BUSINESS LINE, Delhi, 20.5.2025
Page No. 4, Size:(17.32)cms X (20.19)cms.

CAPITAL IDEAS.

RICHA MISHRA

India-Pak conflict exposes energy vulnerability

Being import-dependent, both countries are vulnerable in times of conflict and must focus on building strategic reserves

GETTY IMAGES/ISTOCKPHOTO

You know what happens in the energy space when two oil and gas producing nations have a conflict. But what happens when two energy import dependent nations like India and Pakistan have tensions?

Besides serious humanitarian implications — both are nuclear armed — it also brings to the forefront the importance of emergency preparedness in the energy sector and the two nations' ability to meet the energy needs during the time of conflict.

In such a situation, movement and supply of crude oil and gas can get disrupted.

Regional tensions can disrupt key maritime routes leading to increased shipping risks and higher freight charges and finally supply chain disturbances. Also crude oil prices are sensitive to geopolitical instability.

According to Rystad Energy's market update on India-Pakistan tensions raise concerns for energy markets: "The risk of direct attacks on commercial vessels is rare and prohibited under international law. Still, the risk of military confrontations or a misunderstanding, especially in areas close to naval operations, increases during times of heightened tension. Tankers passing through the region could be subject to scrutiny or diversion if the situation escalates."

India's key refining hubs in western Gujarat handle over 50 per cent of the country's daily crude imports, with the Sikka, Vadinar and Mundra ports supplying to six refineries, it said.

ENERGY VULNERABILITIES

According to Tracy Shuchart, Senior Economist, NinjaTrader Group. LLC., "The recent India-Pakistan tensions have highlighted significant energy security vulnerabilities for both countries, though with asymmetric impacts. While intra-regional energy trade offers theoretical benefits, the current geopolitical reality makes implementation challenging in the short term. Strategic petroleum reserves emerge as a critical focus area for both countries."

India imports approximately 88.8 per cent of its crude oil requirements, which amounted to 234.26 million tonne in 2023-24. India imports 47.1 per cent of its natural gas requirements, with 31.80 billion cubic metres (BCM) imported last year.

Even for coal, where India has substantial domestic production, it imported 263.56 million tonne, representing about 21.3 per cent of India's consumption, Shuchart pointed out.

Pakistan's situation is similarly challenging. "They import around 78 per cent of their crude oil requirements, with imports of 6.151 million tonne between July 2024 and January 2025. Their RLNG (imported LNG) consumption is about 695 MMCFD, which is 21.7 per cent of their total gas consumption. They also rely significantly on imported coal for power generation, though they are making efforts to substitute this with indigenous coal," she said.

What is particularly concerning is how these dependencies translate into vulnerabilities during conflicts.

"The recent tensions demonstrated the fragility of maritime shipping routes in the Arabian Sea, which both countries rely on for energy imports. We also saw how border closures can disrupt any cross-border energy infrastructure and how energy facilities could potentially become strategic targets in a prolonged conflict," she said.

INTRA-REGIONAL TRADE

But in times of conflict, what happens to intra-regional trade? Does it make sense particularly in the context of Pakistan?

"Intra-regional energy trade between India and Pakistan makes economic sense but faces significant political barriers. India's diverse electricity generation mix could complement Pakistan's generation profile, which faces shortages. India's expanding natural gas infrastructure could potentially serve regional needs, and its substantial refining capacity creates potential for petroleum product exports," she said.

India must raise its strategic reserves from 74 days' consumption to 90-120 days, as recommended by IEA, and Pakistan needs to set up basic strategic reserve capacity

The economic benefits would include cost savings, enhanced energy security through diversification, and better integration of renewable energy.

However, implementation faces major obstacles: the recent terror attack in Kashmir has damaged prospects for cooperation; both countries have security concerns about energy infrastructure becoming strategic targets; limited cross-border infrastructure; and need for harmonisation of regulatory frameworks.

"Potential pathways forward include an incremental approach with small-scale projects, embedding bilateral trade within broader regional frameworks, and third-party facilitation by international organisations," she said.

But, what could these countries focus on to sustain their energy security? One of the answers is strategic petroleum reserves.

"Strategic petroleum reserves should be a critical focus for both countries, though with different priorities," Shuchart said adding, "India currently maintains reserves sufficient for approximately 74 days of consumption (through IOC, ISPRL, and other state-run retailers), But this falls short of the international standard of 90-120 days recommended by the IEA,".

There is no international standard for strategic reserves, but a common practice is to maintain oil reserves equivalent to at least 90 days of net imports as is part of agreements within the International Energy Agency (IEA).

India has allocated funds to expand these reserves in the 2025-26 Budget.

Pakistan, however, lacks formal strategic petroleum reserves, maintaining only commercial stocks sufficient for approximately 20 days, she said adding that "This absence represents a significant vulnerability, as demonstrated during the recent conflict when panic buying occurred even in India despite its reserves."

For India, its priorities should include expanding reserves to international standards, enhancing geographic diversification, and developing protocols for addressing panic buying, she said.

"For Pakistan, establishing basic strategic reserve capacity is an urgent priority, potentially through a phased approach starting with 30 days of reserves. While costly, strategic reserves represent an essential insurance policy against supply disruptions that could have devastating economic and security implications," Shuchart said.

To protect itself from the supply chain shock, India could increase crude purchases, which may support prices in the short term. But, India still is vulnerable in the energy space and now is the time to act.

BUSINESS STANDARD HINDI, Delhi, 20.5.2025
Page No. 2, Size:(8.24)cms X (6.20)cms.

पेट्रोनेट ने दर्ज किया सर्वाधिक तिमाही लाभ

बीएस संवाददाता और भाषा
मुंबई/नई दिल्ली, 19 मई

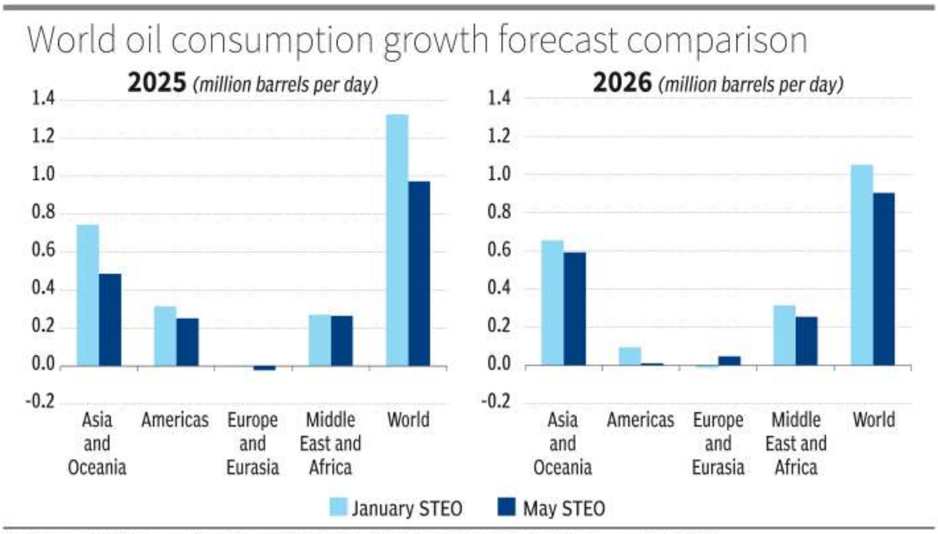
देश की सबसे बड़ी गैस आयातक पेट्रोनेट एलएनजी लिमिटेड ने जनवरी-मार्च तिमाही में 1,070.18 करोड़ रुपये का शुद्ध लाभ अर्जित किया है, जो उसका अबतक का सर्वाधिक तिमाही लाभ है। पेट्रोनेट ने सोमवार को शेयर बाजार को दी सूचना में कहा कि वित्त वर्ष 2024-25 की चौथी तिमाही में उसका शुद्ध लाभ सालाना आधार पर 23.4 प्रतिशत बढ़कर 1,070.18 करोड़ रुपये हो गया। एक साल पहले की समान तिमाही में कंपनी ने 737.68 करोड़ रुपये का शुद्ध लाभ अर्जित किया था। कंपनी का शुद्ध लाभ रिकॉर्ड स्तर पर पहुंचने के पीछे गैस खरीदारों के पिछले बकाया का भुगतान करना प्रमुख कारण रहा। कंपनी को गैस आयातकों से उपयोग या भुगतान शुल्क के रूप में 360.94 करोड़ रुपये की बकाया राशि मिली। प्राकृतिक गैस के घरेलू उत्पादन से देश की मांग का आधा हिस्सा मुश्किल से पूरा हो पाता है लिहाजा ईंधन को एलएनजी के रूप में आयात किया जाता है। पेट्रोनेट एलएनजी लिमिटेड के मुख्य कार्यपालक अधिकारी और प्रबंध निदेशक ए के सिंह ने संवाददाताओं से कहा कि कंपनी ने चौथी तिमाही में 205 लाख करोड़ ब्रिटिश थर्मल यूनिट (बीटीयू) का प्रसंस्करण किया, जो एक साल पहले के 234 लाख करोड़ बीटीयू से कम है। कंपनी की गुजरात के दहेज में स्थित मुख्य आयात टर्मिनल के विस्तार पर सिंह ने कहा कि विस्तारित क्षमता की शुरुआत को जुलाई/अगस्त तक टाल दिया गया है। मौजूदा हालात में कड़े सुरक्षा उपाय लागू किए जाने के चलते ऐसा किया गया है।

BUSINESS LINE, Delhi, 20.5.2025
Page No. 9, Size:(15.95)cms X (13.82)cms.

India, China drag global oil demand growth as economic activity slows

A STALEMATE. Uncertainty over world trade, manufacturing & investment signal slowdown in economic growth

Rishi Ranjan Kala
New Delhi



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, January and May 2025

Global oil consumption growth is displaying signs of sluggishness driven by a slowdown in economic activity, particularly in Asia led by China and India, which has been exacerbated by geopolitical conflicts and tariff wars.

Energy tracking agencies, such as the International Energy Agency (IEA) and the US Energy Information Administration (EIA), have pointed to the slump in crude oil demand growth due to subdued economic growth, particularly in Asia.

The IEA, in its May oil market report, pointed out that signs of a "slowdown" in global oil demand growth may already be emerging and will be tracked closely.

The US EIA in its May update of the Short-Term Energy Outlook (STEO) said, "We forecast consumption growth of crude oil and other liquid fuels will slow down over the next two years, driven by a slowdown in economic growth, particularly in Asia."

SLUGGISH GROWTH

"Following a relatively robust Q1 2025, latest non-OECD delivery data, especially for China and India, have been weaker than expected. We now see growth at a more subdued rate of 650,000 barrels per day (b/d) for the remainder of 2025, resulting in an average annual increase of 740,000 b/d followed by a rise of 760,000 b/d in 2026," IEA projected.

Despite the recent soft patch, emerging economies remain the main driver of growth, adding 860,000 b/d this year and 1 million b/d (mb/d) next year in contrast to an accelerating decline in OECD countries of around 120,000 b/d and about 240,000 b/d, respectively, it said.

Similarly, the US EIA in its May update of the STEO said, "Although oil consumption will still grow, we forecast it will grow by less than 1 mb/d in 2025 and 2026, which would be three consecutive years below 1 mb/d."

Considerable uncertainty over world trade, manufacturing, and investment points to downside risk in economic growth, which has a direct effect on oil consumption, it added. The tariffs announced on the US trading partners in early April may have already slowed global trade in physical goods, based on preliminary container vessel departure data from *Bloomberg*, US EIA said. Less global trade will lead to fewer shipments of goods on vessels as well as fewer trucking deliveries and could affect employment and leisure travel as well. All these factors weigh on oil consumption growth, it explained.

"The biggest forecast slowdown in oil consumption growth is in Asia. Compared with our January STEO, when we forecasted oil consumption growth in Asia to average 0.7 mb/d over 2025 and 2026, we now expect consumption growth will slow to average 0.5 mb/d over those years," the agency said.

OPEC in its May monthly oil market report (MOMR) said that global oil demand growth forecast for 2025 is expected to remain at 1.3 mb/d, y-o-y.

IEA said global oil prices resumed their downward move in late April and early May as trade tensions hit financial and commodity markets and OPEC+ agreed to a further unwinding of production cuts. Bearish sentiment subsequently eased somewhat after the US reached a trade deal with the UK on May 8, and a 90-day accord with China on May 12, it added.

"Nonetheless, increased trade uncertainty is expected to weigh on the world economy and, by extension, oil demand. Brent crude oil futures slumped by $14 per barrel in April to a four-year low of just above $60 by early May, before rebounding to around $66 a barrel at the time of writing," it said.

FINANCIAL EXPRESS, Delhi, 20.5.2025
Page No. 2, Size:(24.90)cms X (17.25)cms.

Crude import bill down 17% in April

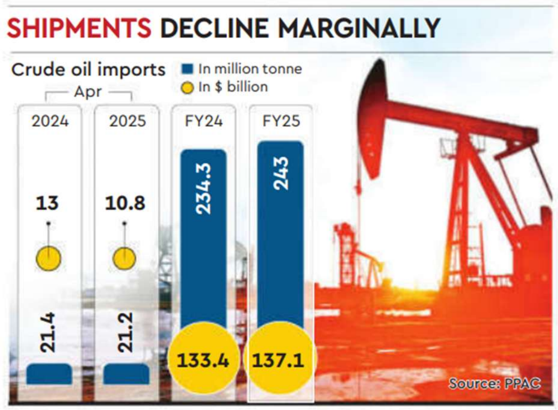
ARUNIMA BHARADWAJ
New Delhi, May 19

INDIA'S CRUDE IMPORT bill declined by 17% in the first month of FY26, reaching $10.8 billion compared with $13 billion in the year-ago period, according to data from the government's petroleum planning and analysis cell.

The country imported 21.2 million tonne of crude oil in April, a marginal decline of 1% year-on-year. India's reliance on crude oil imports increased to 90% during the month, up from 88.5% in April 2024, amid rising demand.

India's import of Russian oil touched its highest level since May 2023 in April despite US sanctions due to their favourable free-on-board (FOB) discounts relative to West African and West Asian barrels, according to data from global real-time data and analytics provider Kpler. The country's market share in Indian imports rose to 40% in April, up from 39% a year ago. Russian oil imports for April are estimated at 2.1 million barrels per day.

Even with longer haul and shadow fleet reliance, Russian barrels remain $3-8/bbl cheaper than West Asian or US grades on a landed-cost basis, as per analysts.



While Russia still remains the top supplier, several Indian oil and gas companies have started seeking alternative sources for oil supplies, particularly from the US, amid global uncertainty and continued US sanctions on Russia. However, with concerns of declining oil production in the US, India's plan of increasing US imports of oil may be hit, analysts say. Slowing global oil demand amid extreme uncertainty about the future of US trade and a coming supply surplus are expected to hobble US oil production growth later this year and could lead to an annual decline in output in 2026, according to a new analysis by S&P Global Commodity Insights.

India has also been gradually increasing its intake of Brazilian grades like Tupi and Búzios which are cost-competitive and suit domestic refining slates. India currently relies on imports for 88% of its crude oil and 50% of its natural gas needs. To reduce this dependency, the government is emphasising on increased domestic exploration and production.

With the recent amendments to the Oilfields (Regulation and Development) Act, 1948, the government expects increased participation from domestic and international players. The amendment broadens the definition of mineral oils which includes any naturally occurring hydrocarbon, coal-bed methane, oil shale, shale gas, etc. In fact, a consortium of state-owned Oil and Natural Gas Corp (ONGC), and Reliance Industries and global energy major bp won for the first time an offshore oil block in Gujarat in the ninth round of bidding under the open acreage licensing policy. While ONGC won a majority of the blocks — 11 on its own and another four with different partners — Vedanta's Cairn Oil and Gas won seven oil blocks, showcasing increased private sector participation in the sector.

STEP TO MEET RISING POWER DEMAND

Govt orders gas-fired power plants to ramp up generation

ARUNIMA BHARADWAJ
New Delhi, May 19

NORMS UPDATED

- Govt has invoked emergency provisions under Section 11 of the Electricity Act
- As of April, India has over 60 gas-based power stations
- GRID-INDIA will notify gas-based plants the expected number of days they are required to generate power

- Gas-based plants must first offer power to their power purchase agreement holders

AMID SOARING TEMPERATURES and rising electricity demand, the government has invoked emergency provisions under Section 11 of the Electricity Act, 2003, directing all gas-based power plants to maximise generation during the high-demand summer months.

The move is aimed at preventing power shortages, particularly during non-solar hours, and ensuring grid stability across the country.

"Based on the monthly demand assessment, GRID-INDIA will inform the gas-based generating stations about the expected high demand and stress days in advance so that the gencos can arrange for the natural gas as required," the power ministry said in its directive.

As of April 2025, India has over 60 gas-based power stations in the central and state sectors, with a total installed capacity of 20.1 GW, according to data from the Central Electricity Authority.

GRID-INDIA will notify gas-based plants at least 14 days in advance of the expected number of days they are required to generate power during any given week.

"The gas-based plants notified and scheduled by GRID-INDIA on a D-1 basis shall be guaranteed for dispatch at a minimum of 50% capacity round-the-clock during the designated high-demand period," the notification stated.

Additionally, gas-based plants must first offer power to their power purchase agreement (PPA) holders.

In cases where a plant has multiple PPAs and one distribution licensee fails to schedule its share, the unutilised power will be offered to other PPA holders. If none schedule the power, it may be offered to any other distribution licensee, and if still unscheduled, the power can be sold in the power market. "Any surplus capacity shall be made available to GRID-INDIA to provide grid support and dispatch as per real-time grid requirement," the ministry added.

The directive comes amid forecasts from the India Meteorological Department (IMD) predicting above-normal maximum temperatures across most parts of the country this summer.

FREE PRESS JOURNAL, Mumbai, 20.5.2025
Page No. 11, Size:(8.29)cms X (16.77)cms.

‘BPCL invests ₹88 crore to support over 30 startups’

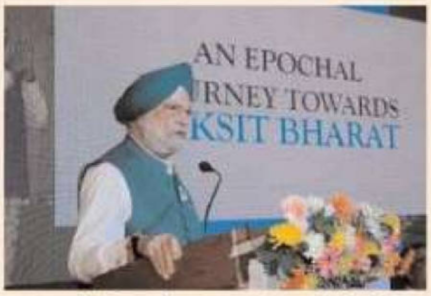
Union Minister for Petroleum and Natural Gas, Hardeep Singh Puri, said on Monday that Bharat Petroleum Corp Ltd (BPCL) has so far invested Rs 88 crore to support more than 30 startups in the fields of energy, healthcare, agriculture and AI. In a post on X social media platform, the Union Minister said that BPCL is empowering youth to become job creators and leaders.

DESHBANDHU, Delhi, 20.5.2025
Page No. 11, Size:(21.88)cms X (30.94)cms.

बीपीसीएल ने 28 करोड़ रुपए का किया निवेश : पुरी

नई दिल्ली, 19 मई (एजेंसियां)। केंद्रीय पेट्रोलियम और प्राकृतिक गैस मंत्री हरदीप सिंह पुरी ने सोमवार को कहा कि भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड (बीपीसीएल) ने एनर्जी, हेल्थकेयर, एग्रीकल्चर और एआई के क्षेत्र में 30 से अधिक स्टार्टअप को समर्थन देने के लिए अब तक 28 करोड़ रुपए का निवेश किया है।

सोशल मीडिया प्लेटफॉर्म एक्स पर एक पोस्ट में, केंद्रीय मंत्री ने कहा कि बीपीसीएल युवाओं को जॉब क्रिएटर्स और लीडर्स बनने के लिए सशक्त बना रहा है। केंद्रीय मंत्री पुरी ने कहा कि भारत का स्टार्टअप इकोसिस्टम तेजी से बढ़ रहा है, जो कई क्षेत्रों में विकास और इनोवेशन को बढ़ावा दे रहा है।



उन्होंने आगे बताया कि बीपीसीएल का 'अंकुर' प्रोजेक्ट पीएम नरेंद्र मोदी के आत्मनिर्भर भारत के विजन से प्रेरित इस गति को बढ़ा रहा है।

केंद्रीय मंत्री ने पोस्ट में कहा कि एनर्जी, हेल्थकेयर, एग्रीकल्चर और एआई के क्षेत्र में 30 से अधिक स्टार्टअप को समर्थन देने के लिए 28 करोड़ रुपए का निवेश किया गया है।

उन्होंने आगे कहा कि बीपीसीएल

भारत का स्टार्टअप इकोसिस्टम तेजी से बढ़ रहा है, जो कई क्षेत्रों में विकास और इनोवेशन को बढ़ावा दे रहा है : हरदीप सिंह पुरी

फ्यूल फ्लेक्सिबल टर्बाइन और कार्बन डाइऑक्साइड-से-मेथनॉल कनवर्जन जैसे महत्वपूर्ण इनोवेशन सुनिश्चित कर रहा है। उन्होंने कहा कि हम सब मिलकर एक ऐसे भारत का निर्माण कर रहे हैं जो इनोवेशन और अवसरों में अग्रणी है। इससे पहले, केंद्रीय मंत्री ने बताया कि हिंदुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड (एचपीसीएल) भारतीय स्टार्टअप इकोसिस्टम को बढ़ावा दे रहा है।

PUNJAB KESARI, Delhi, 20.5.2025
Page No. 12, Size:(15.48)cms X (16.85)cms.

पेट्रोनेट ने 1070.18 करोड़ रुपये का शुद्ध लाभ कमाया

नई दिल्ली, (पंजाब केसरी) : देश की सबसे बड़ी गैस आयातक पेट्रोनेट एलएनजी लिमिटेड ने जनवरी-मार्च तिमाही में 1,070.18 करोड़ रुपये का शुद्ध लाभ अर्जित किया है, जो उसका अबतक का सर्वाधिक तिमाही लाभ है। पेट्रोनेट ने सोमवार को शेयर बाजार को दी सूचना में कहा कि वित्त वर्ष 2024-25 की चौथी तिमाही में उसका शुद्ध लाभ सालाना आधार पर 23.4 प्रतिशत बढ़कर 1,070.18 करोड़ रुपयेहो गया। एक साल पहले की समान तिमाही में कंपनी ने 737.68 करोड़ रुपये का शुद्ध लाभ अर्जित किया था। कंपनी का शुद्ध लाभ रिकॉर्ड स्तर पर पहुंचने के पीछे गैस खरीदारों के पिछले बकाया का भुगतान करना प्रमुख कारण रहा। कंपनी को गैस आयातकों से उपयोग या भुगतान शुल्क के रूप में 360.94 करोड़ रुपये की बकाया राशि मिली। प्राकृतिक गैस के घरेलू उत्पादन से देश की मांग का आधा हिस्सा मुश्किल से पूरा हो पाता है लिहाजा ईंधन को एलएनजी के रूप में आयात किया जाता है। पेट्रोनेट एलएनजी लिमिटेड के मुख्य कार्यपालक अधिकारी और प्रबंध निदेशक ए के सिंह ने संवाददाताओं से कहा कि कंपनी ने चौथी तिमाही में 205 लाख करोड़ ब्रिटिश थर्मल यूनिट (बीटीयू) का प्रसंस्करण किया, जो एक साल पहले के 234 लाख करोड़ बीटीयू से कम है।