Aramco-China ink refinery deal

Bloomberg
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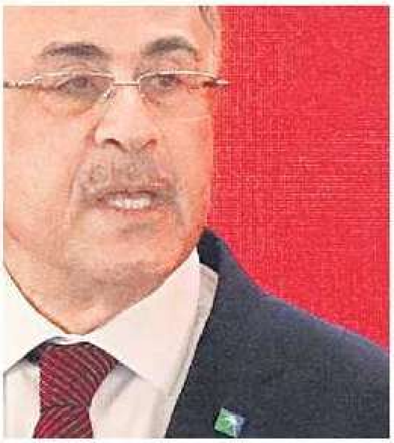
Saudi Aramco., the world's biggest energy company, has signed agreements with Chinese partners to build a state-of-the-art refining complex in the northeast region of the Asian nation.

Aramco agreed to the deal with North Huajin Chemical and Panjin Xincheng to start construction on the refinery and petrochemical complex in Liaoning Province, Amin Nasser, the Saudi company's president and chief executive officer, said at the China Development Forum in Beijing on Sunday. "We see a major win-win opportunity to build a world-leading, integrated downstream sector in China, with special emphasis on the high conversion of liquids directly into chemicals as part of our broader liquid-to-chemicals business expansion plans," Nasser said.



Amin Nasser, Saudi Aramco president and CEO REUTERS

Aramco wants to be an all-inclusive source of energy and chemicals for China's long-term energy security and China's high-quality development, he said.

An initial framework agreement for the Liaoning refinery was first signed during Saudi Arabian King Salman bin Abdulaziz's visit to Beijing in March 2017.

In a separate statement, Aramco said construction is due to start in the second quarter and it expects the project to be fully operational by 2026. Aramco will own 30%, Norinco Group 51% through its subsidiary North Huajin Chemical, and Panjin Xincheng 19% of the joint venture.

The refining complex will include 300,000 barrels-a-day refinery and 1.65 million tons steam cracker and Aramco will supply up to 210,000 barrels per day of crude oil feedstock to the project.

In 2019, Aramco agreed to set up a venture with two Chinese partners when Crown Prince Mohammed bin Salman was in Beijing in what was seen as a landmark deal with a key ally. However, the Saudis briefly paused investment in the refinery venture in 2020 amid an uncertain market outlook when Covid lockdowns in China throttled downstream demand.

Cabinet to Consider Price Caps on Majority of Natgas

NEW DELHI The Union Cabinet is likely to soon consider imposing caps or a ceiling on price for majority of natural gas produced in the country to keep input costs for users ranging from CNG to fertilizer companies in check, sources said. The government bi-annually fixes prices of locally produced natural gas -- which is converted into CNG for use in automobiles, piped to household kitchens for cooking and used to generate electricity and make fertilisers. Two different formulas govern rates paid for gas produced from legacy or old fields of national oil companies like Oil and Natural Gas Corporation (ONGC) and Oil India Ltd (OIL), and that for newer fields lying in difficult to tap areas such as deepsea.

BUSINESS STANDARD, Delhi, 27.3.2023
Page No. 4, Size:(13.51)cms X (29.38)cms.

Ceiling on price of gas on cards to keep fertiliser rates in check

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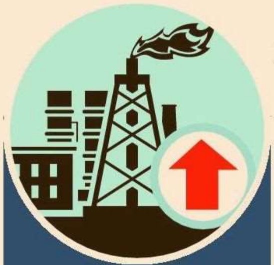

The government bi-annually fixes prices of locally produced natural gas

Two different formulae govern rates paid for gas produced from legacy or old fields of national oil companies like Oil and Natural Gas Corporation (ONGC) and Oil India (OIL), and that for tapping newer fields lying in difficult areas such as deepsea. The global spurt in energy prices after Russia's invasion of Ukraine have led to rates of locally produced gas climbing to record levels - $8.57 per million British thermal unit for gas from legacy or old fields and $12.46 per mmBtu for gas from difficult fields.

These rates are due to revision on April 1. Going by the current formula, prices of gas from legacy fields are slated to climb to $10.7 per mmBtu with minor changes in rates for gas from difficult fields, two sources with knowledge of the matter said. Rates of CNG and piped gas for kitchens have already jumped 70 per cent because of previous gas price hike and would climb further, if April 1 rate revision happens.

Sources said the government had last year constituted a committee under Kirit Parikh to look at revision in gas prices that balances both local consumer and producer interest, while at the same time advances the country's cause of becoming a gas-based economy. The committee has recommended changing the indexation for gas from legacy fields to 10 per cent of prevailing Brent crude oil prices instead of current practice of using rates of gas in surplus nations to decide their price. This, however, would be subject to a floor or base price of $4 per mmBtu and cap or ceiling price of $6.50, they said. PTI

MILLENNIUM POST, Delhi, 27.3.2023
Page No. 9, Size:(21.63)cms X (19.20)cms.

Govt to consider price caps on gas to keep users' input costs in check

These rates are due to revision on April 1. Going by the current formula, prices of gas from legacy fields are slated to climb to $10.7 per mmBtu

OUR CORRESPONDENT

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This, however, would be subject to a floor or base price of $4 per mmBtu and cap or ceiling price of $6.50, they said.

At current Brent crude oil price of $75 per barrel, the price of gas should be $7.5 per mmBtu but the fuel would be priced only at $6.5 due to the cap.

While leaving the formula for difficult fields unchanged, the panel suggested the price band for current production from legacy or old fields, which make up for two-thirds of all gas produced in the country and is currently under the administered price mechanism, or APM, until a full deregulation of prices is implemented in 2027.

The panel suggested a 50 cents per mmBtu increase in the $6.50 ceiling every year to slowly move toward the marketing and pricing freedom for APM fields.

Sources said inter-ministerial consultations on the committee recommendations are over and a note for consideration of the Cabinet, largely accepting the recommendations, has been moved.

The cabinet is likely to consider it soon, they said.

The ceiling price covers for the cost of production of producers, while protecting consumers particularly CNG users, kitchens using piped cooking gas and fertilizer plants who had grappled with soaring input cost.

APM gas makes up for most of CNG and kitchen gas supplies.

India aspires to become a gas-based economy with the share of natural gas in its primary energy mix targeted to rise to 15 per cent by 2030 from the existing level of around 6.3 per cent.

APM gas fields were allotted to ONGC and OIL before 1999. Production from these fields do not attract profit-sharing with the government, and their pricing formula is benchmarked to gas prices at international gas hubs in surplus nations every six months based on the weighted average price. Prices were last revised on October 1 and are now due for revision on April 1.

To incentivize additional production from a new well or well intervention in the nomination blocks, the Kirit Parikh committee recommended a premium of 20 per cent over and above the APM prices for ONGC and OIL till complete freedom.

As much as 34 per cent of APM gas is allotted to the power sector in 2021-22, 17 per cent to the fertilizer industry, which impacts food prices, and 22 per cent to the city gas sector.

The committee also recommended that gas should be brought under the Goods and Services Tax, or GST, regime. Having a common taxation such as GST for gas in lieu of state level VATs, which vary from 3 per cent to as high as 24 per cent, will help develop the market.

MILLENNIUM POST, Delhi, 27.3.2023
Page No. 9, Size:(17.16)cms X (11.56)cms.

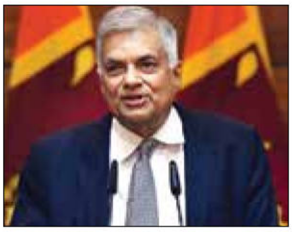
High-level Indian delegation discusses energy cooperation with Sri Lankan Prez

COLOMBO: A high-level Indian delegation called on Sri Lankan President Ranil Wickremesinghe here on Sunday and briefed him on the developments in the jointly-identified priority areas for bilateral collaboration in the crucial energy sector.

President Wickremesinghe provided his insights on the early implementation of these initiatives when the delegation led by Pankaj Jain, Secretary, Ministry of Petroleum Natural Gas, met him, the Indian High Commission here said.

It said India would gift Sri Lanka 500 solar-powered indoor cooking systems.

The Lanka India Oil Company (LIOC), the local operator of Indian Oil Corporation (IOC), said the visiting Secretary to the ministry of power and natural gas Jain and Chairman IOC Shrikant Madhav Vaidya had earlier visited the Trincomalee eastern Sri Lanka's IOC terminal. Sri Lanka and India run a joint venture storing fuel in the World War II time storage tanks in Trincomalee.



Sri Lankan President Ranil Wickremesinghe

In January last year, Sri Lanka formally signed an agreement with India to jointly develop the oil tank farms in Trincomalee. The joint venture was finalised amid growing concerns over China's influence in the island nation. Jain had inaugurated three new LIOC retail fuel sheds in their ongoing expansion whilst addressing the chamber of commerce and attended a meeting of CEOs of Indian businesses based in Sri Lanka.

Chairman IOC Vaidya said he was delighted to have met former World Cup-winning Sri Lankan cricket captain Arjuna Ranatunga. The top-level Indian delegation on the petroleum sector is expected to have extensive talks with their Lankan counterparts for further collaboration, LIOC said.

Sri Lanka is completely dependent on imported fuel, which cost the cash-strapped country close to a whopping $4 billion last year.

The island nation has been hit hard by a catastrophic economic and humanitarian crisis, sparked by years of mismanagement and the raging pandemic.

Earlier this week, the IMF approved a $3 billion bailout programme to help Sri Lanka overcome its economic crisis and catalyse financial support from other development partners, a move welcomed by Colombo as a "historic milestone" in the critical period.

Analysts say the move is expected to play a major role in stabilising Sri Lanka's economy.

In such a scenario, a visit from a high-level Indian delegation is seen as India's attempt to forge long-term deals in Sri Lanka's energy sector to counter China's growing influence in the country. PTI

PIONEER, Delhi, 27.3.2023
Page No. 8, Size:(8.56)cms X (13.60)cms.

Indian delegation discusses energy coop with SL Prez

PTI ■ COLOMBO

A high-level Indian delegation called on Sri Lankan President Ranil Wickremesinghe here on Sunday and briefed him on the developments in the jointly-identified priority areas for bilateral collaboration in the crucial energy sector. President Wickremesinghe provided his insights on the early implementation of these initiatives when the delegation led by Pankaj Jain, Secretary, Ministry of Petroleum Natural Gas, met him, the Indian High Commission here said. It said India would gift Sri Lanka 500 solar-powered indoor cooking systems.

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The top-level Indian delegation on the petroleum sector is expected to have extensive talks with their Lankan counterparts for further collaboration, LIOC said. LIOC provided much assistance to Sri Lankan fuel consumers at the height of the country's worst economic crisis.

MINT, Delhi, 27.3.2023
Page No. 7, Size:(22.57)cms X (9.56)cms.

Oil traders' bearish turn signals prices may remain low

Bloomberg
feedback@livemint.com

Ask the world's biggest oil traders where the market is headed as prices hover near a 15-month low, and you'll hear almost universal agreement: The stage is set for a rally.

But an examination of trading data tells a much different story. In the past two weeks, speculators have cut bullish positions in US crude to the lowest in more than a decade while bets on a downturn are at a four-year high. The options market shows similar pessimism in the so-called put skew, a measure of bearishness.

The dissonance underscores a tension that has been prevalent in the market for some time. The long-term outlook for prices is mostly bullish as US production stagnates while Chinese demand is expected to rebound and Russian output is projected to drop.

But the near-term headwinds are significant, and prices have plunged this month as speculation mounts that weakness in the banking system could spark a full-blown recession.

Traders "can still have a bullish thesis but realize surviving the next month is mission critical," said Rebecca Babin, a senior energy trader at CIBC Private Wealth. "Many investors are in survival mode here."

The 14% rout in prices since early this month reflects the mad rush for the exits as investors dumped futures. That forced Wall Street banks and other financial firms to cover their positions in the options market, accelerating the sell-off.

Oil-price optimists point out that some of the current market weakness comes as Russian oil exports remain stubbornly high. AP

While top oil traders, from Trafigura Group to Pierre Andurand, continue to argue that prices will likely rebound soon, many aren't actually taking on those positions. Instead, bearish speculators appear to be in the driver's seat.

Andurand said in a 23 March tweet that holding oil was "the least fashionable thing on the planet at the moment." His main Andurand Commodities Discretionary Enhanced Fund has tumbled about 40% this year, according to people with knowledge of the matter who asked not to be identified discussing private data.

The 14% rout in prices since early this month reflects the mad rush for the exits as investors dumped futures

Oil-price optimists point out that some of the current market weakness comes as Russian oil exports remain stubbornly high and French refinery strikes keep crude supplies ample, factors that could fade away in coming weeks.

And of course while cheap oil is painful for the traders sitting on bullish positions, consumers stand to benefit if prices stay muted. That could also potentially reduce pressure on inflation and ease the Federal Reserve's job of getting broader price increases under control.

For now, markets are showing little conviction in a rally later this year. One gauge of oil market health—the spread between US futures for immediate delivery and 6 months in the future—is narrowing as traders price in smaller increases ahead. And the gap between December 2023 and December 2024 has slumped to near the tightest this year.

BUSINESS STANDARD HINDI, Delhi, 27.3.2023
Page No. 2, Size:(12.74)cms X (13.39)cms.

उपभोक्ता, टायर उद्योग की नजर कच्चे तेल पर

शार्लीन डिसूजा और सोहिनी दास
मुंबई, 26 मार्च

कच्चे तेल की कीमतें हालांकि अपने शीर्ष से नीचे आ गई हैं, लेकिन उपभोक्ता और टायर कंपनियां अब भी काफी सावधान हैं क्योंकि कच्चे तेल के उत्पादों की कीमतों में अभी तक नरमी नहीं आई है। साथ ही कंपनियों का कहना है कि कच्चे तेल के हाजिर दाम मौजूदा स्तर पर बने रहने चाहिए ताकि सरकार द्वारा ईंधन की कीमतों में कमी के रूप में इसका असली असर देखा जा सके। भारतीय कंपनियों तभी इस असर को महसूस कर पाएंगी।

अदाणी विल्मर के प्रबंध निदेशक और मुख्य कार्याधिकारी अंशु मलिक ने बिजनेस स्टैंडर्ड को बताया कि हालांकि कच्चे तेल के दामों में कम हुए हैं (शीर्ष स्तर से), लेकिन पैकेजिंग सामग्री के दामों पर असर होना अभी बाकी है और यह हमारे लिए कोई बड़ा घटक नहीं है। सरकार ने अभी तक ईंधन के दाम कम नहीं किए हैं, इसलिए माल ढुलाई के दामों में अभी कमी नहीं हुई है। उन्होंने कहा कि सरकार द्वारा ईंधन की कीमतों में कमी को आगे स्थानांतरित करने पर सकारात्मक प्रभाव देखा जाएगा।

पारले प्रोडक्ट्स के वरिष्ठ श्रेणी प्रमुख मयंक शाह ने कहा कि कच्चे तेल में उतार-चढ़ाव अब भी है और अगर कीमतें इस स्तर पर बनी रहती हैं, तो कुछ असर दिखना शुरू हो सकता है। लेकिन प्लास्टिक वगैरह जैसे कच्चे तेल के उत्पादों में गिरावट शुरू होने में वक्त लगता है। अभी कुछ कहना जल्द बाजी होगी।

शाह ने यह भी कहा कि चीन में उत्पादन फिर से शुरू होने की वजह से हो सकता है कि कच्चे तेल में इन स्तरों से खासी गिरावट न आए।

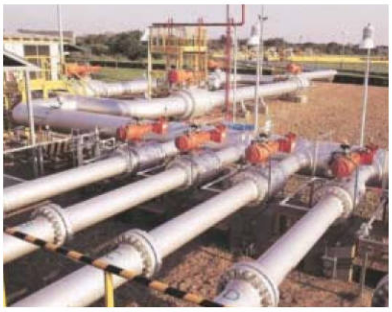
जायडस वेलनेस के मुख्य कार्याधिकारी तरुण अरोड़ा ने कहा कि पैकेजिंग की लागत अपने शीर्ष स्तर से कम हो चुकी है। अरोड़ा ने कहा 'हालांकि प्लास्टिक पिछले दो से तीन महीनों में फिर से चढ़ गई, लेकिन (इस बार) यह चक्रीय है और शीर्ष स्तर पर नहीं है। माल ढुलाई की लागत भी स्थिर हो गई है। मेरा मानना है कि नया स्तर स्थापित हो चुका है।' उन्होंने बताया कि सबसे बड़ी दिक्कत महंगाई की थी, जो वर्ष 2020 से 2022 तक लगातार बढ़ी है और हम रफ्तार कायम नहीं रख पाए। लेकिन अब यह मामला नहीं है। कुछ महंगाई सामान्य है।

गैस की कीमत पर विचार करेगा मंत्रिमंडल

भाषा
नई दिल्ली, 26 मार्च

केंद्रीय मंत्रिमंडल जल्द देश में उत्पादित प्राकृतिक गैस के मूल्य की सीमा तय करने पर विचार करेगा। इस कदम का मकसद सीएनजी से लेकर उर्वरक कंपनियों के लिए उत्पादन की लागत को कम करना है। सूत्रों ने यह जानकारी दी।

सरकार एक साल में 2 बार स्थानीय रूप से उत्पादित प्राकृतिक गैस की कीमतें तय करती है - जिसे वाहनों में उपयोग के लिए सीएनजी में और रसोई में इस्तेमाल के लिए पाइप वाली गैस (पीएनजी) में बदला जाता है। इसके अलावा गैस का इस्तेमाल बिजली और उर्वरक उत्पादन में भी होता है। घरेलू स्तर पर उत्पादित गैस के भुगतान के लिए दो फॉर्मूला हैं। इनमें एक ऑयल ऐंड नैचुरल गैस कॉरपोरेशन (ओएनजीसी) और



ऑयल इंडिया लिमिटेड (ओआईएल) जैसी राष्ट्रीय पेट्रोलियम कंपनियों के पुराने क्षेत्रों से उत्पादित गैस के लिए भुगतान का फॉर्मूला और दूसरा गहरे समुद्र के नए क्षेत्रों से उत्पादित गैस के भुगतान का फॉर्मूला है।

यूक्रेन पर रूस के हमले के बाद वैश्विक स्तर पर ऊर्जा की कीमतों में उछाल ने स्थानीय रूप से उत्पादित गैस की दरों को रिकॉर्ड स्तर पर पहुंच दिया है। विरासत वाले या पुराने क्षेत्रों से गैस के लिए 8.57 अमेरिकी डॉलर प्रति मिलियन ब्रिटिश थर्मल यूनिट (एमएमबीटीयू) और कठिन क्षेत्रों से गैस के लिए 12.46 डॉलर प्रति एमएमबीटीयू की दर तय है। इन दरों में एक अप्रैल को संशोधन होना है। मामले की जानकारी रखने वाले दो सूत्रों ने कहा कि मौजूदा फॉर्मूले के अनुसार, पुराने क्षेत्रों से गैस की कीमतें बढ़कर 10.7 डॉलर प्रति एमएमबीटीयू तक पहुंच सकती हैं। मुश्किल क्षेत्र की गैस के दाम में मामूली बदलाव होगा। गैस कीमतों में पिछले संशोधन के बाद सीएनजी और पीएनजी के दाम 70 प्रतिशत तक चढ़ चुके हैं यदि एक अप्रैल से दरों में संशोधन होता है तो इसमें और बढ़ोतरी होगी।

JANSATTA, Delhi, 27.3.2023
Page No. 11, Size:(49.78)cms X (35.41)cms.

प्राकृतिक गैस के लिए मूल्य सीमा तय करने पर विचार करेगा मंत्रिमंडल

नई दिल्ली, 26 मार्च (भाषा)।

केंद्रीय मंत्रिमंडल जल्द देश में उत्पादित प्राकृतिक गैस के मूल्य की सीमा तय करने पर विचार करेगा। इस कदम का मकसद सीएनजी से लेकर उर्वरक कंपनियों के लिए उत्पादन की लागत को कम करना है। सूत्रों ने यह जानकारी दी।

सरकार एक साल में दो बार स्थानीय रूप से उत्पादित प्राकृतिक गैस की कीमतें तय करती है – जिसे वाहनों में उपयोग के लिए सीएनजी में और रसोई में इस्तेमाल के लिए पाइप वाली गैस (पीएनजी) में बदला जाता है। इसके अलावा गैस का इस्तेमाल बिजली और उर्वरक उत्पादन में भी होता है।

घरेलू स्तर पर उत्पादित गैस के भुगतान के लिए दो फार्मूला हैं। इनमें एक आयल एंड नैचुरल गैस कारपोरेशन (ओएनजीसी) और आयल इंडिया लिमिटेड (ओआईएल) जैसी राष्ट्रीय पेट्रोलियम कंपनियों के पुराने क्षेत्रों से उत्पादित गैस के लिए भुगतान का फार्मूला और दूसरा गहरे समुद्र के नए क्षेत्रों से उत्पादित गैस के भुगतान का फार्मूला है। यूक्रेन पर रूस के हमले के बाद वैश्विक स्तर पर ऊर्जा की कीमतों में उछाल ने स्थानीय रूप से उत्पादित गैस की दरों को रिकार्ड स्तर पर पहुंचा दिया है। विरासत वाले या पुराने क्षेत्रों से गैस के लिए 8.57 अमेरिकी डालर प्रति मिलियन ब्रिटिश थर्मल यूनिट (एमएमबीटीयू) और कठिन क्षेत्रों से गैस के लिए 12.46 डॉलर प्रति एमएमबीटीयू की दर तय है। इन दरों में एक अप्रैल को संशोधन होना है।

मामले की जानकारी रखने वाले दो सूत्रों ने कहा कि मौजूदा फार्मूले के अनुसार, पुराने क्षेत्रों से गैस की कीमतें बढ़कर 10.7 डालर प्रति एमएमबीटीयू तक पहुंच सकती हैं। मुश्किल क्षेत्र की गैस के दाम में मामूली बदलाव होगा।

गैस कीमतों में पिछले संशोधन के बाद सीएनजी और पीएनजी के दाम 70 फीसद तक चढ़ चुके हैं। अगर एक अप्रैल से दरों में संशोधन होता है तो इसमें और बढ़ोतरी होगी। सूत्रों ने कहा कि सरकार ने पिछले साल किरीट पारिख की अध्यक्षता में गैस की कीमतों में संशोधन पर एक समिति गठित की थी जो स्थानीय उपभोक्ता और उत्पादक दोनों हितों को संतुलित करती है और साथ ही देश को गैस आधारित अर्थव्यवस्था बनने के उद्देश्य को आगे बढ़ाती है। समिति ने अपनी सिफारिशों में पुराने क्षेत्रों से निश्चित अवधि के लिए गैस के दाम में बदलाव मौजूदा ब्रेंट कच्चे तेल के दाम का 10 फीसद करने को कहा है। अभी तक यह गैस अधिशेष वाले देशों की कीमतों के आधार पर किया जाता था।

सूत्रों ने कहा कि हालांकि यह चार डालर प्रति इकाई के न्यूनतम मूल्य और 6.50 डालर प्रति एमएमबीटीयू की सीमा के तहत होगा। मौजूदा ब्रेंट कच्चे तेल की कीमत 75 डालर प्रति बैरल है। ऐसे में गैस की कीमत 7.5 डालर प्रति एमएमबीटीयू होनी चाहिए, लेकिन सीमा के कारण ईंधन की कीमत केवल 6.5 डालर होगी। समिति ने कठिन क्षेत्रों के लिए फार्मूला में कोई बदलाव नहीं करने का सुझाव दिया है।