FINANCIAL EXPRESS, Delhi, 9.5.2023
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Essar Oil to invest ₹2,000 cr more to raise CBM output

RAJESH KURUP
Mumbai, May 8

ESSAR OIL AND Gas Exploration and Production will invest another ₹2,000 crore to ramp up production of coal bed methane (CBM) gas and increase the total number of wells to 500 in the next 2-3 years.

The company, which has already drilled 348 wells, has invested more than Rs 5,000 crore for development of its Raniganj CBM block in West Bengal.

The investments, which would be made at its coal seam block in West Bengal, will help in increasing the production to contribute about 5% to India's total gas production. A part of the investment would be earmarked for eCBM microbial technology and R&D initiatives such as hydro-fracking, radial drilling and microbial treatments among others.

The company will start drilling of the new wells in the next 18-24 months to take production to about 3 mmscmd.

"The investment in Microbial eCBM technology demonstrates our commitment to increase production and reserves base," EOGEPL CEO Pankaj Kalra said.

Essar Oil, which primarily focuses on unconventional hydrocarbons, has a resource base of 12 trillion cubic feet CBM and shale gas resources.

IN THE PIPELINE

- To increase the total number of wells to 500 in the next 2-3 years
- It has invested more than ₹5,000 crore in its Raniganj CBM block in West Bengal
- Investments to help output to contribute about 5% to India's total gas production

MINT, Delhi, 9.5.2023
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mint primer

Gas price hike: what it means for homes and firms

BY RITURAJ BARUAH

The Petroleum Planning & Analysis Cell has set the price of domestic natural gas for May at $8.27 per metric million British thermal units. It was $7.92 in April. The revision follows the new domestic gas pricing formula introduced last month. *Mint* explains its likely impact.

1 Where does India source its gas from?

India imports around 55% of its natural gas requirement. Qatar, UAE, US, Russia and Australia are among the top suppliers of liquified natural gas (LNG) to India. India is also ramping up its own gas production. In FY22, India's LNG production was 33,131.23 million metric standard cubic metres. About 83% of local LNG comes from state-run ONGC and OIL, from the 'nomination' regime, and the remaining from private/joint venture companies. Nomination bocks were allocated to the state-run exploration companies before 1999—before the current auction process began for allocating oil and gas blocks.

2 Why have domestic prices been increased?

The increase in the price of domestic natural gas has come on the back of the rise in crude oil prices in April. Under the new pricing norms, the price of domestic natural gas has been linked to crude oil prices and it is calculated at 10% of the monthly average of the Indian crude basket. The average price of the Indian crude basket rose to $83.76 from $78.54 per barrel in March. Oil prices rose last month after OPEC and its allies, including Russia, on 2 April announced a surprise output cut of 1.16 million barrels per day, taking the benchmark Brent crude above the $85 per-barrel-mark.

3 How will the decision impact consumers?

The move is unlikely to affect consumers directly as gas from nomination fields has been kept unchanged at the ceiling price of $6.5 per mmBtu—this ensures stable prices for consumers. Gas from nomination fields is primarily used for piped natural gas (PNG) for cooking purposes and compressed natural gas (CNG) for vehicles.

4 How will the decision affect industries?

Steel, petrochemicals, fertilizers and power may be impacted by the increase in prices. However, given that industrial consumption has only a small share of the domestic gas consumption basket, the increase in prices would have a limited impact on their input cost. CNG makes for the major share of domestic gas consumption. Steel and petrochemicals are among the non-priority sectors for supply of domestic gas, which means they would be supplied with gas only after requirements of the priority sectors are met.

5 What's behind the new gas pricing norms?

The guidelines, approved by the Cabinet on 6 April, are expected to help in the expansion of natural gas consumption by lowering its price—making it more attractive than oil for industries. The Centre aims to increase the share of natural gas in the energy mix from the current 6.5% to 15% by 2030. The reforms are expected to lead to a significant drop in the price of PNG and CNG as it will be benchmarked at 10% of crude oil prices. And a ceiling price has been introduced on gas from nomination fields.

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The shifts underway in India's oil trade

BY HOWINDIALIVES.COM

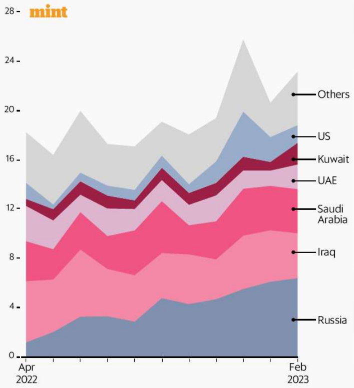
From where it buys crude oil to where it sells finished petroleum products, India has seen massive changes in its oil trade since the Ukraine war began, propelling profits for Indian oil companies. Russia is now India's largest supplier of crude oil, ahead of West Asian countries, accounting for 27% of India's crude imports this February, up from 6% in April 2022. Between those two months, Russia accounted for 20% of India's crude imports, against about 2% a year prior.

India processes this crude oil into various petroleum products (such as petrol, diesel and aviation fuel), which are either sold domestically or exported. Sanctions on Russia mean that Europe, which was historically a major buyer of Russian oil, cannot buy either crude or petroleum products from Moscow. But Russian oil is indirectly making its way to Europe, including via India.

Russia has been offering crude at a discount. This has helped it find buyers elsewhere, including India. A recent *Bloomberg* report said that crude sold by Russia to India is now finding its way back to Europe in the form of finished petroleum products, possibly making India Europe's largest supplier of refined fuels in April. At the same time, Europe has become India's largest export destination for petroleum products, with exports to the Netherlands increasing by 175% this February compared with April 2022. Thus, Russian crude is still driving Europe's economies, except that the fuel is now being routed through India. Further, the bulk of these exports to Europe are by Indian private sector oil refiners.

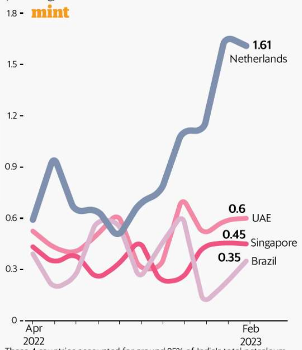
India's purchases of Russian oil have increased 5-fold

India's crude oil imports by country (million kg)



Europe is now India's leading export market for oil products

India's exports of petroleum products by destination country (million kg)



These 4 countries accounted for around 85% of India's total petroleum product exports in February 2023.

Source: Export Import Data Bank, Ministry of Commerce

Higher Margins

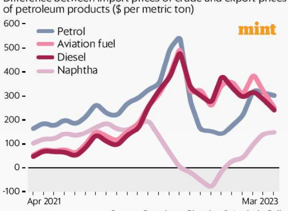
THE CURRENT ability of Indian refiners to buy crude oil at a discount to global prices has meant a widening gap between the price at which they are importing crude oil (raw material) and the price at which they are exporting petroleum products (finished products). This price differential—essentially, the gross refining margin for refiners—has increased dramatically for four major petroleum products, from $46-$170 per metric tonne in early 2021 to $150-$300 per metric tonne currently.

Gross refining margins of public sector oil companies have soared: from $8.52 per barrel in 2021-22 to $21.08 per barrel for 2022-23 for Indian Oil Corp. Ltd., and from $6.78 to $20.08 for Bharat Petroleum Corp. Ltd.

As a result, their profits surged. The government had imposed a windfall tax on oil companies in India to mop up such a surge in gross profits, though this tax was subsequently withdrawn.

Petro product margins have moved to a higher trajectory

Difference between import prices of crude and export prices of petroleum products ($ per metric ton)



Source: Petroleum Planning & Analysis Cell, Ministry of Petroleum and Natural Gas

Reliance's oil and chemicals margins shot up in Q4

Performance of Reliance Industries' refining and petrochemicals business

mint	Revenues (₹ trillion)	EBITDA margin (%)
Q1 2021-22	1.03	11.9
Q2 2021-22	1.2	10.6
Q3 2021-22	1.31	10.3
Q4 2021-22	1.46	9.8
Q1 2022-23	1.62	12.3
Q2 2022-23	1.6	7.5
Q3 2022-23	1.45	9.6
Q4 2022-23	1.29	12.7

EBITDA: Earnings before interest, taxes, depreciation and amortization

Source: Reliance Industries' investor presentations

Private Profits

MORE THAN public sector oil companies, India's two private refiners, Reliance Industries and Nayara Energy, are likely to have gained more from the shifts in the oil trade. According to energy cargo tracker Vortexa, "private refiners have led the increase in Russian crude purchases". It says the share of private refiners in India's crude oil imports from Russia rose from an average of 40% in July-Nov 2022 to 48% in December. Further, 95% of India's exports of petroleum products to Europe were made by private refiners, say news reports, citing Vortex analysis.

Reliance's oil-to-chemicals division, which houses its refining business, posted record gross earnings for 2022-23. Its Q4 EBITDA margin was 12.7%, up from 9.8% a year ago. In a presentation to investors, Reliance said the EU ban on Russian petroleum products had been positive for its margins, and that a full recovery in the Chinese economy in the second half of 2023 would boost demand for petroleum products.

Whither Discounts?

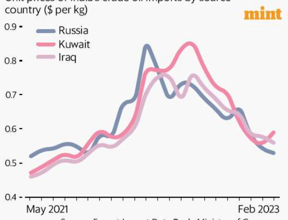
IN SPITE of the discounts that Russia has been offering Indian buyers on crude oil, import data shows there have been times when the landed price (includes cost of shipping and insurance) of Russian crude on Indian shores has been higher than the price from other traditional suppliers such as Iraq. Further, Russian oil discounts to India have reduced as China stepped up purchases of Russian crude.

In January and February 2023, Russia replaced Saudi Arabia as the top supplier of crude oil to China. Yet, until the Ukraine war ends and European Union (EU) sanctions on Russian oil remain, it is likely that the EU will remain a lucrative market for Indian refiners. But with other countries, notably China, increasing purchases of Russian crude, more shifts and realignments could be in store.

www.howindialives.com is a database and search engine for public data

Russian crude oil has not always been the cheapest

Unit prices of India's crude oil imports by source country ($ per kg)



Source: Export Import Data Bank, Ministry of Commerce

PARAS JAIN/MINT

FINANCIAL EXPRESS, Delhi, 9.5.2023
Page No. 6, Size:(9.04)cms X (9.50)cms.

Meet 40% of energy needs from grid by 2035, says committee

MANISH GUPTA
New Delhi, May 8

AS INDIA MOVES towards securing a Net Zero future, it needs to construct gas storage reserves and, for this, it may allow foreign companies to have stakes in these reserves, an energy transition panel has recommended.

It also proposed that diesel-driven 4-wheelers be eliminated as soon as possible, starting with a ban on diesel-powered four-wheelers in all million-plus cities and all towns with high pollution by 2027.

Other major recommendations of the panel include raising energy needs met through power flowing from the grid from 18% now to 40% by 2035, 10% blending of the compressed bio-gas in natural gas by 2030 and use of electricity for cooking by 25% of households by 2030.

"India needs to build strategic gas storage reserves to fill the large gap between the projected consumption of natural gas and domestic consumption... Overseas gas producing companies may also be offered a stake in such storage," the Energy Transition Advisory Committee of the petroleum ministry said in its final report. It also listed several measures that the government can take to increase adoption of clean energy solutions.

India has strategic oil storages with a capacity of 5.33 MT at Vishakhapatnam (1.33MT), Mangalore (1.5MT) and Padur (2.5MT) and can serve India's crude oil requirement for about 9 days. In addition, two additional storage reserves are proposed.

Worldwide, countries have understood the importance of underground storage reserves (UGS) and are continuously undertaking such UGS development projects, the panel said and added that "policy support is required in this matter".

As of 2019, there were more than 650 operational UGS facilities with a gas storage capacity of 422 billion cubic meters (BCM). Present UGS facilities, spread across North America, Europe, CIS, Asia-Oceania, and the Middle East (mostly Iran).

"This will strengthen the country's energy security and shield it from disruptions and associated price fluctuations. Presently, India doesn't have any strategic gas reserves," the energy committee noted.

Around 80% of the global working gas storage happens in depleted fields and about 20% in salt caverns. India may consider establishing UGS facilities using depleted oil and gas fields of national oil companies, salt caverns and aquifers, it said.

WHAT THE PANEL SAID

- Cleaner pathways of coal usage to be encouraged, like gasification of coal

10% blending of the CBG in natural gas should be targeted by 2030

25% of households may use electricity for cooking by 2030

50 mn PNG connections in five years

- Diesel-driven 4-wheelers may be eliminated, ban on such vehicles in Million Plus cities and towns with high pollution by 2027

FINANCIAL EXPRESS, Delhi, 9.5.2023
Page No. 6, Size:(8.56)cms X (8.19)cms.

No further rise seen in Russia's share in India's crude imports

MANISH GUPTA
New Delhi, May 8

AFTER THE SHARP spike in FY23, Russia's share in India's oil imports may not rise further in the current year, analysts said, but they added that the country will likely continue to add more crude oil suppliers from different geographies at better rates.

"India will not like to rely too much on just one country or one geography. They would like to diversify. New regions like Guyana and Brazil are being tapped," said Prashant Vasisht, vice president and co-head, corporate ratings, ICRA.

Russian oil, which was less than 1% of India's crude import pre-Ukraine crisis last year, accounts for around one-third now. And, share of Opec nations in India's oil imports came down to 46% from 72% in the past one year.

Even for the full financial year 2022-23, Russia exported 56.4 million tonne of crude oil, while Iraq accounted for 53 million tonne and Saudi Arabia 43 MT. In FY22, Russian oil import was mere 4.4 MT, as per government data (see chart).

INDIA'S IMPORT OF CRUDE OIL FROM DIFFERENT COUNTRIES

Figures for March of each year (in million tonne)

Countries	2019	2020	2021	2022	2023
Russia	0.0	0.2	0.3	0.4	7.8
Iraq	3.8	4.6	3.3	6.0	5.3
Saudi Arabia	3.9	3.9	2.7	4.1	4.1
UAE	1.3	2.4	1.8	2.0	1.4
Kuwait	1.0	0.8	1.4	1.3	0.9
Angola	0.5	0.5	0.5	0.7	0.4
Colombia	0.0	0.0	0.1	0.2	0.4
Turkey	0.4	0.3	0.1	0.0	0.4
Brazil	0.4	0.5	0.3	0.3	0.3
Nigeria	1.9	1.7	0.9	1.7	0.3

Source: Ministry of Petroleum and Natural Gas

However, the share of Russian oil may not go beyond the current level as there is a limitation in taking more of Urals, a mid-sour crude, and also due to the term contracts with crude suppliers that are generally at 70:30 level.

"The surge in Russian crude oil imports is due to the discounts because of the sanctions, otherwise the logistics costs are higher for Russia. Companies keep on assessing for better deals," said former petroleum secretary RS Pandey.

India is in talks with Guyana for sourcing oil from its oilfields under long term agreements at preferential rates. Last year, state-run Indian Oil Corporation signed a deal with Brazil's Petrobras and Colombia's Ecopetrol.

"With Guyana, we are even talking about discounts to make it competitive with other crude suppliers as it's a longer journey. Even both Saudi Arabia and Iraq are lowering the prices for large importers India and China," said Vasisht.

TIMES OF INDIA, Delhi, 9.5.2023
Page No. 15, Size:(29.39)cms X (5.19)cms.

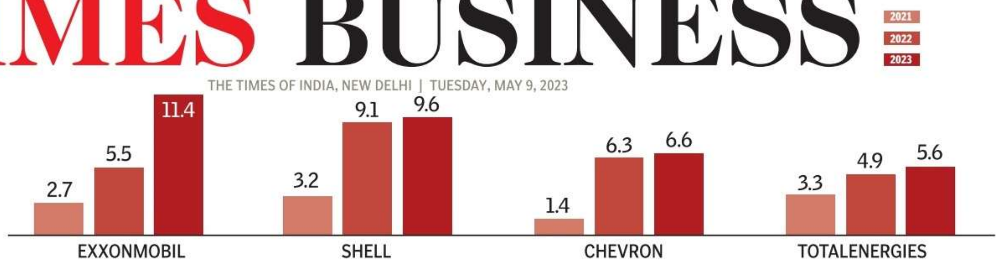
TIMES BUSINESS

THE TIMES OF INDIA, NEW DELHI | TUESDAY, MAY 9, 2023

OIL & GAS GIANTS POST RECORD Q1 PROFITS

Despite oil and gas prices falling from last year's highs, the US and European oil giants — ExxonMobil, Shell, Chevron and TotalEnergies — continue to rake in record earnings. After breaking their annual profit records in 2022, they all just posted their highest-ever Q1 net profits too. ExxonMobil made a profit of $11.4 billion in the first three months of 2023, double the $5.5 billion in the first quarter of 2022

Q1 net income of selected oil and gas companies (in $ billion)



French company TotalEnergies, meanwhile, reported a quarterly net profit up 12% year-on-year at $5.6 billion, while Shell and Chevron saw their profits rise about 5% year-on-year to $9.6 billion and $6.6 billion, respectively. For comparison, these numbers are two to four times Amazon's quarterly profit this year ($3.2 billion in Q1)

Source: Statista

INDIAN EXPRESS, Delhi, 9.5.2023
Page No. 17, Size:(5.54)cms X (8.08)cms.

Oil min panel proposes ban on diesel 4-wheeler vehicles by 2027

REUTERS
MUMBAI, MAY 8

INDIA SHOULD ban the use of diesel-powered four-wheeler vehicles by 2027 and switch to electric and gas-fuelled vehicles in cities with more than a million people and polluted towns in order to cut emissions, an oil ministry panel is recommending.

India, one of the biggest emitters of green house gases, wants to produce 40 per cent of its electricity from renewables to achieve its 2070 net zero goal.

"By 2030, no city buses should be added which are not electric...diesel buses for city transport should not be added from 2024 onwards," the panel said in a report posted on the oil ministry's website.

To boost electric vehicle use in the country, the report said the government should consider "targeted extension" of incentives given under Faster Adoption and Manufacturing of Electric and Hybrid Vehicles scheme (FAME) to beyond March 31.

Diesel accounts for about two-fifths of refined fuel consumption in India with 80 per cent of that being used in the transport sector.

The panels said new registrations of only electric-powered city delivery vehicles should be allowed from 2024 and suggested for higher use railways and gas-powered trucks for the movement of cargo. The railway network is expected to be fully electric in two to three years.

Long-distance buses in India will have to be powered by electricity in the long-term, it said, adding that gas can be used as a transition fuel for 10-15 years.

The Indian EXPRESS
JOURNALISM OF COURAGE
Tue, 09 May 202
https://epaper.

MINT, Delhi, 9.5.2023
Page No. 2, Size:(3.68)cms X (18.10)cms.

Oil panel urges diesel vehicle ban by 2027

Bloomberg
feedback@livemint.com

India should ban diesel-powered vehicles in cities with over a million people and highly polluted towns by 2027 as part of the nation's green transition, according to a report commissioned by the oil ministry.

The recommended ban relates to four-wheeled vehicles, according to the report compiled by a committee headed by former Indian Oil secretary Tarun Kapoor. The panel also suggested phasing out motorcycles, scooters and three-wheelers with internal combustion engines by 2035.

The shift away from petrol and diesel in India's transport sector would dent global crude demand, but the nation's transition to electric vehicles is lagging behind others such as China. The panel was established in December 2021 by the oil ministry to help industry develop net zero plans.

Diesel and petrol accounted for just over half of India's total oil consumption during the year ended 31 March, according to government data. From 2024 onwards, all new registrations for city-delivery vehicles should be electric, according to the report, titled "*The Green Shift*." An oil ministry spokesman didn't immediately comment on the next step following the release of the report and its recommendations.

ECONOMIC TIMES, Delhi, 9.5.2023
Page No. 5, Size:(8.12)cms X (15.81)cms.

Oil Prices Climb Over 2% as US Recession Fears Begin to Fade

Brent up at $76.87; 'Rebound follows energy stocks' comeback after the strong US job data'

Reuters

London: Oil prices rose over 2% on Monday as US recession fears eased and some traders saw crude's three-week slide on demand worries as overdone.

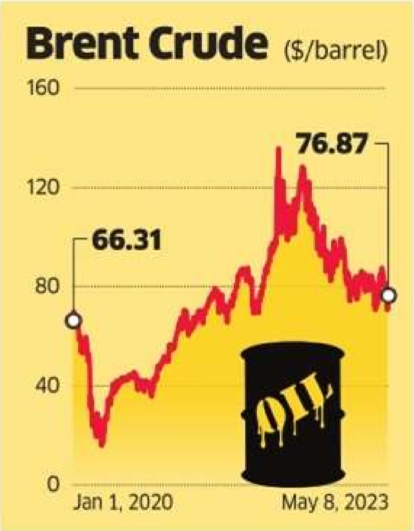
Brent crude was up $1.57, or 2.1%, at $76.87 a barrel by 11:19 a.m. EDT (1519 GMT). US West Texas Intermediate (WTI) crude also gained $1.73, or 2.4%, to $73.07.

A healthy US jobs report for April helped oil to climb by about 4% on Friday even though labour market strength could compel the Federal Reserve to keep interest rates higher for longer.

Brent had finished last week with a decline of about 5.3% while US crude plunged by 7.1% even after Friday's rebound. Both benchmarks were down for three weeks in a row for the first time since November.

"Oil's rebound (on Monday) follows energy stocks' comeback on Wall Street last Friday after the U.S. reported strong job data, which eased concerns about an imminent economic recession," said CMC Markets analyst Tina Teng.

Banking concerns have plagued the market recently after the collapse of three major regional banks. Regional banks' shares on Monday, however, stretched gains from a rebound on Friday.



"The market is less worried about a banking crisis that could lead to a recession and hurt demand," said Phil Flynn, an analyst at Price Futures Group.

Ole Hansen, head of commodity strategy at Saxo Bank, said oil's recent drop looked excessive.

"An oversold market condition combined with Brent managing to find support ahead of the March low forced recently established short sellers to seek cover, potentially highlighting that the recent sell-off was overdone," he said.

Goldman Sachs analysts on Saturday said that concerns over near-term demand and elevated supplies were "overblown."

A round of voluntary output cuts by some members of the OPEC+, begin this month and the group holds its next meeting on June 4.

MILLENNIUM POST, Delhi, 9.5.2023
Page No. 9, Size:(17.22)cms X (11.55)cms.

ONGC calls off DUDP tender after months of negotiations with lowest bidder L&T

AMITAV RANJAN

NEW DELHI: After months of negotiations with lowest bidder L&T, state-run Oil & Natural Gas Corp (ONGC) on Monday decided to call off the tender for its Daman upside development project (DUDP) off India's western coast due to high quote beyond its approved limit.

"L&T had quoted $663.37 million which was 36.77 percent higher than ONGC's revised internal estimate of $485.03 million. The tender has therefore been discharged and the project will now be unbundled into smaller contracts," a company official said.

Subsequently, in February 2023, L&T offered a $1-million discount to ONGC, but the quote was still way above

ONGC's revised October 2022 estimate, he said.

Early last month, L&T officials met ONGC chairman Arun Kumar Singh to explain the causes behind its high bid but could only provide rationale for an additional $90 million over-run. That did not cut much ice with Singh, sources said.

Price bids for DUDP were opened on 16 December last year where second bidder AOGS Ltd — India's Afcons with Indonesia's Gunanusa Utama Fabricators — quoted $801.91 million for the offshore infrastructure required for the gas development project.

DUDP workscope includes four new wellhead platforms, seven infield pipelines, a new process gas compressor module and the addition of low-pressure compression at the existing process platform. It also includes topsides modifications at existing wellhead platforms.

The development is focused on the Tapti-Daman block in the Mumbai offshore, about 60 kilometres offshore, with gas flow from B-12 and C-24 marginal gas fields.

DUDP expansion is crucial to ONGC's strategy of ramping up gas production from its shallow-water fields off India's west coast. The project has been in the works for years but has been delayed on several occasions due to unfavourable gas pricing.

However, domestic gas prices in India have climbed steeply in recent months, turning the DUDP into a commercially viable proposition for ONGC.

ONGC is already producing natural gas from Daman and has spent an estimated $1 billion on offshore infrastructure at the field over the past five to six years.

Production began in 2016, with last year's output reportedly averaging between 4 million and 5 million standard cubic metres per day of gas. ONGC claims that the project would deliver up to 10 MMSCMD of gas.

FINANCIAL EXPRESS, Delhi, 9.5.2023
Page No. 10, Size:(6.35)cms X (13.39)cms.

Requiem for ₹-rouble trade

Russia's foreign minister's remarks cast doubts on the future of this arrangement

INDIA SOUGHT TO promote settlement of trade transactions in rupees last July to facilitate more trade with Russia (and neighbours like crisis-ridden Sri Lanka) that is facing punitive US-led sanctions for its ongoing war in Ukraine. At a time when its sourcing of deeply-discounted Russian oil, coking coal, and defence equipment is on the rise, the expectation was that the settlement of a part of India's growing import bill in rupees would ease the strains on its current account or goods and services trade with the rest of the world. The rupee-rouble trading arrangement has since been put in place with the RBI approving the opening of special vostro accounts by more banks for settling cross-border trade in the Indian currency. But the remarks of Russia's foreign minister Sergey Lavrov, on the sidelines of the recent meeting of the council of foreign ministers of the Shanghai Cooperation Organization in Goa, cast doubts on the future of this arrangement. Lavrov admitted that Russia's huge accumulation of rupees has become "a problem", that to use this money, it has to be transferred to another currency. This statement came a day after a Reuters report indicated that efforts by both nations to settle bilateral trade in rupee-rouble have been suspended. Although both nations denied the report, Lavrov's remarks add grist to the speculation regarding the prospects of India's efforts to settle trade in local currencies.

Russia's "problem" with the accumulation of rupees stems from the boom in India's imports from that country after the war in Ukraine began last February. This burgeoned to $51.3 billion in early April from $10.6 billion due to India's growing reliance on deeply-discounted Russian oil despite the efforts of western nations to discourage it and the imposition of price caps. India's oil imports ballooned to 1.63 million barrels per day in April—accounting 34.5% of the country's oil imports—up from 69,000 b/d in March 2022 according to energy cargo tracker Vortexa. This growing reliance has come at the expense of India's traditional sources of energy supplies such as OPEC.

As India's exports to Russia fell to $3.43 billion from $3.61 billion over this period, it now has a substantial bilateral trade deficit. India also has outstanding rouble payments worth ₹28,000 crore against weapons delivered by Russia. Settlement of these transactions in rupees is problematic for Russia as it is not convertible when it needs hard currency revenues to fund its war in Ukraine. Due to the widening ambit of western sanctions, Moscow is moving away from the US dollar to sell commodities abroad and prefers the Chinese yuan or UAE's dirham. The fact that the rupee does not figure in these plans is not good news for rupee-rouble trade.

In this milieu, Russia and India obviously need to discuss the modalities for settling their bilateral trade. India, for its part, has been paying for some consignments of Russian oil in dirhams and in dollars using third party countries. But there will be problems with the sanctions regime if oil prices breach the cap of $60 a barrel. Looking ahead, India must push the global acceptance of the rupee through its inclusion in the continuous linked settlement initiative which provides protection for cross-currency settlement in 18 currencies if its efforts to settle trade transactions in local currencies is to gain traction.

MORNING STANDARD, Delhi, 9.5.2023
Page No. 6, Size:(24.90)cms X (12.99)cms.

THE SHIFTING SANDS OF OIL ECONOMIES

RANJAN TANDON
Senior markets specialist and author

"THERE is no terror in the bang, only in the anticipation of it"– Alfred Hitchcock. The iconic shower scene in his 1960 film *Psycho* defines the shock element in the sub-genre of suspense. Led by Saudi Arabia, OPEC and its allies' proposed production cut, curtailing output by 1.16 million bpd from May 2023, had a similar effect on the 'gallery'. The embargo on Russian oil consequent to the Ukraine war was assumed to tighten the oil market. But prevailing economic and strategic political factors stymied the prospects. Markets continued to be in surplus. An anticipated record-high US oil production in 2023 and continued regional discovery of oil in Latin America could prove 'price friendly'.

Moreover, the emerging shift in alliances while scouting for alternate supply sources is rampant in the changing energy landscape. China recently brokered an end to the diplomatic impasse between Iran and Saudi Arabia while also warming up to Moscow. Sentient of the developments and shifts, OPEC's production cut, expressed as a stability-lending measure, commenced to energise prices through supply shocks.

Though the high prices in early 2022 fattened their sovereign funds, Arab nations are privy to the fact that relying solely on oil income is inadequate to attain long-term development. The monetisation of fixed assets and diverse foreign equity participation is ineluctable to effectuate their dream of moving away from overt dependence on oil. Indicative of this realignment are definite moves visible on the horizon.

Kuwait is developing Madinat al-Hareer (City of Silk), a $132 billion project, part of China's Belt and Road Initiative, spread over 250 sq km in Subiya. Interestingly, a potential landmark, the Burj Mubarak al-Kabir, would stand at 1,001 metres, suggestive of the Arabian folktale collection *One Thousand and One Nights*, often called the *Arabian Nights*.

The ambitious Kuwait Island Development costing $160 billion involves developing five major islands located in the north-western corner of the country with a vision to build canals like in Venice, besides airports, hotels, shopping and business centres.

The Bismayah City project near Baghdad is amongst more than 1,100 stalled projects in Iraq currently in revival mode. Ambitious Iraq Railway projects linking Asia to Europe, and the French oil major TotalEnergies' partnership with the Iraqi government for a $27 billion energy project could foster foreign equity investments in the country.

Saudi Arabia announced the $500 billion NEOM project in 2017 on the Red Coast in line with a vision for 2030. It is set in the desert and is projected as a unique enterprise unparalleled on Earth. Though the sovereign fund would partly meet the initial cost, much can be gained by going public and allowing broader global financial market participation. Aramco valuations catapulted Saudi Tadawul into the list of top 15 Stock Exchanges, closely trailing behind the NSE and London Stock Exchange.

AP

> Though the high prices in early 2022 fattened their sovereign funds, Arab nations are privy to the fact that relying solely on oil income is inadequate to attain long-term development

With the NEOM project's probable listing, Tadawul's ranking would move up while reducing its 'heavy weightage' on oil-based listings.

With a market cap exceeding $2 trillion (over twice the combined market cap of Exxon, Chevron and Shell), Aramco ranks among the world's top three companies, along with Apple and Microsoft. Posting a $161 billion profit in 2022, the corporate is keen to expand its presence in other countries. Acquisition of a 10% stake in China's Rongsheng Petrochemical Co. and a joint venture for a greenfield refinery and massive petrochemical complex in Panjin City confirm Aramco's expansion plans. Beijing's overtures to Riyadh suggesting oil trade at Shanghai Petroleum and Natural Gas Exchange in local currency could be mutually beneficial. While abating dollar dominance, this could mark Aramco's subsequent debut at Shanghai Stock Exchange, the third largest after NYSE and Nasdaq. The transfer of a further 4% stake in Aramco to the investment arm of the kingdom's sovereign wealth fund in April indicates economic diversification plans. Sinopec and TotalEnergies have shown interest in investing in Aramco's Jafurah development, one of the world's largest untapped gas fields, heralding a move towards an energy transition.

With a mere 1.73% of Aramco shares currently traded at Tadawul, London Stock Exchange's premium segment and the Singapore Stock Exchange are rumoured to be on Aramco's radar for probable entry, while Hong Kong vies for Aramco's listing. Cognizant of oil price volatility, Saudi Arabia would be keen that the portfolio includes a diversified equity basket. Besides real estate and industry, hospitality and commercial ventures could be the additions.

Riyadh Air, the newly announced airline, will mark Saudi Arabia's fresh foray into aviation. Announcement of a young fleet of carriers and extensive global connectivity might well be 'open sesame' to facilitate flotation and 'international financial cooperation'. Airlines' scrips, though cyclical, enjoy dedicated investor patronage.

The recent collapse of SVB brings to memory the weakening of Citibank in 1990 and Saudi Prince Al-Waleed's infusion of over half a billion dollars in Citicorp shares when almost $200 billion of its market value was wiped out. Such acquisitions could be *de rigueur* once again. It's not just the establishment of other sources of revenue but also involvement in the global market scene. The moves manifest a Saudi resolve to be more noticeable on the stock tickers worldwide!

We may eventually have the option of investing in highly profitable, transparent and secure Middle Eastern companies, the blue chips of the future. It may be their chance to share the stage with the big performers of the US, European and Asian bourses.

(ranjantandon@live.com)

HINDU, Delhi, 9.5.2023
Page No. 14, Size:(2.99)cms X (8.88)cms.

April fuel demand drops 10% from March

Reuters

India's fuel consumption, a proxy for oil demand, was down about 0.3% year-on-year in April, but fell more than 10% from March this year, data from the Petroleum Planning and Analysis Cell (PPAC) of the Oil Ministry showed on Monday.

Consumption was down to about 18.41 million tonnes from 18.45 million a year earlier. Fuel sales fell 10.2% from March, when they jumped to a record high on robust economic activity in the world's third-biggest oil consumer. Petrol sales rose 2.9% to 2.9 million tonnes.

FREE PRESS JOURNAL, Mumbai, 9.5.2023
Page No. 12, Size:(22.25)cms X (19.96)cms.

'Ban diesel 4-wheelers in cities with 10L population'

Phase out 2-wheelers and 3-wheelers with internal combustion engines, suggests panel

NEW DELHI: India should by 2027 ban the use of diesel-powered four-wheelers in cities with over 10 lakh population and switch to electric and gas-fuelled vehicles, according to a report commissioned by the oil ministry. The report of the committee headed by former Oil Secretary Tarun Kapoor also suggested phasing out motorcycles, scooters, and three-wheelers with internal combustion engines by 2035.

There should be no diesel city buses addition in urban areas in about 10 years, the panel which submitted its report to the government in February this year, said. The government is yet to accept the report. "EVs may be promoted as the optimal solution in preparing for phasing out internal combustion engine two / three wheel vehicles by 2035. In the intermediate period, policy support for ethanol-blended fuel with an increasing blend ratio needs to be given," the report said.

It called for four-wheelers, including passenger cars and taxis, to partially shift to electric and partially to ethanol-blended petrol with almost 50 per cent share in each category.

For transitioning to EVs, CNG as a transition fuel (up to 10-15 years) has been emphasised. "Vehicles with flex-fuel capabilities and hybrids may be promoted in the short and medium terms. It can be done through the application of fiscal tools like taxation," it said.

To boost electric vehicle use in the country, the report said the government should consider a "targeted extension" of incentives given under the Faster Adoption and Manufacturing of Electric and Hybrid Vehicles scheme (FAME) to beyond March 31.

> Diesel-driven 4-wheelers may be eliminated as soon as possible. Therefore, a ban on diesel-powered four-wheelers in all million-plus cities and all towns with high pollution has to be enforced in 5 years, ie by 2027.

The report favoured new registrations of electric-powered city delivery vehicles from 2024 and suggested higher use of railways and gas-powered trucks for the movement of cargo. The steps will help India achieve the goal of cutting its emissions to net zero by 2070. Net-zero, or becoming carbon neutral, means not adding to the amount of greenhouse gases in the atmosphere.

India is the world's fourth biggest emitter of carbon dioxide after China, the US and EU. But its huge population means its emissions per capita are much lower than other major world economies. India emitted 1.9 tonne of CO_2 per head of population in 2019, compared with 15.5 tonne for the US and 12.5 tonne for Russia that year.

MILLENNIUM POST, Delhi, 9.5.2023
Page No. 10, Size:(21.40)cms X (19.42)cms.

Ban diesel 4-wheelers in cities with 10 lakh population: Panel

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OUR CORRESPONDENT

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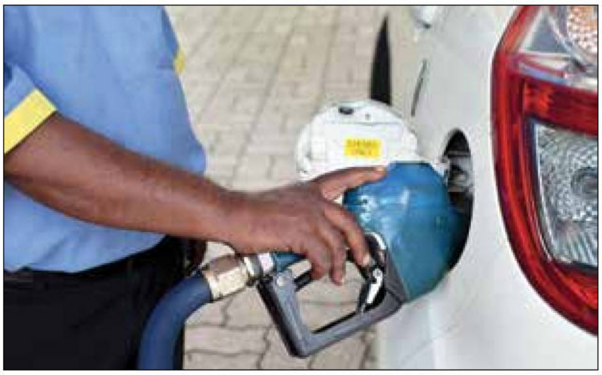

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Towards net-zero, the government has set a target to get 50 per cent of the nation's energy from renewable resources by 2030, and by the same year to reduce total projected carbon emissions by one billion tonne.

For transition, it is looking to boost the use of natural gas, which is less polluting than liquid fuels like diesel, in industries and automobiles. India aims to raise the share of natural gas in its energy mix to 15 per cent by 2030 from 6.7 per cent now.

The report said petrol and diesel demand in India is expected to peak in 2040 and decline post that due to electrification of vehicles. LPG demand is expected to decline after 2030 due to electrification of cooking and reduce to zero with 100 per cent electrification by 2070.

The demand for aviation fuel will continue to grow at 3.5 per cent CAGR but will be gradually substituted by sustainable fuel. Naphtha demand is expected to rise at 4.5 per cent CAGR (2030-50) and 2.3 per cent compound annual growth rate CAGR (2050-70) because of increasing demand for petrochemicals.

"The rate of transition in fossil fuel consumption is primarily dependent on the shift in the auto sector to EVs. With an aggressive transition to EVs due to policy mandates, there will be accelerated repurposing/closure of refineries for renewable energy/biofuel production and reduction of overall carbon footprint," it said.

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HARI BHOOMI, Delhi, 9.5.2023
Page No. 10, Size:(21.87)cms X (30.94)cms.

पेट्रोलियम मंत्रालय की समिति ने जारी रिपोर्ट में दिया सुझाव

दस लाख से अधिक आबादी वाले शहरों में डीजल चालित वाहनों पर प्रतिबंध लगाने की सिफारिश

एजेंसी ▶▶ नई दिल्ली

भारत को 2027 तक 10 लाख से अधिक आबादी वाले शहरों में डीजल से चलने वाले चार पहिया वाहनों के इस्तेमाल पर प्रतिबंध लगा देना चाहिए।

- 2027 से डीजल चालित चार पहिया इस्तेमाल पर लगे प्रतिबंध

पेट्रोलियम मंत्रालय की एक समिति ने अपनी रिपोर्ट में यह बात कही। साथ ही समिति ने कहा कि बिजली और गैस से चलने वाले वाहनों को बढ़ावा देना चाहिए। पूर्व पेट्रोलियम सचिव तरुण कपूर की अगुवाई वाली समिति ने अपनी रिपोर्ट में 2035 तक आंतरिक दहन इंजन वाले मोटरसाइकिल, स्कूटर और तिपहिया वाहनों को हटाने का सुझाव भी दिया गया है।

फरवरी में समिति ने रिपोर्ट सौंपी

समिति ने इस साल फरवरी में सरकार को अपनी रिपोर्ट सौंपी थी। रिपोर्ट के मुताबिक, लगभग 10 वर्षों में शहरी क्षेत्रों में एक भी डीजल शहरी परिवहन बस नहीं होनी चाहिए। सरकार ने अभी तक रिपोर्ट को स्वीकार नहीं किया है।

खास बातें

- 2035 तक आंतरिक दहन इंजन वाले मोटरसाइकिल, स्कूटर और तिपहिया हटाने का सुझाव

2024 से सिटी बसों का रजिस्ट्रेशन बंद करने की बात

वहीं शहरी क्षेत्रों में डीजल से चलने वाली सिटी बसों के रजिस्ट्रेशन को 2024 से बंद करने की भी बात कही गई है। अगर इन सिफारिशों पर अमल होता है तो अगले 10 साल में 10 लाख से अधिक आबादी वाले शहरों में 75 परसेंट सिटी बसें इलेक्ट्रिक होंगी।

इलेक्ट्रिक व सीएनजी अपनाने पर जोर

समिति ने कहा हमें इलेक्ट्रिक और गैस फ्यूल्ड व्हीकल्स की ओर रुख करना चाहिए। पैनल ने केंद्र सरकार के सामने प्रस्ताव रखा कि जिन शहरों में जनसंख्या 10 लाख से ज्यादा है, वहां एमिशन को कम करने के लिए डीजल पावर व्हीकल पर बैन लगाने की सिफारिश की है।

पॉल्यूशन के पीछे डीजल बड़ा कारण

वाहनों से फैलने वाले प्रदूषण में डीजल एक बड़ी वजह है। इस प्रदूषण से पार पाने के लिए सरकार की ओर से गठित एनर्जी ट्रांजिशन एडवाइजरी कमेटी अपनी सिफारिश सरकार को सौंपी है। सिफारिशों में 2027 तक डीजल वाहनों को 10 लाख से अधिक आबादी वाले शहरों में पाबंदी लगाने की बात कही गई है।

सीएनजी बसों के संचालन की अनुमति

सिफारिश में कहा गया है कि 2035 तक सीएनजी बसों के संचालन की इजाजत दी जा सकती है। वहीं सिफारिश में लंबी दूरी की बसों के लिए सीएनजी के साथ हाइब्रिड बसों पर जोर दिया गया है। दरअसल, ऑटोमोटिव रिसर्च एसोसिएशन ऑफ इंडिया यानि एआरएआई की 2022 की रिपोर्ट के मुताबिक वायु प्रदूषण के मुख्य कारक पीएम 2.5 की एक बड़ी वजह ट्रांसपोर्ट सेक्टर है।

डीजल की 70% खपत ट्रांसपोर्ट सेक्टर में

देश में डीजल की कुल खपत की बात करें तो इसकी 70 परसेंट खपत ट्रांसपोर्ट सेक्टर में होती है। इसमें सवा 28 परसेंट खपत ट्रकों में होता है। इसके बाद बसों में साढ़े 9 परसेंट, 22 परसेंट के करीब कारों और साढ़े 6 परसेंट के करीब थ्री व्हीलर्स में होता है। ऐसे में डीजल वाहनों को हटाने की बात इसलिए तेजी से चल रही है।

AMAR UJALA, Delhi, 9.5.2023
Page No. 6, Size:(7.47)cms X (5.36)cms.

दाहेज टर्मिनल ने किया रिकार्ड कारोबार

नई दिल्ली। नई दिल्ली। पेट्रोनेट एलएनजी लिमिटेड के दाहेज टर्मिनल ने वित्त वर्ष 2022-23 में अब तक का सर्वाधिक 59899 करोड़ रुपये का कारोबार किया। वित्तीय वर्ष 2021-22 की तुलना में वित्त वर्ष 2022-23 में टर्नओवर में 39 फीसदी की वृद्धि हुई है। वहीं, वित्तीय वर्ष 2022-23 की चौथी तिमाही की चालू तिमाही में वॉल्यूम थ्रुपुट में (185 टीबीटीयू) पिछली तिमाही की तीसरी तिमाही, वित्त वर्ष 2022-23 (167 टीबीटीयू) की तुलना में 11% की वृद्धि दर्ज हुई है। जानकारी के अनुसार 31 मार्च, 2023 को समाप्त मौजूदा तिमाही के दौरान, दाहेज टर्मिनल ने 31 दिसंबर, 2022 को समाप्त पिछली तिमाही के 154 टीबीटीयू की तुलना में एलएनजी की 172 टीबीटीयू और 31 मार्च, 2022 को समाप्त इसी तिमाही के दौरान 178 टीबीटीयू संसाधित किया। मौजूदा तिमाही में कंपनी 185 टीबीटीयू थी, जबकि पिछली और इसी तिमाही में संसाधित एलएनजी मात्रा 167 टीबीटीयू और 190 टीबीटीयू रही।