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Brent fall \$4 to below \$87	Financial Express	1	Bureau
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Brent falls \$4 to below \$87

OIL PRICES PLUNGED about 5% to an eight-month low on Friday as the US dollar hit its strongest level in more than two decades. Brent futures were down \$4.35, or 4.8%, to \$86.11 a barrel by 1409 GMT, while US West Texas Intermediate (WTI) crude fell \$4.58, or 5.5%, to \$78.91, reports Reuters. ■ **PAGE 7**

● CRUDE OIL PLUNGES TO 8-MONTH LOW

Brent slides below \$87 on strong dollar

SCOTT DISAVINO
New York, September 23

OIL PRICES PLUNGED about 5% to an eight-month low on Friday as the US dollar hit its strongest level in more than two decades, and on fears that rising interest rates will tip major economies into recession.

Brent futures were down \$4.35, or 4.8%, to \$86.11 a barrel by 10:09 am EDT (1:409 GMT), while US West Texas Intermediate (WTI) crude fell \$4.58, or 5.5%, to \$78.91.

That puts both benchmarks into technically oversold territory and WTI on track for its lowest close since January 10 and Brent on track for its lowest close since January 13.

For the week, WTI was down about 7% and Brent down about 6%, the fourth straight week of declines for the benchmarks, the first time this has happened since December.

US gasoline and diesel futures were also down more than 5%.

After the US Federal Reserve raised interest rates by a hefty 75 basis points on Wednesday, central banks around the world followed suit with hikes of their own, raising the risk of economic slowdowns.



"The crude market is under heavy selling pressure as US dollar maintains strong upward trajectory amid more reduction in risk appetite," analysts at energy consulting firm Ritterbusch and Associates said.

The US dollar was on track for its highest close against a basket of other currencies since May 2002. A strong dollar reduces demand for oil by making the fuel more expensive for buyers using other currencies.

The downturn in business activity across the euro zone deepened in September, a survey showed, sug-

gesting that a recession is looming as consumers rein in spending to contend with higher energy prices and as governments urge conservation following Russia's moves to cut off European energy supply.

Global equities hit a two-year low on Friday while the dollar index reached its highest level in two decades, putting downward pressure on oil. British government bond yields surged in response to the government's plans to reduce taxes, and the pound slid to a 37-year-low against the dollar, spurring selling in other currencies.

Oil below \$ 80 En route to biggest run	Economic times	1,6	Bureau
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Oil Falls Below \$80, First Time Since Jan



Oil headed for the longest stretch of weekly losses this year as central banks stepped up their fight against inflation. West Texas Intermediate dropped below \$80 a barrel on Friday for the first time since January. >> 6

Oil Below \$80 En Route to Biggest Run of Weekly Losses in 2022

Bloomberg

Oil headed for the longest stretch of weekly losses this year as central banks around the world stepped up their fight against inflation at the cost of growth.

West Texas Intermediate dropped below \$80 a barrel on Friday

for the first time since January and was set for a fourth week of declines. The Federal Reserve this week gave its clearest signal yet that it's willing to tolerate a US recession as the trade-off for regaining control of inflation, while the UK, Norway and South Africa also raised rates.

"The fears of a hard landing for

the US economy and across the global economy are working its way into the system," said John Kilduff, founding partner at Again Capital. Using interest rates like "a mallet to the global economy" may curtail economic activity to a terrific degree, he said. "That's why you're seeing the selloff."

Brent slumps 3% over recession fears	Hindu business line	1	Bureau
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QUICKLY.



CRUDE SHOCK

Brent slumps 3% over recession fears



London: Oil prices fell on Friday as demand fears were stoked by rising interest rates and a stronger dollar. Brent crude futures fell \$2.81, or 3.11 per cent, to \$87.65 a barrel. WTI crude futures were also down, retreating by \$2.93, or 3.51 per cent, to \$80.56 a barrel.

“Recession fears, further rate hikes and the consequent dollar strength trumps geopolitical tension,” said Tamas Varga, oil analyst. REUTERS

OIL PLUNGES NEARLY 5% TO 8-MONTH LOW

SCOTT DISAVINO
NEW YORK, SEPT. 23

Oil prices plunged about 5 per cent to an eight-month low on Friday as the US dollar hit its strongest level in more than two decades and on fears rising interest rates will tip major economies into recession.

Brent futures were down \$4.35, or 4.8 per cent, to \$86.11 a barrel by 10:09 a.m. EDT (1409 GMT), while US West Texas Intermediate (WTI) crude fell \$4.58, or 5.5 per cent, to \$78.91.

That puts both benchmarks into technically oversold territory and WTI on track for its lowest close since January 10 and Brent on track for its lowest close since January 13.

For the week, WTI was down about 7 per cent and Brent down about 6 per cent, the fourth straight week of declines for the benchmarks, the first time this has happened since December.

After the US Federal Reserve raised interest rates by a hefty 75 basis points on Wednesday, central banks around the world followed suit with hikes of their own, raising the risk of economic slowdowns.

"The crude market is under heavy selling pressure as US dollar maintains strong upward trajectory amidst more reduction in risk appetite," analysts at energy consulting firm Ritterbusch and Associates said.

—Reuters

जनवरी के बाद पहली बार 80 डॉलर से नीचे आया कच्चा तेल

विशेष अनुबंध के तहत
सिर्फ भास्कर में

न्यूयॉर्क | दुनियाभर के केंद्रीय बैंक अब भी विकास की कीमत पर महंगाई से मुकाबले को तरजीह दे रहे हैं। इसका असर कच्चे तेल की कीमतों पर दिखाई दे रहा है। शुक्रवार को वेस्ट टेक्सास इंटरमीडिएट इस साल जनवरी के बाद पहली बार 80 डॉलर प्रति बैरल के नीचे आ गया। गिरावट का यह चौथा सप्ताह रहा।

अमेरिकी केंद्रीय बैंक फेडरल रिजर्व ने इस बात के स्पष्ट संकेत दिए हैं कि वह महंगाई पर नियंत्रण के लिए आर्थिक मंदी का सामना करने के लिए भी तैयार है। इस बीच ब्रिटेन, नॉर्वे और दक्षिण अमेरिका ने भी ब्याज दरें

बढ़ा दी हैं। अगेन कैपिटल के फाउंडिंग पार्टनर जॉन किल्डफ के मुताबिक, अमेरिकी अर्थव्यवस्था और वैश्विक अर्थव्यवस्थाओं में सख्त कदम उठाए जाने की आशंका नजर आ रही है। वैश्विक अर्थव्यवस्थाओं में ब्याज दरों में वृद्धि का स्तर काफी ऊंचे स्तर पर पहुंच गया है। इसके चलते कच्चा तेल दो वर्षों में पहली बार अपने पहले तिमाही नुकसान की ओर बढ़ रहा है। डॉलर में तेजी आने से इसकी कीमतें और तेजी से गिर रही हैं।

नाइजीरिया के तेल मंत्री तिमिप्रे सिल्वा ने कहा कि यदि क्रूड की कीमत और नीचे आती है तो ओपेक (पेट्रोलियम निर्यातक देशों का संगठन) देश उत्पादन घटाने पर मजबूर होंगे।

CIL to engage BHEL, IOC, Gail in coal gasification

CIL will sign agreements with three public sector enterprises—BHEL, IOCL and Gail India—to set up four surface gasification projects. Through gasification process, coal is converted into syngas, a fuel gas, which can be used in downstream production of value added chemicals. The government aims to achieve 100 million tonnes of coal gasification in the next eight years to reduce the import of crude oil.

CIL to Ink pacts with BHEL, IOC, GAIL to set up four coal gasification projects	Pioneer	9	Bureau
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CIL to ink pacts with BHEL, IOCL and GAIL to set up four coal gasification projects

PTI ■ NEW DELHI

State-owned CIL will sign agreements with three public sector enterprises — Bharat Heavy Electricals Ltd (BHEL), Indian Oil Corporation Ltd (IOCL) and GAIL (India) — in order to set up four surface gasification projects.

Through gasification process, coal is converted into syngas — a fuel gas — which can be used in downstream production of value added chemicals. The Government aims to achieve 100 million tonnes of coal gasification in the next eight years in order to reduce the import of crude oil which is otherwise used to produce syngas.

“Coal India Limited (CIL), under the aegis of Ministry of Coal, will be inking three major Memorandum of Undertaking (MoU) on September 27,” the coal ministry said in a statement. The proposed projects would reduce forex outgo and create around 23,000 jobs, it said. The Government had earlier said that the target to gasify 100 million tonnes of coal by 2030 will entail an investment of over ₹4 lakh crore.

This 100 MT coal gasification will happen in three phases, the government had said.

In the first phase from 2020-2024, 4 million tonnes (MT) of coal will be gasified and around ₹20,000 crore will be invested for the same.

CIL, 2 psu's to join hands for chemical scg projects	Hindu business line	3	Bureau
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CIL, 3 PSUs to join hands for coal-to-chemical SCG projects

Our Bureau

Kolkata

Coal India will ink a memorandum of undertaking with three major PSUs for setting up of coal-to-chemical projects through Surface Coal Gasification (SCG) route on September 27 in New Delhi.

The state-owned miner will be joining hands with BHEL, Indian Oil Corporation and GAIL (India) for setting up four SCG projects, the government said in a statement.

Through SCG route, coal is converted into syngas that can be subsequently processed for downstream production of value-added chemicals.

India Oil plans maintenance at 300,000 bpd panipat refinery	Bussiness Standar	1	Bureau
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Indian Oil plans maintenance at 300,000 bpd Panipat refinery

Indian Oil Corporation plans maintenance at its 300,000 barrels per day (bpd) Panipat refinery, which includes a shutdown of a naphtha hydrocracker for about 80 days and half of its crude processing for about a month, sources said. The refiner will shut the naphtha cracker at its Panipat plant for a revamp. **REUTERS**

Vedanta gets glass lewis help to transfer Rs 12.6 k cr from reserves	Bussiness Standar	2	Bureau
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Vedanta gets Glass Lewis' help to transfer ₹12.6K cr from reserves

Metals and oil conglomerate Vedanta's proposal to reorganise capital and transfer ₹12,587 crore from general reserves to retained earnings have won the backing of proxy advisory firm Glass Lewis. Vedanta convened a meeting of shareholders of the company on October 11 for approval of a scheme of arrangement. In a notice to shareholders, Vedanta reasoned that the firm had over the years "built up significant reserves through transfer of profits". **PTI**

‘India on track to net zero emissions by 2070’

Press Trust of India

Pittsburgh

India is working to transform its energy landscape with a significant clean energy share, Science and Technology Minister Jitendra Singh has told the international community while asserting the country will achieve net zero emissions by 2070.

“India is continually working towards transforming the energy landscape with significant clean energy share,” Singh said at the Global Clean Energy Acceleration Forum, the joint convening of the 7th Mission Innovation and 13th Clean Energy Ministerial, here.

He said the transition to bioeconomy is based on projects under development and deployment with high investment and high-risk ambitions.

“I share one such milestone example. A pilot plant of 10 tons per day capacity with integrated enzyme production is being set up at Panipat, Haryana. This plant will be commissioned by December and this will be the 1st indigenous technology for on-site enzyme production,” Singh said. Indian Oil Corporation Ltd has planned to supply this indigenous enzyme to a commercial 2G ethanol plant of 100 klpd to be commissioned by the second quarter of 2024, he said.

Vedanta gets proxy advisory firm backing for transfer of rs 12587 cr

Hindu business line

5

Bureau

Vedanta gets proxy advisory firm backing for transfer of ₹12,587 cr

NO RESERVATION. Dipping into reserves is in the interest of all stakeholders, says Glass Lewis

Press Trust of India
New Delhi

Metals and oil conglomerate Vedanta's proposal to reorganise capital and transfer ₹12,587 crore from general reserves to retained earnings has won the backing of US-based proxy advisory firm Glass Lewis.

Vedanta has convened a meeting of shareholders of the company on October 11 for approval of a scheme of arrangement. In a notice to shareholders, Vedanta reasoned that the firm had over the years "built up signi-

ficant reserves through transfer of profits".

"The company is of the view that the funds represented by general reserves are in excess of the company's anticipated operational and business needs in the foreseeable future, thus, these excess funds can be utilised to create further shareholders' value," it said. The transfer, it said, was in "the interest of all stakeholders of the company".

TO REWARD INVESTORS

The move essentially frees up cash reserves and allows companies to reward shareholders. In its recommendation on the issue, Glass Lewis said it



believes that management of the business and decisions associated with operations are best left to management and the Board, except for any egre-

gious or illegal conduct that might threaten shareholder value. "We believe that Board members can be held accountable on these issues when they

face re-election," it said.

It went on to state that the proposal will not have any economic effect on the company's shareholders. "Therefore, we believe that shareholders should support the proposed transaction." This is not the first time that such a transfer is taking place. HUL had, in 2018, done the same when it transferred the entire balance lying in its general reserves as on April 1, 2015 (about ₹2,187 crore) to its profit and loss (P&L) account.

The transfer of balance from general reserves to the P&L account was made possible by changes introduced by the Companies Act, 2013.

Govt boost coal power fleet 25 % by 2030 amid rising demand	Financial express	12	Bureau
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Govt may boost coal power fleet 25% by 2030 amid rising demand

RAJESH KUMAR SINGH & ANNA KITANAKA
September 23

THE GOVERNMENT PLANS to expand the country's coal power fleet by about a quarter through the end of the decade, as it continues to lean on the fuel to meet growing demand until energy storage costs fall.

India, the world's third-biggest emitter of greenhouse gases will add nearly 56 gigawatts (GW) of coal power capacity unless there's a substantial drop in the cost of storing electricity, power minister Raj Kumar Singh said in an interview this week in New Delhi.

The country is also planning major investments in renewable energy, but it has to prioritise providing reliable power to spur economic growth, he said.

The plan underscores how energy security concerns are vying with climate targets, as countries map out energy transition paths. Coal is enjoying a revival in Europe after Russian gas supplies fell in the fall-out from the invasion of Ukraine. India, which saw power demand surge this summer as temperatures rose to a record, is also delaying shutting older coal plants and increasing mining output.

"My bottom line is I will not compromise with my growth," Singh said, adding that India will not hesitate to import coal to meet any shortfalls in domestic supply. "Power needs to remain available."

Singh said his ministry is also pursuing a goal announced last year by Prime Minister Narendra Modi to have 500 GW of clean power capacity by 2030 as the country seeks to reach net zero by 2070. Overall, India plans to



My bottom line is I will not compromise with my growth... Power needs to remain available."

RK SINGH,
POWER MINISTER

nearly double its generation capacity from all sources to 820 GW by 2030, he said.

To convert renewable energy into around-the-clock clean power, India will need access to cheaper energy storage solutions, Singh said, adding that his ministry will increasingly seek investment that combines wind and solar power with storage.

He blamed the developed world for not investing enough in storage technology and other decarbonisation solutions, and said that China controlling the bulk of the world's lithium supplies is a concern.

"It worries us," Singh said, commenting on China's dominance over the critical battery metal. "But the silver lining is there are other technologies that have emerged which are promising, especially for grid-scale storage. If that happens, the requirement for fossil fuels will disappear faster."

—BLOOMBERG

India to skip buying Russia's ESPO crude oil	Financial express	2	Bureau
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India set to skip buying Russia's ESPO crude oil



INDIAN REFINERS are set to skip purchases of Russia ESPO crude oil this month due to higher freight rates, turning to Africa and the Middle East instead, industry sources said.

Non-oil imports from Russia surge; exports face hurdles

Total imports of non-crude merchandise jump more than 60% in April-July to \$2.1 billion

Ravi Dutta Mishra & Dilasha Seth
NEW DELHI

India's non-oil imports from Russia have surged in the first four months of this fiscal, adding to a sharp increase in crude oil purchases from Moscow, which is facing severe sanctions from the West over its invasion of Ukraine.

Total imports of non-crude items such as sunflower oil, fertilizers, silver, printed books, coriander seeds, and furniture items jumped 61% from the year earlier during the April to July period to \$2.1 billion, from \$1.3 billion a year earlier, showed data from the commerce department. Crude, however, continued to dominate India-Russia bilateral trade, comprising 85% of India's total imports, which climbed over fivefold to \$13.3 billion during the period under review from \$2.6 billion a year earlier.

However, New Delhi's exports to the sanction-hit nation contracted by 30% during the April-July period without a smooth payment settlement mechanism. Exports to Russia stood at \$714 million during the period.

With disruptions to the supply of sunflower oil from Ukraine due to the war, India moved to Russia, importing \$276 million worth of sunflower oil during April-July, more than double the previous year's \$129 million. Silver imports stood at \$60 million.

India also imported \$1.05 billion worth of coal from Russia to meet a severe fossil fuel shortage during the peak summer season, over fivefold rise from \$196 million last year.

Fertilizer imports jumped more than six times to \$1.03 billion from \$150 million last year. Chemicals and fertilizers minister Mansukh Mandaviya told the Parliament last month that India imported 774,000 tonnes of fertilizers from Russia in the first quarter, which was more than a fifth of the total fertilizer imports of 3.64 million tonnes.



India's exports to Russia contracted by 30% during April-July in the absence of a smooth payment mechanism. BLOOMBERG

July, in particular, saw imports jump more than six times to \$4.2 billion from \$624 million last year, and exports contract by 13% to \$278 million. This follows the Reserve Bank of India (RBI) allowing trade settlement in rupees following the imposition of Western sanctions against Russia. However, the widening trade gap may not favour the rupee settlement

exports to Russia have fallen due to challenges in logistics and payment and banking issues. "Of late, there has been some pickup in exports, and tea exports, in particular, grew from \$7.72 million in July 2021 to \$10.26 million in July 2022. We are close to a breakthrough in payment mechanism, and once it operates, we will recover the lost exports," he said.

"Rupee trade has been discussed with a lot of countries, including Russia and Iran. But, it only happens if there is a trade balance. If I export goods worth \$1 billion and you import \$1 billion, both parties retain the money at their respective ends, and everybody is happy. But with Russia, we have 10 times the imports than we export. So, yes, there is

a very good chance of increasing our exports to Russia. Because when they are holding much of India rupee, either they will want to invest in capital in India or they would increase our exports," a commerce ministry official said.

Trade experts said RBI's move to allow international business payments in rupees could ease trade flow with Brics nations, comprising Brazil, Russia, China and South Africa other than India, and sanctions-hit Iran, but the new settlement mechanism may not be easy to implement.

ravi.dutta@livemint.com

OFF-BALANCE

INDIA'S exports to Russia have fallen due to challenges in logistics, payment and banking issues

TEA exports to Russia fell 1% during April-July, though they rebounded 21% in July

RBI'S move to allow international business payments in rupees could ease trade flow

EXPORTERS have asked the Centre to extend export incentives under the rupee trade

mechanism.

Tea exports to Moscow fell 1% during April-July to \$25.17 million, though they rebounded 21% in July to \$8 million.

Ajay Sahai, director general and chief executive, Federation of Indian Export Organisations (FIEO), said India's

Queries sent to the commerce ministry remained unanswered.

Exporters have asked the government to extend export incentives under the rupee trade mechanism to boost shipments to Russia and increase the acceptability of the rupee.

Russia may stop oil supply if prices are unfair: envoy

Kallol Bhattacharjee

NEW DELHI

Moscow would terminate energy supply to countries if it feels the prices offered were unfair and if they join the western campaign to stop Russian energy flow, said Russian Ambassador to India Denis Alipov.

Addressing a press conference on Friday, Mr. Alipov said Russia and India have both been asking for a cessation to hostilities, but Russia had to act as it would have been “irresponsible” not to respond against what he described as “totally unacceptable actions” from U.S. and the NATO. “Russia won’t trade and cooperate to her detriment. If we consider that the prices are unfair to us, we would simply stop supplying the oil to the buyer and to those countries that join the U.S. initiatives on the price cap,” he said.

The G7 Finance Ministers on September 2 had declared that they would impose a price cap on Russian crude supply.

The position was emphasised upon subsequently by several officials who discussed the price cap with Union Minister Piyush Goyal on Wednesday in Bali and described it as a step to “help tackle global energy inflation”.

UK's Biggest Tax Cuts In 50 Yrs Trigger Crash In Pound, Bonds | Oil Below \$80

Re hits 81/\$ for 1st time, forex kitty shrinks \$97bn from peak

RBI Has Spent Over \$100Bn Defending Rupee, Say Traders

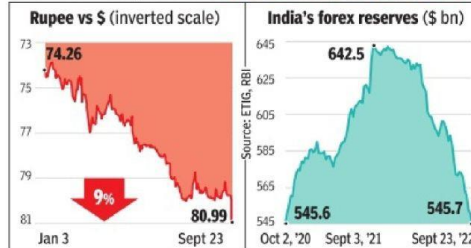
TIMES NEWS NETWORK

Mumbai: The rupee breached the 81 level against the dollar for the first time on Friday as markets turned jittery after the Fed's rate hike and escalation of hostilities in Ukraine. The RBI continued to defend the rupee even as reserves dipped to \$546 billion, down by \$5 billion during the week ended September 16, and \$97 billion lower from their peak levels of \$642 billion last year.

The greenback, which has been gaining against major currencies since the Fed hiked rates on Wednesday, rose further with the dollar index hitting a 20-year high. In the UK, biggest tax cuts since 1972 sent the pound and government bonds into a freefall. The pound slumped more than 3% against the dollar to levels last seen 37 years ago.

The rupee has ended the week down 1.6%, which is the worst weekly decline since April 9, 2021. The dollar was

RATE HIKE, WAR ESCALATION JITTERS



trading above 81 in early hours. However, the second half saw some major sales, which dealers said might have been on behalf of the central bank. The rupee finally closed at 80.99 — 12 paise weaker than Thursday's close of 80.87.

"The rupee touched a high of 81.23 in early trades followed by intervention from the RBI, which brought it to 80.76. But the spot went up to close at 80.99 on account of negative undercurrent in the ru-

pee," said K N Dey of United Financial Consultants.

Dealers said that the combined intervention by the RBI in both the spot and forward markets would be well over \$100 billion. While the number was high, dealers said that it was reasonable considering the volatility. With the conflict in Ukraine likely to take a turn for the worse, no one is prepared to say that the worst is behind for the currency.

Dey said the RBI's inter-

vention may be to control any speculation in the market.

"The pressure on the rupee would continue for some more time. With India's fundamentals good, we may not see a steep depreciation. The rupee might move in the range of 80-82.50 in the coming 3 months, that is, till December-end," he said. With one week to go for the RBI's monetary policy committee decision, the uncertainty in the forex markets is expected to persist.

"Most of the currencies are under pressure as the dollar continues to strengthen. Volatility in yen remained elevated after the Bank of Japan intervened to curb a sharp depreciation. Bank of England released its policy statement and raised rates by 50 basis points (100bps = 1 percentage point). We expect the dollar-rupee to trade sideways and quote in the range of 80.40-81.20," said Gaurang Somaiya, forex and bullion analyst at Motilal Oswal Financial Services.

ईंधन के बढ़ते दाम, ऊंची मुद्रास्फीति से दबाव में बांग्लादेश की अर्थव्यवस्था

एजेंसी ■ टाका

बांग्लादेश में ईंधन की कीमतों में वृद्धि की वजह से भोजन और अन्य आवश्यक वस्तुओं के दाम बढ़ गए हैं जिससे जनता रोष और निराशा में है और देश की अर्थव्यवस्था गंभीर दबाव में आ गई है। वहीं हाल के दिनों में विपक्ष की कटु आलोचना और विरोध प्रदर्शनों की वजह से प्रधानमंत्री शेख हसीना की सरकार पर दबाव बढ़ा है। प्रदर्शनों को देखते हुए हसीना ने देश की आर्थिक सुरक्षा सुनिश्चित करने के लिए अंतरराष्ट्रीय मुद्रा कोष (आईएमएफ) से मदद मांगी है। विशेषज्ञों का कहना है कि बांग्लादेश की स्थिति श्रीलंका जितनी गंभीर नहीं है। गौरतलब है कि श्रीलंका में अर्थव्यवस्था गंभीर संकट से गुजर रही है, व्यापक विरोध प्रदर्शनों के कारण राष्ट्रपति को देश छोड़कर भागना पड़ा है। वहीं, लोग भोजन, ईंधन और दवाओं की भीषण कमी से जूझ रहे हैं तथा आवश्यक वस्तुओं के लिए लंबी-लंबी कतारों में खड़े रहने को मजबूर हैं। बांग्लादेश भी महत्वाकांक्षी विकास परियोजनाओं पर अत्यधिक खर्च, भ्रष्टाचार, वंशवाद को लेकर

जनता में रोष और व्यापार संतुलन बिगड़ने जैसी समान परेशानियों का सामना कर रहा है। इससे बांग्लादेश की वृद्धि प्रभावित हो रही है। तेल की ऊंची कीमतों के कारण बढ़ती लागत से निपटने के लिए सरकार ने पिछले महीने ईंधन की कीमतों में 50 प्रतिशत से अधिक की बढ़ोतरी की। इससे अन्य जरूरतों की बढ़ती लागत के कारण जनता ने विरोध शुरू कर दिया। इसके बाद अधिकारियों ने सरकारी डीलरों द्वारा चावल तथा अन्य जरूरी वस्तुओं की कम कीमत पर बिक्री का आदेश दिया। देश के वाणिज्य मंत्री टीपू मुंशी ने कहा कि एक सितंबर से शुरू हुए कार्यक्रम के नवीनतम चरण में लगभग पांच करोड़ लोगों की मदद होगी। सरकार ने कम आय वाले लोगों पर दबाव घटाने के लिए कई उपाय किए हैं। यूक्रेन में युद्ध की वजह से कई वस्तुओं के दाम बढ़े हैं जबकि महामारी का असर कम होने और मांग में सुधार की वजह से कीमतें पहले ही बढ़ रही थीं। बांग्लादेश, श्रीलंका और लाओस जैसे कई देशों की मुद्राएं डॉलर के मुकाबले कमजोर हुई हैं जिससे तेल और अन्य वस्तुओं के आयात की लागत बढ़ गई है।

Ecomantra organizes seminar in youth summit	pioneer	2	Bureau
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ECOMANTRA ORGANISES SEMINAR IN YOUTH SUMMIT

New Delhi: A seminar on India Brazil Youth Summit on mitigating the impacts of Climate Change through the Application of Biofuels was organized by Ecomantra, Economics association at Gargi College. Daniel Kohler Leite (Secretary, Embassy of Brazil in India), Roger Guilherme (Product Engineer, Volkswagon), Aditya Vikram Jain (Assistant, Embassy of Brazil in India) were guest of honor while Dr Plinio Nastari, the founder and president of DATAGRO consulting, one of the leading consultancy firms in Brazil for Ethanol and sugar market analysis, was chief guest on the occasion.

● **FUELLED BY GEOPOLITICS**

INDIA'S CLIMATE COMMITMENTS CALL FOR GREATER ADOPTION OF RENEWABLES. YET, THERE IS RENEWED MOMENTUM FOR FOSSIL FUELS

Make the right energy choices

THE INDIAN ECONOMY (GDP) expanded 8.7% in FY22. The Reserve Bank of India (RBI) expects it to grow at 7.2% in FY23 and 6-7% in the next few years. This revival of economic activities is leading to a surge in energy consumption. India imports 85% of its oil and 50% of its gas. It also imports coal to bridge the gap between demand and domestic supply. The Covid-19 pandemic and the Russia-Ukraine war have sent global prices skyrocketing, making the use of imported fuels expensive and adding to India's current account deficit. Elevated fuel prices result in high inflation worldwide, and India is no different. Both wholesale and retail inflation are rising in India due to high crude, gas and minerals prices. This is impacting food inflation as well—the Wholesale Price Index (WPI) crossed double digits (15%) while the Consumer Price Index (CPI) breached the comfortable 6% mark in May/June and remains high at 7%.

Due to the pandemic, oil imports went down in FY21 but rose in FY22. While oil imports increased by 8% in FY22 compared to FY21, they remain ~7% lower than FY20, i.e., the pre-pandemic level. Even though the volume increased 8%, the import bill ballooned by 94% between FY21 and FY22. It almost doubled the previous year, leading to a huge trade deficit for the country. This is because crude oil prices increased by 77% in FY22 compared to FY21 to \$80/barrel (bbl) from \$44/bbl. Looking at recent prices, the increase is 127% (at \$100/bbl, though prices are now climbing down). Given the widening trade deficit and declining foreign exchange reserves, India is now scouting for cheaper options. According to the government and refinery officials, India's main reason for buying Russian crude is to contain inflation. Russia, ranked 9th among India's crude oil-import sources before the war, was second in May 2022, replacing Saudi Arabia, while Iraq remains at the top. The latest available

VIBHUTI GARG

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data from the Organization of the Petroleum Exporting Countries (OPEC) shows that Russia became India's largest crude oil import source in June.

The gas price surge since October 2021 has worsened India's situation. The Japan Korea Marker (JKM), a benchmark for Asian spot liquefied natural gas (LNG) prices, increased 373% from January 2021 to July 2022, while domestic gas prices soared 240% for regular fields between April 2021 and 2022. Given that the government cannot pass on the high costs to consumers for certain products, the subsidy burden has increased. Fertiliser subsidies have been above ₹1 trillion (almost \$14 billion) for two years and are expected to be double or ₹2 trillion (almost \$28 billion) for the ongoing fiscal year, thanks to the high gas and urea prices. The government had stopped LPG subsidies, but is now reintroducing them because of high prices. Also, for some sectors like city gas distribution (CGD), the government has mandated that only domestic gas be used. Coal

imports to bridge the shortfall in domestic supplies have also proved expensive and unreliable. Imported coal costs have surged. Looking at Australia, South Africa and Indonesia, the leading suppliers of imported coal to India, rates have gone up from \$100/tonne (t) in 2021 to \$440/t in Australia as on September 9, 2022; from \$80-100/t to \$280-330/t in South Africa; and in Indonesia from \$50-70/t to \$80/t, though it touched \$130/t as well.

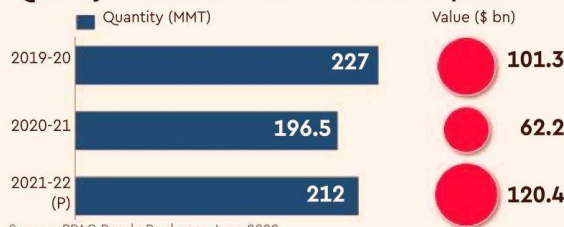
The Covid-19 pandemic and the Russia-Ukraine war have led many countries, including India, to turn inwards and rely on what is available in the domestic market. To address the issue of energy security and protect against the price volatility of imported fuels, the strategy is to exploit more domestic resources to meet demand. While there is an expectation of increased gas production in the KG-D6 basin, India is also trying to increase domestic coal production by opening more mines for private production. In May 2022, the government approved 10

mine-expansions with 9.65 metric tonnes (MT) of capacity without environmental assessment and opened more mines for commercial-mines auction. The government is also planning to review the pricing formula for locally produced gas to tame inflation. Even in Europe, efforts are being made to cap gas prices or de-link these from power prices.

There is renewed momentum in India and in other countries for expanding the use of domestic thermal energy. However, Fatih Birol, executive director, IEA, emphasises that a faster transition from fossil fuels towards clean energy is the best way out of the current energy crisis. India has big plans for renewable energy deployment. The updated Nationally Determined Contributions commit the country to reducing emission intensity by 45% by 2030 compared to 2005 and 50% of installed capacity from non-fossil fuel sources. While Indian companies have been slow to join the race to net zero, they are getting their act together. Various government corporations have also committed to achieving net zero (the Indian Railways by 2030, Indian Oil Corporation by 2046, and GAIL by 2040).

The recently announced Energy Conservation Bill 2022 empowers the Indian government to lay down different consumption thresholds for various non-fossil sources and consumer categories. It also allows carbon trading, which will boost renewable energy deployment. The government has also introduced a Production Linked Incentive scheme to increase domestic manufacturing and reduce import dependence on products for renewable energy deployment. India is on the right track, but the pace needs to accelerate. Energy giants like Reliance, Adani, etc, have committed huge sums of money to develop clean energy in India. Global investors see huge potential in India and are betting big money on clean energy deployment. With the right policy landscape, India can attract foreign capital at low rates to meet its sustainable growth target.

Quantity and value of Indian crude oil imports



Source: PPAC Ready Reckoner, June 2022