Business Line, Delhi, 04/09/2025
Page No: 3, Size: 28.28cm × 17.04cm

'Early signals of India cutting Russian oil imports'

Rishi Ranjan Kala
New Delhi

US Congressman Brian Fitzpatrick, who was recently on a high-level intelligence mission to South Asia, has claimed that there are early signals that India will reduce Russian crude oil imports.

The Congressman, who is the Chairman of the CIA Subcommittee on the House Permanent Select Committee on Intelligence, met the Indian Foreign Minister and the National Security Advisor for a high-level strategic dialogue.

"Following these engagements and sustained US pressure, Indian refiners are signalling plans to reduce imports of Russian oil, a consequential shift that directly undermines Moscow's ability to finance its war in Ukraine. This development underscores the impact of principled American leadership and high-level diplomatic engagement," said an official statement.

Fitzpatrick, who is also a Member of the NATO Parliamentary Assembly, recently returned to the US after the two-week trip to India, Pakistan and Nepal, along with House Intelligence Committee Member Congresswoman Chrissy Houlahan.

'MEETS GOAL'

In his statement, Fitzpatrick said: "This mission advanced critical US priorities: cutting off Russia's war financing, strengthening intelligence partnerships, and grounding our leadership in the values we represent at home."

He further said: "In India, our direct engagement helped catalyse early signals that the government will reduce its imports of Russian oil – a meaningful step towards weakening Moscow's capacity for aggression, and aligning our partners with the cause of freedom."

In Kathmandu and Islamabad, the Congressman said the US has advanced counterterrorism and regional security cooperation while reinforcing the oversight and accountability that sustain America's credibility on the world stage.

Congressman Fitzpatrick has served on the House Permanent Select Committee on Intelligence since 2021, and was appointed Chairman of the CIA Subcommittee in 2024, where he oversees global operations of the agency.

Prior to her departure from the US for the high-level intelligence mission to South Asia, Congresswoman Houlahan highlighted the mission's importance.

"I am proud to join my colleague from Pennsylvania, Rep Fitzpatrick, in visiting both India and Pakistan this week. Our trip comes at a particularly important moment not only in our relationship with the region, but also as both countries are currently experiencing devastating flooding and working to maintain their ceasefire agreement from earlier this year."

GAIL

Business Line, Delhi, 04/09/2025

Page No: 6, Size: 34.63cm × 22.33cm

Pushing E20 fuel by lifting ethanol supply curbs

This biofuel is a strategic initiative to reduce petroleum imports, enhance energy security, and promote cleaner combustion

bl. explainer

Anupama Ghosh

Why is the recent government decision to lift restrictions on production of ethanol important for E20 fuel?

The recent decision to lift all restrictions on ethanol production from sugarcane juice, sugar syrup, and molasses for the 2025-26 ethanol supply year demonstrates the Centre's commitment to achieving India's target of 20 per cent ethanol blending in petrol by 2025, with potential expansion to 30 per cent thereafter.

What is E20 fuel?

E20 fuel is a gasoline blend containing 20 per cent ethanol and 80 per cent petrol. This biofuel mixture represents India's strategic initiative to reduce petroleum imports, enhance energy security, and promote cleaner combustion. The ethanol component is typically derived from sugarcane juice, sugar syrup, or molasses, making it a renewable fuel additive that supports agricultural sectors.

Is E20 fuel better than petrol?

E20 fuel presents a mixed performance track record compared to pure petrol. While it offers environmental benefits through reduced carbon emissions and supports energy independence, it delivers lower energy density than conventional petrol. The Ministry of Petroleum and Natural Gas acknowledges that ethanol's lower energy content results in marginal mileage reduction. However, E20 contributes to cleaner combustion, potentially reducing harmful exhaust emissions and supporting India's environmental commitments.

Is E20 fuel safe for vehicles?

Vehicle safety with E20 fuel depends heavily on compatibility and design specifications. Modern vehicles manufactured after April 2023 by leading manufacturers like Hero MotoCorp are typically designed with E20-compatible materials. However, older vehicles face significant challenges due to ethanol's corrosive properties.

Industry experts highlight serious concerns about E20's impact on non-compatible vehicles. Anurag Singh from Primus Partners explains that ethanol absorbs moisture, leading to phase separation and corrosion in metal components including fuel tanks, pipes, injectors, engines, and exhaust systems. Additionally, ethanol degrades rubber and plastic components such as seals, gaskets, and fuel hoses that lack ethanol resistance. The corrosive nature extends to engine management systems. If Electronic Control Units (ECU) or Programmed Fuel Injection (PGM-FI) systems aren't calibrated for E20, vehicles may experience poor combustion, engine knocking, reduced performance, and difficult cold starts due to altered air-fuel ratios.

CLEANER FUEL. Gets policy support

Does E20 fuel really impact mileage?

Mileage impact from E20 fuel is confirmed but varies by vehicle type and compatibility. The Ministry of Petroleum and Natural Gas provides specific estimates: four-wheelers designed for E10 fuel but calibrated for E20 experience 1-2 per cent mileage reduction, while other vehicles may see 3-6 per cent decreased fuel efficiency.

This mileage reduction stems from ethanol's lower energy density compared to petrol. However, the Ministry suggests that improved engine tuning and E20-compatible materials can minimise efficiency drops. Leading automobile manufacturers have already adopted these technologies in newer vehicle models.

Can India produce enough ethanol for E20?

India's ethanol production capacity has received significant policy support through the recent government decision to lift all restrictions on ethanol production from sugarcane-based sources for 2025-26. This policy reversal addresses previous supply constraints that limited ethanol availability during 2023-24 due to reduced sugarcane supplies.

The favourable monsoon conditions boosting sugarcane production prospects, combined with unrestricted production permissions, suggest improved ethanol supply capabilities. Sugar mills and distilleries can now optimise their output without quantitative limitations, directly supporting the national target of 20 per cent ethanol blending by 2025, with potential expansion to 30 per cent thereafter.

Indian Express, Delhi, 04/09/2025

Page No: 1, Size: 44.13cm × 58.00cm

‘Tariff impacting 55% Indian exports to US, need to mitigate pain’

RAVI DUTTA MISHRA
NEW DELHI, SEPTEMBER 3

URJIT PATEL
EXECUTIVE DIRECTOR, IMF

URJIT PATEL, India’s newly appointed Executive Director at the International Monetary Fund and a former Governor of the Reserve Bank of India, has said US punitive tariffs are impacting 55 per cent of Indian goods exports and the immediate pain needs to be mitigated. While much of the global trade remains stable, he said the tariffs have become a major source of investment uncertainty in the country.

In an interview with *The Indian Express*, Patel said Russian oil is resulting in significant positive benefit to India’s balance of payments. The impact of sanctions, he said, have been largely ignored by multilateral institutions which have not done enough to quantify the impact of sanctions and spillovers as a source of major economic instability.

Excerpts from the interview:

Indian products are now facing 50 per cent US tariffs. What do you make of the situation and how should the

CONTINUED ON PAGE 2

‘Tariff impacting 55% Indian exports to US’

government approach this challenge?

The government seems to be very active. They need to help the sectors that are most exposed. About 55 per cent of our exports to the US at the moment are facing punitive tariffs, and these are the sectors where the pain needs to be mitigated. Then it has to be seen what can be done subsequently in terms of finding new markets, etc. Because at the end of the day, globally, the US accounts for 13 per cent of world trade, but 87 per cent of global trade is carrying on as before, so there is scope for trade deepening.

I am not trying to underplay the importance of what has happened, but there are things that are carrying on in the rest of the world, and we see that evidence all the time. For example, our FTA with the UK happened almost simultaneously. And other countries are also trading normally. We just need to mitigate the pain and then see the other opportunities. It may take some time. If you see the goods that are most affected, they are consumer goods, where there is a large international market. We have to wait a little and see what kind of package is rolled out.

What do you make of the analysis that India’s savings from buying cheaper Russian oil is lower than what we stand to gain via exports in the US market? The government has said this is a matter of sovereign choice in the nation’s interest. What is your take?

The most important issue here is that any country, whether it is us or someone else, should buy whatever it wants to from whomever it wants to, at whatever price it wants to – and that is an extremely important principle. I haven’t seen any credible calculations on the so-called analysis that you mention on this, because I don’t think it is a simple static comparative exercise. The positive benefit to our balance of payments on account of this is huge. If we were to go into the open market, oil price increases would impact our balance of payments quite significantly. So, I think that calculation has to be done carefully. It’s not a question of a one-time couple of billions here and there. It is substantially more. It’s a counterfactual exercise that needs to be done carefully, and then you have to make the comparisons.

There are still a number of countries that purchase Russian energy. Whether you are purchasing oil or LNG doesn’t matter – it’s still hydrocarbons coming from a large exporter of these products. And Russia has continued to sell oil under the G7’s oil price cap since 2022. Also, India’s exports of petroleum products like diesel and jet fuel to the US continue to be exempt from the levy, to the best of my knowledge.

A very significant cost around the tariffs overall – whether in the form of secondary sanctions or retaliatory tariffs – is that investment uncertainty has become very high. It’s not only that the tariffs are high, but the scope for abrupt changes in these tariffs is also there, as we have noticed over the last six months. I think the effect of all this on investment, on account of the uncertainties, is a significant cost to the global economy, and not only to the countries directly affected. That is why some are saying that the world has shifted from a “China plus one” to a “China plus wait” phase...

What is your take on these sanctions that have been historically seen as a tool for large powers such as the US to further political goals?

What is disappointing here is that multilateral institutions have not been fully cognisant and transparent that sanctions, secondary sanctions, counter-sanctions, counter-measures, are a substantial source of economic instability. They not only affect the countries directly, but the spillovers are immense – and this has been the case for a while. This not only needs to be acknowledged, but we need precise estimates of these spillovers from each of these separately. You know, a war has a direct cost. But sanctions and counter-sanctions also do, and we need granular estimates of how much they cost each country. Dozens of countries have been affected. Institutions and entities whose job is to look at spillovers themselves have not done this seriously enough.

I think the whole business of sanctions and secondary sanctions as a source of economic instability is something very serious. The issue of spillovers is not only about fiscal and monetary policy. A lot more needs to be done – bringing in transparency about the cost of this instability in a granular manner would do a lot to inform policy making and policy advice.

It’s not just a question of geopolitics. It’s a fundamental source of economic uncertainty and instability for the global economy. In fact, that has been one of the valid reasons why India has been legally allowed to buy Russian oil – so as to mitigate economic instability and the spike in oil prices, if we were to buy in the open market as the world’s third largest oil importer.

What merit do you see in India’s association with BRICS at this time? How risky can it be given the US warnings to India?

The BRICS grouping has been around for a very long time now, and the New Development Bank (NDB) has been an important component of BRICS. And now BRICS is not just five countries — six other countries have joined. I think it is a more inclusive and growing group. It was never formed to be a counterpoint to anything. It was just a new institution set up for the mutual interests of some of the leading emerging markets at the time.

Entities like the NDB, the AIIB, and also the Contingent Reserve Arrangement amongst the BRICS, are high forms of risk mitigants to anything. It doesn’t have to be because of the economic policies of any one other country outside BRICS. I think it’s an inclusive group, and it has moved beyond the five.

Climate financing and climate regulations by Western countries have been flashpoints between developing and developed nations. Your thoughts?

The fact of the matter is that it’s mainly the developed countries who are consuming the high carbon intensity products. Look at data on per-capita emissions as well. And the interesting thing is that the Carbon Border Adjustment Mechanism (CBAM) will, I am sure, not be imposed by the EU on the US. They have just had a trade agreement where tariffs, investment and market access have been determined, and the CBAM is supposed to come into effect on 1 January 2026. I am sure not all countries are going to agree to CBAM, and if the EU gives carve-outs to the world’s largest economy, it remains to be seen what will be done.

But the precedent – the words I was looking for – is that the US has basically driven a truck through CBAM. I think this should actually be used as a benefit for everyone else, especially the emerging markets which were being targeted by CBAM, which is a non-tariff barrier to trade. Period.

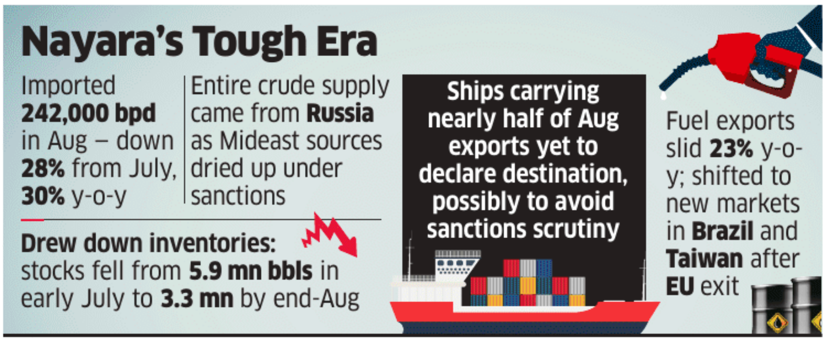
Economic Times, Delhi, 04/09/2025
Page No: 4, Size: 30.90cm × 32.65cm

REFINERY ENTIRELY RELYING ON MOSCOW'S BARRELS

Crude Shock: Sanctions Choke Non-Russia Oil Flow to Nayara

Exports decline too; co forced to look for new markets as Europe shuts door

Sanjeev Choudhary



New Delhi: Sanctions-hit Nayara Energy is grappling with shrinking crude imports, reduced refinery runs and falling fuel exports. With non-Russian supplies drying up, the Rosneft-backed refiner is now entirely dependent on Moscow's barrels and scrambling for new markets after Europe shut its doors.

Nayara imported 242,000 barrels per day (bpd) of crude in August—all from Russia—down 28% from July and 30% from a year earlier, according to Kpler, a global real-time data and analytics provider. August volumes were the lowest in at least a year.

Lower imports forced a sharp drawdown in inventories, which fell from 5.9 million barrels in early July to around 3.3 million barrels by end-August, as per Kpler.

"Typically, the refinery also sources from Middle Eastern national oil companies, but due to sanctions and related payment channel issues, no Middle Eastern crude was received in August," said Sumit Ritolia, lead research analyst, refining and modelling, at Kpler.

Nayara didn't respond to queries.

Lower imports forced a sharp drawdown in inventories, which fell from 5.9 million barrels in early July to around 3.3 million barrels by end-August, according to Kpler.

Fuel exports stood at 109,000 bpd in August, down 23% from a year ago but 16% higher than in July. "Exports are sharply lower than last year due to reduced refinery runs linked to lower crude intake," said Ritolia.

Nayara has been compelled to seek new markets such as Brazil and Taiwan, shipping 16,000 bpd each to the two countries.

"Brazil received a jet fuel cargo, which Nayara previously supplied to Europe before sanctions closed that outlet. Taiwan looks more opportunistic, reflecting both trading flexibility and sanctions-driven redirection," said Ritolia.

Ships carrying 57,000 bpd — about half of Nayara's August exports — are yet to declare destinations, possibly to avoid sanctions-related scrutiny.

The UAE, a regular buyer of Nayara's fuels, didn't receive any from the company in August.

Refinery run figures for August couldn't be ascertained. In July, Nayara had processed 4% less crude than a year earlier, according to oil ministry data.

On July 18, the European Union announced "full-fledged sanctions (asset freezes, travel bans, bans on providing resources)" against Nayara Energy, as well as international firms managing shadow fleet vessels and trading Russian crude oil. Nayara and its key shareholder Rosneft called the move unfair. Nayara has maintained it is an Indian refinery focused on serving Indian consumers.

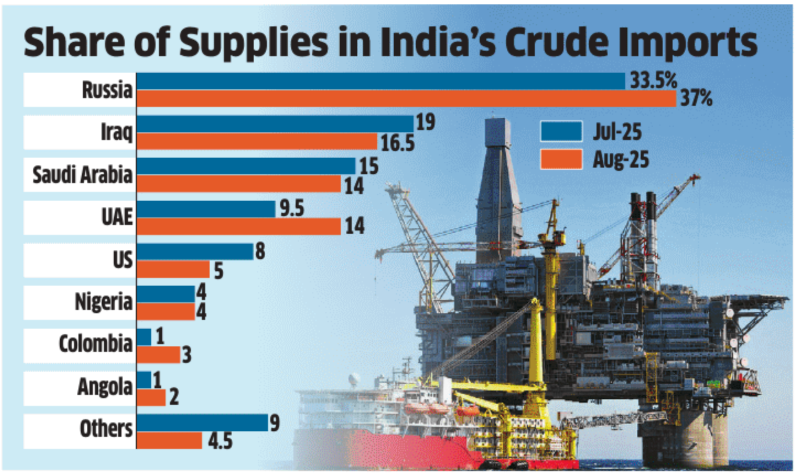
Since the sanctions, Nayara's access to crude supplies, ships and banking channels has been restricted. The company has stepped up its focus on the domestic fuel market, where it operates about 6,800 pumps.

Economic Times, Delhi, 04/09/2025
Page No: 4, Size: 30.14cm × 32.65cm

Russian Crude's Share Rises 5% in a Shrunk Aug Basket

Russia supplied 1.67 mbd to India; imports hit 10-month low as Iraq, Saudi, US shipments fell

Sanjeev Choudhary



New Delhi: Imports from Russia rose in August even as shipments from Iraq, Saudi Arabia and the US declined, pulling India's total crude imports to a 10-month low amid weaker domestic demand, according to shipping data.

Russia supplied 1.67 million barrels per day (mbd) in August, up 5.6% from July, even as India's overall crude imports fell 4% to 4.5 mbd, according to Kpler, a global real-time data and analytics provider. Russia's share in India's imported crude basket climbed to 37% from 33% in July, against the backdrop of the India-US tussle over Russian oil. Since August imports were booked about two months earlier, they are unlikely to reflect any tariff-related considerations, industry executives said.

"(Overall) crude imports into India dipped in August due to maintenance at (BPCL's) Bina and (Indian Oil's) Barauni refineries," said Sumit Ritolia, lead research analyst, refining and modeling at Kpler.

Imports from Iraq, the second-largest supplier, dropped 18% month-on-month to 743,000 barrels per day (bpd) in August, the lowest in more than a year. Supplies from Saudi Arabia, the third-largest supplier, fell 8% to 644,000 bpd, while imports from the US tumbled 37% to 230,000 bpd.

The top gainer was the UAE, the fourth-largest supplier, which shipped 622,000 bpd, up 39% from July. Supplies from Colombia doubled to 127,000 bpd and from Angola rose 57% to 91,000 bpd.

This reshaped market shares, with the UAE's share climbing to 14%, nearly equalling Saudi Arabia's. Iraq's share slipped to 16.5% from 19%, while the US share dropped to 5% from 8%. Colombia's share expanded to nearly 3% and Angola's to 2%.

Discounts continue to drive India's tilt towards Russian oil. Even though they have narrowed sharply since the first year of the Ukraine war, Indian refiners still find it profitable to process a large share of Russian crude, boosting their margins.

The drop in supplies from other sources also reflects lower processing requirements as domestic demand weakens. Overall refined product consumption fell 4.2% year-on-year in July and 0.5% in the April-July period. In August, growth in petrol, diesel and cooking gas sales slowed sharply, while jet fuel consumption declined.

The US has been piling pressure on India to halt its purchase of Russian oil, accusing New Delhi of financing Moscow's war in Ukraine by buying cheap Russian crude and reselling it to the West after processing.

Economic Times, Alipur, 04/09/2025
Page No: 8, Size: 17.07cm × 12.65cm

Oil & Gas Exploration Tax set to be Increased to 18%

Team ET

The GST Council has recommended raising the rate on goods and services used in oil and gas exploration, production, and pipeline transport from 12% to 18%, a move that will raise costs for companies and squeeze margins.

The higher tax will hit all oil and gas companies, with explorers like ONGC, Oil India, Vedanta, and Reliance Industries most affected.

The proposed slab will apply to all exploration and production (E&P) contracts nationwide. Oil and gas explorers rely on a wide range of costly goods and support services for drilling and production.

Wall Street Journal, , 04/09/2025

Page No: 0, Size: 32.83cm × 46.41cm

OPEC+ Is Expected to Hold Its Output Steady

By Giulia Petroni

Key members of OPEC+ are set to meet on Sunday to discuss production policy as the market braces for a global supply glut that is expected to put pressure on prices. However, excess supply has yet to show in inventory data or in the crude futures structure.

The Organization of the Petroleum Exporting Countries and its allies agreed to fully unwind 2.2 million barrels a day of voluntary cuts a year ahead of its original plan, and is now widely expected to hold policy steady as it evaluates its next steps amid an uncertain macroeconomic backdrop.

"We do not see space for OPEC+ to unwind further cuts in 2026 given an already oversupplied market," said Kim Fustier, senior oil-and-gas analyst at HSBC.

HSBC forecasts Brent at $65 a barrel in the fourth quarter and through 2026, but warns of downside risks if the expected supply glut translates into inventory builds in Organization for Economic Cooperation and Development countries, or if OPEC+ raises output further.