framework Agreement will extend the existing MAPL pipeline till Chitwan, construct a new pipeline from Siliguri to Jhapa, and build two terminals to connect major demand centres at Jhapa and Chitwan in Nepal. A testament to our commitment to a stronger, more resilient partnership. #NeighborhoodFirst," he added.

"Proud to strengthen the India-Nepal energy partnership through this B2B Framework Agreement between #IndianOil and Nepal Oil Corporation. - PTI

PM Internship Scheme will Focus on Economically Weaker Sections

Alembic, M&M and Max Life Insurance among first set of companies to adopt scheme

Our Bureau

New Delhi: The PM internship scheme will be aimed at youths belonging to the economically weaker households with no member earning above ₹8 lakh a year; a top corporate affairs ministry functionary said on Thursday, adding that the usual caste-based reservations will also apply in the selection of candidates.

Alembic Pharmaceuticals, Mahindra & Mahindra and Max Life Insurance were among the first batch of 111 companies that have already "come on board" to roll out this voluntary scheme, said the functionary.

As part of a pilot project for the scheme, the ministry launched on Thursday a portal through which the internship scheme will be implemented. The top 500 companies that will offer internships are selected on the basis of their average annual spending on corporate social responsibility (CSR) obligations over three years (through 2022-23), the functionary said.

Any other company or financial institution wishing to adopt the scheme may get to do so but only after the MCA

Key Highlights		ELIGIBILITY	
BENEFITS FOR INTERNS/OTHER FEATURES			
₹60,000 a year, and a one-time grant of ₹6,000	Exposure to real biz environments	Unemployed youth aged 21-24	Parents, spouse not earning above ₹8 lakh/year & not govt employees
Insurance coverage at govt cost	A single portal for both companies and interns	Reservation to apply	No degree from IITs and IIMs, NLU, IISER, NIDs and IIITs
Internship in one's own district/state	Grievance redressal mechanism	No degree like CA, CMA, CS, MBBS, BDS, MBA& master's or higher degree	Not taking skill training under govt schemes
	Tele help line 1800-116-090		

approval. The portal will be kept open for the companies from September 3 to 10 to allow them to create accounts and fill in relevant details. It will be made available to youths from October 12 to 25 to apply for internships.

The companies will get the lists of eligible candidates, shortlisted through the use of technology initially; by October 26 and the eligible ones could get internship offers between November 8 and 15 for their acceptance. The ministry expects 125,000 youths to start internships with the companies by December 2.

The portal will be kept open for cos from September 3 to 10 to allow them to create accounts and fill in relevant details

estimated to cost the government about ₹800 crore. A dedicated grievance redressal mechanism will be set up to ensure timely resolution of issues.

According to an initial assessment, companies submitted requests to absorb 1,077 interns in just about an hour of the launch of the portal on Thursday. The initial pilot, which will be scaled up subsequently this fiscal, is

Each selected intern will get a monthly allowance of ₹5,000 for one year; on top of a one-time aid of ₹6,000. The government will bear ₹54,000 towards monthly allowance and the one-time aid, spending ₹60,000 for each intern.

The participating companies will bear the training cost and 10% of the monthly allowance (amounting to ₹6,000 for each candidate) from their CSR funds. Unemployed persons aged 21 to 24 and without education in elite institutions like the IITs and IIMs would be among those eligible for the scheme.

FM MAY WRITE TO MPS/CMS

Finance and corporate affairs minister Nirmala Sitharaman may write to all members of parliament and also chief ministers to encourage youths in their constituencies and states to take advantage of this crucial central government scheme, the functionary said. The idea is to ensure broad-based participation of eligible youths in the scheme that aims to provide the interns, mainly from poor and lower middle-class families, with exposure for 12 months to real-life business environments.

Russian Oil Tankers Switch Flags to Sail Beyond Western Sanctions

With its 'dark fleet', Russia can sell its oil to buyers in countries like India and China

London: The Jaguar, a tanker the length of nearly five Olympic-size swimming pools, left a port near St. Petersburg, Russia, last year, bound for India and loaded with Russian oil.

Its trip that spring came as Western authorities were frantically trying to piece together the network to which it belonged: one of shadowy ships with hidden owners on whom powerful Russians relied to transport the nation's valuable oil.

But by a quirk of the shipping industry, the Jaguar had ties to the West. The tanker flew the flag of St. Kitts and Nevis, which has its maritime registry just outside London — some 20 miles from the very British authorities who chase Russia's assets around the world and chart its oil shipments.

After unloading the oil, the Jaguar would soon switch to a more obscure flag, the Central African nation of Gabon. With an act of paperwork, the Russian tanker had moved beyond the reach of Western financial authorities.

Dozens of tankers have made similar moves over the past year and a half, re-

cords show, as Moscow has worked to protect its so-called dark fleet in the face of international pressure to limit the market for Russian oil.

It is the latest in a cat-and-mouse game that Russian President Vladimir Putin has played with the West since Moscow's full-scale invasion of Ukraine in February 2022. As American, European and British authorities have pursued, frozen and seized Russian money worldwide, Putin has found ever new ways to evade their grip.

In doing so, he has shaped a new world order of companies and countries willing to transact with Russia. He has assembled an economy largely independent of the dollar, the euro or the pound — and increasingly beyond the reach of regulators.

Under Western sanctions, Russia is permitted to sell oil, but at a capped price. That is intended to stunt Moscow's profits and keep oil prices from spi-

king. Russia has devised a workaround by using its dark fleet to sell to buyers in countries like India and China, which are not bound by the price cap.

The Jaguar and other tankers like it are examples of Russian assets that maintained bureaucratic links to the West, even as government officials hunted for Kremlin-linked money.

Just as the St. Kitts and Nevis ship registry is operated out of Britain, two major maritime shipping authorities, Liberia and the Marshall Islands, run their operations from the Washington suburbs. Whether American and British regulators were unaware, preoccupied or simply unsure whether they had jurisdiction to act, dark-fleet tankers remained untouched more than a year into the war.

Treasury and Justice Department officials declined to comment on the ships. In an email, the British Foreign Office indicated it was still exploring whether foreign ship registries based in Britain were obligated to comply with British sanctions.

The New York Times

Moscow has worked to protect its so-called dark fleet in the face of international pressure to limit the market for Russian oil

WAR AND PRICE

Escalating tensions in West Asia could hurt oil supplies once attacks reach Hormuz Strait



S DINAKAR
New Delhi, 3 October

There is a 160-year history entwining wars and oil prices. During the American Civil War, which raged from 1861 to 1865, oil prices rose more than six-fold. During subsequent conflicts — two world wars, several conflicts in West Asia, and Russia's invasion of Ukraine — the increases were relatively muted, but prices still more than doubled.

The current conflict, involving Iran, Israel, Hezbollah, and the United States, resembles the Second Arab-Israeli war of 1956-57, when Egyptian President Gamal Abdel Nasser seized the Suez Canal and closed it for six months, taking 10 per cent of the world's oil off the market. But oil prices remained stable, because production outside the region stymied a spike.

At present, the prospects for oil are looking better for consumers like India despite the escalating hostilities. There are no physical disruptions to supplies. China, the world's biggest consumer, has slashed purchases of oil on account of a weak economy. The US, the world's biggest oil producer, is pumping 13.2 million bpd, 13 per cent of global demand. There is new production from Guyana and Brazil.

In fact, Saudi Arabia is worried that crude oil prices could plummet to \$50 a bbl if OPEC-plus does not adhere to output cuts, says the Wall Street Journal, citing delegates from oil cartel OPEC.

Supplies are so copious that Iran's missile attack on Israel on Wednesday moved oil prices by only 5 per cent, compared to a 50 per cent spike in the first half of 2022 after Russia, the world's second biggest

OIL PRICES DURING WARS

1860s: US Civil War drives up oil prices six fold

World War I (1914-18): Prices double

World War II (1939-45): Short term spike

Suez crisis (1956-57): 10% of world oil off the market, but prices stable

■ Arab countries imposed embargo on countries supporting Israel in the Yom Kippur war (1973-74): Prices treble

Iranian revolution (1978-79)/Iran-Iraq war (1980): Iran cuts output and exports, prices rise from \$14 to \$35/bbl

Iraq invades Kuwait (1990-): Prices more than double

Invasion of Iraq (2001-04. 9/11): Prices rise from \$16 to \$32/bbl

Iran threatens Strait of Hormuz (2012): Prices rise by around \$17/bbl to \$108

Russia-Ukraine war erupts, US energy sanctions (2022 onwards): Brent crude oil futures rise by 50% to the highest in a decade

oil producer, marched into Ukraine in February that year. Saudi Arabia-led OPEC-plus may withdraw 2.2 million bpd voluntary cuts in December as the Kingdom plans to preserve its market share and abandon a \$100/bbl price target, says a Financial Times report last month. OPEC-plus members

imposed a series of collective and voluntary oil production cuts since late 2022 of 5.8 million bpd to lend support to oil prices.

"Crude oil prices rose today (Wednesday) on fears that the war in the Middle East is going to get bigger and more intense after Iran fired missiles at Israel, with Brent crude close to \$75 a bbl," says Tilak Doshi, an international energy expert. "But the downside/bearish signals still hold strongly over global oil markets."

China's manufacturing sector continued contracting for the fifth straight month. Questions over the effectiveness of its latest stimulus plans, and poor data on manufacturing activity for Japan and Germany show signs of weak oil demand, says Doshi.

"Crude is up 3 per cent after a more than 2 per cent jump yesterday (Tuesday), so certainly the market is factoring in a risk premium," says Vandana Hari, a Singapore-based energy expert. "But I don't see \$90 or \$100 a bbl, based on the premise that Iran and Israel will be at pains to avoid an escalation that draws other regional powers in or the US into a full-fledged military conflict."

Besides, the propensity of traders to drive up volatility fundamentals do not support high oil prices. The International Energy Agency forecasts 900,000 bpd of additional oil demand this year and 950,000 bpd in 2025, from 2.1 million bpd in 2023. Incremental output is more than sufficient to meet demand growth, with annual output gains strengthening to 2.1 million bpd in 2025. Non-OPEC+ increases contribute to 1.5 million bpd this year and next, the agency has said.

However, things can go horribly wrong only if the war stretches to the Strait of Hormuz, "the world's most important chokepoint", according to the US Energy Information Administration.

"Threats to transport via the Strait of Hormuz represent a much larger potential shock to global oil supplies than Russia's invasion of Ukraine," says a note by Benjamin Shoosmith, senior economist, KPMG Economics. "Any disruptions to that flow would have a major impact on prices."

Iran has previously threatened to close the Hormuz Strait, 21 miles across at its narrowest point, and has seized tankers in that area. Shoosmith sees prices skyrocketing to \$140 a bbl if the passageway is attacked before settling back to \$80-\$90 a bbl.

There is also a risk of attacks on Gulf oil infrastructure. When drones and missiles struck Saudi Arabian oil production facilities in September 2019, knocking out nearly half of the Kingdom's crude oil production capacity, oil prices surged 20 per cent. But a Beijing-brokered truce between Iran and Saudi Arabia earlier this year, along with involvement of Houthis in the talks, may prevent recurrence of such attacks.

The only obstruction to oil flows from the West Asia conflict has been rerouting of cargoes after the Houthis started attacking tankers in the Red Sea since last November, prompting more expensive voyages around Africa. However, what could precipitate matters in the Strait of Hormuz is an Israeli attack on Iranian oil infrastructure in retaliation to this week's missile attack, which would still need Washington's blessings, says an Indian refining official.

Iran exports an estimated 1.5 million bpd, or 1.5 per cent of global demand. So, quantitatively, this is not a major issue in itself, but a widening of the war will be a key upside risk for oil prices, says Doshi.

West Asia jitters

Besides costlier oil, India's exporters fear an impact with disruption to shipping and trade

A **FULL-BLOWN WAR** in West Asia is in prospect following Iran's ballistic missile strike on Israel to avenge the killing of Hezbollah leader Hassan Nasrallah, and its Islamic Revolutionary Guard Corps commander in Beirut. Israel will certainly retaliate at the time of its choosing even as it has expanded its military objectives to take on Hezbollah — the most powerful non-state actor — by invading southern Lebanon. A multi-arena conflict has opened up as the year-long war in Gaza still rages and Israel has also launched strikes against Houthi forces in Yemen. Israel's imminent attack on Iran for supporting Hezbollah, Hamas, and the Houthis has ratcheted up tensions in the region amidst speculation on the likely targets of its retaliation.

Will it be a tit-for-tat response on Iran's military and airbases or its oil facilities? For a long time, Israel has eyed taking out the country's nuclear enrichment facilities in Natanz. There is no telling exactly how much global oil prices will spike upwards if the US does give a go-ahead for an Israeli strike on Tehran's oil or nuclear facilities which can turn West Asia into a ball of fire.

The prospect of costlier oil is bad news for India that imports the bulk of its energy requirements. Brent spot prices rose to \$75-plus a barrel after softening last month amidst fears of weakening oil demand, especially in the world's second largest economy, China. Although they still remain lower than the average of \$82.60 a barrel from January to September, the markets are extremely jittery about the prospects of strikes on Iran's oil facilities and supply disruptions through the Red Sea and Strait of Hormuz. More consequential for India is that less than half of its supplies were sourced from West Asia through the Persian Gulf and the Strait of Hormuz through which a fifth of global oil supplies passes through daily. An Israeli strike on the facilities of the third largest Opec producer would take out 4.32 million barrels a day or 4.2% of global crude oil supplies. And if Tehran retaliates by blockading the Strait, all bets then will be off as oil prices would zoom and adversely impact the highly energy import-dependent Indian economy.

Indian exporters, too, are nervous about the escalating tensions in West Asia as they confront rising shipping costs and further disruptions to trade. Attacks on container shipments by Houthi forces in the Red Sea have been going on since last October-November and could further intensify with full-blown hostilities. The Suez Canal is the quickest way for goods to transit between Asia and Europe, accounts for 30% of all container ship traffic, and is a vital conduit for crude oil shipments. The Houthi attacks have forced our exporters to reroute their vessels around Africa via the Cape of Good Hope, which inflates costs as journeys take two weeks longer. India's exports to Israel, Jordan, and Lebanon have witnessed contractions in the first seven months of this year. As if all this weren't bad enough, exporters could also be hit by the ongoing workers' strike in the East and Gulf Coast ports of the US, India's largest trading partner. For such reasons, India's ministry of external affairs has expressed deep concern over the likelihood of a wider regional conflict and urged all parties to exercise restraint and address issues through dialogue and diplomacy.



Wider conflict to dent oil exports

ARUNIMA BHARADWAJ
New Delhi, October 3

WHILE THE ERUPTION of the conflict between Israel and Iran has not had any significant impact on the global oil markets as yet, any further escalation could hit Indian supplies of crude oil and refined oil products, analysts say. The key Red Sea route has largely been avoided by shippers after the conflict began, with shipping rates witnessing a rise.

“There is no immediate impact as yet given that Iran, Israel and Lebanon are not significant oil trade partners for India, but in the event of a wider Middle East conflict, it can impact India given India’s continued reliance on crude oil from the region,” said Pulkit Agarwal, head of India content (cross commodities) S&P Global Commodity Insights.

He noted that shippers have been avoiding the Red Sea route for some time now owing to Houthi attack fears. “Owing to heightened tensions, there have been fresh

OUTWARD FLOW

India’s refined product exports by destination shipping region (kbd)



attacks reported on ships in the Red Sea, leading to further slump in commercial shipping traffic.”

India’s export of petroleum products, which rebounded in September following a slump, can once again face a sluggish growth on the back of rising shipping costs if the

situation continues. India’s export of petroleum products in September rose 36.4% to 1.55 million barrels per day against 1.13 million barrels per day in August, according to data from energy cargo tracking firm Vortexa. The rise in exports comes on the back of a widening arbitrage amid refinery maintenance in Europe. September exports have been the highest since March 2022 due to softer cleaner tanker rates and increased demand overseas after the European refineries went under maintenance.

In the first six months of 2024-25, the country exported 11.41 million barrels per day of petroleum products. Analysts say any further escalation of the conflict could send the oil markets and flows in turmoil. “The market is pricing in higher risk premiums, but we do not see any real impact on actual supply flow at the moment,” said Serena Huang, head of Asia Pacific analysis at Vortexa.

(For full report, log on to www.financialexpress.com)



World Gas Use to Hit Record in 2025: IEA

Global demand for natural gas will hit an all-time high next year as



competition for seaborne fuel intensifies between Asia and Europe, according to the International Energy Agency. After a drop in imports this year, Europe will need more liquefied natural gas in 2025, tightening both the market and price spreads with Asia, the agency said in a market report Thursday. "Natural gas supply remains fundamentally tight, with uncertainties weighing on the 2025 outlook," the IEA said. The forecast suggests another challenging year for Europe, where consumers are still struggling with elevated energy bills. **Bloomberg**

बीपीसीएल ने हरित ईंधन पारिस्थितिकी तंत्र स्थापित करने के लिए मुंबई बंदरगाह के साथ किया समझौता

मुंबई, (भाषा)। सार्वजनिक क्षेत्र की कंपनी बीपीसीएल ने बंदरगाह पर हरित ईंधन पारिस्थितिकी तंत्र स्थापित करने के लिए मुंबई बंदरगाह प्राधिकरण और मुंबई बंदरगाह स्थायित्व फाउंडेशन (एमपीएसएफ) के साथ एक प्रारंभिक समझौते पर हस्ताक्षर किए हैं। बीपीसीएल के बयान में कहा गया, यह समझौता ज्ञान भारत को स्वच्छ ऊर्जा समाधानों की ओर ले जाने की दिशा में महत्वपूर्ण कदम है। हरित ईंधन नवाचारों पर ध्यान केंद्रित कर इस पहल का मकसद ग्रीनहाउस गैस उत्सर्जन को काफी कम करना है, जो देश के जलवायु परिवर्तन लक्ष्यों में योगदान देता है।

भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड (बीपीसीएल) ने कहा, इस पहल के तहत दोनों साझेदार संयुक्त रूप से मुंबई बंदरगाह पर ईवी चार्जिंग स्टेशन स्थापित करेंगे, जिससे बंदरगाह उपयोगकर्ताओं तथा आम जनता के लिए हरित ऊर्जा अपनाने को बढ़ावा मिलेगा। बीपीसीएल के चेयरमैन एवं प्रबंध निदेशक जी कृष्ण कुमार ने कहा, यह समझौता ज्ञान 2040 तक स्कोप-1 और स्कोप-2 में शुद्ध शून्य उत्सर्जन हासिल

करने की हमारी आकांक्षा के साथ-साथ एक टिकाऊ कल की दिशा में बीपीसीएल की योजनाओं के अनुरूप है। समुद्री क्षेत्र के लिए एलएनजी और ईवी जैसे टिकाऊ ऊर्जा समाधानों को सक्षम करना सामाजिक जिम्मेदारी को प्रदर्शित करने और हमारे द्वारा सेवा प्रदान किए जाने वाले समुदायों के साथ हमारे सतत विकास के लिए साझेदारी करने के हमारे प्रयास का हिस्सा है।

बीपीसीएल के अनुसार, इस सप्ताह की शुरुआत में मुंबई बंदरगाह पर केंद्रीय बंदरगाह, जहाजरानी व जलमार्ग मंत्री सर्बानंद सोनोवाल द्वारा क्रूज भारत मिशन की शुरुआत के दौरान समझौते को औपचारिक रूप दिया गया। समझौते में अपशिष्ट प्रबंधन के प्रावधान भी शामिल हैं।

बीपीसीएल के व्यवसाय प्रमुख (आई एंड सी) राहुल टंडन ने कहा, एमबीपीए के साथ हमारी साझेदारी बीपीसीएल की टिकाऊ ईंधन व्यवसाय को आगे बढ़ाने की रणनीतिक दृष्टि का प्रमाण है। एलएनजी और हरित ऊर्जा अवसंरचना का लाभ उठाकर, हमारा लक्ष्य समुद्री परिचालन के भविष्य को नया आकार देना है...