

India turns exporter of fuel for small planes, enters \$3bn global mkt

TIMES NEWS NETWORK

New Delhi: Amid an impending western ban on fuel from Russia, India on Saturday turned from a net importer to an exporter of aviation gasoline — also called AV Gas — that powers unmanned aerial vehicles and piston engine aircraft used by flying schools. State-run IndianOil exported the first consignment of 80 barrels of AV Gas to Papua New Guinea from Mumbai's Jawaharlal Nehru Port, marking its entry in an estimated \$2.7 billion global market.

"The indigenous production of AVGAS 100 LL in India will not only help save foreign exchange spent on imports but will make training in domestic flying institutes economical for budding pilots," company chairman S M Vaidya said. Domestic manufacturing of the fuel will also have military implication by reducing operating costs of UAVs that are increasingly being deployed as force multipliers. There is a significant demand for the fuel in countries in South America, Asia

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Pacific, West Asia, Africa and Europe. IndianOil aims to tap into this market after addressing domestic demand. It is the only domestic manufacturer of the fuel, having started production in September last year. Until recently AV Gas was imported at a huge cost from European countries.

"The global aviation gasoline market is projected to grow at 5% CAGR (compounded annual growth rate). The Aviation traffic in India is also likely to grow by 7%. With the superior performance quality standards and competitive prices, IndianOil is aiming to secure significant market share," Vaidya said. AV Gas is currently being produced at the firm's refinery in Gujarat, which has an annual capacity to pump out 5,000 tonnes of the fuel per month, the company said.

India plans to increase exploration acreage to 0.5 mn sq. km by 2025

ENS ECONOMIC BUREAU

@ New Delhi

INDIA is planning to increase its exploration acreage to 0.5 million sq. km by 2025 and 1.0 million sq. km by 2030, said petroleum minister Hardeep Singh Puri on Saturday.

Puri, speaking at an ONGC (Oil and Natural Gas Corporation) ceremony held on Sagar Samrat, said India's energy demand is likely to grow at about 3% per annum by 2040, as against the global rate of 1%. Further, 25% of the global energy growth between 2020 and 2040 is going to come from India due to its fast-growing economy, he said.

He asked to cut down on oil import, in which government spent nearly \$120 billion in FY 2021-22. "India's Amrit Kaal can't be realised without achieving energy independence by 2047. Under this mandate, the government has taken multiple

steps to ensure that our future generations enjoy energy security," the minister added.

He said the government has been successful in reducing the 'No Go' area by 99%, thereby making available additional about 1 million Sq.km of India's exclusive economic zone (EEZ) for exploration. "Several MNCs like Chevron, ExxonMobil, and

Total Energies are showing interest to invest in Indian E&P segment and some are in talks with ONGC for firming up mutually beneficial partnerships,"

he further added. During the event, Puri rededicated ONGC's iconic drilling rig Sagar Samrat, as a mobile offshore production unit (MOPU) at the ceremony. Commissioned in 1973, Sagar Samrat was built at Mitsubishi yard in Japan and set sail from Hiroshima on April 3, 1973. It drilled ONGC's first offshore well in 1974 in Mumbai Offshore region of Arabian Sea, then called the Bombay High.



DATA FOR APRIL TO NOVEMBER '22

Surge in oil imports from Russia, sharp dip from Nigeria, US

Overall imports up 6.8% over last yr; steady supply from Iraq, Saudi, UAE

SUKALP SHARMA
NEW DELHI, JANUARY 28

WITH INDIAN refiners snapping up discounted Russian crude supplies sanctioned by Western buyers in the aftermath of Moscow's February invasion of Ukraine, some of the inflows are at the expense of supplies that were coming in from Nigeria and the United States, shows an analysis of India's trade data for the first eight months of the current fiscal year.

Over April-November, crude oil imports from Russia jumped by 24.89 million tonnes year over year to 28.13 million tonnes,

a staggering seven-fold.

On the other hand, while nine supplying nations saw oil supplies to India fall by around 1 million tonnes or more, Nigeria and the US topped the list, with supply volumes falling by 4.88 million tonnes and 3.79 million tonnes over this period, respectively.

On the other hand, India's big three West Asian oil suppliers, Iraq, Saudi Arabia, and the UAE, did not see their oil shipments fall significantly.

Of the three, only Iraq's oil supplies declined during the period by 1.48 million tonnes, or 4.1%. Oil supplies from Saudi Arabia and

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TOP 10 SUPPLIERS OF CRUDE OIL IN APRIL-NOV

COUNTRY	IMPORT VOLUME (million tonnes)	YEAR-ON-YEAR CHANGE
Iraq	34.36	-4.14%
Russia	28.13	+768.2%
Saudi Arabia	26.09	+12.1%
UAE	15.89	+14.9%
USA	8.38	-31.1%
Kuwait	7.80	-18.1%
Nigeria	5.26	-48.1%
Mexico	3.47	-27.5%
Oman	2.84	-21.5%
Angola	2.63	+28.4%

■ India's total crude oil imports in April-November: 151.39 million tonnes, up 6.8% year-on-year

■ Based on data for HS Code 2709 (petroleum oils and oils obtained from bituminous minerals, crude)

Source: DGCI&S, Ministry of Commerce and Industry

• Surge in oil imports from Russia

the UAE to India increased in April-November. In all, India's oil imports for the period rose 6.8% year on year to 151.39 million tonnes.

Over April-November, supplies to India from Nigeria, a member of major oil exporters' cartel OPEC, nearly halved year on year to 5.26 million tonnes. Oil imports from the US declined 31.1% to 8.38 million tonnes.

Next on the list was Egypt, which saw oil supplies to India contract by almost 2 million tonnes year on year to 0.71 million tonnes.

Kuwait, Iraq, Mexico, Colombia, Gabon, and Brazil were the other countries whose oil supply to India declined by about 1 million tonnes or more on a year-on-year basis during the period under consideration.

The analysis is based on country-wise import data released by the commerce ministry for harmonised system code — or HS code - 2709, which subsumes 'Petroleum oil and oils obtained from bituminous minerals, crude'.

Country-wise and commodity-wise import data is released with a lag and the government has so far released this data only until November. India, the world's third-largest user of crude oil, depends on imports to meet over 85 per cent of its oil needs. With a growing number of Western buyers cutting oil imports from Russia due to the war in Ukraine, Moscow has been offering significant discounts to interested buyers.

Moscow's share in India's oil imports in April-November was 18.6%, up from a minuscule 2.3%

in the year-ago period, data showed. For the eight-month period, Russia displaced major suppliers like Saudi Arabia and the UAE to emerge as the second-biggest source of crude for India, and within sniffing distance of top supplier Iraq.

In November, however, Russia was the top supplier with its barrels accounting for almost 24% of India's oil imports of 19.38 million tonnes, significantly up from 1.5% in November 2021.

In the case of Nigeria and the US, a few additional factors also appear to have played a role in the fall in oil supply to India, as per industry watchers. Nigeria has been struggling with supply disruptions in the oil and gas sector due to numerous incidents of oil theft, pipeline vandalism, crumbling infrastructure, and maintenance shutdowns. US, too, saw some disruptions, particularly weather-related supply interruptions in the critical Gulf of Mexico region.

Besides supply disruptions, the relatively higher cost of freight and insurance, and changes in global oil supply dynamics appear to have been key factors, particularly in case of suppliers in the Americas—the US, Mexico, Colombia, and Brazil.

"The ultimate economics of oil determines the purchases by refiners. It includes price of crude, cost of freight, and gross product value or product slate of that grade of crude. Freight is a key component and as the US and other suppliers in North and South America are farther away than other major oil suppliers, it might have been a factor," a senior oil industry executive said.