Statesman, Delhi, 06/05/2026
Page No: 7, Size: 34.45cm × 21.17cm

Fuel push must keep pace with market

SHREY MADAAN

India has barely settled into E20, a petrol blended with 20 per cent ethanol, and the next shift is already on the table. Policymakers are preparing for E85, a fuel that depends on a different ecosystem altogether. The ambition is clear. But the system to support it is not. E85 is not simply a higher blend of the same fuel. It represents a different system altogether.

Unlike E20, which functioned as a near-universal petrol replacement, E85 requires flex-fuel vehicles with specialised engines and fuel systems. Most vehicles on Indian roads today are not compatible. Even many newer models are not designed for such high ethanol content. That distinction is not technical, it is structural.

The contrast with E20 makes this clearer. E20 worked because it built on what already existed. It did not require a wholesale shift in vehicles or infrastructure. E85 does the opposite. It depends on a new category of vehicles, separate dispensing systems at petrol stations, and a supply chain capable of handling higher ethanol concentrations. It is not an incremental extension. It is a parallel system.

This creates a sequencing problem. Policy is moving ahead, but the market is still catching up. Flex-fuel vehicles remain limited to early rollouts. Petrol stations will need to upgrade storage and dispensing capacity, and many, especially in outer cities, are not equipped to handle multiple high-blend fuels. Without clear demand signals, investment will remain limited and rollout uneven. When policy outpaces the market, supply becomes inconsistent and adoption slows. Early gains may look promising on paper, but gaps in infrastructure and compatibility emerge quickly limiting how far transition can go in reality.

Consumer economics complicates the picture further. Ethanol produces less energy per litre than petrol, which means lower mileage in practice. For Indian consumers, the cost of driving per kilometer matters more than the price at the petrol station. Unless E85 is priced low enough to compensate for that efficiency gap, any upfront savings quickly fade. In a price-sensitive market like India, these day-to-day cost calculations will influence adoption far more than policy targets.

This is where the transition begins to branch out. Commercial fleet operators may adopt early, since their decisions are driven by tight budgeting and measurable savings. But wider adoption hinges on everyday practicality. Reliability, convenience, and resale value matter just as much as price. If these factors fall short, the transition will struggle to scale.

None of this weakens the case for ethanol. The programme has already delivered measurable gains, reducing crude import dependence, supporting agricultural output, and creating a domestic fuel alternative. These benefits explain why policymakers are pushing further. But the success of E20 was built on scale, compatibility, and gradual integration. E85 operates under very different constraints.

Brazil's ethanol model is often cited as a benchmark, but its success was built over time and on a well established ethanol programme. As flex-fuel vehicles scaled, consumers gained the ability to switch fuels based on price. This kept demand aligned with real-world economics rather than policy targets. When ethanol was cheaper, consumers used more of it. When it was not, they switched back. The system adjusted without forcing consumers to change.

India now faces a similar test. Moving toward higher ethanol blends is not just about increasing supply or setting targets. It requires alignment between vehicles, infrastructure, and pricing signals. If these elements move out of step, the transition becomes harder to sustain and more expensive to correct.

There is also a broader policy risk. When transitions move faster than markets, they create uncertainty across the system. Consumers delay purchase decisions, unsure which technologies will prevail. Manufacturers hesitate on long-term investments. Infrastructure providers face unclear demand signals. What begins as an attempt to accelerate change can end up slowing it down.

The lesson from E20 is not that higher blends are easy to implement. It is those transitions that work when they align with how markets actually function and how consumers make decisions. Compatibility, affordability, and convenience matter more than targets alone.

E85 may well have a role in India's long-term energy strategy. But it cannot be treated as a simple extension of what came before. The next phase should focus less on announcing higher blends and more on ensuring the system is ready to support them. Fuel transitions succeed when they expand consumer choice and follow economic signals. When they move ahead of both, they tend to stall.

(The writer is Indian Policy Associate, Consumer Choice Center.)

Millennium Post, Delhi, 06/05/2026
Page No: 11, Size: 16.85cm × 14.92cm

India fuel retailers face credit strain as high oil prices persist: Fitch

NEW DELHI: India's oil marketing companies (OMCs) could face rising credit pressure if crude oil prices remain elevated, especially if domestic fuel prices are not adjusted in line with input costs, Fitch Ratings said on Tuesday.

The agency warned that sustained high crude prices—not short-term spikes—pose the biggest risk. Delayed pass-through of higher costs to retail fuel prices could quickly erode EBITDA, while large in-ventory holdings and refining volumes would increase working-capital requirements and strain free cash flow.

Fitch noted that the impact would vary across companies depending on business mix and capital ex-penditure intensity. Indian Oil Corporation's (IOC) diversified operations are expected to provide relatively greater resilience.

In contrast, Bharat Petroleum Corporation Ltd (BPCL) may face tighter financial headroom due to ongoing expansion and energy transition investments.

Hindustan Petroleum Corporation's credit profile could improve as major joint venture projects are completed, although a prolonged period of high oil prices may delay this recovery.

The report also highlighted that persistently high crude prices could widen the credit gap among downstream companies across the Asia-Pacific region by exposing differences in business models and pressuring cash flows.

Under an adverse scenario where Brent crude averages around $100 per barrel in 2026, pure refiners with margins linked to benchmarks are likely to outperform integrated fuel retailers that are more exposed to price controls.

Despite these pressures, issuer ratings in the region remain closely tied to sovereign or state owner-ship, which may limit the impact of weaker standalone credit profiles. Government policies, including fuel price controls and support measures, will continue to play a crucial role in shaping credit out-comes. AGENCIES

Financial Express, Delhi, 06/05/2026
Page No: 2, Size: 15.85cm × 17.65cm

LNG price at 3-year high as supply gap widens

SAURAV ANAND
New Delhi, May 5

SPOT LNG PRICES have surged to $17–18 per mmbtu in April 2026 — up sharply from $10–11 before the West Asia conflict and briefly touching $22 — triggering a steep contraction in India's gas consumption to 155 mmscmd in March, down 20% month-on-month and 15% year-on-year, as supply disruptions choked imports.

The price spike follows force majeure on long-term LNG contracts from Qatar and disruption in the Strait of Hormuz, which severely constrained both contracted and spot cargo availability. "Spot LNG prices surged from ~$10–11/mmbtu pre-conflict to ~$17–18/mmbtu currently, highest in nearly 3 years...with supply structurally constrained," the Equirus Securities report said.

The supply shock has been amplified by a sharp collapse in Qatar's exports, which fell from around 8 million tonne (MT) per month to just 0.46 MT in April, creating a global supply gap of 6–8 MT per month that cannot be quickly replaced. Even as US volumes remain near record levels, the report noted that "the quantum of Qatar's absence... cannot be bridged quickly," keeping markets tight.

India's LNG imports declined 34% month-on-month to 68 mmscmd in March, driving the overall demand fall, while domestic production held steady at 88 mmscmd, offering limited cushioning.

To manage the shortage, the government invoked the Essential Commodities Act and notified the Natural Gas (Supply Regulation) Order, 2026, prioritising essential segments.

WAR IMPACT

- Spot LNG prices up to **$17-18 per mmbtu** in April from **$10-11** before Iran conflict
- Price hike follows force majeure on long-term LNG contracts from Qatar
- Qatar's exports fell from around 8MT/month to **0.46 MT** in April

Hindu, Delhi, 06/05/2026
Page No: 9, Size: 39.87cm × 37.73cm

RE meets global electricity demand for the first time

Despite rapid renewable capacity growth globally, geopolitical shocks expose India's dependence on fossil fuel imports from West Asia

DATA POINT

Areena Arora

In 2025, global electricity generation increased by roughly 850 terawatt-hours (TWh), according to data from the Ember Energy Institute. This increase was supplied almost entirely by solar and wind energy, contributing 636 TWh and 204 TWh respectively. Other renewables added another 23 TWh. Coal generation and oil meanwhile fell by 67 TWh and 12 TWh respectively. This is the first year in which expanded electricity demand did not require an increase in fossil fuels.

Over the past decade, the cost of solar and wind energy has dropped steeply, and battery storage and grid integration capacities have improved drastically, supporting an uptick in reliance on renewable energy sources. In 2025, coal's share of global electricity production fell by just over 1% and solar energy increased by nearly 2%. The dependence on oil also went down.

Major superpowers are embracing the change. China, for instance, saw its fossil fuel generation fall for the first time since 2015. The country saw a strong 5% growth in electricity demand and a 15% growth in clean energy generation, met largely by solar and wind energy. Solar energy in China grew by 40% compared to 2024 and wind energy increased by 14%. Solar energy alone met two-thirds of the increase in the country's electricity demand in 2025, according to a report by Ember Energy.

Fossil fuel demand fell in India as well. Together, the fall in demand in India and China has pushed global fossil fuel generation to stagnation, according to the report. Fossil fuel generation fell in both India (down 3.3%) and China (down 0.9%), driven by clean power usage and demand growth.

How is this different from the earlier years? For two decades, even as renewable electricity capacity grew at double-digit rates, fossil fuel generation remained relevant and kept climbing because absolute electricity demand was rising faster than what renewables could cover. The rising consumption relied on coal and gas-fuelled energy. Even as renewable energy gained market share, it could not displace fossil fuels in absolute terms. However, that pattern reversed in 2025.

Globally, coal's share in electricity production declined from 36% in 2015 to 33% in 2024 **(Chart 1)**. Coal generation fell in absolute terms for the first time last year, as renewables outpaced demand growth. Natural gas also saw a modest 45 TWh increase, entirely offset by renewable gains.

The effect of war

India's crude oil imports fell by 17% year-over-year in March 2026 to 18.9 million tonnes, compared with 22.8 million tonnes in March 2025 **(Chart 2)**. The decline comes amid the closure of the Strait of Hormuz starting March 1 due to the U.S.-Israel conflict with Iran. This narrow waterway handles a significant share of global oil and gas shipments. India imports 89% of its crude oil from mostly Qatar, the UAE and Saudi Arabia. The Indian basket crude (simplify) price averaged $113.49 per barrel in March 2026, compared with $72.47 in March 2025, a 56% increase year-over-year.

India's primary energy supply consists of coal, followed by oil, natural gas and then renewables **(Chart 3).**

India's natural gas consumption rose in March 2026 despite supply disruptions. Natural gas available for consumption went up by 7% from March 2025. This increase came despite a 4.9% decline in domestic production. The gap was filled by LNG imports, which jumped by 20.5% by March this year. India's LNG imports reached 27 million metric tonnes (mmt) in 2024-25, the highest on record and double the 13.5 mmt imported in 2011-12. India's LPG imports also surged with expanded household access. The Pradhan Mantri Ujjwala Yojana increased LPG connections from 62% of households in 2016 to nearly 100% by 2025, driving imports to 18 mmt in 2025-26 from 16.48 mmt in 2020-21.

Crude oil, LNG, and LPG are all imported heavily from West Asian suppliers. The closure of the Strait of Hormuz disrupted all three simultaneously. India's response included accelerating renewable approvals, maximising refinery output, and paying ₹30,000 crore to oil marketing companies in FY 2025-26 to cushion LPG losses. LPG prices rose by ₹60 per cylinder after the conflict began.

On the flip side, India's renewable capacity grew by over 210% in the past decade. In FY 2024-25, renewable energy accounted for 89% of India's new capacity additions. Yet absolute energy dependence on imports has also deepened. India imports 89% of crude oil, 47% of natural gas, and 26% of coal despite being the world's third-largest coal producer. The renewable buildout has not yet reduced India's reliance on imported fossil fuels.

Renewable capacity takes years to translate into reliable, usable power and geopolitical shocks affect energy supply in the instant short-term. When the Strait of Hormuz closed in early March, India could not wait for wind farms to reach completion or battery capacity to scale. It responded by maximising output from existing coal and gas infrastructure, instructing domestic suppliers to prioritise domestic users and accelerating imports of LNG and LPG from alternative suppliers.

The global energy transition advanced significantly in 2025. India's renewable capacity is growing at the fastest rate globally. However, import dependence on a conflict zone exists alongside clean energy progress in India.

Towards sustainability: Solar panels being placed at the CNNC Tianwan tidal flat photovoltaic power plant in Lianyungang, in China's eastern Jiangsu province, on April 19.

Chart 1: The shift towards renewables for global electricity generation, with an uptick in solar and wind energy (Figures in %)

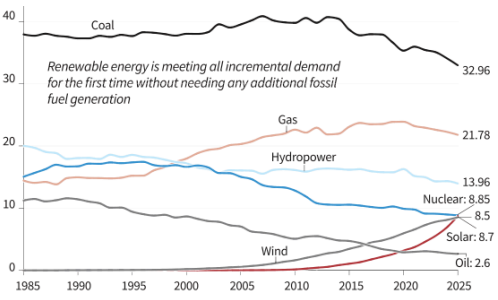


Chart 2: The fall in India's crude oil imports in March

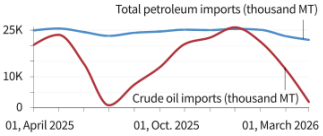
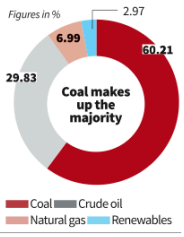


Chart 3: The makeup of India's energy sources



Data for the charts were sourced from Ember (2026), Energy Institute- Statistical Review of World Energy (2025) - with major processing by Our World in Data; Petroleum Planning and Analysis Cell; Energy Statistics India 2025 report by the Ministry of Statistics and Planning Implementation

Hindustan Times, Delhi, 06/05/2026
Page No: 20, Size: 22.07cm × 32.94cm

Hindustan Times

Small firms secure nearly half of govt orders in FY26

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NEW DELHI: The central government's procurement from micro and small enterprises (MSEs) rose 21% to ₹1.14 trillion in FY26, according to the MSME Sambandh portal.

This surge meant smaller firms bagged nearly half (48.91%) of all central government orders, a significant increase from the 43.28% (₹93,971 crore) recorded in FY25.

This performance far exceeds the statutory requirement for the government to source at least 25% of its orders from MSEs.

Industry stakeholders and experts suggested the rising volumes reflected growing MSME inclusion within the national economy. However, they also cautioned that these headline figures may mask underlying gaps: most contracts remain concentrated among larger MSEs and are often limited to low-tech, low-value services.

There is a growing consensus that for the initiative to truly succeed, procurement must shift toward high-tech manufacturing to help smaller firms move up the value chain.

The surge in procurement follows the government's revised MSME definition introduced at the start of FY26, which expanded the criteria to include more businesses.

As the number of eligible sellers grew, the industry expected a corresponding rise in government orders, a trend Mint previously highlighted in September 2025 at the fiscal year's midway point.

India's 80 million MSMEs contribute to 31.1% of the country's GDP. REUTERS

Noting that not all newly formalized MSMEs are equipped to supply the government, Vinod Kumar, president of the India SME Forum, stated that securing orders from central public sector enterprises (CPSEs)—government-owned corporations such as ONGC or NTPC—requires consistent capacity building and onboarding support.

While central government contracts make up a small share of MSE order books, they usually involve large, recurring orders, which makes them crucial for small businesses looking to scale up. India's 80 million MSMEs contribute to 31.1% of the country's total economic output (GDP) and 48.58% of exports, according to the Economic Survey FY26.

While the rise in public procurement figures is welcome, the 25% mandate was not created just to ensure continuity of orders but also to help businesses grow in scale and complexity, industry lobby groups said.

Anil Bhardwaj, secretary general of the Federation of Indian SMEs (FISME), an industry lobby group, said, "The public procurement mandate of 25% was not just built to ensure supply from MSMEs to the government. It was also the first step towards the growth of these businesses. It should also build MSME capacities to manufacture more products that can be supplied. Procurement should not be confined to low-tech services such as cleaning, transportation, or IT-related maintenance services, but should facilitate technological development of MSMEs as well. There is little to show on these fronts."

Padmanand V., partner at Grant Thornton Bharat, echoed these concerns, saying much of the procurement from small firms comprises low-value and low-technology inputs. "There is a need to help enterprises move up the value-chain through dedicated intervention," he said.

He also noted that most government tenders were bagged by the larger MSEs, which is a concern since more than 99% of India's small businesses are micro enterprises with a turnover less than ₹10 crore.

Times of India, Delhi, 06/05/2026
Page No: 8, Size: 22.09cm × 35.80cm

Pump Primer

Govt has borne higher crude bill for two months. It should wait a while longer, to avoid stoking inflation

Uneasy lie heads burdened with crowns. More so when US and Iran are trading fire again, crude is inching up, and rumours of petrol and diesel price hikes are swirling. For the incoming CMs of Kerala, TN and Bengal, plus Himanta in Assam, this isn't the best time to start an innings. Vijay, TN's prospective CM, has promised households six free LPG cylinders per year. If domestic LPG follows the 48% hike in commercial LPG rates, TN's subsidy bill will rise by a few thousand crores. Himanta has also promised two LPG refills per household, per year.

The Iran war is equally a headache for Centre, which must balance the rising import bill with risk of inflation. Early in March, unnamed govt sources had suggested fuel prices wouldn't rise until crude crossed $130. It hasn't crossed $126 so far, and on Tuesday, despite Iran's attack on Fujairah in UAE, it was at $113. Maybe, it's not time to pass on the cost to customers yet. Also consider the consequences of a hike. A 10% increase in pump prices is estimated to push up inflation by 0.5-0.6 percentage points. Now, when analysts see inflation touching 5.2% this fiscal, even a small fuel price hike could push it too close to RBI's 6% upper limit.

Beyond abstract numbers, higher diesel prices would push up cost of transportation, making everything costlier. And higher petrol prices could dent demand for private vehicles, which picked up pace last Oct, only after a generous GST cut. In US and Europe, higher fuel prices have boosted interest in EVs, but India isn't ready for a wholesale switch to electrics yet. Meanwhile, vehicle sales are a significant contributor to Centre and state revenues. So are fuels. In fact, between 2021-22 and 2024-25, Centre and states together earned more than ₹30L crore from petrol and diesel sales. Crude fell in that period, but pump prices didn't. Hence, there's a case for govt to continue bearing the increased cost of crude for some more time. Blockade of Hormuz is a global problem, and it can't continue indefinitely. But inflation resulting from higher pump prices would be India's problem alone, and bringing it under control could take months, or years, with secondary costs like higher interest rates and slower growth.

Business Standard Hindi, Delhi, 06/05/2026
Page No: 4, Size: 6.14cm × 7.70cm

युद्ध बाद एलएनजी निर्यात शुरू करेगा कतर

पेट्रोनेट एलएनजी को उम्मीद है कि पश्चिम एशिया संकट समाप्त होने के 3 से 4 हफ्तों के भीतर कतर तरलीकृत प्राकृतिक गैस (एलएनजी) संयंत्रों का परिचालन शुरू कर देगा। कंपनी परिणाम की घोषणा के दौरान विश्लेषकों को जानकारी देते हुए पेट्रोनेट एलएनजी के वित्त प्रमुख सौरभ मित्रा ने मंगलवार को यह उम्मीद जताई। पेट्रोनेट को उम्मीद है कि यह संकट जल्द ही समाप्त हो जाएगा। मित्रा ने कहा, 'हमें विश्वास है कि शायद जून के पहले सप्ताह से पूरी आपूर्ति वार्षिक डिलिवरी योजना के अनुसार मिलनी शुरू हो जाएगी।' उन्होंने बताया कि पेट्रोनेट 2027 में ईरान युद्ध से प्रभावित कार्गो की डिलिवरी के संबंध में कतर के साथ बातचीत कर रहा है। *रॉयटर्स*