

# Raft of agreements may be signed during Putin's India visit next week

Both nations look to deepen defence cooperation, and expand trade ties in 'national currencies'

**ARCHIS MOHAN**

New Delhi, 28 November

Russian President Vladimir Putin will be on a rare two-day "state visit" to India on December 4 and 5 for the 23rd India-Russia Annual Summit, which will have Moscow and New Delhi sign a raft of agreements.

Putin was in India last in December 2021 for a "working" visit. Most of his previous visits to India have either been "working" or "official" visits, but the forthcoming one significantly will be a "state visit".

Russia and India are looking to deepen their defence cooperation, and expand trade ties, especially in "national currencies". Moscow has been working on reducing its non-tariff barriers to import more Indian agricultural produce, and pharmaceuticals. Putin had tasked Denis Manturov, the First Deputy Prime Minister and a cochair of the India-Russia intergovernmental commission, to examine bilateral trade issues.



Despite US tariffs on India for its purchase of Russian oil, the two are looking at strengthening energy cooperation, such as undertaking joint projects for extraction of energy resources in the Russian Far East, and on the Arctic shelves. Russia has offered India additional discounts for its procure-

ment of crude oil, and dealings through newly formed companies and intermediaries. In recent weeks, India has reduced the volumes of Russian crude it purchased. Moscow also wants to expand Russia-India civil nuclear cooperation, with Rosatom offering localisation of large-

## On the agenda

- Russian President will be on a two-day 'state visit' to India on December 4 and 5
- Moscow working on reducing non-tariff barriers to import more Indian agricultural produce, and pharmaceuticals
- Despite US tariffs on India for purchase of Russian oil, the two look to strengthen energy cooperation
- Putin keen that his country increase imports from India, to bring down trade barriers
- Kremlin said current international and regional issues will feature in the talks

and small-scale nuclear power plant projects, especially small modular reactors, in regions with limited grid infrastructure.

Also on the table are additional batches of S-400 surface-to-air missile systems from Russia, which India used with immense success during the

Operation Sindoor. Three squadrons of S-400 have already been delivered, and the remaining two are expected to be sent by the middle of next year. The two could discuss the possibility of India buying at least two squadrons of the Su-57 fighter jets, and joint production of S-500 air defence systems.

Putin has been keen that his country increase its imports from India. In October, he instructed his cabinet ministers to explore ways to address New Delhi's concerns on imbalance in Russia-India bilateral trade, bring down trade barriers to purchase Indian pharmaceuticals and agricultural produce, and increase engagement with India's private sector.

New Delhi is also keen to enhance Indian exports to Russia in sectors like pharmaceuticals and textiles, which would also help correct the bilateral trade imbalance that is heavily in Russia's favour because of India's import of Russian oil.

# The oil market is always wrong about long-term prices



JAVIER BLAS

Let's be honest: The oil market has always been wrong about long-term prices. Unsurprisingly, it's currently wrong in anticipating that a barrel of crude will cost around \$60 by 2030, close to current levels. Barring an economic cataclysm, oil will be more expensive five years from now.

Before the bulls celebrate, however, let me reaffirm that I remain short-term bear-

ish, particularly for the first half of 2026. Little has changed since late 2024, when I warned the price level that mattered wasn't \$100-a-barrel anymore, but rather \$50. Unless Opec+ cuts production significantly, and quite soon, oil prices will weaken further in the next few months, probably overshooting to the downside. I'm not convinced that we won't see prices starting with a 4 before the dollars sign, even if briefly, early next year.

But it increasingly feels like the energy market is way too sanguine about oil prices staying low. Look at the oil price curve, and it's \$50 to \$60 a barrel from here to eternity. I'm not convinced. Neither is the equity market, where companies that depend on crude cash flows over the longer term — Exxon Mobil Corp and Chevron Corp spring to mind — are faring well.

For simplicity, let's use the five-year for-

ward contract as proxy for long-term oil prices. Admittedly, that contract, currently changing hands at just under \$62 for a barrel of West Texas Intermediate crude, isn't a forecast, but rather the level that buyers and sellers are today — today — willing to trade at for delivery in 2030.

Historically, the contract has been a poor predictor of future prices. But, as I said, that's a feature, not a bug. In 2003, it said that oil would average \$25 a barrel by 2008. The reality? Almost \$150 a barrel. In 2020, during the pandemic, it said that five years later it would average \$35 a barrel; the reality is closer to \$60 a barrel.

Now, it says that by December 2030 the price of oil won't stray from current levels of around \$60. That doesn't feel right: It would be too low to balance supply and demand then. What I'm less certain about is whether significantly

higher prices are needed earlier, say in 2027, to balance the market.

Let's start with demand. Despite constant nonsensical talk about the world shifting away from fossil fuels, oil consumption growth remains healthy. In both 2025 and 2026, demand is likely to increase at an annual rate of 800,000 to 900,000 barrels a day, not far from the 20-year average of about 1.1 million barrels a day. Barring a global recession, demand is likely to expand at a similar rate in 2027 and towards 2030, requiring quite a lot of new production. Current prices, cheap on a historical basis both in nominal and real terms, would do nothing but increase that appetite.

What about supply? That's the problem. Today, the oil market is oversupplied due to a combination of unusual factors. First, several giant oil projects long in the making have come on stream almost simulta-

neously in 2025 after their construction was delayed during the Covid-19 pandemic. Second, 2022's high prices, when WTI surged briefly above \$120 a barrel as Russia invaded Ukraine, turbocharged the US shale industry. Third, Saudi Arabia pushed the Opec+ cartel into a series of production hikes despite a growing glut, in part after several members, notably Kazakhstan, the United Arab Emirates and Iraq, cheated on their output quotas.

The supply tide will remain high in 2026 and even early 2027, but will recede quickly. By 2028, annual supply growth is likely to be trailing annual demand growth, requiring more Opec+ crude. When that happens, oil prices would move higher to encourage increased investment.

Put all together, and a bet that oil will trade higher by 2030 — say above \$75-\$80 a barrel — has a decent chance of coming

good, significantly higher than where the five-year forward contract currently trades. What about \$100 a barrel? Highly unlikely, in my view: The oil market doesn't face the same pressure as it did during the 2003-2008 rally when supply growth suddenly had to catch up with the runaway train that was Chinese demand growth.

What could keep oil prices lower for longer? Above all, politics. Petroleum is abundant, but some resources remain beyond reach due to sanctions. Remove those limitations and supply will improve, not just in the short term but in the long run. The two countries to watch are Russia and Venezuela. Both are pumping below their historical capabilities. And both could be re-integrated into the global economy.

Even so, oil appears too cheap to balance the market in the long term. The balance of risk points to higher oil prices by 2030 — even if the journey has a bearish pause in 2026.

Bloomberg



## Russian oil imports set to drop by half in Dec

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With the sanctions on Rosneft and Lukoil in place since 21 November, import of Russian oil by India is expected to drop by about 47% to around 1 million barrels a day, said experts.

Data from global ship tracking firm Kpler said in November (till 27 November) imports from Russia were 1.9 million barrels a day. Oil supplies from Russia to India have averaged around 1.6-1.8 million barrels per day in the past few years.

The drop in Russian imports is expected to bring about a shift in India's energy import basket, as Russia has been the top supplier of oil since FY23, following the West's restrictions on the purchase of Russian oil and suppliers' offers of deep discounts.

"Looking ahead, we started to see a clear dip in Russia's exports to India since OFAC (Office of Foreign Assets Control) sanctions announced on 23 October. Based on current loadings and voyage activity, we expect December arrivals to be in the range of 1.0 mbpd," Sumit Ritolia, lead research analyst, refining and modelling at Kpler, a data and analytics provider for global commodity markets, said.

In short term, imports from Russia would ease to around 800,000 barrels a day before stabilizing to around that level, he said. The sanctions on two of the largest Russian suppliers, which accounted for approximately 60% of Russia's total oil exports to India, were announced on 23 October and took effect on 21 November.

*For an extended version of this story, go to [livemint.com](https://www.livemint.com).*



## ONGC's Mumbai High pipeline tender comes at nearly one-third lower than sanctioned cost

AMITAV RANJAN

NEW DELHI: Oil & Natural Gas Corp's (ONGC) tender for purchase of bare line pipes for a pipeline replacement project in Mumbai High offshore has thrown a pleasant surprise: Ordering costs for 284.4-km of pipes were nearly one-third lower than its original sanction of \$100.65 million.

The lowest bidders across various segments of seamless and LSAW pipes – varying in size and thickness – collectively quoted \$70.45 million, 30.01 per cent lower than what ONGC had estimated in its Pipeline Replacement Project IX (PRP9).

Line pipes were sought for

**Bidders collectively quoted \$70.45 mn, 30.01% lower than what ONGC had estimated**

sizes varying from 6 inch to 18-inch diameter with different thickness and lengths starting from 1.5 km to 82.5 km.

The quantity ranged from 125.5 tonnes to 12,631.5 tonnes with total weight amounting to 38,400 MT. The quotes for 233.69 kms of seamless pipes were \$53.20 million as compared to ONGC's estimates of \$67.11 million and that for 88.5

kms of LSAW pipes were \$17.25 million versus \$33.54 million.

This "significant discounts" was attributed to bulk procurement advantages, foreign exchange fluctuations, and current market conditions that allowed vendors to source materials at reduced rates.

"The significant discounts observed could also be attributed to bidders' willingness to absorb lower margins in anticipation of future business opportunities, or due to current market conditions such as spare capacity available in their mills," said ONGC.

"This market behaviour often results in quotations that are substantially lower than our

cost estimates," it added.

Sources said the tender was awarded to multiple vendors including Jindal Saw Pipes, Maharashtra Seamless and Kirloskar Ferrous Industries.

The PRP9 project involves two tenders: one for procurement of bare line pipes and another for transport and installation of the pipeline which was awarded to a consortium of UAE-based Lamprell Energy and Lamprell Saudi Arabia for \$590.5 million. PRP9 will transport crude oil and natural gas from producing fields in Mumbai High, Neelam, Heera and Bassein & Satellite fields. The project completion date is set for mid-May 2027.



## **Indraprastha Gas**

● Indraprastha Gas Limited has entered into a Joint Venture Agreement with CEID Consultants & Engineering Private Ltd (CEID) for setting up of Compressed Bio Gas PlanUSiofuel Projects. Joint Venture between IGL and CEID shall have the equity participation from both the partners in the ratio of 50:50 respectively.

# Clean fuel use & curbs on farm fires among actions suggested

TIMES NEWS NETWORK

**New Delhi:** Centre for Science and Environment (CSE) has released a seven-point agenda titled "Our Right to Clean Air is Non-Negotiable", demanding action for Delhi-NCR.

The plan urges measures such as replacing the commercial vehicle fleet, reducing personal vehicles, promoting clean fuel in industries, incentivising farmers to sell crop residue, preventing waste burning, enforcing regulations in power plants, brick kilns, stone crushers and construction sites, and acting with speed and scale throughout the year.

Highlighting vehicular pollution, CSE stated that 500 cars and 1,500 two-wheelers are registered daily in Delhi. "Over the years, fuel quality improved drastically as the sulphur content in BSVI fuel fell from 10,000 ppm to less than 10 ppm. Even emission standards in vehicles are more stringent under BSVI, with heavy-duty vehicles such as trucks emitting 90% less than they did under BSIV. Taxis, buses and auto-rickshaws run on CNG, which emits fewer particulates than petrol and diesel," said CSE.



The first agenda point calls for replacing old commercial vehicles, with scrappage incentivised for trucks, taxis, autos and para-transit vehicles, including a shift to electric models. To reduce private vehicle use, the plan advocates better public transport, last-mile connectivity and congestion charges.

CSE also warned against waste burning, noting that household segregation programmes exist but are poorly implemented. "Waste is often dumped, sent to landfills or burnt, worsening pollution," it said.

Urging authorities to learn from the successful CNG transition, which converted 1 lakh vehicles to gas in two years, CSE said the Clean Air Action Plan (CAP) was finalised in 2018 and then re-finalised in 2022-23, but it is still not being implemented.

Anumita Roychowdhury, executive director, research and advocacy, CSE, said, "We need to leapfrog the way we did with CNG about 20 years ago. Small steps will not meet clean air targets. We need access to clean fuels, zero-emission vehicles, strong public transport, waste segregation and recycling, strict enforcement in industries and power plants and an end to farm fires."



## रूस से भ्रामक झंडों वाले 30 जहाजों के जरिए भारत को 2.1 अरब यूरो का तेल निर्यात

भारत ने वर्ष 2025 के पहले नौ महीनों में रूस से 54 लाख टन कच्चे तेल का आयात किया, जिसका मूल्य 2.1 अरब यूरो रहा। यह तेल पहचान छुपाने के मकसद से भ्रामक झंडों के तहत संचालित 30 जहाजों के जरिए भेजा गया था। यूरोपीय शोध संस्थान सेंटर फॉर रिसर्च ऑन एनर्जी एंड क्लीन एयर (सीआरईए) ने वृहत्पतिवार को अपनी एक रिपोर्ट में यह जानकारी दी। भ्रामक झंडे का मतलब है कि जहाज अपने असली देश का झंडा न लगाकर किसी दूसरे देश का झंडा लगाकर चलता है, ताकि उसकी पहचान एवं स्वामित्व का पता न चल सके। रिपोर्ट के मुताबिक, रूस का लगातार बढ़ता हुआ छद्म जहाजी बेड़ा अब उसके तेल निर्यात का महत्वपूर्ण हिस्सा बन गया है। हेलसिंकी स्थित सीआरईए ने कहा कि जनवरी-सितंबर, 2025 के दौरान 113 रूसी



जहाजों ने इन गलत झंडों का इस्तेमाल किया, जिनके माध्यम से 1.1 करोड़ टन रूसी कच्चा तेल वैश्विक बाजारों में भेजा गया जिसका कुल मूल्य 4.7 अरब यूरो है। रिपोर्ट कहती है, सितंबर 2025 के अंत में 90 रूसी छद्म जहाज नक्की झंडों के तहत संचालित हो रहे थे। यह संख्या दिसंबर 2024 के मुकाबले छह गुना है। सीआरईए ने कच्चा तेल लेकर भारत आने वाले जहाजों की संख्या के बारे में पूछे जाने पर पीटीआई-भाषा से कहा कि इनमें से 30 जहाज भारत तेल लेकर आए। भ्रामक झंडों वाले जहाजों के जरिए भारत को 2.1 अरब यूरो मूल्य का तेल भेजा गया, जो इस श्रेणी में सबसे बड़ा आयात है। रिपोर्ट के मुताबिक, फरवरी, 2022 में यूक्रेन युद्ध शुरू होने के बाद रूस पर लगे पश्चिमी प्रतिबंधों और यूरोपीय मांग कम होने से भारतीय कंपनियों को रूसी तेल काफी सियायती दरों पर मिलने लगा। इसका नतीजा यह हुआ कि भारत के कुल कच्चे तेल आयात में रूस का हिस्सा कुछ साल में ही एक प्रतिशत से बढ़कर लगभग 40 प्रतिशत हो गया। हालांकि सीआरईए ने चेतावनी दी कि झूठे झंडों के तहत चलने वाले जहाज संयुक्त राष्ट्र समुद्री कानून संधि के अनुच्छेद 94 का उल्लंघन करते हैं और कई जहाजों का बीमा भी अमान्य हो जाता है। इस वजह से दुर्घटना या तेल रिसाव की स्थिति में तटीय देशों पर गंभीर पर्यावरणीय खतरा पैदा होता है। रिपोर्ट के सह-लेखक एवं ऊर्जा विश्लेषक ल्यूक विकेंडन ने कहा, छद्म झंडों के तहत संचालित होने वाले पुराने और गैर-भरोसेमंद टैंकरों की बढ़ती संख्या यूरोपीय जलक्षेत्रों के लिए बढ़ता जोखिम है। रिपोर्ट के सह-लेखक वैभव रघुनंदन ने इस समस्या पर कबू पाने के लिए अंतरराष्ट्रीय समुदाय से आग्रह किया कि ऐसे जहाजों पर सख्त कार्रवाई की जाए।



## घरेलू उत्पादन बढ़ने के बावजूद देश की एलपीजी मांग का अधिकांश हिस्सा आयात पर निर्भर

पिछले एक दशक में घरेलू उत्पादन में धीरे-धीरे बढ़ोतरी के बावजूद भारत की एलपीजी जरूरतों का 55 से 60 प्रतिशत हिस्सा आयात के माध्यम से पूरा हुआ है। क्रिसिल इंटेलिजेंस की एक रिपोर्ट में यह जानकारी दी गई। रिपोर्ट में कहा गया है कि भारत-अमेरिका के बीच नया दीर्घकालिक एलपीजी आपूर्ति समझौता आपूर्ति स्रोतों में महत्वपूर्ण विविधता लाने वाला कदम है और इससे पारंपरिक पश्चिम एशियाई आपूर्तिकर्ताओं पर निर्भरता कम होगी। हालांकि, आयातित एलपीजी की लागत पेट्रोलियम विपणन कंपनियों की निकट अवधि की आर्थिक स्थिति का प्रमुख निर्धारक कारक होगा। रिपोर्ट के अनुसार, वित्त वर्ष 2024-25 में एलपीजी खपत बढ़कर लगभग 3.13 करोड़ टन हो गई, जो वित्त वर्ष 2016-17 के 2.16 करोड़ टन से अधिक है। वित्त वर्ष 2025-26 में इसके 3.3 से 3.4 करोड़ टन तक पहुंचने का अनुमान है। रिपोर्ट में कहा गया कि घरेलू खपत में भी लगातार वृद्धि हो रही है। प्रधानमंत्री उज्ज्वला योजना के उपभोक्ताओं का औसत वार्षिक रिफिल 2016-17 के 3.9 सिलेंडर से बढ़कर वित्त वर्ष 2024-25 में लगभग 4.5 सिलेंडर हो गया है। गैर-पीएमयूवाई परिवारों ने पिछले पांच वर्षों में प्रति वर्ष 6-7 सिलेंडर के स्थिर रिफिल स्तर को बनाए रखा है। वाणिज्यिक और औद्योगिक उपयोग अब कुल मांग का लगभग 16 प्रतिशत है, जो वित्त वर्ष 2026-17 में लगभग 10 प्रतिशत था। वित्त वर्ष 2024-25 में भारत का घरेलू एलपीजी उत्पादन मामूली बढ़कर 1.28 करोड़ टन हुआ, जो 2016-17 में 1.12 करोड़ था। लेकिन मांग की रफ्तार के सामने यह बढ़ोतरी नाकाफी साबित हुई। नतीजतन, आयात वित्त वर्ष 2016-17 के 1.11 करोड़ टन से बढ़कर 2.07 करोड़ टन पर पहुंच गया।