

India, Guyana may sign pact to boost energy ties

Guyana will be putting 14 offshore oil blocks up for auction this year

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India and Guyana are likely to sign a memorandum of understanding to boost cooperation in the oil and gas sector, Bharrat Jagdeo, vice president of Guyana said on Friday.

In an interview, Jagdeo said Guyana is ready to sign the MoU and is awaiting approval from India's cabinet.

Jagdeo also laid out ambitious plans for the two nations to partner in energy. Guyana has become the world's newest oil power after discoveries of crude oil reserves equivalent to more than 11 billion barrels since 2015. This has made the small Caribbean nation home to one of the world's largest oil reserves. For its part, New Delhi has sought to diversify its sources of supply for oil and has struck supply deals with Brazil and Colombia, among others.

Jagdeo added that Guyana had held discussions with India on oil supplies. The topic figured prominently during its president Mohamed Irfaan Ali's visit to New Delhi last month.

"We also explored the possibility of India examining the abundant resources that we've had outside of those that are on auction now," said Jagdeo, who had also served two terms as the country's president.

This year, Guyana will be putting 14 offshore oil blocks up for auction to boost oil and gas exploration.

Another opportunity for India lies in the Stabroek offshore oil block, which is currently operated by US oil major ExxonMobil. Guyana's government has revealed plans to take back 20% of the oil block from ExxonMobil and explore bilateral partnerships to develop this part of the oil block. "Next year, ExxonMobil will have to give up 20% of their holdings. So, all of those will be available for some form of bilateral



President Droupadi Murmu (right) with Bharrat Jagdeo (left), vice president of Guyana at Rashtrapati Bhawan, in New Delhi.

PTI

engagement, where we can actually see joint production or exploration related activities," Jagdeo said.

Guyana is also looking to recruit skilled workers from India to help develop the country's fledgling gas sector.

"We don't want India's involvement only in defining our gas policy, but also from an investment perspective to develop those resources," he said.

Guyana will enable a framework for provision of air services between the two countries," a statement from India's civil aviation ministry said. "The new ASA will provide enabling environment for enhanced and seamless connectivity while providing commercial opportunities to the carriers of both the sides," the statement said.

Jagdeo said he expects the agreement to go into force imminently, after an exchange of diplomatic notes between the two countries.

"A lot of Guyanese businesses are interested in sourcing goods and services from India. On this trip, many of them are with me. We also need a lot of skilled people to come to our part of the world.

But what is crucial is the links between both countries like shipping and air transportation. Right now, people have a hard time flying to Guyana. They have to go through New York or the UK and many can't secure a visa. So we are hoping to strengthen air ties between the countries so that you can have a easier transit for people," Jagdeo added.

NEW HORIZONS

GUYANA has become the world's newest oil power after discoveries of crude oil reserves

NEW DELHI has struck supply deals with Brazil and Colombia, among others

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Talks between New Delhi and Georgetown have also extended beyond energy. During Jagdeo's visit, both sides affirmed their intent to sign an air services agreement (ASA).

"Indians have a sizeable presence in Guyana and are the largest ethnic group comprising about 40% of the population as per 2012 census. The signing of ASA with

Risks to mkt rally rising; oil stocks good bet: Wood

PUNEET WADHWAN
New Delhi, 24 February

Risks to the rally in the global equity markets — especially arising from geopolitical shocks — are rising, said Christopher Wood, global head of equity strategy at Jefferies, in his recent note to investors, *GREED & fear*.

This, he wrote, can see oil prices climb higher, going ahead.

“GREED & fear is not just referring to the ongoing escalating tensions between US and China, but also the growing likelihood that markets start to react to news flow on Ukraine again, having essentially ignored the conflict for the past several months. Here, the concern is again the increasing threat of escalation,” he wrote.

US’ formal raising of the issue over the past week of potential supply of arms to Russia by China has once again linked the issue of Ukraine with US-China relations. This was also the case at the start of the conflict a year ago.

Meanwhile, the economic links between Russia and China are growing.

“Ukraine still has the potential to trigger massive market movements, most particularly in terms of a renewed surge in energy prices. This would both undermine the still lingering hopes of a near-term end to Fed tightening and trigger renewed concerns about accelerating monetary tightening,” Wood said.

As an investment strategy, Wood suggests investors hold on to energy-related stocks in their portfolios. This is because they remain the best hedge against a Ukraine-triggered spike in energy or oil prices.

INDIA VS MAJOR WORLD INDICES

	Country	% Change in CY2023
AMERICA (AS OF FEB 23)		
NASDAQ Composite	USA	10.7
S&P 500	USA	4.5
Dow Jones	USA	0.0
EUROPE (1700 HRS IST)		
CAC 40	France	12.8
Euro Stoxx 50	Eurozone	12.0
DAX	Germany	10.9
FTSE 100	Britain	6.4
ASIA		
KOSPI	South Korea	8.4
SHANGHAI Composite	China	5.8
NIKKEI 225	Japan	5.2
Hang Seng	Hong Kong	1.2
Straits Times	Singapore	1.0
Stock Exchange of Thailand	Thailand	-2.1
Sensex	India	-2.3
Nifty50	India	-3.5

Source: Bloomberg

Compiled by BS Research Bureau

UKRAINE STILL HAS THE POTENTIAL TO TRIGGER MASSIVE MARKET MOVEMENTS, WHICH WOULD BOTH UNDERMINE STILL LINGERING HOPES OF A NEAR-TERM END TO FED TIGHTENING AND TRIGGER RENEWED CONCERNS ABOUT ACCELERATING MONETARY TIGHTENING

CHRIS WOOD
GLOBAL HEAD OF EQUITY STRATEGY, JEFFERIES



Meanwhile, reports suggest that Russia plans to cut oil exports from its western ports by up to 25 per cent in March, exceeding its announced production cuts of 500,000 barrels

per day (b/d).

This sparked a rally in Brent crude oil prices, which rose over 3 per cent on Friday to around \$84 a barrel.

A 500,000 b/d cut, Wood

believes, is not inconsequential, given Russia’s crude oil production of 10m b/d.

“With global oil demand running at 100m b/d, and with China’s re-opening likely to lead to another 1.5m b/d of demand as the year progresses, the potential for Russia to play the oil card is growing,” he said.

Oil on the boil

Most analysts had pegged oil prices to remain firm for most part of calendar year 2023 (CY23).

Morgan Stanley, for instance, had expected Brent crude oil to rise to \$110 a barrel in the second half of 2023 (H2-CY23) — up around 33 per cent from the current levels.

On the other hand, those at JP Morgan had expected Brent to average around \$90 a barrel in 2023.

Asian oil buyers, according to S&P Global, would still be hoping for a return of Iranian crude, even though chances might be slim.

Iranian crude, they believe, could potentially bring relief to market supply at a time when the tug-of-war between Asia and Europe for Middle Eastern crude looks to intensify.

“Calendar year 2023 will be a dramatic one for Asian oil markets. From increased diversions of Russian crude to Asia to the increasing need of oil products by Europe from around the world, the list of factors to dominate the headlines will be long. Additional key factors to watch include demand recovery in China and its oil product exports, the growth of jet fuel demand in Asia as a whole, as well as the region’s refinery run rates,” said Kang Wu, head of global oil demand and Asia Analytics at S&P Global.

Will have International Biofuel Alliance before G20 summit: Oil minister

SUBHAYAN CHAKRABORTY

New Delhi, 24 February

India is confident of creating an International Biofuel Alliance, a G20 priority for New Delhi, by the time of the summit in September, Petroleum and Natural Gas Minister Hardeep Singh Puri has said.

Speaking to the press on the sidelines of the EY Entrepreneur of the Year awards on Thursday, Puri said, "Please note we are only in February. Every foreign and energy minister I have met has evinced an interest in it. As our G20 presidency unfolds, we will have an International Biofuel Alliance with all that it entails well before the summit."

There was widespread expectation that the alliance would be formally announced at the petroleum and natural gas ministry's flagship event, the International Energy Week, in Bengaluru earlier this month. But the government only said that the process was on.

The petroleum and natural gas ministry had then said that as the leading producers and consumers of biofuel, Brazil, India and the United States would work together over the next few months to develop a Global Biofuel Alliance, along with other interested countries.

Several major biofuel producers, including Argentina, Indonesia and China, are part of G20.

This alliance will aim to facilitate cooperation and intensify the use of sustainable biofuels, including in the transportation sector.

It will emphasise strengthening the markets, facilitating global biofuel trade, developing a concrete lesson-sharing policy and providing for technical support for national biofuels programmes worldwide.

Eyes on the Guyana meeting

Puri said he will meet Guyana Vice President Bharrat Jagdeo on Friday. Jagdeo, who is on a

visit to India, has hinted at his government's interest in providing oil blocks to Indian companies.

"Guyana is a major new entrant in the global oil market. These are ongoing discussions," Puri said, responding to questions on whether the government was looking to source more crude from the country.

Puri stressed that while Guyana was geographically far from India, a lot of the crude produced by Indian assets abroad is sold in the international market through swaps.

Massive oil reserves have been discovered in Guyana, which has made known its intentions to recruit state-controlled oil companies to develop new fields.

Jagdeo recently told *Reuters* that the country planned to take back 20 per cent of the giant Stabroek oil block, which is behind a series of massive discoveries, from a consortium led by ExxonMobil Corp and remarket it by next year.

What is Global Biofuel Alliance?

SUBHAYAN CHAKRABORTY

New Delhi, 24 February

Establishment of a global bio-fuel alliance is a key policy objective for India as part of its G20 presidency.

At a time when the global energy policy landscape is being redrawn in the aftermath of the war in Ukraine, *Business Standard* takes a deep dive into India's ambitious plans to set up a new international alliance.

What are biofuels?

Unlike other renewable energy sources, biomass can be converted directly into liquid fuels, called "biofuels", to help meet transportation fuel needs. Ethanol is a renewable fuel made from various plant materials collectively known as "biomass". In India, while the list of alternative fuel resources includes agriculture and forest residue, Municipal Solid Waste, and cow dung, the government's main target is ethanol.

Sugarcane ethanol is an alcohol-based fuel produced by the fermentation of sugarcane juice and molasses. Because it is a clean, affordable and low-carbon biofuel, sugarcane ethanol has emerged as a leading renewable fuel for the transportation sector.

Why is the government focussed on creating a global biofuel alliance?

The government has emphasised on achieving energy security of the country with a target of reducing import

dependence and envisages a strategic role for biofuels in the Indian energy basket.

Biofuels are also key to the Centre's plans to provide better remuneration for farmers and doubling of farm income. It also plans to utilise these to also achieve foreign exchange savings.

The Niti Aayog believes having a global alliance will work towards building a global co-operative mechanism for increasing the role of biofuel in the global fuel basket.

The International Energy Agency has projected that by 2025, there will be biofuel worth nearly \$180 billion in the international market. New Delhi is pushing to ensure it dominates a policy space that dictates this market.

How did the idea come up?

India is the world's largest producer and consumer of sugar as well as the world's second largest exporter of sugar. The sugar industry in India suffers from cycling issues of demand-supply mismatch, low-cost recuperation and wastage.

As a result, the livelihood of millions of sugarcane farmers hangs in the balance every sugar marketing season. The government has pushed for diverting sugarcane supplies towards ethanol production to reduce this issue.

Meanwhile, India is push-

ing to quickly raise the share of ethanol in petrol sold for transport use. The phased rollout of E20 (20 percent ethanol blending in gasoline) began earlier this month in 11 cities.

The Prime Minister's Office last year pushed for a coalesced effort to spearhead a global biofuels alliance. Officials say the brief is to replicate India's initiative to build the International Solar Alliance, which has expanded to 123 signatory nations.

What does the alliance intend to do?

The government has said the alliance will be aimed at facilitating cooperation and intensifying the use of sustainable bio-

fuels, including in the transportation sector. It will place emphasis on strengthening markets, facilitating global biofuels trade, development of concrete policy lesson-sharing and provision of technical support for national biofuels programs worldwide. It will also emphasise the already-implemented best practices and success cases.

It will work in collaboration with and complement the relevant existing regional and international agencies as well as initiatives in the bioenergy, bioeconomy, and energy transition fields more broadly.

More on business-standard.com



IOC plays cupid and matchmaker at workplace

Says it is a way to check attrition and help employees stay bonded to the company

Richa Mishra
Hyderabad

Many organisations do not allow husband and wife to work in the same set up. But here comes a PSU that is doing just the opposite.

This January, Indian Oil Corporation launched an in-house matchmaking platform actively encouraging employees to find their partners within the organisation. On Friday, the company joyously celebrated the first wedding that came about through the platform.

SM Vaidya, Chairman, IndianOil, a vital force behind the platform who made it a point to be part of the wedding celebrations, tweeted, "I was absolutely thrilled to witness the joyous union of Tarun and Seema, the first IndianOil couple to find love through



FIRST COUPLE. SM Vaidya (left), Chairman, IndianOil, and Surekha Vaidya (right) with the newly-married couple — Tarun Jindal and Seema Yadav at their wedding celebrations

our very own *IOCians2gether* platform that aims to create work and life partnerships within IndianOil." A beaming Director (R&D) SSV Ramakumar, who also attended the wedding, publicly congratulated the two scientists, Tarun Jindal and Seema Yadav, for tying the knot. The couple have been with IndianOil for five years.

According to the com-

pany, one of the goals of the *IOCians2gether* platform is to check attrition as the platform hopes to help employees forge an everlasting bond with the company.

While retaining talent is one aspect, another is to help its young single employees, posted in remote areas, find a partner.

The platform has been developed in-house.

But IndianOil is not the

first to try such an initiative.

EARLIER INITIATIVES

Another public sector energy giant, ONGC, has a management portal to enable its employees connect with colleagues for a range of things — from car pooling to matrimony.

"It helped many ONGCians find a house, vehicle and also get their children married. This is considered the OLX of ONGC," an ONGC official said.

Some corporates have, in the past, tried to play cupid by providing employees with a dating allowance, but with mixed results. Other PSUs, too, had ventured into such moves only to withdraw them because of challenges — as someone said, it is easier to handle professional wars not matrimonial.

सस्ते तेल ने बढ़ाया रूस से भारत का आयात बिल

हाल के समय में रूस भारत का पांचवां सबसे बड़ा व्यापारिक साझेदार बन गया है

श्रेया नंदी

रूस-यूक्रेन युद्ध का एक साल पूरा हो गया है। इस दौरान रूस भारत का पांचवां सबसे बड़ा व्यापारिक साझेदार बन गया है, जो वित्त वर्ष 2022 में 25वें स्थान पर था। वाणिज्य विभाग के आंकड़ों के अनुसार इस दौरान भारत और पश्चिमी देशों के प्रतिबंधों का सामना कर रहे रूस के साथ उसका अप्रैल-दिसंबर के दौरान व्यापार बढ़कर 35 अरब डॉलर पहुंच गया। इससे पहले दोनों देशों के बीच 9.1 अरब डॉलर का कारोबार हुआ था।

रूस-भारत के बीच व्यापार इसलिए बढ़ा है कि अप्रैल-दिसंबर के दौरान भारत ने रूस से पांच गुना ज्यादा 32.81 अरब डॉलर मूल्य के कच्चे तेल का आयात रियायती दामों पर किया है। भारत ने कुल आयातित कच्चे तेल का 17.1 फीसदी रूस से आयात किया, जो अब इराक तथा सऊदी अरब के बाद भारत का तीसरा सबसे बड़ा कच्चे तेल का आपूर्तिकर्ता बन गया है और इस मामले में उसने संयुक्त अरब अमीरात को पीछे छोड़ दिया है।

तेल के अलावा भारत रूस से उर्वरक, कोयला, सोयाबीन तथा



सूरजमुखी के तेल का भी आयात करता है लेकिन कुल आयात में कच्चे तेल की हिस्सेदारी करीब दो-तिहाई रही है।

पश्चिमी देशों ने रूस से तेल नहीं खरीदने और जी7 देशों द्वारा तेल के दाम तय करने के मकसद में शामिल होने को लेकर भारत पर काफी दबाव बनाया था। हालांकि भारत ने देश के नागरिकों के हित में सस्ते कच्चे तेल के आयात के अपने अधिकारों का लगातार बचाव किया।

पिछले साल दिसंबर में विदेश मंत्री एस जयशंकर ने कहा था कि भारत ने पिछले नौ महीनों में रूस से जितना तेल खरीदा है वह यूरोपीय देशों द्वारा की गई खरीद का महज छठा हिस्सा है। जर्मनी के विदेश मंत्री एनालेना

बेयरबॉक के साथ व्यापक बातचीत करने के बाद मीडिया से बातचीत में, जयशंकर ने यह भी कहा था कि भारत को कुछ और करने के लिए कहते समय यूरोप अपनी ऊर्जा जरूरतों को प्राथमिकता देने के लिए विकल्प नहीं बना सकता है। उन्होंने कहा था कि भारत और रूस के बीच ट्रेड बास्केट का विस्तार यूक्रेन संघर्ष की शुरुआत से बहुत पहले शुरू हो गया था।

निर्यात की धीमी रफ्तार

उम्मीद की जा रही थी कि प्रतिबंधों का सामना कर रहा रूस अपनी कई आवश्यक उपभोक्ता उत्पादों की जरूरतों के लिए भारत पर निर्भर रहेगा और देश से निर्यात उतना

रूस से आयात

■ अप्रैल-दिसंबर के दौरान भारत ने रूस से पांच गुना ज्यादा 32.81 अरब डॉलर मूल्य के कच्चे तेल का आयात किया

■ भारत ने कुल आयातित कच्चे तेल का 17.1 फीसदी रूस से आयात किया, यह तीसरा सबसे बड़ा आपूर्तिकर्ता बन गया

उत्साहजनक नहीं रहा। चालू वित्त वर्ष की पहली तिमाही में रूस को किए जाने वाले निर्यात में 13.5 फीसदी की कमी आई और यह 2.2 अरब डॉलर रहा। लेकिन मार्च और अप्रैल में निर्यात घटने के बाद इसमें धीरे-धीरे सुधार आने लगा लेकिन वृद्धि की रफ्तार धीमी रही। इसकी वजह लॉजिस्टिक्स और भुगतान संबंधी चुनौतियां भी रहीं। भारतीय रिजर्व बैंक ने रुपये में अंतरराष्ट्रीय व्यापारिक सौदों के निपटान के लिए नए तंत्र की घोषणा की लेकिन यह जोर नहीं पकड़ पाया। रुपये में व्यापार में तेजी आने पर रूसी बाजार में भारत की बड़ी हिस्सेदारी हो सकती है।

एक वरिष्ठ सरकारी अधिकारी ने

कहा कि इसमें थोड़ा समय लगेगा क्योंकि निर्यातक को पश्चिमी देशों से दूसरे प्रतिबंधों को खटका सता रहा है। उन्होंने कहा, 'इसके अलावा इस तरह के सौदों के निपटान के लिए बैंकों का आंतरिक तंत्र अभी पूरी तरह से तैयार नहीं है।'

आयात बढ़ने और निर्यात कम रहने से रूस के साथ भारत का व्यापार घाटा अप्रैल-दिसंबर के दौरान बढ़कर 30.61 अरब डॉलर हो गया जो एक साल पहले 4.03 अरब डॉलर था।

निर्यातकों के संगठन फियो के महानिदेशक और मुख्य कार्य अधिकारी अजय सहाय ने कहा कि भारत और रूस के बीच व्यापार घाटा चीन की तरह चिंता का सबब नहीं है क्योंकि भारत रूस से गैर-जरूरी चीजों का आयात नहीं कर रहा है।

सहाय ने कहा, 'रूस के मामले में कच्चा तेल रियायती/प्रतिस्पर्धी कीमतों पर उपलब्ध है। इसकी वजह से हम मुद्रास्फीति से भी लड़ने में सक्षम हुए हैं। रूस से आयातित काफी मात्रा में कच्चे तेल को परिशोधित करके नीदरलैंड, यूरोपीय संघ तथा अमेरिका को निर्यात किया गया है। भारत के परिशोधित तेल का निर्यात भी इस दौरान बढ़ा है।'