TIMES OF INDIA, Delhi, 29.3.2024
Page No. 18, Size:(20.09)cms X (15.16)cms.

'India buying Russian oil is ok, but don't fund Putin's war machine...we need more jets, ammo...we can work with Trump'

In Delhi for the first time since the start of the war, Ukraine's foreign minister ***Dmytro Kuleba*** *speaks to* ***Rudroneel Ghosh*** *in a* **TOI** *exclusive. Excerpts:*

Q&A

● What's the current state of the Ukraine war?

It drags on. You have to assess the war in all its complexities – the situation on land, air and sea. On land, the frontline is more or less stabilised but heavy fighting continues in different areas. We dominate the seas. But Russia, unfortunately, dominates the air because of its ballistic missiles, drones and guided aerial bombs. When we have enough air defence systems, F-16 fighters etc, we'll be able to knock Russia out of the skies and dominate two of the three battlefields. If we receive enough artillery ammunition, we'll be able to take advantage on the ground.

● Last year's counteroffensive failed. If Nato members send troops to Ukraine, won't it exacerbate the situation?

Wars of this scale are fought in stages. There are ups and downs. What matters is the end-game. We've already liberated half the territories occupied since the invasion. We defeated Russia's Black Sea fleet and restored our export corridors, even our exports to India.

We never asked for foreign troops. We're proud of our soldiers and only ask to give them everything they need. We know how to win but just need the tools to do it. I don't know how things will evolve, but do I see any appetite in the collective West to deploy combat troops? Definitely not.

● But you're facing a crunch in ammunition and equipment. Are your war plans changing?

Strategy doesn't change. Goal is to make another large-scale invasion by Russia impossible. Tactics to achieve this may change. If we had five more batteries of Patriot air defence systems and sustainable supply of artillery rounds, we would be doing much better on ground. But that isn't the case. So, we have to adapt while looking for capabilities to do better.

Yes, US couldn't pass the $60bn aid package, but they found a way for another military assistance package recently. Meanwhile, Europe's decided to purchase artillery ammunition from outside Europe for Ukraine.

● But can you actually deter Russia? Putin's into another term, Russia's economy withstood West's sanctions.

What if we spoke in 1940s and I asked what are India's chances of Independence? Back then many would say chances were zero. But today, India is an independent global leader. What Ukraine is for the Russian empire is what India was for the British empire. This is why Russia's desperately fighting for control over Ukraine. It understands that losing Ukraine will be the end of Russia's imperial project.

● How do you see Ukraine fighting under a potential Trump presidency?

Outcome of the US election is not known. But we have experience of dealing with Trump. By the way, Trump was the first US president to sell lethal weapons to Ukraine. So there are ways to work with Trump.

● You criticised India in the past for buying Russian oil.

Anything that makes the Russian war machine benefit is bad. India is buying Russian oil, but the rupees with which it is paying, is not making it to the Russian economy – this is good. So we're not, per se, against cooperation between India and Russia. But we're against anything that helps Russia make money to invest in its war machine. Early in the war, we saw more engagement between India and Russia, and less between India and Ukraine. But that's changed of late. Conversations our leaders had, and my visit to New Delhi, are testament.

● So, you're not against India-Russia cooperation so long as it doesn't fuel the Russian war machinery?

Our job's to convey a simple message to New Delhi. When you decide to engage with Russia, please know the red line for Ukraine is financing Russia's war machine. So structure your deals with Russia such that you're not financing Russian weapons.

● This is very different from your earlier stand about isolating Russia.

I want Russia to be isolated and be part of the ocean. That's my perspective. But how to achieve that is all tactics. I can demand India sever all ties with Russia, but that's not going to happen. But what I can achieve, is to deprive Russia of income to produce more weapons.

● Do you see India mediating a truce between Ukraine and Russia?

I'm in New Delhi to discuss moves India can make as a leader. It doesn't have to be an immediate truce or ceasefire, because everything we know about Russia and its purposes tells us that peace is probably not what they're looking for. But we have to identify steps and areas where India will use its reputation and authority to lead other nations. One such measure is the Peace Formula proposed by Ukraine. This will be my subject matter here.

● Are you looking to move beyond the conflict? Is there war fatigue?

We are trying to get support for a post-conflict situation. I will be discussing with minister Jaishankar and other Indian representatives the eventual participation of Indian companies in the reconstruction of Ukraine – post war, it'll be one of the world's largest construction sites. And we want Indian businesses to take part. We look forward to a boring life, where war is remembered but not experienced on a daily basis. But to achieve that we have to win. If we lose we cease to exist. And you do not tire of fighting for your existence.

● Are you open to freezing the conflict?

No, because freezing the conflict means another large-scale invasion will follow. We have to create a reality where Russia will accept once and for all the independence of Ukraine. If Russia accepts the independence of Ukraine, that would be the beginning of a completely different story.

ECONOMIC TIMES, Delhi, 29.3.2024
Page No. 14, Size:(12.73)cms X (10.28)cms.

Diesel Exports Plunge 25% to $20B as Global Prices Soften

Petrol fetches $10B till Feb this fiscal, a fall of 13%, even as volumes rise 4%

Sanjeev.Choudhary
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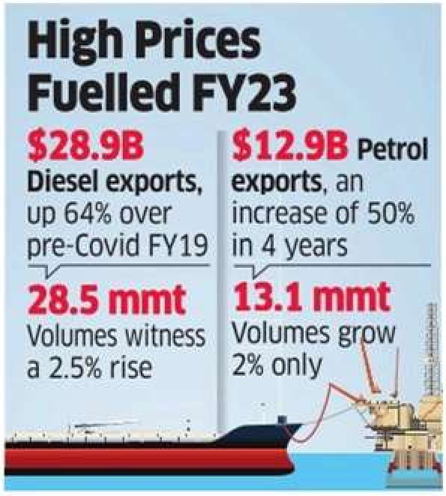
New Delhi: India's diesel exports fell 25% year-on-year in the first 11 months of this financial year to $20 billion as prices in the international markets softened.

The export volume increased marginally to 26 million metric tonnes (mmt) from 25.8 mmt during the April 2023-February 2024 period, according to the petroleum and natural gas ministry data.

Petrol exports fetched $10 billion during this period, about 13% less than a year earlier. In volume terms, however, petrol exports increased 4% to 12.1 mmt.

Diesel and petrol exporters had an extraordinary run in the previous fiscal as the start of the Russia-Ukraine war in February 2022 and the consequent Western sanctions on Russia dislocated the energy market. Diesel and petrol prices surged in the international markets before easing towards the end of 2022-23. On average, diesel and petrol prices are down about 20% and 15%, respectively, year-on-year in this fiscal in the international market.



In 2022-23, diesel exports fetched $28.9 billion, up 64% from $17.6 billion in 2018-19, a pre-Covid year. The volume, though, increased just 2.5% to 28.5 mmt from 27.8 mmt. Similarly, petrol exports increased 50% in four years in value terms to $12.9 billion, but only 2% in volume to 13.1 mmt in 2022-23.

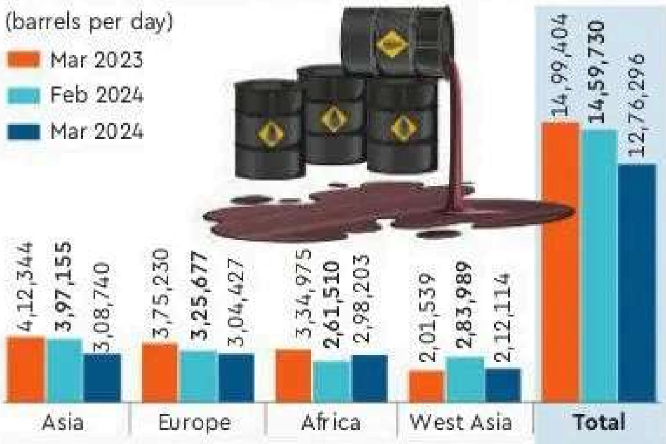
India's fuel export is dominated by the private sector refiners, with Reliance Industries being the country's largest exporter of petrol and diesel. Europe has increasingly become an important market for Indian refined products since the beginning of the Ukraine war, which prompted the continent to shun Russian oil. Supplies from America and India have increasingly replaced Russian diesel in Europe. At the same time, Russian refined products have found customers in China and other markets, though some supplies still flow to Europe.

India is also experiencing a strong growth in oil demand. Domestic consumption of petrol and diesel has increased 5-6% year-on-year this fiscal.

Petroleum product exports fall 15%

ARUNIMA BHARADWAJ
New Delhi, March 28

HIT BY WEAK MARGINS IN MARCH



INDIA'S EXPORTS OF refined oil products that have started to stabilise last month after a drastic decline in the beginning of 2024 have once again witnessed a downfall in March on the back of weakening export margins, as per latest ship-tracking data.

The country exported a total of 1.28 million barrels per day of refined oil products in March, down 12.5% from the previous month, data from intelligence firm Vortexa showed. The exports were down by 15% on year.

"India's diesel exports have seen the largest month-on-month decline in March, which could be a result of weakening export margins," said Serena Huang, analyst at Vortexa.

Moreover, ample supplies from the US and West Asia to Asia and Europe resulted in weaker demand for these products from India. The inclination of European countries towards US and the West Asia for purchases can be attributed to the fact that voyages from India are opting for the longer route around Africa to reach Europe due to the Red Sea crisis which has also resulted in increased freight costs.

India exported 304,427 barrels per day of refined oil products to Europe in March, down by 6.5% from February. Exports to Asia also dropped 22% to 308,740 barrels per day during the month.

Asia accounted for 24.2% of the total exports, largest among all continents followed by Europe and Africa with a share of 23.8% and 23.3%, respectively. "Ample supplies in Europe (from the US and West Asia) and in Asia, are eroding arbitrage to these markets," Huang noted.

Even as the exports to Europe have moderated from the earlier low levels amid tensions at the Red Sea, the volume is still short of the 350,000-400,000 barrel a day average India supplied to Europe in November and December.

India exports a variety of goods via the Red Sea including petroleum products. The country's export of petroleum products grew by 5.1% in February to \$8.24 billion compared to \$7.84 billion in February 2023, as per the latest government data.

Even though India's petroleum products exports may be marginally outpacing the overall outward shipments, imports of these items are rising at a faster rate. As a result, the country's self-sufficiency in oil products has been witnessing a decline from 14.5% in 2011-12 to 12.6% in 2022-23, and further to 12.3% in April-February, according to recent data from the government's Petroleum Planning and Analysis Cell.

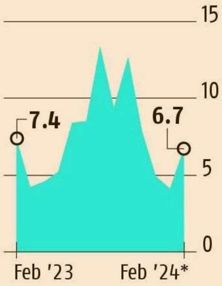
The country imported 43.8 million tonne of petroleum products in the April-February period, up 9% from the year last year. The imports were valued at \$21.2 billion.

BUSINESS STANDARD, Delhi, 29.3.2024
Page No. 4, Size:(13.18)cms X (34.01)cms.

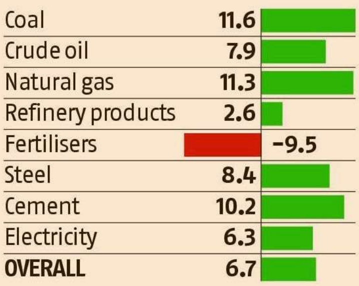
Core sector growth in Feb at 3-mth high

MAPPING THE TRAJECTORY

OVERALL GROWTH (In %)



Sector-wise break-up in Feb (in %)



*Provisional data

Source: Ministry of Commerce and Industry

SHIVA RAJORA
New Delhi, 28 March

Growth in output of the eight key infrastructure sectors — known as the core sector — rose to a three-month high of 6.7 per cent year-on-year (Y-o-Y) in February from 4.1 per cent in January.

According to data released by the Ministry of Commerce and Industry on Thursday, output accelerated in sectors like crude oil (7.9 per cent), refinery products (2.6 per cent) and electricity (6.3 per cent). Also, during February, double-digit growth was seen in sectors like coal (11.6 per cent), natural gas (11.3 per cent) and cement (10.2 per cent). Meanwhile, growth in the output of steel decelerated (8.4 per cent) sequentially during February. On the other hand, output of fertilisers (-9.5 per cent) contracted for the second consecutive month in February. In February 2023, the core sector had recorded a growth of 7.4 per cent.

Meanwhile, cumulative growth in the core sector for the April- February period this year stood at 7.7 per cent compared to 8.2 per cent for the same period in the previous financial year.

The eight core industries account for 40.27 per cent of weighting of items included in the Index of Industrial Production (IIP). Thus, they have a significant impact on the index.

Madan Sabnavis, chief economist, Bank of Baroda, said there has been all-round performance across the eight sectors, barring fertilisers.

This can be explained by the high-base effect and the fact that this is the period of harvest. As a result, there is less demand for products.

"High growth in steel and cement reflect growth in the construction sector in particular. The auto sector, too, has contributed to the demand for steel. IIP growth can be expected between 4 and 5 per cent, which is due to the growth in electricity," he added.

INDIAN EXPRESS, Delhi, 29.3.2024
Page No. 15, Size:(10.77)cms X (12.03)cms.

LOWER INTERNATIONAL LNG PRICES AID DEMAND GROWTH

Reliance on imported gas up on robust demand recovery

SUKALP SHARMA
NEW DELHI, MARCH 28

AFTER FALLING in the financial year 2022-23 (FY23), India's reliance on imported natural gas has grown notably in the first 11 months of the current fiscal as consumption picked up amid relatively lower prices. The country's import dependency in the case of natural gas in April-February was 46.1 per cent, against 43.6 per cent in the corresponding period of FY23, as per latest available data with the oil ministry's Petroleum Planning & Analysis Cell (PPAC). For the full FY23, natural gas import dependency was 43.9 per cent, down from 48.4 per cent in FY22.

India's natural gas consumption, and consequently imports, had been on a growth trajectory till FY20, with the government's push to increase the share of the fuel in the country's primary energy mix to 15 per cent by 2030 from a little over 6 per cent. However, the pandemic dampened demand, leading to lower imports in FY21. While demand largely recovered in FY22, the Ukraine war sent international natural gas prices soaring to multi-year highs in FY23. This led to considerable demand destruction as well as supply issues in India's case, resulting in lower consumption as well as imports.

High demand growth led to natural gas imports rising 17.6 per cent to 27.93 billion cubic metres. *File*

In FY24, however, international prices have been considerably lower than supernormal levels seen in FY23, making natural gas competitive again with alternate industrial fuels in India, thereby pushing its consumption as well as import. Natural gas is imported into India in its super-chilled or liquefied form—liquefied natural gas (LNG).

Despite net domestic natural gas production growing 6 per cent year-on-year in April-February to 32.65 billion cubic metres (bcm), high demand growth led to natural gas imports rising 17.6 per cent to 27.93 bcm, the PPAC data shows. India's total natural gas consumption for the 11 months to February stood at 60.58 bcm, up 11 per cent year-on-year. The fall in international LNG prices relative to previous fiscal is evident from the fact that despite a jump in LNG import volumes, the value of imports in April-February declined to $12 billion from $15.9 billion a year ago.

"Going forward, with imported LNG prices expected to remain range-bound, growth in domestic natural gas production and sizable demand from key user industries, natural gas consumption is slated to grow significantly in the medium term," CareEdge Ratings had said in a note earlier this month. The rating agency expects India's reliance on imported natural gas to be in the range of 45 per cent till FY26.

"Gas imports are expected to increase at a moderate pace in spite of expected growth in domestic production because consumption of natural gas is expected to outpace domestic production. Still, imports as a percentage of total consumption are expected to remain largely range-bound during next two years, up to FY26. Had there been no growth in domestic gas production, probably dependence on imports would have been much higher," CareEdge said.

The rationale behind the government's push to increase consumption of natural gas in the country, even if it leads to higher imports, is rather simple. Natural gas is far less polluting than conventional hydrocarbons like crude oil and coal, and is usually cheaper than oil, for which India depends on imports to meet over 85 per cent of its requirement.

As the country moves towards green energy and future fuels, natural gas is seen as a key transition fuel in that journey. Various sectors, including the likes of city gas distribution, fertilizer, power generation, and refineries and petrochemicals, are seen as major growth areas for natural gas demand in India.

The Indian EXPRESS Fri, 29 March 2024
https://epaper.indianexpress.com/c/74819792

HINDU, Delhi, 29.3.2024
Page No. 8, Size:(19.34)cms X (13.44)cms.

Understanding India's coal imports

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The spectre of electricity shortages rises again as hot weather descends across the country. In recent years, increasingly unpredictable weather patterns and a fast-growing economy have led to big increases in electricity demand, the meeting of which in a reliable way becomes a challenge. But some of the discourse in this context deserves greater scrutiny.

More about logistics

First, a shortage of domestic thermal coal, the kind used in electricity generation, is primarily blamed for the electricity shortage. Consider August, the month with the greatest electricity shortage in 2023, though the story is similar even in summer months. Electricity shortage in August was about 840 million units due to a poor monsoon, in turn leading to increased demand and reduced supply from some sources. It is pertinent that this shortage was just 0.55% of demand that month. Moreover, 0.6 million tonnes of domestic coal would have addressed this shortage even as over 30 million tonnes of coal were available in coal mines in August and September. This illustrates that the challenge is not really about the availability of domestic thermal coal *per se*, but of insufficient logistics to move the coal to power plants. A recent Ministry of Power advisory corroborates this, saying "supplies of domestic coal will remain constrained due to various logistical issues associated with railway network".

Addressing the logistics challenge would take some time. How best to deal with shortages in the meantime? Since coal is currently India's best bet to meet shortages, the obvious answer is alternative sources of coal. This leads to the second conflation – that the only alternative source is imports. Coal India Ltd. sells about 10% of its production, or 70 million tonnes-80 million tonnes each year through spot auctions. While the price of such coal is higher than the coal that many plants get, it is much lower than the price of imported coal. Though some plants may not have logistics constraints to get coal from the auction sites, even such plants do not consider auctions as an alternative.

The discourse around coal shortages in India needs course correction

The issue of imports

Some thermal coal imports to blend with domestic coal may be required even if auctions are used. The question then is about how much of imports for which coal plants. The Ministry of Power issued a recent advisory to power generators to continue monitoring their coal stocks until June 2024 and import coal as required (up to 6% by weight).

This was widely reported as extending a "mandate" for importing 6% coal. It is convenient, as some might say, for such advisories to be interpreted as mandates by many coal-based generators since the increased costs arising out of coal imports can be 'passed through' to electricity consumers via distribution utilities. Therefore, it is up to electricity regulators, responsible for ensuring prudence of electricity costs, to not interpret such advisories as mandates.

There is little justification to treat the MoP advisory as a mandate, given that the letter itself repeatedly uses the word "Advisory" and the operative sentence reads "... opt for blending as per the requirements ...". Moreover, preliminary analysis shows that a mere 0.3% additional blending in addition to the 3.4% imported coal that was blended between April to December 2023, would have eliminated all shortages in that period.

Thus, the third misleading narrative is that 6% coal imports are necessary when it is just an indicative upper limit of imports that may be required.

Interpreting the advisory as a mandate can have significant cost impacts, with coal still supplying over 70% of India's electricity. Mandatory blending of 6% imported coal by weight for all coal-based generation, instead of the current blending levels, can increase the variable cost of coal-based electricity by 4.5%-7.5%. Indeed, as in the report on Annual Rating of Power Distribution Utilities, power purchase costs increased by 15% in FY23 due to increases in demand, coal imports and prices of imported coal. Regulatory mechanisms that enable such blending 'automatically' without even consulting the distribution utilities concerned run the risk of 'authorising' such higher costs for a much longer period than may be justifiable.

Generation and location

Not all power plants are the same. Typically, the plants that generate the most (the so-called pit-head plants) are situated close to mines, far away from ports and do not face coal shortage. Shortages in periods of high demand are more likely in plants far away from mines which typically do not generate as much. Thus, there is no justification to interpret the advisory as a mandate to import 6% coal by weight for all plants in the country.

Clearly, the discourse around coal shortages in the country needs course correction. It cannot be assumed that coal imports are the default way to address shortages. The fundamental challenge is to overcome the logistics bottlenecks that are preventing coal reaching the locations where required. In the interim, regulatory commissions and distribution utilities must ensure that all coal-based plants are alert to the possibility of coal shortages and identify the cheapest alternative sources – which may not be imports – to bridge the gap. Otherwise, the hapless consumer would be left to pick up the tab for inefficient coal procurement.

Chennai refinery expansion cost escalates

State-owned Indian Oil Corporation (IOC) on Thursday said it will raise its stake in the joint venture building a 9 million tonnes refinery at Chennai to 75 per cent after the cost to the project escalated by over 12 per cent. Originally, IOC and its subsidiary Chennai Petroleum Corporation Ltd (CPCL) were to hold a 25 per cent stake in the joint venture that was to build a new unit adjacent to the existing refinery of CPCL. The remaining 50 per cent equity was to come from financial investors.

BUSINESS STANDARD HINDI, Delhi, 29.3.2024
Page No. 9, Size:(19.68)cms X (26.51)cms.

बुनियादी उद्योग की वृद्धि तीन माह के उच्च स्तर पर

शिवा राजौरा
नई दिल्ली, 28 मार्च

आठ प्रमुख बुनियादी उद्योगों की वृद्धि फरवरी में तीन माह के उच्च स्तर 6.7 प्रतिशत (सालाना आधार) पर पहुंच गई जबकि जनवरी में 4.1 प्रतिशत की वृद्धि हुई थी। छह क्षेत्रों में सुधार होने के कारण बुनियादी उद्योग में इजाफा हुआ।

वाणिज्य और उद्योग मंत्रालय के गुरुवार को जारी आंकड़ों के अनुसार उत्पादन बढ़ने के कारण कच्चे तेल (7.9 प्रतिशत), रिफाइनरी उत्पादों (2.6 प्रतिशत) और बिजली क्षेत्र (6.3 प्रतिशत) की वृद्धि हुई। हालांकि फरवरी में कोयला (11.6 प्रतिशत), प्राकृतिक गैस (11.3 प्रतिशत) और सीमेंट (10.2 प्रतिशत) में दो अंकों में वृद्धि हुई। हालांकि फरवरी की अवधि में स्टील का उत्पादन (8.4 प्रतिशत) क्रमिक रूप से गिर गया। दूसरी तरफ फरवरी में लगातार दूसरे माह उर्वरक के उत्पादन में (9.5 प्रतिशत) की गिरावट आई।

बुनियादी क्षेत्र ने फरवरी 2023 में 7.4 प्रतिशत की वृद्धि दर्ज की थी।

हालांकि बुनियादी उद्योग में इस वित्त वर्ष के दौरान अप्रैल से फरवरी की अवधि में क्रमिक वृद्धि 7.7 प्रतिशत थी जबकि यह बीते वित्त वर्ष की इसी अवधि में 8.2 प्रतिशत थी। औद्योगिक उत्पादन सूचकांक (आईआईपी) में आठ बुनियादी उद्योगों का भारांश 40.27 प्रतिशत है। इसलिए बुनियादी उद्योग का इस सूचकांक पर महत्त्वपूर्ण असर पड़ता है।

बैंक ऑफ बड़ौदा के मुख्य अर्थशास्त्री मदन सबनवीस ने कहा कि उर्वरक को छोड़कर इन आठ उद्योगों का अच्छा प्रदर्शन रहा है। उर्वरक में गिरावट उच्च आधार के कारण आई है। इसके अलावा कटाई के इस मौसम में उर्वरक की मांग भी कम होती है। उन्होंने बताया, 'स्टील और सीमेंट में उच्च वृद्धि निर्माण उद्योग में वृद्धि को प्रदर्शित करती है। हालांकि वाहन उद्योग के कारण भी स्टील की मांग बढ़ी। बिजली के क्षेत्र में मांग के कारण आईआईपी की वृद्धि 4 – 5 प्रतिशत हो सकती है।'

इसी तरह के विचार केयर रेटिंग्स की मुख्य अर्थशास्त्री रजनी सिन्हा ने कहा कि बुनियादी उद्योग में वृद्धि नजर आने के कारण फरवरी में आईआईपी की वृद्धि सुधरकर 5.5 प्रतिशत हो सकती है जबकि यह बीते माह 3.8 प्रतिशत थी। उन्होंने कहा कि इस वित्त वर्ष में कोयला, स्टील और सीमेंट क्षेत्र में मजबूत वृद्धि नजर आई है। सरकार के ज्याद पूंजीगत व्यय से बुनियादी उद्योग को जबरदस्त मदद मिली है। आने वाली तिमाहियों में निजी क्षेत्र का पूंजीगत व्यय बढ़ने के कारण बुनियादी की वृद्धि में सुधार हो सकता है।

6.7 फीसदी की वृद्धि

- छह क्षेत्रों में सुधार होने के कारण बुनियादी उद्योग में इजाफा हुआ
- कच्चे तेल, रिफाइनरी उत्पादों, बिजली, कोयला, प्राकृतिक गैस व सीमेंट क्षेत्रों में वृद्धि हुई
- स्टील का उत्पादन क्रमिक रूप से गिर गया
- लगातार दूसरे माह उर्वरक के उत्पादन में गिरावट आई