● TOP OIL FIRMS TO EXPEDITE TRANSITION PLANS

EV dawn fans hopes of fuel demand peaking in 2030s

MOHI NARAYAN
New Delhi, January 27

THE RAPID TAKE-UP of electric vehicles in India's fledgling market has prompted a major rethink about the country's long-term fuel needs as refiners in Asia's third-largest economy hasten their shift away from oil production.

India, one of the world's fastest growing oil markets, has lagged major economic peers in Europe and Asia in the adoption of EVs, but sales are now picking up and investment in the production of new autos and energy infrastructure is accelerating.

The faster-than-anticipated industry growth means India's petrol consumption will peak sooner than previously thought, some analysts and industry participants say, forcing top oil firms to expedite transition plans to alternative business lines, notably increased petrochemical manufacturing.

"We were anticipating that peak petrol demand will be around 2040-2045 earlier, but going by the trend and the speed with which we are developing the ecosystem around EVs, the peak demand would be mid-2030s," Debasish Mishra, partner, energy, resources and industrials, Deloitte India told *Reuters*. He expects diesel demand to peak around the same time as petrol.

SHIFTING GEARS

- EV sales as well as the investment in production and energy infrastructure have been accelerating
- Refiners are investing billions to raise petrochemical capacity; 90% of demand is currently met by China
- Refiners' shift towards domestic chemical needs could dramatically change supply dynamics

Slowing fuel demand will be quite visible by around 2030 as EV technologies stabilise, compared with an earlier projection of 2040s, an industry source at an India-based refinery told *Reuters*, adding that heavy trucking sector will see changes a little later.

"Refiners are already investing in petrochemical integration to cope with the potential loss in fuel demand," said the source, who declined to be named as he is not authorised to speak to the media. Currently, around 90% of Indian petrochemical demand is met by China, he said, so a shift by refiners towards domestic chemical needs could dramatically change supply dynamics.

Indian refiners are investing billions of dollars to raise petrochemical capacity. Indian Oil, the country's top refiner, is raising petrochemical capacity at its Panipat refinery by 13% and building new plants linked to its Paradip and Gujarat refineries.

Reliance Industries, operator of the world's biggest refining complex, plans to invest ₹75,000 crore ($9.38 billion) to expand its chemical business, while Essar Group plans to set up a ₹400 billion petrochemical complex in east India. Nayara Energy expects 15-20 new integrated petrochemical plants to start in the next decade.

Despite new momentum, the question for the country is whether it will be enough to ultimately shake its fossil fuel dependency.

"Limited charging infrastructure, low domestic EV production and high EV battery costs remain some of the key hurdles in maintaining strong EV uptake in the long run," said Dylan Sim, oil market analyst at FGE. — **REUTERS**

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With EV sales picking up, refiners seen switching to petrochem track

Reuters
New Delhi

The rapid take-up of electric vehicles in India's fledgling market has prompted a major rethink about the country's long-term fuel needs as refiners in Asia's third-largest economy hasten their shift away from oil production.

India, one of the world's fastest growing oil markets, has lagged major economic peers in Europe and Asia in the adoption of EVs but sales are now picking up and investment in the production of new autos and energy infrastructure is accelerating.

PEAKING SOON

The faster-than-anticipated industry growth means India's gasoline consumption will peak sooner than previously thought, some analysts and industry participants say, forcing top oil firms to expedite transition plans to alternative business lines, notably increased petrochemical manufacturing.

"We were anticipating that peak gasoline demand will be around 2040-2045 earlier, but going by the trend and the speed with which we are developing the ecosystem around EVs, the peak demand would be mid-2030s," Debasish Mishra, Partner, energy, resources and industrials, Deloitte India told Reuters. He expects diesel demand to peak around the same time as petrol.

FUEL DEMAND

Slowing fuel demand will be quite visible by around 2030 as EV technologies stabilise, compared with an earlier projection of 2040s, an industry source at an India-based refinery told Reuters, adding that heavy trucking sector will see changes a little later.

MAJOR SUPPLIER. Currently, around 90 per cent of Indian petrochemical demand is met by China

Currently, around 90 per cent of Indian petrochemical demand is met by China, he said, so a shift by Indian refiners towards domestic chemical needs could dramatically change supply dynamics.

Indian refiners are investing billions of dollars to raise petrochemical capacity. Indian Oil Corporation, the country's top refiner, is raising petrochemical capacity at its Panipat refinery by 13 per cent and building new plants linked to its Paradip and Gujarat refineries. Reliance Industries Ltd plans to invest ₹75000 crore to expand its chemical business, while Essar Group plans to set up a ₹40000 crore petrochemical complex in east India. Nayara Energy expects 15-20 new integrated petrochemical plants will start in the next decade.

EVs, TRUCKS

China currently dominates global EV production and domestic adoption of new energy vehicles is well advanced. The China Passenger Car Association expects sales of new energy cars, mainly EVs, to hit 8.5 million units this year, or 36 per cent of all new sales.

Despite new momentum in India, the question for the country is whether it will be enough to ultimately shake its fossil fuel dependency.

"Limited charging infrastructure, low domestic EV production and high EV battery costs remain some of the key hurdles in maintaining strong EV uptake in the long run," said Dylan Sim, oil market analyst at FGE.

India's progress is modest by global comparisons, however, last year registered EVs tripled to 1.01 million from 2021, most of them two- and three-wheelers.

While EVs make up just 1 per cent of the 3 million cars sold each year, New Delhi wants to grow this to 30 per cent by 2030 and has introduced a range of policies to get there, including tax breaks for consumers.

India's state refiners, which dominate fuel retailers, plan to set up EV charging facilities at more than 22,000 fuel stations and highways by 2024. The private sector is also providing EV bulls hope.

Gurugram-headquartered ride-hailing service Blusmart, which owns a fleet 3,000 EVs, has seen brisk growth.

Its Co-Founder Punit Goyal told it now provides 500,000 monthly trips, up from about 35,000 when it started in 2019.

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Shift to CNG will gather pace once price stabilises: TaMo

bl.interview

G Balachandar
Chennai

Among all categories of the auto sector, the commercial vehicle sector went through multi-year lows, caused by new axle load norms, credit crisis, transition to BS VI and the pandemic.

Post second wave, the sector, particularly the medium and heavy commercial vehicle categories, have been recording stable recovery in demand.

However, the CV industry is unlikely to reach its earlier cyclical peak of million plus units (recorded in FY19) this fiscal. *businessline* caught up with the Executive Director of Tata Motors, Girish Wagh, who discussed the CV industry's growth, shift to CNG and electric bus tenders, among others. Excerpts:

Will FY23 see the CV industry reach its earlier peak (FY19)?
There are two perspectives. One is volume and the other is tonnage. In FY19, the highest-selling multi-axle vehicle was a 37-tonne truck. Today, it is the 48-tonne vehicle.

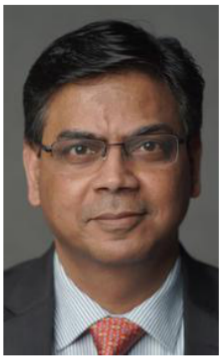
For every three 48 tonnes sold, the tonnage is equivalent to four 37-tonne vehicles. The numbers may not reach the FY19 level in FY23, but the industry is doing well tonnage-wise.Also, in FY19, medium and heavy commercial vehicles were more than 3 lakh units.

This year, it has certainly not reached that level, but the growth is good on a very low base of last year. The salience of small commercial vehicles is increasing every year. From that perspective, tonnage does become important.

The overall CV industry will also not reach FY19 numbers and we will have to see if it will happen in the coming years. There will be a lull period after the elections.

However, after almost 24-30 bad months, it is good to see that the industry has been picking up speed.

> Kirit Parikh Committee has made some recommendations to tame CNG price hikes. Meanwhile, OEMs have been attempting to address the range issues. We have also increased the range for CNG trucks
>
> **GIRISH WAGH**
> Executive Director, Tata Motors



There was a big shift to CNG in 2021, but from Q1 of 2022, the shift slowed down due to high CNG prices. What are your views?
CNG vehicles are inherently more profitable because of the higher fuel efficiency and therefore, offer a lower total cost of ownership even if the price of the fuel is the same.

Shift to CNG did pick up significantly in both ICV (intermediate commercial vehicle) and small commercial vehicle segments. In ICV, the penetration was even more. Then came the geopolitical situation, and CNG prices went up.

Looking ahead, CNG penetration will be good in India. For the government, the agenda is emission reduction, energy security and a cut in import bills. Roughly half of CNG is locally produced.

This black swan event led to sudden inflation in gas prices globally, but I think it will normalise. Today, customers have not shifted back completely to diesel. There is greater anxiety about what will happen if CNG prices keep going up.

Kirit Parikh Committee has made some recommendations to tame CNG price hikes. Meanwhile, OEMs have been attempting to address the range issues.

We have also increased the range for CNG trucks. In September 2022, we launched a vehicle with a 1,000 km range. In small commercial vehicles, we came up with bi-fuel variants that can offer a range of 700 km. Once the price stabilises, the shift to CNG will gather pace.

Tata Motors didn't participate in the recent CESL electric bus tender. Is there a capacity issue?
We are fully committed to the government's intention to decarbonise the passenger transport segment. Hence, we participated in the first tender and won the bid. In a record period, we have developed the electric bus and will start deployment of these buses from next month.

When the next tender came, we had continuous discussions with government agencies, saying that the current model is not sustainable.

There is no permanent security mechanism. When you get into the own, maintain and operate model, it is going to be an OPEX model, not capex.

The revenue recognition goal will happen based on the number of kilometres. Today, the financial health of the State transport undertakings is not at its best. Also, no financier is ready to come in.

That's the reason we said we will not participate unless the payment security mechanism is present. The government is also taking note of our request and has started working on it. This mechanism will make the entire model bankable.

Company hikes car prices by 1.2% across ICE portfolio

Tata Motors on Friday announced a 1.2 per cent weight average price increase across the internal combustion engine (ICE) portfolio. The hike will be effective from February 1.

"The company has been absorbing a significant portion of the increased costs on account of regulatory changes and rise in overall input costs, and is hence passing on some portion through this hike," the company said in a statement.

Earlier in November, the company had announced a weighted average price increase of 0.9 per cent. The company also slashed prices of Nexon EVs recently. — AROOSA AHMED

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EU considers $100 price cap for Russian diesel exports

Bloomberg

The European Union is floating a plan to cap the price of Russian diesel at $100 a barrel — a level that may be high enough to allow exports to keep flowing.

The EU's executive arm is considering cap levels after the Group of Seven offered a price range based in part on the existing cap on Russian crude oil. The bloc is set to ban imports of refined Russian products starting February 5 as part of an effort to sanction Russia for its invasion of Ukraine.

VARIABLE & VOLATILE

The EU and G-7 want to impose price caps on Russian exports to third countries, but the pricing is variable and volatile. The price of $100 per barrel would apply to products like diesel, which trade at a premium to crude, according to people familiar with the matter. A cap of $45 per barrel would apply to discounted ones like fuel oil, the people added. The figures could still change during talks with member states.

The negotiations over the price levels are complicated by the EU's effort to balance two competing goals: limiting Russian revenue and preventing price spikes or shortages in key products on the global market. The EU will have to agree unanimously on price cap levels, which the G-7 will then need to approve.

EU diplomats will start discussing the prices levels later in the day and heated talks are expected to continue over the next several days, with a group of countries seeking to impose stricter limits on Russian revenues from oil exports and toughen broader EU sanctions on Moscow.

European officials have been worried in particular about shortages of diesel after the ban, and the price cap is aimed at making sure Russian exports can still be sold to other parts of the world.

UNDER CHECK. The bloc is set to ban imports of refined Russian products starting February 5 as part of an effort to sanction Russia for its invasion of Ukraine AFP

"We would expect Russian crude runs to be largely unaffected by this," said Alan Gelder, vice-president for refining, chemicals and oil markets at Wood Mackenzie Ltd. "Flows will largely continue and it will reduce Russia's revenue."

To put the higher cap in context, headline diesel futures are currently trading at about $130 a barrel in northwest Europe, according to ICE Futures Europe data.

Russian supplies have, however, already been trading at a large discount to those from elsewhere, meaning that the impact on Russian sellers' revenues may not be so large, data recently provided by S&P Global Commodity Insights show.

The firm, better known among oil traders as Platts, along with competitor Argus Media Ltd, stopped certain Russian diesel assessments earlier this month in preparation for the EU's seaborne imports ban. On January 10, Platts assessed Russian diesel at a discount of $113.50 per ton, or $15.20 per barrel, to non-Russian product.

PRICE-CAP MECHANISM

The price-cap mechanism works by allowing European companies to provide financing and insurance for oil exports from Russia that are priced no higher than the cap level.

While the cap may not be too impactful, the EU's imports ban could be. The measures will deprive Russia of its top diesel export market and the bloc of its main external supplier. There's also doubt about whether Russia will be able to find sufficient alternative buyers.

G-7 officials expect that Russian diesel currently sold to Europe will likely find buyers in Latin America and Africa. Europe, meanwhile, will try to buy diesel from the Middle East and the US, which currently sell more to Latin America and Africa. The changes could usher in higher shipping costs since some shipments will be going over a longer distance.

The refined fuels cap comes after the EU agreed late last year to set a price cap on Russian crude exports at $60 a barrel, which was the end result of a lengthy negotiation. That system has helped keep Russian oil on the market, but at a steep discount.

Russia's Urals grade crude, its top export stream, was $45.55 a barrel at the Baltic Sea port of Primorsk last week, according to data provided by Argus Media. The main Brent crude contract was at about $85 at the time.

NAVBHARAT TIMES, Delhi, 28.1.2023
Page No. 2, Size:(24.99)cms X (31.19)cms.

CNG गाड़ियों के लिए बायोगैस बनाएगी मारुति

■ एनबीटी न्यूजडेस्क

मारुति सुजुकी धरती पर कार्बन उत्सर्जन को कम करने के लिए जहां 2030 तक छह इलेक्ट्रिक वीइकल लॉन्च करने की तैयारी में है, वहीं गाय के गोबर की मदद से कार्बन उत्सर्जन कम करने के लिए भी प्लान तैयार किया है। टाइम्स ऑफ इंडिया की रिपोर्ट के मुताबिक, कंपनी ने एक ग्लोबल प्रेजेंटेशन में बताया है कि कंपनी ग्रामीण इलाकों से गाय का गोबर लेकर उससे बायोगैस पैदा कर सप्लाई करेगी। यह गैस सुजुकी के सीएनजी मॉडल में इस्तेमाल हो सकेगी। बता दें कि भारत में सीएनजी कार मार्केट में इस कंपनी की कारों की हिस्सेदारी 70% तक है। कंपनी ने इसके लिए नैशनल डेयरी डिवेलपमेंट बोर्ड, बनास डेरी संग एमओयू किया है और बायोगैस से बिजली बनाने वाली फ्यूजीसन असगिरि बायोमास में निवेश किया है।

File

2030 तक कंपनी छह इलेक्ट्रिक वीइकल लॉन्च करने की तैयारी में

1 फरवरी से बढ़ेंगे टाटा के यात्री वाहनों के दाम

■ **पीटीआई, नई दिल्ली :** टाटा मोटर्स ने शुक्रवार को कहा कि वह पेट्रोल, डीजल इंजन वाले अपने यात्री वाहनों की कीमतों में 1 फरवरी से 1.2% की वृद्धि करेगी। ऐसा नियमों में बदलाव और लागत बढ़ने की वजह से किया जा रहा है।

DAINIK JAGRAN, Delhi, 28.1.2023
Page No. 12, Size:(13.78)cms X (8.55)cms.

वैश्विक बाजार में धरातल पर गैस की कीमत

कुछ महीनों में 50 डालर प्रति एमएमबीटीयू से घटकर तीन डालर पर पहुंचे प्राकृतिक गैस के दाम

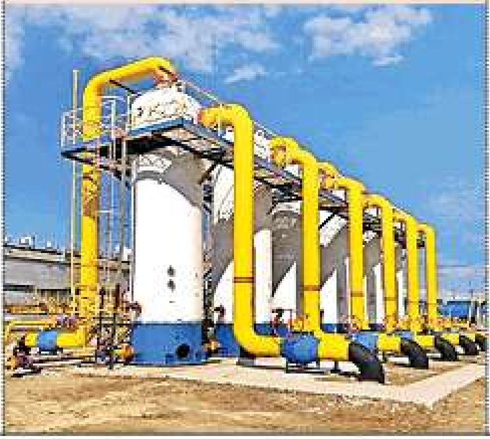
जयप्रकाश रंजन ● नई दिल्ली

अंतरराष्ट्रीय गैस बाजार में ऐतिहासिक उथल-पुथल का दौर चल रहा है। कुछ महीने पहले तक रूस-यूक्रेन युद्ध की वजह से 50 डालर प्रति एमएमबीटीयू (मिलियन मैट्रिक ब्रिटिश थर्मल यूनिट-गैस मापने का मापक) थी, जो गुरुवार को कुछ विदेशी बाजारों में तीन डालर प्रति एमएमबीटीयू पर आ गई हैं। गैस की कीमतें इसी स्तर पर बनी रहती हैं तो यह भारत के लिए अच्छा होगा। देश की इकोनमी में गैस की हिस्सेदारी मौजूदा छह प्रतिशत से बढ़ाकर 2030 तक 15 प्रतिशत करने की योजना ठोस आकार ले सकती है। इससे भी ज्यादा महत्वपूर्ण बात यह है कि गैस की कीमतों के आधार पर ही घरेलू बाजार में कीमतें तय होती हैं और कम कीमतों का असर मार्च, 2023 के बाद घरेलू ब्लाकों से निकाली गई गैस की कीमत तय करने पर भी दिखेगा।

भारत में उत्पादित गैस के लिए देने पड़ रहे 8.57 डालर

अंतरराष्ट्रीय बाजार में गैस की कीमत भले ही तीन डालर हो गई हैं लेकिन भारत में उत्पादित गैस के लिए उद्योग जगत को अक्टूबर, 2022 से मार्च, 2023 के दौरान 8.57 डालर की कीमत देनी पड़ रही है। यह कीमत सरकार की एक समिति करती है। इसमें हर छह माह में संशोधन होता है। केंद्र सरकार का डाटा बताता है कि अप्रैल से दिसंबर के दौरान भारत 4566 करोड़ स्टैंडर्ड घन मीटर गैस आयात की गई थी, जबकि घरेलू उत्पादन 2527 करोड़ स्टैंडर्ड घन मीटर का था। यह स्थिति तब है जब भारत की इकोनमी में गैस की हिस्सेदारी सिर्फ 6.3 प्रतिशत है।

- अंतरराष्ट्रीय बाजार में कमी का असर घरेलू ब्लाकों से निकाली जाने वाली गैस की कीमत तय करने पर भी दिखेगा
- नए वित्त वर्ष में गैस सब्सिडी में आ सकती है गिरावट, भारत अपनी जरूरत का 30 प्रतिशत गैस करता है आयात



गैस वाली बिजली परियोजनाओं को लग सकते हैं पंख

गैस कीमतों के नीचे आने का असर बिजली क्षेत्र पर भी दिखेगा। भारत में 27 हजार मेगावाट की गैस आधारित बिजली परियोजनाएं गैस की कमी से नहीं चल पा रही हैं। इन्हें गैस आपूर्ति कराने पर सुझाव देने वाली समिति भी अंतरराष्ट्रीय बाजार में गैस की कीमतों की वजह से कुछ नहीं कर पाई है। अब अगर कीमतें मौजूदा स्तर से थोड़ा बहुत ऊपर भी रहती हैं तो इन बिजली परियोजनाओं के दिन फिर सकते हैं। अंतरराष्ट्रीय बाजार का असर उन सौदों पर भी होगा जो भारत ने गैस खरीद के लिए दूसरे देशों के साथ कर रखे हैं। इसमें कतर सबसे प्रमुख आपूर्तिकर्ता है। कतर भारत की जरूरत का तकरीबन 50 प्रतिशत गैस देता है। भारत को अभी कतर गैस की कीमत तकरीबन 9-10 डालर प्रति एमएमबीटीयू है। पहले के सौदे के मुताबिक जो कीमतें तय हैं, उसे तो भारत को देनी होगी लेकिन जो भी अतिरिक्त गैस भारत खरीदेगा उसके लिए कीमतें कम हो सकती हैं। कांट्रेक्ट के तहत खरीदी गई गैस की कीमत भी कम करने के भारत के प्रस्ताव को कतर पूर्व में अस्वीकार कर चुका है।

अंतरराष्ट्रीय बाजार में गैस की कीमत कम होने से सबसे ज्यादा खुशी अभी वित्त मंत्री निर्मला सीतारमण को होगी। अगले वित्त वर्ष के दौरान वह खजाना प्रबंधन किस तरह से करती हैं, इस पर गैस कीमत का असर दिखेगा। वजह यह है कि भारत अपनी यूरिया खपत का 20 प्रतिशत और दूसरे उर्वरकों (डीपीए, एनपीके आदि) का शत-प्रतिशत आयात करता है। अंतरराष्ट्रीय बाजार में जब गैस की कीमतें बढ़ती हैं तो इनकी कीमतें बढ़ती हैं और जब कम होती हैं तो इनमें भी गिरावट आती है। वर्ष 2022-23 में गैस की कीमतों में ऐतिहासिक रिकार्ड स्तर (एक समय 56 डालर) पर पहुंचने की वजह से ही सब्सिडी बिल 2.25 लाख करोड़ रुपये तक जाने की संभावना है जो 2021-22 में 1.50 लाख करोड़ रुपये थी। गैस की कीमत निचले स्तर पर बनी रही तो नए वित्त वर्ष में सब्सिडी में भारी गिरावट दिख सकती है।