



**ONGC News as on 12 June 2024 (Print)**

## मुंबई हाई में विदेशी कंपनी को नहीं मिलेगा हिस्सा

सार्वजनिक क्षेत्र की कंपनी ओएनजीसी अपने प्रमुख तेल एवं गैस क्षेत्र मुंबई हाई में किसी भी विदेशी कंपनी को कोई इक्विटी हिस्सेदारी नहीं देगी। एक शीर्ष अधिकारी ने मंगलवार को यह जानकारी देते हुए कहा कि बीपी पीएलसी जैसे वैश्विक दिग्गजों से सिर्फ क्षेत्र से घटते उत्पादन को रोकने में मदद मांगी गई है। अधिकारी ने कहा कि ऑयल एंड नैचुरल गैस कॉरपोरेशन (ओएनजीसी) इस तेल क्षेत्र की परिचालक बनी रहेगी और विदेशी कंपनी को बढ़े हुए उत्पादन से राजस्व का हिस्सा और उसके प्रयासों के लिए एक निश्चित शुल्क दिया जाएगा। उन्होंने कहा कि ओएनजीसी तकनीकी समाधान के कार्यान्वयन में सभी पूंजी और परिचालन व्यय वहन करेगी।

भाषा

Publication : Financial Express	Editions : New Delhi
Date : 12 June 2024	Page : 1, 17

● WITH PORTFOLIOS FINALISED, MODI 3.0's MINISTERS START ASSUMING OFFICE

# Ministers get going

## OMCs may look at fuel price cut: Oil minister Puri

ARUNIMA BHARADWAJ  
New Delhi, June 11



Hardeep Singh Puri assumes charge as the petroleum and natural gas minister, in New Delhi on Tuesday

**GREATER THRUST** TO domestic production of crude oil, boosting the refining capacity and raising the consumption of natural gas would be the top objectives of the new National Democratic Alliance (NDA) government in the hydrocarbon sector, Hardeep Singh Puri said on Tuesday after assuming charge as the Union minister of petroleum and natural gas for the second straight term.

The minister also hinted that if the Indian basket of crude is sustained at around \$70-80/barrel, the state-run oil marketing companies (OMCs) may consider cutting retail prices of auto fuels.

The government would be firm on its target of 20% ethanol blending with gasoline and work to bring gas under the goods and services tax (GST), he added.

Talking about upcoming projects in the refining sector, the minister said BPCL is in advanced stage to set up greenfield refineries, while GAIL is also planning an ethane cracker unit for petrochemicals. He, however, did not divulge the site of the new unit or the capacity being planned. "BPCL's Bina refinery is coming up and

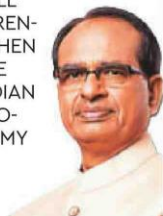
Cauvery basin refinery is also coming up by Indian Oil at Chennai," he said.

While retail prices of diesel and petrol are deregulated, the state-run OMCs are perceived to pay heed to the inflation dynamics and other political-economy factors, while taking their pricing decisions. Puri's comments on the OMCs' next move assumes significance in this context. Deflation in 'fuel and light' is likely to deepen in May, to -5.2% against -4.2% in April, and the segment is seen to stay deflationary in the near-term owing to high base effects, and low energy prices.

Continued on Page 17

SHIVRAJ SINGH CHOUHAN,  
AGRICULTURE MINISTER

WELFARE OF THE FARMERS REMAINS A KEY PRIORITY AND GROWTH IN AGRICULTURE WILL STRENGTHEN THE INDIAN ECONOMY



JYOTIRADITYA SCINDIA, COMMUNICATIONS MINISTER

IT IS A LITTLE BIT LIKE COMING FULL CIRCLE FOR ME... BOTH TELECOM DIVISION AS WELL AS THE INDIA POST DIVISION HAVE A TREMENDOUS ROLE TO PLAY AT THE GLOBAL STAGE...



ASHWINI VAISHNAW, ELECTRONICS & IT MINISTER

WE HAVE TO KEEP BUILDING SO THAT INDIA CAN STAND EQUAL WITH OTHER COUNTRIES WHEN IT COMES TO TECHNOLOGY



## OMCs may look at fuel price cut: Oil minister Puri

**“SEVERAL THINGS DECIDE** the price of crude oil, including the cost of transportation and insurance. The cost of transportation and insurance has the ability to spiral up, if there is disturbance in the Red Sea or elsewhere,” Puri said. The price of West Texas Intermediate crude oil touched \$77 per barrel on Tuesday, while Brent hovered around \$81-\$82 per barrel despite the OPEC decision to continue the voluntary cuts of 2.2 million barrels per day (bpd) till September 2024.

In March, the state-run oil marketing companies had cut the retail prices of petrol and

diesel by ₹2 per litre. Analysts see OMCs resuming the daily revision of fuel prices now that the elections are over.

Puri said that India is among the few nations in the world where fuel prices have declined post the outbreak of conflict between Russia and Ukraine.

Moreover, under his new term as the oil minister, the focus would be on boosting oil and gas exploration and production, green hydrogen, and increasing the consumption of gas in the country to achieve a gas-based economy, he said.

He said that ONGC is expected to reach the peak pro-



duction of 45,000 barrels per day of crude oil from its KG-98/2 block soon, which will aid in domestic output. Earlier in an investor call, the company had said it expects its oil production from the KG-98/2 block to

increase to 20,000 barrels per day in Q3FY2024-25 and then subsequently reach its peak production of 45,000 barrels per day in Q4FY25. It also expects the KG block to produce 10 million metric standard cubic metre per day (mmscmd) of gas, its peak capacity, by FY25 end.

The ministry will also conduct the 9th and 10th bidding rounds under Open Acreage Licensing Programme in the coming few weeks, Puri said.

While focusing on increasing domestic production, the government is also gearing up to increase the domestic refining capacity. BPCL currently oper-

ates refineries at Mumbai, Kochi in Kerala, and Bina in Madhya Pradesh. Last year, PM Modi had laid the foundation stone of BPCL's petrochemical complex and refinery expansion wherein capacity of Bina Refinery would be enhanced to 11 MTPA in the next five years.

BPCL aims to expand its refining capacity to 45 million tonne per annum by FY29, the company's top management had said earlier. To achieve the same, it has earmarked ₹75,000 crore for refineries and petchem projects of the total capex target of ₹1.7 trillion over the next five years.

## Puri reaffirms 20% ethanol blending target by 2025

### OUR CORRESPONDENT

**NEW DELHI:** Hardeep Singh Puri, who has been reappointed as the Union Minister of Petroleum and Natural Gas in the new government, took charge of his office on Tuesday and reiterated the Modi government's firm commitment to achieving the target of 20 per cent ethanol blending in fuel by 2025. The minister also highlighted the significant progress made in May, when the country crossed the 15 per cent ethanol blending milestone.

"The Prime Minister had originally set a target of 20 per cent blending by 2030," Minister Puri stated. "Based on our cur-

rent progress and ongoing work, I am confident that we will achieve the 20 per cent blending target by 2025, which was brought forward from 2030," he added. After assuming his new role, Puri emphasized India's successful management of the energy trilemma—ensuring energy availability, affordability, and sustainability—during a period when other nations, including developed countries, faced energy rationing, fuel shortages, and soaring prices. He noted that India is possibly the only country where fuel prices have decreased over the past two and a half years.

The minister also pointed out the significant increase in



**Minister of Petroleum and Natural Gas Hardeep Singh Puri**

LPG connections from 14 crores in 2014, with only 55 per cent of the population having access, to 32 crores now, attributing this success to the Ujjwala scheme. In terms of exploration and production, Puri announced that oil production from the 98/2 well will soon increase to 45,000 barrels per day, with gas pro-

duction also set to commence shortly.

He mentioned that ONGC has invited international oil and gas majors with annual revenues above \$75 billion to participate in a tender for a technology partnership in the western offshore region.

Integrating green hydrogen into the refining process is another area of focus, with the PNG minister announcing the upcoming installation of green hydrogen plants at refineries in Panipat, Mathura, and Paradeep. He also mentioned the commissioning of the first green hydrogen plant on 27th May 2024, and establishing a green hydrogen station

at Kochi for buses serving the Kochi Airport.

Looking ahead to upcoming projects in the refining sector, Puri informed that BPCL is in an advanced stage of setting up greenfield refineries. At the same time, GAIL plans to establish an ethane cracker unit for petrochemicals. He also mentioned the upcoming Bina refinery by BPCL and the Cauvery Basin Refinery by IOCL in Chennai.

Meanwhile, the minister's statements reflect the government's continued efforts to enhance India's energy security, promote sustainable practices, and maintain affordable fuel prices for its citizens.

## ‘ONGC not selling equity stake in Mumbai High to any foreign co’

**NEW DELHI:** Oil and Natural Gas Corporation (ONGC) will not give any equity stake in its flagship Mumbai High oil and gas fields to any foreign company and is only seeking help from global giants like BP Plc to help reverse declining output from the field, a top government official said on Tuesday.

The foreign company will get a share of revenue from incremental production plus a fixed fee for its efforts, while ONGC will continue to be the operator and incur all the capital and operating expenditure in implementation of the technical solution, the official said.

All risks will be borne by ONGC, while the foreign partner will get the fixed fee even in case of a failure.

“Mumbai High is a field that was given to ONGC on nomina-

tion basis and the company has no authority or power to sell a stake in any nomination field,” the official said. “What ONGC has done is floated an international tender to seek technical services providers (TSP) to reverse years of decline in oil and gas production from the field.”

India is more than 85 per cent dependent on imports to meet its requirement of crude oil, which is converted into fuels like petrol, diesel and LPG in refineries, and roughly half of the consumption of natural gas, which is used to generate electricity, make fertilizers, converted into CNG to run automobiles and piped to household kitchens for cooking.

Having spent \$175 billion on import of oil and gas in the fiscal year ending March 31, 2024, the

government is keen on raising domestic production to cut reliance on imports. But ONGC has not been successful in reversing the decline in output that has set in the 50-year-old field.

“Clearly, the production has been declining. So ONGC is now looking for some technical help from outside,” the official in the ministry of petroleum and natural gas said.

ONGC on June 1, floated an international tender seeking global technical services providers (TSP) with annual revenue of at least \$75 billion. The TSP would have to do a comprehensive review of the field performance and identify improvements as well as implement suitable technological interventions and practices for improving production and recovery.

PII



Publication : Mint	Editions : New Delhi
Date :12 June 2024	Page : 11

## 'Mumbai High stake not up for sale'

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## मुंबई हाई में हिस्सेदारी नहीं बेचेगी ओएनजीसी

नई दिल्ली (भाषा)।

सार्वजनिक क्षेत्र की कंपनी ओएनजीसी अपने प्रमुख तेल एवं गैस क्षेत्र मुंबई हाई में किसी भी विदेशी कंपनी को कोई इक्विटी हिस्सेदारी नहीं देगी। एक शीर्ष अधिकारी ने यह जानकारी देते हुए कहा कि बीपी पीएलसी जैसे वैश्विक दिग्गजों से सिर्फ



क्षेत्र से घटते उत्पादन को रोकने में मदद मांगी गई है।

अधिकारी ने कहा कि आयल पंड नैचुरल गैस कारपोरेशन (ओएनजीसी) इस तेल क्षेत्र की परिचालक बनी रहेगी और विदेशी कंपनी को बड़े हुए उत्पादन से राजस्व का हिस्सा और उसके प्रयासों के लिए एक निश्चित शुल्क दिया जाएगा। उन्होंने कहा कि ओएनजीसी तकनीकी समाधान के कार्यान्वयन में सभी पूंजी और परिचालन व्यय वहन करेगी। सभी जोखिम ओएनजीसी उठाएगी, जबकि विदेशी भागीदार को विफलता होने पर भी निश्चित शुल्क मिलेगा।

अधिकारी ने कहा कि मुंबई हाई एक ऐसा क्षेत्र है, जिसे नामांकन के आधार पर ओएनजीसी को दिया गया था और कंपनी के पास किसी भी नामांकित क्षेत्र में हिस्सेदारी बेचने का कोई अधिकार या शक्ति नहीं है।



## Day trading guide

### 23313 » Nifty 50 Futures

S1	S2	R1	R2	COMMENT
23200	23000	23500	23600	Go short on a break below 23200. Keep the stop-loss at 23240

### ₹1565 » HDFC Bank

S1	S2	R1	R2	COMMENT
1550	1535	1570	1585	Go short only below 1550. Keep the stop-loss at 1555

### ₹1496 » Infosys

S1	S2	R1	R2	COMMENT
1470	1450	1510	1530	Go short now and at 1505. Keep the stop-loss at 1515

### ₹433 » ITC

S1	S2	R1	R2	COMMENT
430	427	435	439	Go short now and at 434. Stop-loss can be placed at 436

### ₹274 » ONGC

S1	S2	R1	R2	COMMENT
272	268	275	279	Take fresh longs above 275. Keep the stop-loss at 274

### ₹2914 » Reliance Ind.

S1	S2	R1	R2	COMMENT
2885	2865	2935	2965	Wait for a rise. Go short at 2925 with a stop-loss at 2945

### ₹835 » SBI

S1	S2	R1	R2	COMMENT
832	830	840	845	Go long only above 840. Stop-loss can be placed at 838

### ₹3857 » TCS

S1	S2	R1	R2	COMMENT
3830	3790	3880	3910	Wait for dips. Go long at 3835. Stop-loss can be kept at 3820

S1, S2: Support 1 & 2; R1, R2: Resistance 1 & 2.

## High Energy Batteries expands its portfolio

**G Balachandrar**  
Chennai

High Energy Batteries (India) Ltd is expanding its product range to include fuel cells and flow batteries (particularly Vanadium Redox Flow Batteries), which will be used in power generation using hydrogen and bulk energy storage applications.

The company will focus on value-added products, including battery and power pack system integration, to strengthen its position in both defence and non-defence markets in India.

“Conscious of the opportunities and the tech-friendly atmosphere, the company is seeking proposals for diversification into energy and power systems, including hydrogen usage,” said N Gopalaratnam, Chairman, during the company’s annual general meeting via video conference.

The company said its R&D



**CHARGING AUTO.** The company is developing a VRFB-based 10kW/ 100 kWh storage system integrated with solar PV for charging electric 2Ws & 3Ws

labs have helped advance its growth by meeting the stringent requirements of strategic defence-related high-power, high-energy batteries with varying chemistries, including silver oxide zinc, nickel cadmium, magnesium silver chloride, cuprous chloride, and metal-air systems. This capability has enabled the company to design and manufacture batteries for mission-critical platforms such as torpedoes,

fighter aircraft, supersonic missiles, army battle tanks, UAVs, drones, autonomous underwater vehicles and satellite launch vehicles.

High Energy Batteries is currently developing fuel cells for in-situ power generation using hydrogen (HFC) and long-duration energy storage (LDES), to provide more than 10 hours of uninterrupted power through flow battery systems, Gopalaratnam said.

### R&D EFFORT

In collaboration with IIT-Madras and ONGC Energy Centre Trust (OECT) over the past two years, the company has developed a 1kW/ 10kWh Vanadium Redox Flow Battery (VRFB). This development, pertaining to the “Energy Storage System” for long endurance, integrates the battery with renewable energy sources such as solar and wind.

Building on this work, a 5kW system was successfully

demonstrated, and further development is underway on a 10kW/100 kWh VRFB storage system integrated with Solar PV for charging electric two or three-wheelers — a “24/7 charging station” application. The scale-up to higher power and energy levels will be phased over the next two years, addressing technical challenges in material availability, component indigenisation and cost-effectiveness.

Additionally, R&D efforts are ongoing for a 1kW and 2.5kW fuel cell system using hydrogen and air in normal ambient conditions, in collaboration with the Centre for High Technology (CHT), Indian Oil Corporation, and Gas Authority of India.

The company reported revenue of ₹77 crore in FY24, compared to ₹93 crore in the previous year, with a profit-after-tax of ₹17 crore (₹20 crore). It has been a debt-free (long-term) company since FY23.

## ONGC to kick off gas production from deep-water project in KG basin block: Puri



**STATESMAN NEWS SERVICE**  
NEW DELHI, 11 JUNE

A day after taking charge of the Petroleum Ministry for the consecutive term in the Modi 3.0 regime, Hardeep Singh Puri on Tuesday said the Oil and Natural Gas Corporation (ONGC) will kick off gas production from its flagship deep-

water project in the Krishna-Godavari (KG) basin block KG-DWN-98/2.

The minister said that oil and gas public sector undertaking (PSU) has done well. ONGC has floated a tender to get an international tech partner. "Both Minister Of State and I will try to bring gas under GST," Puri said. He added that the oil production will increase to 45,000 barrels per day very soon.

The minister further said that he is not in favour of divestment of government stake in state-run oil compa-

nies. "Why would we divest ourselves of highly successful Maharatnas like BPCL," he said. ONGC's shares have corrected 12 per cent from the peak of Rs 292.95 that it hit on May 3, 2024. In a recent note, Jefferies said that the recent decline in ONGC's stock price appears overdone. It considers this an appealing buying opportunity for investors in a market that have been highly volatile over the past couple of weeks. Jefferies also highlighted that a ramp-up in KG basin production in the third quarter of the current financial year and accretion to profitability are the key triggers.

It reiterated its 'Buy' recommendation on the stock with a price target of Rs 390 per share. The global brokerage believes that policy continuity on pricing reforms post elections should keep ONGC's profitability elevated compared to its past averages.

Publication : Ahmedabad Mirror	Editions : Ahmedabad
Date : 12 June 2024	Page : 7

## Petrol, diesel may come under GST ambit: Puri

Petroleum Minister Hardeep Singh Puri rules out divestment in OMCs; HPCL, BPCL show spike

**#AHMEDABAD**

The Centre is not in favour of divesting the government's stake in oil marketing companies, said Oil Minister Hardeep Singh Puri on Tuesday.

In addition, the Centre will make efforts to bring petrol, diesel and natural gas under the ambit of Goods and Services Tax (GST),



ETNow cited Puri as saying.

Development around stake sale in OMCs comes after the government scrapped the Bharat Petroleum Corporation Ltd divestment process in

2022. Puri's statement led to spike in HPCL and BPCL scrips around noon on Tuesday. **AM**



Publication : Business Standard

Editions : New Delhi

Date : 12 June 2024

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### **BPCL divestment completely off the table, says Puri**

BPCL is a high revenue-earning public-sector undertaking (PSU) and plans to privatise it are completely off the table, Petroleum and Natural Gas Minister Hardeep Singh Puri said on Tuesday after assuming charge of the ministry for the second time. "Why would we divest ourselves of highly successful Maharatnas like BPCL," Puri said, arguing the Centre was not in favour of divesting its stake in oil PSUs. 6 ▶

# BPCL sale completely off the table: Puri

SUBHAYAN CHAKRABORTY  
New Delhi, 11 June

**B**PCL is a high revenue-earning public-sector undertaking (PSU) and plans to privatise it are completely off the table, Petroleum and Natural Gas Minister Hardeep Singh Puri said on Tuesday after assuming charge of the ministry for the second time.

"Why would we divest ourselves of highly successful Maharatnas like BPCL," Puri said, arguing the Centre was not in favour of divesting its stake in oil PSUs.

The government owns 52.98 per cent in the oil major. Its plans to divest had been scuttled due to an insufficient number of bids from potential buyers.

BPCL is also in advanced stages of setting up greenfield refineries, Puri said, without giving further details. Meanwhile, IOCL is building an additional 9 million tonnes refinery unit alongside its existing CPCL-run refinery in Chennai's Nagapattinam at a cost of ₹33,023 crore. Puri said ONGC would soon commence gas production from its flagship deep-water project in the KG-DWN-98/2 block of the Krishna-Godavari (KG) basin, off the coast of Kakinada. Oil production from the block will rise to 45,000 barrels per day soon as well, he said.

"From the Western Offshore, ONGC has floated a tender to get an international technical partner. All international oil and gas majors having an annual revenue above \$75 billion have been invited to participate," he said. The minister said oil-marketing companies (OMCs) can consider reducing pump prices if international crude oil prices remain relatively low, at \$75 or \$80 per barrel. He stressed that petrol and diesel



PHOTO: PTI

## PURI AFTER TAKING CHARGE

- ONGC to begin gas production from Krishna Godavari block, oil production to hit 45,000 bpd
- The state-run firm has released tender seeking international technical partner in western offshore
- Indian Oil Corporation to soon install green H2 plants in Panipat, Mathura and Panipat
- Petrol and diesel should be brought under the purview of the GST regime

need to be brought within the purview of the GST regime going forward. Last week, the petroleum secretary had said the ministry was cautiously optimistic of this happening in the current year.

### Big projects in the pipeline

The minister said expanding India's footprint in the green hydrogen and biofuel sectors would remain key goals. "Many of our oil majors are in the process of issuance of tenders to supply green hydrogen. We are the first country in the world to employ green hydrogen buses, 15 of which have begun plying," he said.

IOCL will soon install a 10 kilo

tonne per annum (KTA) green hydrogen refinery plant in Panipat, alongside Mathura (5 KTA), and Paradip refinery (10 KTA), the minister announced. The first 10 Mw green hydrogen plant was inaugurated by GAIL in Madhya Pradesh in May. The gas major is also planning a cracker unit for petrochemicals, Puri said. He argued that oil PSUs have done well and have made a collective 159,000 crore profit after tax.

Exploration and production for crude oil would remain another focus area, Puri said. "Rounds IX and X under the Open Acreage Licensing Policy will commence in the next few weeks," he said.

## बीपीसीएल नई तेल रिफाइनरी बनाएगी

नई दिल्ली। पेट्रोलियम मंत्री हरदीप सिंह पुरी ने मंगलवार को दूसरी बार मंत्रालय का कार्यभार संभाला। उन्होंने कहा कि सार्वजनिक क्षेत्र की भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड (बीपीसीएल) एक नई तेल रिफाइनरी बनाने पर विचार कर रही है।

अपनी प्राथमिकताओं का जिक्र करते हुए उन्होंने कहा कि भारत की आयात निर्भरता को कम करने के लिए अधिक तेल और गैस की खोज और उत्पादन पर जोर दिया जाएगा। इसके अलावा सरकार की शीर्ष प्राथमिकताओं में हरित हाइड्रोजन, प्राकृतिक गैस और रिफाइनिंग तथा पेट्रोरसायन शामिल हैं।



Publication : Millennium Post

Editions : New Delhi

Date : 12 June 2024

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## Cairn Oil & Gas starts commercial ASP injection in Mangala, Rajasthan

*ASP injection hikes recovery in matured fields by 60%*

**NEW DELHI:** Cairn Oil & Gas, India's largest private oil and gas exploration and production company, part of Vedanta Group, has announced the implementation of ASP flooding in the Mangala oil field in Barmer, Rajasthan, marking the largest commercial injection implemented in any oil and gas field in India, and amongst the very few done globally.

This milestone highlights Cairn's ability to innovate technology breakthroughs that help

recovery from matured fields and accelerate future field development, enabling it to achieve its goal of contributing 50 per cent of India's oil and gas production.

Alkaline Surfactant Polymer (ASP) is one of the most unique Enhanced Oil Recovery methods where polymer and surfactants are injected into the matured fields to increase recovery.

The injection of ASP allows an increase in recovery in

matured fields by up to 60 per cent using polymers and surfactants, instead of just 40 per cent using polymers alone.

Cairn implemented this largest commercial injection at the MWP-1 & 19 ASP Project site in the Mangala field. The efforts are expected to yield about 20 per cent additional oil recovery in the targeted area.

Over three decades, Cairn has been at the forefront of technology innovations in E&P operations in India. **MPOST**



Publication : Mint	Editions : New Delhi
Date : 12 June 2024	Page : 2

### India eyes oil deals with nations including Russia, minister says



**New Delhi:** Oil minister **Hardeep Singh Puri** on Tuesday announced that Bharat Petroleum Corp Ltd plans to build a new refinery and the nation is looking at signing more oil import deals with countries, including Russia at discounted rates. Puri, who took charge of the ministry for a second time on Tuesday, said Prime Minister Narendra Modi wants to provide energy at affordable prices to customers to cushion them from the volatile oil markets. **REUTERS**

Publication : Mint	Editions : New Delhi
Date : 12 June 2024	Page : 11

NEWS  
NUMBERS

₹300 cr

THE AMOUNT Zomato is set to infuse into its quick commerce subsidiary Blinkit, taking its total investment to ₹2,300 crore since its acquisition in August 2022

₹60K cr

THE AMOUNT GAIL India, a state-owned energy company, plans to invest in a 1,500 KTA ethane cracker project in Madhya Pradesh

47.3 mn

THE NUMBER of shares Ola Electric founder Bhavish Aggarwal is to sell in the electric vehicle maker's IPO, which has received Sebi approval

300,000

THE SHORTAGE of professionals the Indian semiconductor industry is expected to face by 2027, as per a report by TeamLease Degree Apprenticeship

4%

THE HIKE in dearness allowance the state government employees in West Bengal are set to receive from April, a month in advance

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**PRESSING THE WORK BUTTON** On Day 1 @ office, ministers get busy identifying challenges and setting new targets

# The New Constituency: Workplace

## Ayushman Bharat Expansion is Prescription for Nation's Health

**New Delhi:** BJP president JP Nadda, who took charge of the health ministry on Tuesday, held a brief meeting with senior officials and asked them to focus on the agenda for the first 100 days. Ministers of state for health Anupriya Patel and Prataprao Jadhav also attended the meeting. Extending coverage under the Ayushman Bharat scheme to people aged 70 years and above, and the launch of a

vaccine portal, U-Win, are among the top items on 100-day plan. "The Ministry of Health and Family Welfare plays a crucial role in the nation's progress and the well-being of its people. As the backbone of the country, the health sector not only promotes public health but also stands as a strong force in addressing and overcoming health challenges," the minister posted on X after taking charge. Nadda also assumed charge of chemicals and fertilisers ministry.



**JP Nadda**  
Health & Family Welfare, Chemicals & Fertilisers

## IT TIAN to Helm IT! Continuation to Help Keep Policy on Track



**Ashwini Vaishnaw**  
Railways; I&B; Electronics & IT  
**New Delhi:** Vaishnaw began his day early on Tuesday with his first visit to the Rail Bhawan where he took charge as the railway minister again for the second time. He then visited

the ministry of information and broadcasting, where he took charge and met some senior officials of the ministry. Vaishnaw later proceeded to Electronics Niletan where he took charge as minister for electronics and information technology. Tasked with handling three key portfolios, the 53-year-old IIT Kanpur alumnus is a bureaucrat-turned-politician and was inducted as a union minister for the first time in 2021. He is also known to be a tough taskmaster who likes to delve deep into the subjects under the consideration of his ministries. At the ministry of information and broadcasting, Vaishnaw succeeds Anurag Singh Thakur while he has continued as the union minister in the other two key ministries of railways and IT.

## At Home with Home Ministry, Ready to Fight Terrorism

**New Delhi:** Union home minister Amit Shah on Tuesday reassumed charge at North Block, New Delhi Tuesday. In his post on X, Shah said that under the leadership of PM Modi, the Ministry of Home Affairs will remain committed to the security of the nation and its people, as it always has been. The home minister said Modi 3.0 will take its efforts for India's security to the next level and build Bharat as a bulwark against terrorism, insurgency and navalism. The implementation of three new criminal laws from July 1 would be among the key priority of the home ministry. Later, Shah took charge as minister of cooperation. "The Ministry of Cooperation will continue to work towards empowering farmers and strengthening both the rural and national economies in accordance with PM Modi vision of 'Sahakar Se Samridhi'. Our government is committed to empowering the idea of cooperation, providing new opportunities to millions of people associated with this sector, and bringing positive changes to their lives," Shah posted on X. The Ministry of Cooperation was created by transferring the existing entries related to cooperation and cooperative in business of erstwhile Ministry of Agriculture, Cooperation and Farmers Welfare on July 6, 2021.

**Amit Shah**  
Home, Cooperation

## Putting Things in Order: Nat'l Litigation Policy Finalised

**New Delhi:** Assuming charge as the law minister for the second time, Arjun Ram Meghwal on Tuesday signed a document finalising the national litigation policy which seeks to expedite the resolution of cases pending in apex, high and lower courts. The national litigation policy has been in the making for the past several years with successive governments trying to finalise its modalities. The policy document will be tabled before the Union Cabinet for approval, said people in the know. Interacting with media after taking charge, Meghwal said a key priority of the law ministry would be to ensure faster justice in cases hanging fire in various courts. **ARJUN RAM MEGHWAL**  
MoS (Unsp Charge) Law and Justice; MoS Parliamentary Affairs

## Former Banker Banking on Past Experience in Ministry

**New Delhi:** The telecommunications industry and India Post have major roles to play both in India and abroad, newly appointed communications minister Jyotiraditya Scindia said as he took charge of the ministry on Tuesday. He said he will first take stock of the department before commenting on his priorities and immediate challenges before the ministry. "There has been a revolution in this department... (I will) put in my best to ensure that we deliver according to the aspirations of the prime minister as well as the 140 crore people... of the

country." Scindia has also served as minister of state for communications in the UPA government. "It is also a little bit like coming full circle for me because I worked as a junior minister in this department in 2007-2009," he said. Scindia holds a bachelor's degree in economics from Harvard University and an MBA degree from Stanford University. He has worked at the United Nations and as an investment banker at Morgan Stanley and Merrill Lynch.

**Jyotiraditya Scindia**  
Communications; Development of N-E

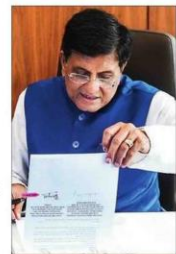
## Green Gambit: Ready to Make Clean Moves for Country's Energy Security

**New Delhi:** Renewable energy will continue to be in focus and more work will be done on it to ensure energy security, newly appointed minister Pralhad Joshi said on Tuesday. "Renewable energy is already contributing to the country's energy security in a big way and going forward we will do more," he said, taking charge as the minister for new and renewable energy. Joshi, the coal and mines minister in the previous government, said India stands fourth globally in renewable energy installed capacity, and has done well in wind and solar power capacity addition. Renewable energy has been a key area of the Narendra Modi-led government. The government has made commitments for the nationally determined contribution to the



**Pralhad Joshi**  
Consumer Affairs; Food & Public Distribution; New & Renewable Energy

United Nations Framework Convention on Climate Change. The country has set a target to reach 500 GW non-fossil energy capacity, 50% of its energy requirements from renewable energy and reduction of total projected carbon emissions by 1 billion tonnes by 2030.



**Piyush Goyal**  
Commerce & Industry

## Eye on Making India Viksit Bharat by 2047

**New Delhi:** Newly appointed commerce and industry minister Piyush Goyal said the government aims to promote economic growth of the country and make India a Viksit Bharat by 2047. Goyal, who assumed charge as the commerce and industry minister for the second time, took stock of the challenges and the road ahead for his ministry. "We want to make India a Viksit Bharat by 2047," Goyal told reporters soon after taking charge. "The government is committed to creating new opportunities for the youth and working relentlessly for the welfare of all citizens." Minister of state for commerce and industry Jitin Prasada also took charge of his portfolio on Tuesday. Goyal, who won his debut Lok Sabha poll from Mumbai North constituency in the 2024 general elections, has earlier been BJP's national treasurer. He has also helmed various ministries including the railways, textiles.



**Shivraj Singh Chouhan**  
Agri & Farmers Welfare; Rural Development

## Heart's in Hinterland, Want More Lakhpati Didis

**New Delhi:** New rural development minister Shivraj Singh Chouhan has promised renewed efforts towards the welfare of rural India and stressed that improving the fortune of a larger number of women in the hinterlands will be one of his priorities. Taking charge of the rural development ministry on Tuesday, the former chief minister of Madhya Pradesh said: "India lives in its villages. Rural development remains our prime minister's priority. Many programmes are being run for that. The number of the so-called 'Lakhpati Didis', he said, has to be tripled to 30 million at the earliest. The scheme is implemented through self-help groups and aims to enable women to earn ₹1 lakh per year each through various official interventions. "The prime minister has another dream that we want to fulfil—to have more 'Lakhpati Didis'... women empowerment is a mission of our government," he said.

## Boosting Oil & Gas Production, Green H2 Promotion on Top of Agenda



**Hardeep Puri**  
Petroleum & Natural Gas

**New Delhi:** Boosting domestic oil and gas production, promoting green hydrogen and increasing ethanol use will be the key priorities of the government, oil minister Hardeep Puri has said. Profitable state-run oil companies like BPLCL will not be divested, he added. "There is an essential continuity of what we have done in the last three years," Puri told a news conference after taking charge as the oil minister for a second time. Puri first assumed charge of the oil ministry in July 2021 in the middle of the Covid-19 pandemic and steered the sector through a stretched global energy crisis, triggered by the post-pandemic economic recovery and the wars. "Amidst all those challenges, we have performed rather well on availability, affordability and sustainability," he said. Global energy markets have now returned to normal.

## ‘Working to start levying GST on auto fuels, ATF’

**Rishi Ranjan Kala**  
New Delhi

The Ministry of Petroleum and Natural Gas will work to start levying the Goods and Services Tax (GST) on petrol, diesel, and ATF, Oil Minister Hardeep Singh Puri said on Tuesday.

Asked about imposing GST on these fuels, Puri said, “We will try. The Minister of State (Suresh Gopi) and I will both work on it.”

Sources said that to levy GST on petrol, diesel, and ATF (aviation turbine fuel), the Ministry has to make a recommendation to the Finance Ministry that, in turn, will put it up to the GST Council.

### IN GST COUNCIL'S COURT

At present, crude oil, petrol (MS), diesel (HSD), ATF, and natural gas are part of the GST. However, per Section 12 (5) of the 101st Constitutional Amendment Act, the GST Council shall recommend the date from which the tax will be levied on such products. The GST Council has to just decide the date from which to levy the tax.

Now, the Centre levies excise duty on auto fuels, while States impose a value-added



Hardeep Singh Puri,  
Oil Minister ANI

tax (VAT) and sales tax. Levying GST on the two auto fuels and crude oil has been a long-standing demand as it would bring down their prices, benefiting the common man. Almost every political party has advocated for it at some point.

However, there has not been a consensus on this at the GST Council. The general fear is that States and the Centre will take a hit on tax revenues.

In FY24 (provisional), the total contribution of the petroleum sector to the exchequer stood at around ₹7.51-lakh crore, of which the Centre's share was ₹4.32-lakh crore and the States' ₹3.18-lakh crore. In FY23, the contribution stood at around ₹7.48-lakh crore, with the Centre getting ₹4.28-lakh crore and

States ₹3.20-lakh crore. Another issue is that the maximum rate of tax under GST can be 50 per cent, including cess. However, the rate of tax on petrol and diesel is more than 60 per cent. The current rate of tax on diesel is 50.76 per cent. This is calculated by taking the base price in Delhi as of March 16, 2024, which is the last date of revision. The tax on petrol or motor spirit was 63.4 per cent as of March 16, according to another source.

“This is against the principle of revenue neutral rate (RNR),” the source added.

### OMC DISINVESTMENT

The Oil Minister said that the government will not divest its stake in oil marketing companies (OMCs). This comes after the government scrapped the divestment of Bharat Petroleum Corporation (BPCL) in June 2022.

### CRUDE DEALS

Asked about long-term crude oil supply deals with Russia, Puri said the Ministry had had conversations on long-term deals and is confident that both private and public sector companies will enter into long-term deals if they find them economically viable.



Publication : The Hindu Business Line

Editions : New Delhi

Date : 12 June 2024

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thehindubusinessline.

## TWENTY YEARS AGO TODAY.

June 12, 2004

### **Transfer of ownership Tata Sons to get Rs 2,300 cr from TCS**

Tata Consultancy Services (TCS) will pay Rs 2,300 crore to Tata Sons for the transfer of ownership. According to the offer document for the initial public offering of TCS, Tata Sons would be paid the sum on the completion of the IPO and failure to pay the amount within three days of TCS Ltd receiving trading permission from the stock exchanges; would entail interest payment at the rate of approximately six per cent per annum.

### **'Petro pricing package soon'**

The Petroleum Minister, Mr Mani Shankar Aiyar, said he was awaiting the response of the Finance Minister, Mr P Chidambaram, on his ministry's proposal on the package. Mr Aiyar also said that along with Mr Chidambaram, he would be meeting the Prime Minister soon.

### **IOC seeks fast track clearance from govt**

India Oil Corporation has sought fast track clearance from the government to pursue overseas buys, according to CMD, Mr M.S. Ramachandran. The company plans to buy a "mid-sized" exploration and production firm and lined up a war chest of \$2 billion for the purpose.

## No plan to privatise BPCL: Hardeep Singh Puri

RAKESH KUMAR @ New Delhi

PETROLEUM minister Hardeep Singh Puri has dismissed any possibility of privatisation of state-owned refiner Bharat Petroleum Corporation Limited (BPCL) citing the company's significant profits.

Puri, addressing media after assuming the ministry's responsibilities for the second time, emphasised that there would be no immediate reduction in petrol and diesel prices unless global crude prices drop below \$70-80 a barrel. "BPCL has generated more revenue in the first three quarters than the stake sale amount," he said.

The government had planned to sell its entire 52.98% stake in BPCL, expecting to fetch estimated ₹45,000 crore in FY22. Expressions of Interest (EoI) or initial bids for this were invited by the government in March 2020. BPCL, India's second-largest oil marketing company after Indian Oil, with refineries in Mumbai, Kochi, and Madhya Pradesh, possesses the third-



largest refining capacity after Reliance and Indian Oil.

The minister highlighted the need to bring petrol and diesel within the purview of GST regime in the future. Last week, petroleum secretary expressed cautious optimism about this occurring in the current year.

The minister said the oil PSUs have performed well. Oil production is expected to reach 45,000 barrels a day soon.

### Other ministers take charge

Among other economic minis-

ters who took charge of their office on Tuesday include Piyush Goyal, Minister of Commerce and Industries.

Upon assuming office, Goyal immediately convened a review meeting with senior officers from both departments within the Ministry of Commerce and Industry. Minister of State, Ministry of Commerce and Industry, Jitin Prasada also attended the meeting.

During the meeting, the Commerce Secretary and DPI-

IT Secretary presented briefs on the ongoing proposals and action items of the ministry.

While assuming charge of his office, Jyotiraditya Scindia, newly appointed Minister of Communications, emphasised the significant roles both telecom sector and the India Post division play on both the global and local stages. Newly-appointed power minister Manohar Lal Khattar discussed the addition of power generation, transmission, and battery storage capacities in the country during a meeting with officials and PSU CMDs on his first day in office.

Two officials said that during the inaugural meeting, the minister emphasized capacity addition, particularly focusing on battery storage.

Minister of State for Finance Pankaj Chaudhary said the government is considering postponing implementation of income tax rules affecting MSMEs tax deductions that came into effect from April 1 this year.

# Rupee closes at record low

**SACHIN KUMAR**  
Mumbai, June 11

**THE RUPEE FELL** 6 paise against the dollar to close at a record low of 83.57 on Tuesday, weighed down by a strong dollar. The weakness in the local currency was in sync with that of other Asian currencies and comes ahead of the US Federal Reserve's rate decision this week.

The local currency plunged to as low as 83.5725, near to its previous record low of 83.5750 touched in April, but likely intervention from the Reserve Bank of India (RBI) prevented any further fall in the rupee.

"Stronger than expected US data and political uncertainty after the French president called for snap elections

pushed euro-US dollar pair lower and the dollar index higher. Oil demand and rising crude oil prices are further adding to rupee weakness," Kunal Sodhani, vice-president - treasury, Shinhan Bank, told *FE*. "RBI stepped in to cap the slide in rupee and was seen selling dollar around 83.54 level," he added.

Sodhani said Indian bonds will be included in JP Morgan Bond Index from this month which will start attracting debt inflows, adding that 83.30 now acts as a support while 83.80 acts as a resistance for rupee.

Analysts say the rupee will continue to remain under pressure and may fall to around 85 before recovering to 83 in the next 2-3 quarters.

**Continued on Page 17**



## Rupee closes at record low

**WHILE THE REAPPOINTMENT** of Nirmala Sitharaman as the FM "could underpin assurances of fiscal consolidation that the government had previously committed to", "nonetheless, the rupee remains a tad more vulnerable to pressures, given that the elections unearthed some pushback against widening inequality, which at face value suggests some reallocation and compromises," Vishnu Varathan, Singapore-based chief Asia ex-Japan economist at Mizuho Bank, told *Bloomberg*.

The RBI has been regularly selling dollars at near 83.50 to defend the local currency, according to traders. The dollar gained on expectations of further delay in first interest rate cut by the US Federal Reserve on the back of hot non-farm payrolls report last week. Robust US jobs data has decreased the odds of the Fed cutting interest rates later this year.

The dollar index, which

gauges the greenback's strength against a basket of six currencies, rose up to 0.23% to 105.39. Most Asian currencies depreciated on Tuesday with Taiwanese dollar, which was down 0.47%, leading the losses. South Korean won declined 0.16%, Chinese yuan 0.09%, Indonesian rupiah 0.06% and Singapore dollar fell 0.02%. Brent crude futures, the global oil benchmark, declined 0.05% to \$81.59 per barrel.



"We expect rupee to trade with a slight negative bias on strong US dollar and elevated crude oil prices. However, positive global markets and fresh foreign inflows may support rupee at lower levels," said Anuj Choudhary- research analyst at Sharekhan by BNP Paribas. "Dollar-rupee spot price is expected to trade in a range of ₹83.30 to ₹83.80," he added.

Traders await the Federal Reserve's policy decision, due on Wednesday, where the central bank is expected to keep rates unchanged.



## Faulty fuel bills? Regulator building a solution for you

Rituraj Baruah

rituraj.baruah@livemint.com  
NEW DELHI

India's petroleum and natural gas regulator is looking at creating the post of an ombudsman to hear and resolve grievances of customers of city gas distribution (CGD) networks, among other consumer-friendly initiatives, the regulator's top official said.

Anil Jain, chairman of the Petroleum and Natural Gas Regulatory Board (PNGRB) said in an interview that the PNGRB Act gives powers to the regulator in terms of consumer protection, and a committee has been set up that would soon submit its report.

"PNGRB is already framing the regulations. The draft regulations should be out by the end of July. We are also planning to set up regional offices and an ombudsman to sort out the disputes at the local level," Jain said.

The ombudsman would



Anil Jain, chairman, PNGRB.  
PIB.GOV.IN

look into customer grievances related to compressed natural gas (CNG), piped natural gas (PNG), petrol, diesel and LPG (liquefied petroleum gas).

On the nature of grievances the ombudsman would look into, Jain said that they would range from alleged high tariffs collected from PNG consumers, complaints regarding delay in initiation or setting up of a new connection, delay in repair of pipe leakages, overpricing by petrol pumps, lower

dispatch of petrol and diesel to customers, no proper display of prices, long waiting time, and lack of public conveniences at pumps, among others.

The setting up of regional offices would help the regulator get closer to the consumers, Jain said, adding that it would also help in resolving the issues at local level.

The PNGRB Act of 2006 speaks of nomination of an ombudsman who is not an employee of the entity, with the prior approval of the board. However, such a nomination has not taken place so far as the required regulations were not in place.

With the formulation of the regulations by the board for setting up a grievance redressal system and an ombudsman under way, movement may be witnessed on this front.

This move comes on the backdrop of a rapidly growing

TURN TO PAGE 4

Publication : Mint	Editions : New Delhi
Date : 12 June 2024	Page : 1, 4

## Plan for ombudsman to handle fuel complaints

### FROM PAGE 1

CGD network. About 12.1 million domestic PNG connections and 6,258 CNG stations have been established in the country so far.

The number of CNG stations in the country has increased over fourfold to 6,546 stations currently, from 1,424 in FY18. While, the number of PNG connections have grown about threefold to 12.62 million, from nearly 4.3 million in

FY18.

Further, despite oil marketing companies having customer care numbers for complaints against petrol pumps for alleged frauds or sale of less fuel to the customers, such complaints keep coming up now and then from every nook and corner of the country. Specific data on the number of complaints is unavailable.

Earlier this year, the regulatory board concluded the 12th CGD bidding round.

## Asian peers retreat too in the face of dollar's strength Higher crude oil prices, outflows from India weigh on local unit Rupee Hits New Low of 83.56 Ahead of Fed Statement

Our Bureau

**Mumbai:** The rupee joined other sliding Asian currencies in a collective retreat against the US dollar to hit record lows after the American currency advanced ahead of the Federal Reserve's policy statement on interest rates, with lengthening odds that the world's biggest economy wouldn't reduce the cost of money just yet.

On Tuesday, the rupee ended the day at 83.5650/\$1 — an all-time closing low versus the US dollar. On Monday, the rupee had closed at 83.505/\$1, LSEG data showed.

Recently-released data showing a larger-than-expected jobs addition in the US has dashed expectations of the Federal Reserve lowering in-

terest rates, while a sharp weakness in the Chinese yuan versus the US dollar over the past couple of days has dragged Asian currencies lower, dealers said.

Higher crude oil prices and likely foreign investment outflows from Indian markets also hurt the rupee on Tuesday, dealers said.

### US JOBS, FRENCH POLLS

"Stronger than expected US data and political uncertainty after the French President called for snap elections pushed the EUR/USD pair lower, which in turn has pushed the Dollar Index (DXY) higher. Oil demand and rising crude oil prices are further adding to rupee weakness," said Kunal Sodhani, vice-president at Shinhan Bank.



He said that going ahead, the rupee would likely trade in a band of 83.30-83.80/\$1.

On Wednesday, the US Federal Open Market Committee will de-

tail its next policy statement — an event that is being globally awaited to gauge when and if the American central bank will lower interest rates. A rapid increase in US interest rates since 2022 has led to the dollar strengthening globally as investors have flocked to the higher returns in the world's largest economy.

For emerging market currencies like the rupee, signs of a tilt toward lower interest rates by the Fed later in the year could lead to gains versus the dollar, while disappointment on that front would likely lead to depreciation.

So far in 2024, the rupee has depreciated 0.4% against the US dollar on a closing basis, weakening less than many of its regional peers.

Apart from strong domestic macroeconomic fundamentals, market interventions by the Reserve Bank of India (RBI) have contributed to the resilience of the local currency, dealers said.

The central bank, which reported record-high foreign exchange reserves of \$651.5 billion last week, likely stepped in through dollar sales on Tuesday to rein in the rupee's volatility.

"The RBI was suspected to have sold dollars at 83.50 and 83.55/\$1. The rupee is expected in the range of 83.45-83.70/\$1 on Wednesday with a keen eye on the RBI as to whether it wants the rupee to depreciate any further," said Anil Kumar Bhansali, head of treasury, Finrex Treasury Advisors.

**Crude oil flat as investors  
await Fed meet, US CPI**



**London:** Crude oil prices were steady as investors waited for key US and China CPI data as well as the outcome of the Fed policy meeting. Brent crude futures fell 5 cents to \$81.58 per barrel and US West Texas Intermediate crude futures slipped 1 cent to \$77.73. REUTERS

## OPEC'S GAMBIT TO KEEP OIL PRICES AFLOAT

**T**HE Organization of the Petroleum Exporting Countries and its allies (OPEC+), on June 2, decided to extend its deep oil output cuts into 2025. At the same time, it hinted at a partial roll-back in the last quarter of this year, as it reported a steady May output at 26.96 million barrels per day. Production cut extensions are efforts at lending buoyancy to prices as well as “to stabilise and balance the oil market in times of uncertainty”. Major producers within the group intend to taper cuts gradually, subject to market conditions, though slower macroeconomic growth and a cautious monetary outlook remain a drag on such a move.

A constellation of conditions comprising economic sentiment, geopolitics and political equations significantly reflect on OPEC's production and distribution policies. The 1956 Suez canal block that led to the rationing of fuel in France and the UK, the 1973 Yom Kippur War, the 1979 Iranian revolution, the current Gaza crisis and similar turbulence in the Middle East have often sent oil prices flaring.

The markets are witnessing a muted reaction this time, with Latin America emerging as the *nouveau* oil frontier, a game-changer on the global supply scene. In response to an invitation to join OPEC+ in December last year, Brazil “declined to be a full member and instead only seeks to participate as an observer”. Brasilia is forging global energy partnerships, as the world's top three oil consumers—the US, China and India—are establishing alliances for exploration and production in the region.

Though the 1973 oil embargo and its recessionary effect was a strain on Saudi-US relations, more than 50 years later, the two countries' economic ideologies still revolve around the theme of oil and security. The 1990 Persian Gulf War led the Bush administration to launch Operation Desert Shield, stationing US troops in Saudi Arabia to safeguard Kuwaiti and Saudi oil fields. Saudi Arabian oil and American weaponry complement each other well.

As soon as the UN imposed its embargo on Iraqi and Kuwaiti exports, Saudi Aramco—at the US's urging—initiated a production increase to cover the shortfall. The oil giant advanced the timetable to implement its crude expansion programme. Riyadh spent \$4.7 billion reviving mothballed oil wells, drilling new ones and developing five offshore gas-oil separation plants. Output rose from 5.4 million bpd in July 1990 to 8.5



RANJAN TANDON



Senior markets specialist and author

million bpd by December 1990. Around 3,00,000 bpd were provided free to the allied troops. The move kept crude prices reined in and strengthened US-Saudi relations.

In the last five years, economics has, to an extent, eclipsed political motivations. Riyadh is keen to shrink its dependence on oil while developing other sources of revenue. The lure of overseas financial participation prompted the kingdom to offer for sale Aramco shares this past week, amid fervent investor interest, in an effort to unlock its hidden worth.



**The imposition of output curbs triggered Angola's exit from OPEC in December 2023, as the nation could ill afford restraints when Africa's oil dominance was evolving. Similarly, curbs on Libya's El Sharara oil field would be a blow to the nation's fractured economy**

Saudi Arabia, as the de facto leader of the OPEC, has closely monitored output reductions within the cartel, in the midst of increased flow from other major producers such as the US, to shore up oil prices above the \$85-mark and balance its budget. Aiming to tighten the market further, the issue of 'capacity assessment and utilisation' was resurrected recently as three independent consultants were commissioned to conduct a fresh audit. With heavy reliance on oil income for pushing their economic agenda, the capacity estimation exercise has initiated stress among the fraternity on earlier occasions too.

The imposition of output curbs triggered

Angola's exit from OPEC in December 2023, as it could ill afford restraints in times of Africa's evolving oil dominance, a move that followed the footsteps of Ecuador and Qatar a few years back. The UAE had, earlier in the year, confronted the Saudis on the issue of capacity; with the Abu Dhabi National Oil recently reporting a higher maximum crude capacity on its website, it could seek a further increase in quota. As oil constitutes 90 percent of its exports and is a catalyst for Kuwait's Vision 2035 programme, it requires a larger share as volumes rise at its three domestic refineries.

Moscow holds a large inventory of crude on the back of dwindling processing capacity post Ukrainian attacks on Russian refineries, as it lobbies for an upward revision. Flouting output cut commitment and higher production figures reported by Iraq and Kazakhstan have precipitated tensions within the bloc, indicative of a gradual withdrawal of reductions.

The El Sharara oil field in Libya's Murzuq desert, holding the largest proven reserves in Africa, recently emerged from a shutdown. Any curbs on Libya would be a blow to the nation's fractured economy. Despite the lack of investment in Nigeria's oil industry, the recent partial commissioning of Dangote refinery near Lagos could affect its capacity utilisation and quota allocation. In a surprise retraction, the audit exercise stands postponed by a year, citing the ongoing Ukraine war as a deterrent in case of Russia. The move is seen to maintain solidarity within the group.

Negotiating through this maze of economic and political complexity is a tough task as the relevance of fuel prices remain sacrosanct in an election year when Washington and Brussels are keen to keep energy costs low and have often called for an increase in OPEC+ output. Yet, speculative intent remains inherent to oil prices.

As T Boone Pickens, the American oil magnate and financier, once remarked, “It has become cheaper to look for oil on the floor of the New York Stock Exchange than in the ground.”

(Views are personal)  
(ranjantandon@live.com)