ONGC News as on 17th January 2025 (Print & Online)

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Over 80% firms seek wider PM internship scheme coverage

MANU KAUSHIK
New Delhi, January 16

THE PM INTERNSHIP scheme has gained traction with Corporate India with as many as 81% of companies supporting the scheme to be extended to all firms, according to a survey by TeamLease EdTech. This is significantly higher from the current structure of the scheme where top 500 companies have been asked to participate in it. The survey further said that a majority of the respondents (73%) believe that short-to-medium-term internship opportunities — one-to-six months — can be optimal for the efficiency of the programme.

The report highlights that over 76% of companies are prioritising tech roles within their internship programmes, showcasing the industry's focus on digitally skilled talent to meet evolving demands. Additionally, 73% of companies intend to absorb at least 10% of their interns as full-time employees upon the completion of the internship programmes. This demonstrates the strategic role internships play in addressing talent supply-chain challenges while contributing to workforce readiness.

"The PM internship scheme showcases the impact of public-private partnerships in addressing workforce challenges. With a majority of companies focusing on tech roles and committing to meaningful absorption rates, we are witnessing a strategic transformation that goes beyond traditional corporate social responsibility (CSR). This initiative is effectively creating a sustainable talent pipeline while addressing India's critical employability challenges," said Shantanu Rooj, founder and CEO of TeamLease EdTech.

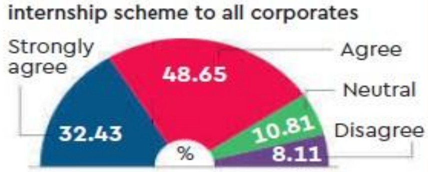
The scheme also underscores a financial commitment from India Inc. with 34.43% of companies planning to allocate up to 20% of their CSR budgets to internship programmes. "This reallocation reflects a growing acknowledgment of internships as a powerful tool for societal impact and skill development," the survey said.

To maximise the impact of the scheme, 32.43% of companies have expressed a strong preference for partnerships with both universities and other corporates, thereby emphasising the role of collaboration in bridging the gap between academia and industry, according to the survey.

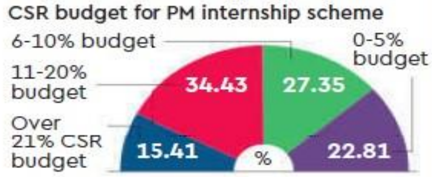
Announced in the last Union Budget, the PM internship scheme was kicked off in December last year with interns from 656 districts embarking on their internship journeys with top companies such as Vedanta, Maruti Suzuki, ONGC, IOCL, Bajaj Finance, Titan, NMDC, and NTPC. The pilot phase of the scheme intends to provide 125,000 internships across 24 sectors such as oil & gas, energy, travel, automotive, banking and financial services, etc. On the last day of the registration, the scheme received over 650,000 applications for 127,000 opportunities offered by 280 companies participating in the scheme. The scheme has a target to train 10 million people over a five-year period.

EMPOWERING THE YOUTH

Extending the mandate of PM internship scheme to all corporates



Corporate India looking to pledge their CSR budget for PM internship scheme



Source: TeamLease EdTech

■ More than a third of companies are willing to allocate up to 20% of their CSR budgets for internship programme

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I-T dept gets ₹1,070 cr in reverse tax refund

In a crackdown on incorrect tax deduction, the Income-Tax Department has got back ₹1,070 crore, which it had paid as refund, from nearly 90,000 taxpayers, according to sources in the Central Board of Direct Taxes (CBDT).

The taxpayers filed updated income tax returns (ITRs) for assessment years from FY23 to FY25 after doing the corrections.

The department said these deductions were claimed under Sections such as 80C, 80D, 80E, 80G, and 80GGC, leading to a reduction in taxes payable.

I-T dept recovers ₹1,070 crore from wrongful claims

Nearly 90,000 taxpayers reverse inflated deductions

MONIKA YADAV

New Delhi, 16 January

In a crackdown on incorrect tax deduction, the Income-Tax Department has got back ₹1,070 crore, which it had paid as refund, from nearly 90,000 taxpayers, according to sources in the Central Board of Direct Taxes (CBDT).

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The department said these deductions were claimed under Sections such as 80C, 80D, 80E, 80G, and 80GGC, leading to a reduction in taxes payable.

Section 80C allows deduction on investment up to ₹1.5 lakh per year. Section 80D is concerned with medical insurance premium and medical expenses. Section 80E has the provision for interest on educational loans. And Sections 80G and 80GGC allow deduction for donations to charitable organisations and political parties, respectively.

Government sources said investigations of "email clusters" showed many such taxpayers were employees of public-sector undertakings, multinational corporations, and private limited companies.

Further verification uncovered unscrupulous elements had misguided taxpayers into making these claims.

"These employees are of several public-sector units like Neyveli Lignite Corporation, Bharat Heavy Electricals, and Oil and Natural Gas Corporation, and multinational companies like Oracle, Amazon, and Accenture. But these companies are not involved. It's just their employees who have been claiming deduction without the knowledge of their employers," the government source said.

To address the matter, the department has been conducting outreach programmes with employers to raise awareness about the consequences of claiming incorrect deductions and the steps taxpayers can take to rectify such errors.

Under Section 139(8A) of the Income Tax Act, 1961, taxpayers are allowed to file updated returns and correct errors of omission or commission within two years of the end of the relevant assessment year.

Government officials emphasised the importance of voluntary compliance and advised taxpayers to utilise the updated return mechanism to avoid punitive action.

"Taxpayers can file updated returns to withdraw any incorrect claims of deduction and ensure compliance," a source said. To facilitate this, the department has made resources available online to guide taxpayers on filing updated returns under the ITR-U mechanism.

According to chartered accountant Chetan Daga, managing partner at AdvantEdge Consulting, those who have claimed incorrect deduction, either deliberately or through improper advice, have the option of giving up their claims by filing a revised tax return or an updated tax return.

"A revised return can be filed by December 31 of the assessment year. This time is short. Once the time limit is over, the option that remains is to file an updated return within three years of the end of the relevant year. Giving up claims requires the taxpayer to pay the differential tax with interest. However, giving up claims in the updated return attracts differential tax, interest and an additional fee. The additional fee is 25 per cent or 50 per cent of the differential tax and interest, depending on when the updated tax return is being filed," said Daga.

ILLUSTRATION: AJAYA MOHANTY

ON TAXMAN'S RADAR

	No. of updated ITRs filed due to wrongful claims	Reduction in tax refunds (₹ cr)
FY23	13,000	98
FY24	56,000	757
FY25*	21,000	215
TOTAL	90,000	1,070

*till Dec 31, 2024

Sources

Publication : Business Standard	Edition : Mumbai
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Govt highlights new steps towards self-reliant India

BS REPORTER
New Delhi, 16 January

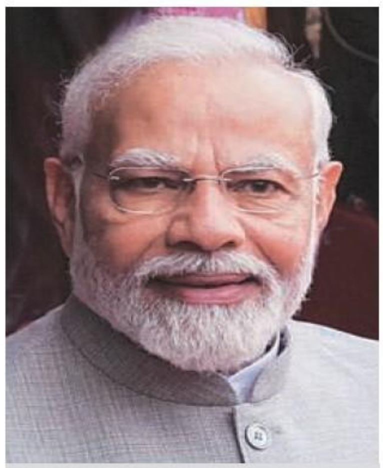
Prime Minister Narendra Modi will distribute over 6.5 million property cards under the Centre's SVAMITVA (Survey of Villages and Mapping with Improvised Technology in Village Areas) scheme to property owners in over 50,000 villages on January 18, the government said on Thursday.

The step is one of a series of transformative initiatives that the government has taken in 2025, demonstrating the PM's vision for a progressive, self-reliant, and united India, it said. The initiatives of the first few weeks have ranged from advancing infrastructure and scientific research to empowering youth and celebrating India's cultural diversity, setting the tone for a remarkable year ahead, it said.

After the Cabinet meeting on Thursday, Union minister Ashwini Vaishnaw said at a press briefing that the PM has approved the setting up of the 8th Pay Commission. The day's other highlight was the Indian Space Research Organisation (Isro) successfully performing the docking of satellites as part of the Space Docking Experiment (SpaDeX). The Union Cabinet also approved the construction of a third launch pad at Isro's space centre in Sriharikota with an investment of ₹3,984 crore.

Some of the steps taken since January 1 include the first Union Cabinet meeting approving the extension of a one-time special package for Di-Ammonium Phosphate (DAP), ensuring affordable fertiliser prices for farmers and evidence of the government's efforts at welfare of farmers. The PM also met singer-actor Diljit Dosanjh and chess grandmaster Koneru Humpy, which sources said underscored his focus on promoting arts, sports, and excellence across fields.

On January 3, Modi handed over 1,675 newly constructed flats under the In-Situ Slum Rehabilitation Project in Delhi, ensuring better living conditions for thousands of families. He laid the foundation stones for three educational projects worth over ₹600 crore, including the Eastern Campus at Surajmal Vihar, Western Campus at Dwarka, and the Veer Savarkar College in Najafgarh.



The Narendra Modi-led govt's initiatives of the first few weeks have ranged from advancing infrastructure and scientific research to empowering youth

On January 4, as part of its push to rural development, the government organised Grameen Bharat Mahotsav to promote GI (geographical indication)-certified village products and boost rural economies. This initiative aligns with the goal of empowering rural India and integrating it into the global economy, official sources said.

During the past fortnight, the PM also engaged with global technology leaders, including Microsoft Chief Executive Officer (CEO) Satya Nadella, who announced a $3 billion investment in artificial intelligence (AI) infrastructure in India. These discussions focused on fostering indigenous innovation and creating a self-reliant tech ecosystem, officials said.

As part of the government's focus on infrastructure projects, the Namo Bharat Train Corridor connecting Sahibabad to Ashok Nagar was flagged off on January 5, and multiple rail infrastructure developments in Odisha, Telangana, and Jammu and Kashmir were also inaugurated.

On January 7, the PM launched two projects in Andhra Pradesh, namely the Bulk Drug Park, a ₹1,877 crore initiative to reduce dependency on imported pharmaceutical ingredients, and the Green Hydrogen Hub, aimed at producing 1,500 tonnes of green hydrogen per day, which would help position India as a leader in renewable energy and pharmaceutical manufacturing.

On January 9, the PM launched the Genome India Project, which will map the genetic diversity of Indians and advance healthcare solutions for genetic disorders. On the same day, Modi addressed the Pravasi Bharatiya Divas convention in Bhubaneswar. On January 12, the PM participated in the Viksit Bharat Young Leaders Dialogue, coinciding with National Youth Day and Swami Vivekananda's birth anniversary. The objective of the initiative was to bring together young innovators and achievers to exchange ideas and envision a developed India as part of the government's commitment to empowering youth.

On January 13, the PM inaugurated the Sonamarg Tunnel in J&K, which will improve connectivity and boost tourism while enhancing national security, officials said. He also interacted with workers and engineers, expressing gratitude for their efforts.

By January 15, the PM commissioned advanced naval combatants, including new ships and submarines, which will bolster India's position as a dominant force in the Indian Ocean and showcased the government's commitment to Aatmanirbhar Bharat in defence.

"Together, we are shaping a developed India, where every citizen plays a vital role in building a brighter tomorrow," the PM has said about the range of initiatives in the New Year.

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INDIA ENERGY WEEK 2025 TO REDEFINE GLOBAL ENERGY DIALOGUE

India Energy Week 2025 (IEW'25), the flagship energy event of Government of India, is being held under the patronage of the Ministry of Petroleum and Natural Gas, organised by Federation of Indian Petroleum Industry (FIPI), from 11th to 14th February 2025 at the Yashobhoomi Convention Centre, New Delhi.

A noticeable improvement is in the seniority of speakers year on year with around 70 CEOs of prominent International and domestic Energy majors underlying the growing global appeal of the event. The event will feature Heads of leading International Organizations and 90 CEOs from some of the world's largest Fortune 500 energy companies including BP, TotalEnergies, QatarEnergy, ADNOC, Baker Hughes and Vitol.

The event is expected to have participation from over 70,000 delegates from 120 countries, 700+ exhibitors, and 10 country pavilions. The event will witness robust participation from key Indian energy ministries, including the Ministry of Power, Ministry of New and Renewable Energy (MNRE), NITI Aayog, and the Ministry of Mines and Minerals.

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Reliance Industries Q3 profit rises by 7% to Rs 18,540 crore

GYANENDRA KESHRI
NEW DELHI, DHNS

Oil-to-telecom conglomerate Reliance Industries Limited (RIL) on Thursday reported a consolidated net profit of Rs 18,540 crore for the quarter ended December, registering a growth of 7.4% year-on-year, led by robust earnings from digital and retail businesses.

Mukesh Ambani-led RIL's consolidated revenue in the third quarter of the current financial year increased to Rs 2.40 lakh crore, up 6.7% from Rs 2.25 lakh crore recorded in the corresponding period of the previous year.

Profits of Reliance Jio surged on the back of tariff hikes. Net profit of Reliance Jio Infocomm jumped by 26% to Rs 6,861 crore in the quarter ended December 31.

"Robust growth in digital services business was led by sustained subscriber addition and consistent improvement in customer engagement metrics. This was well supported by a favorable subscriber mix, with an increasing number of users upgrading to 5G networks," Mukesh Ambani, Chairman and Managing Director, Reliance Industries Limited, said in a statement.

Reliance Retail Ventures profit jumped 10% to Rs 3,458 crore in October-December quarter from Rs 3,145 crore recorded in the corresponding period of the previous year.

The company's revenue from its oil-to-chemicals (O2C) business for the quarter under review increased by 6% to Rs 1.49 lakh crore.

The O2C business showcased its innate resilience, registering growth even in this prolonged period of volatility in the global energy markets. Refining margins recovered sequentially, with petrochemical deltas exhibiting a mixed trend, Ambani said.

"Upstream segment continues to play a pivotal role in providing the crucial transition fuel bolstering India's energy security," he added.

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Jet fuel, gas demand to grow 10% in FY26 on rise in spending power

GROWTH DRIVERS. Steady manufacturing, agricultural activity drive increase in consumption

Rishi Ranjan Kala
New Delhi

Domestic jet fuel and natural gas consumption are expected to grow 10 per cent in FY26 — the highest among all refined petroleum products — reflecting the country's rising spending power.

According to the Petroleum Planning and Analysis Cell (PPAC) projections, aviation turbine fuel (ATF) consumption is likely to grow 9.82 per cent in FY26 to 9.95 million tonnes (mt) against a revised estimate of 9.06 mt in FY25.

Natural gas usage is projected to increase by 10 per cent y-o-y to 61.37 mt, compared to the revised estimate of 55.79 mt in FY25.

Petroleum products consumption (million tonnes - mt)

	FY26 E	FY25 RE	Change (%)	FY24 A	FY23 A
Diesel	94.12	91.58	2.77	89.63	85.90
Petrol	42.64	39.98	6.65	37.22	34.98
ATF	9.95	9.06	4.76	8.25	7.38
LPG	33.00	31.50	9.82	29.66	28.50
Naphtha	14.21	13.54	4.95	13.81	12.13
Total POL	252.93	241.68	4.65	234.26	223.02
Natural Gas	61.37	55.79	10.00	66.63	59.97

Source: Petroleum Planning & Analysis Cell
POL: Petroleum Oil & Lubricants E: Estimate RE: Revised Estimate A: Actual

FLYING HIGH

Analysts and industry players attribute the growth to a performing economy, coupled with steady manufacturing and agricultural activity.

Besides, lower prices (compared to 2023) and focus on cleaner fuels is also contributing to the uptick in gas demand.

The Organization of Petroleum Exporting Countries (OPEC), in its monthly oil market report for January 2025, said India's GDP in the current calendar year is expected to remain strong, albeit slightly below 2024 growth rates. Further, steady manufacturing and agricultural activity are projected to continue amid healthy mobility levels.

"The government is reportedly planning to invest $11 billion for construction of new airports and expansion of existing ones to reach 200 operational airports by 2025. At present, India has 157 airports. This is expected to support jet/kerosene growth by more than 20,000 barrels per day (bpd) y-o-y in 2025," stated the OPEC report. Jet fuel usage hit an all-time high of 7.78 lakh tonnes in December 2024 as the year-end holiday season boosted both international and domestic travel.

Similarly, the demand for natural gas is rising in India due to an expanding industrial and manufacturing base.

GASOLINE SHINES

The International Energy Agency expects India's gas demand to grow by around 8 per cent y-o-y in 2025, up from almost 9 per cent in 2024. Among auto fuels, the consumption of petrol is expected to grow at a rate of 6.65 per cent y-o-y in FY26 to 42.64 mt, from a revised estimate of 39.98 mt in FY25. Diesel consumption, which accounts for more than 40 per cent of India's total refined products usage, is projected to grow 2.77 per cent y-o-y to 94.12 mt in FY26 from 91.58 mt in FY25.

According to the OPEC, steady manufacturing and farm activity, along with growing mobility, is expected to bolster the demand for gasoline and diesel to 50,000 bpd, y-o-y, and 45,000 bpd, y-o-y in 2025, respectively.

PETROLEUM PRODUCTS

India's cumulative refined petroleum products' consumption is likely to grow 4.65 per cent y-o-y to 252.93 mt in the next fiscal from 241.68 mt in FY25.

ओएनजीसी ONGC

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Crude oil steadies after boost from US stock draw, Russia sanctions

Reuters
London

Crude oil prices steadied on Thursday a day after settling at multi-month highs on the latest US sanctions on Russia and a larger-than-forecast fall in US crude stocks.

Brent crude futures were down 23 cents to $81.80 per barrel by 0915 GMT. US West Texas Intermediate crude futures slid 16 cents to $79.88 a barrel,.

US crude oil stocks fell last week to their lowest since April 2022 as exports rose and imports fell, the Energy Information Administration (EIA) said on Wednesday. The 2 million-barrel draw was more than the 992,000-barrel decline analysts had expected in a Reuters poll.

The drop added to a tightened global supply outlook after the US imposed broader sanctions on Russian oil producers and tankers. The sanctions have sent Moscow's top customers scouring the globe for replacement barrels, while shipping rates have surged, too.

OPEC+ OUTPUT CUTS

Meanwhile, the Organization of the Petroleum Exporting Countries and its allies, which are collectively called as OPEC+, have been curtailing output over the past two years, are likely to be cautious about increasing supply despite the recent price rally, said Commodity Context founder Rory Johnston.

On the demand front, global oil expanded by 1.2 million barrels per day in the first two weeks in 2025 from the same period a year earlier, slightly below expectations, JPMorgan analysts wrote in a note.

The analysts expect oil demand to grow by 1.4 million bpd year on year in coming weeks, driven by heightened travel activities in India.

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Hydrocarbon sector seeks cut in cess & regulatory reforms

RUN-UP TO THE **BUDGET** 2025-26

ARUNIMA BHARADWAJ
New Delhi, January 16

THE OIL AND gas industry has sought supportive regulatory reforms to compensate for losses incurred by downstream companies on the sale of auto fuels, and a cut in the cess on crude oil production.

"The oil marketing companies expect adequate budgetary provision to compensate for losses incurred on the sale of auto fuels and sensitive products — LPG and kerosene," said Prashant Vasisht, senior vice president & co-group head - corporate ratings, Icra.

The upstream industry has been demanding a downward revision in the cess on crude oil production and the exemption of exploration and development activities, cost petroleum, profit petroleum and royalty from the levy of GST, he said. While the government's recent initiatives like the open acreage licensing programme and the contracts for discovered small fields and production enhancement have strengthened collaborations between companies in the public and the private sectors, the industry expects more such initiatives for a further boost.

The energy sector also hopes to see streamlining of gas pricing formulas to optimise gas marketing alongside the inclusion of hydrocarbon products under the ambit of GST. However, any final decision on the inclusion will be decided the Centre-State GST Council.

"The industry is looking forward to the Oilfields Amendment Bill, already passed in Rajya Sabha, being passed in Lok Sabha as well during the Budget session of Parliament. The changes proposed in the Bill will greatly enhance ease of doing business by streamlining regulatory clearances and arbitration processes, and the biggest benefits will be seen in unconventional hydrocarbons like shale oil and coalbed methane," said Kapil Garg, chairman & managing director, Oilmax Energy Private Ltd.

In addition, the midstream industry wants the customs duty of 2.5% on liquefied natural gas (LNG) imports to be scrapped, which would promote the use of natural gas as a fuel. "The GST on regasification of LNG remains high at 18% and there is a request from the industry to reduce the GST rates," Vasisht said.

Raju Kumar, partner and energy tax leader at EY India, highlighted that GST reforms, including reducing GST on hydrogen, bringing natural gas under the GST framework, and ensuring uniform rates for renewable energy equipment, will simplify tax structures and lower project costs. Policy measures to bolster domestic oil and gas exploration and green hydrogen infrastructure can further enhance energy security and sustainability, Kumar said.

Oil minister Hardeep Singh Puri had said the focus of the new government would be on boosting oil and gas exploration and production.

FUELLING GROWTH

- The upstream industry has demanded a downward revision in the cess on crude oil production
- The energy sector hopes to see streamlining of gas pricing formulas
- It is looking forward to parliamentary nod to the Oilfields Amendment Bill, which will enhance ease of doing business by streamlining regulatory clearances and arbitration

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RBI tweaks FEMA regulations to promote cross-border deals in rupee

Our Bureau
Mumbai

The Reserve Bank of India, in consultation with the government, has made changes in the extant Foreign Exchange Management Act (FEMA) regulations to promote cross-border transactions in Indian rupee and local/national currencies. This comes in the backdrop of the rupee coming under pressure amid a strengthening dollar, weakening Chinese currency and rising crude oil prices. As per the changes, overseas branches of banks, which are authorised to deal in foreign exchange (Authorised Dealer), will be able to open rupee accounts for a resident outside India for settlement of all permissible current account and capital account transactions with a resident in India.

Further, residents outside India will be able to settle bona fide transactions with other residents outside India using the balances in their repatriable rupee accounts, such as Special Non-resident rupee account and Special rupee Vostro Account (SRVA).

Residents outside India will be able to use their balances held in repatriable rupee accounts for foreign investment, including FDI, in non-debt instruments, per the FEMA changes.

Moreover, Indian exporters can open accounts in any foreign currency overseas for settlement of trade transactions, including receiving export proceeds and using these proceeds to pay for imports.

In July 2022, Special Rupee Vostro Account (SRVA) was introduced to encourage greater use of the rupee for trade transactions. Several foreign banks have since opened SRVAs with banks in India, RBI said.

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Crude Oil Trades Near Five-Month High

London: Oil held near a five-month high as US crude inventories posted their longest run of declines since 2021 amid growing risks to global supplies. Brent crude traded above $81 a barrel, after hitting the highest since July on Wednesday. Advisers to President-elect Donald Trump are crafting a sanctions strategy to facilitate a Russia-Ukraine accord, while further squeezing Iran and Venezuela, people familiar with the matter said. In the US, inventories fell for an eighth week to hit the lowest since April 2022. West Texas Intermediate crude's prompt spread – the difference between the two nearest contracts – widened to as much as $1.39 a barrel, from 42 cents a month ago. **– Reuters**

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China has a $1 trillion head start in any tariff fight

China's trade surplus shows Western efforts to reduce dependence on China are coming up short

Jason Douglas
feedback@livemint.com

The U.S. has sought to compete with China by placing tariffs on imports and subsidizing strategic industries. REUTERS

Donald Trump kicked off a new era of Western economic rivalry with Beijing when he took office in 2017. As he prepares for his second term, China's dominance of global manufacturing is greater than ever.

China just posted a trade surplus with the rest of the world of almost $1 trillion for 2024, according to official data released this week. That giant gap between exports and imports—roughly equal to the annual output of Poland—is now three times what it was in 2018 when decades of Western orthodoxy favoring open trade were upended by Trump's tariffs on Chinese imports.

China today accounts for around 27% of global industrial production, according to United Nations data, up from 24% in 2018. By 2030, the U.N. predicts, China's share of industry will have risen to 45%—a level of dominance unmatched since the U.S.'s postwar manufacturing heyday or the U.K.'s in the 19th century.

For Washington and its allies, this ascendancy shows that efforts to reduce their dependence on China are coming up short. That suggests it will remain hard for Trump to rebalance U.S.-China trade relations, even if he pushes tariffs higher.

Over the past several years, the U.S. has placed tariffs on billions of dollars of Chinese imports and offered subsidies to chip makers and other companies in strategic industries. To varying degrees, governments from Berlin to Tokyo have embraced a similar policy mix to rejuvenate their factory sectors and shield strategic champions from Chinese competition.

But China has responded by finding other customers, subsidizing its factories and working around the levies by moving production to other countries. Those strategies are keeping China's factory floor intact for now, though its economic problems are multiplying, with excess capacity, the specter of deflation and collapsing corporate profits all weighing on growth.

The result is an increasingly unbalanced global economy, which many analysts and Western politicians fear can't continue.

The expansion of China's global share of production anticipated by the U.N. means other countries' slice of manufacturing will need to shrink unless something changes. Losers will be manufacturing-led economies such as Germany, Japan, and potentially the U.S., as well as poor countries hoping to move up the development ladder by building factories to compete with China.

Those trends are setting up debates over what, if anything, the U.S. and its allies should do.

Trump has pledged stiffer, across-the-board tariffs on Chinese imports, potentially of 60% or more. His incoming trade chief has floated the idea of imposing tariffs on imports from third countries made with Chinese parts, or made by Chinese companies.

President Biden's administration married tariffs with new export controls on advanced semiconductor technology on national security grounds, while also tightening rules around U.S. investment in China.

The European Union has been more cautious, but there are signs its attitude to Chinese trade practices is hardening, bringing the bloc closer to the U.S. It levied tariffs on Chinese electric vehicles last year and this week accused China of unfairly discriminating against European medical device makers in its domestic market, setting the stage for further retaliation.

THE WALL STREET JOURNAL.

The U.K.'s Trade Remedies Authority in November recommended levying tariffs of 83.5% on Chinese excavators after a months-long antidumping investigation.

Surpluses all around

The tariffs and industrial subsidies of the Trump and Biden administrations are credited with spurring a wave of manufacturing investment in the U.S., especially in sectors such as semiconductors, and nudging American firms to move some production back home or to other friendly countries.

Still, some economists have voiced doubts over whether tariffs will do much to claw back for the U.S.-led West a bigger share of global manufacturing from China.

China's goods surplus with the U.S. in 2024 was $360 billion, 23% larger in dollar terms than it was when Trump imposed tariffs in January 2018. The U.S. has reduced the share of its imports that come directly from China, though it still relies on Chinese factories for electronic goods, plastics and pharmaceuticals. It also now vacuums up products made in places such as Vietnam and Mexico with Chinese parts, often in Chinese-owned factories.

China's surplus with the EU has more than doubled since 2018 to almost $250 billion. China's surplus with other parts of the world, especially Southeast Asia, has also increased.

China in 2023 vaulted past Japan to become the world's pre-eminent exporter of cars. Its factories now produce more than a third of global apparel exports, around 30% of global electronics exports, and 22% of machinery exports. In solar power modules, China ships 80% of the world's exports.

To shore up its position in global trade, China has poured support into its factories in the form of cheap loans and subsidies, bolstering manufacturers' ability to keep selling at low prices and undercutting rivals abroad.

A weak exchange rate has helped, as has China's formidable expertise in emerging sectors such as EVs and renewable energy equipment.

At the same time, growth in Chinese demand for the rest of the world's goods has been anemic. In part that is because of a weak economy, battered by a real estate bust, which needs less iron ore and other commodities. It is also because China has been replacing foreign suppliers of everything from chemicals to cars with domestic ones.

China used to buy lots of German cars and Japanese machinery, said Stefan Angrick, senior economist at Moody's Analytics in Tokyo. Not anymore. Now China is the world's biggest exporter of passenger cars and its streets are filled with EVs made by Chinese companies such as BYD and XPeng. Starbucks is losing out in China to Luckin Coffee. Apple is in danger of being eclipsed in smartphone sales in China by Huawei.

"Everything is made in China now," Angrick said. Though high energy costs and other factors are at play, too, dwindling Chinese demand for the goods of traditional manufacturing powers helps explain why other countries' manufacturing sectors are in the doldrums, he said. "China just doesn't need the rest of the world as it did in the past."

Questions of sustainability

To many economists, China's $1 trillion surplus isn't a sign of economic strength, but evidence of an unsustainable growth model that is already creating problems for the country. As supply outpaces demand, producer prices in China have been falling for more than two years, pummeling corporate profit margins and restraining hiring and incomes.

That has left China at risk of sinking into the kind of stagnation that dogged Japan for decades after its stock and real-estate bubbles burst in the early 1990s.

Chinese officials say they intend to boost consumption to counter these and other headwinds and avoid Japan's fate. But their efforts so far—nudging up pension payments and expanding cash-for-clunkers-style trade-in programs to encourage spending on new cars and appliances—fall short of the kind of deep reforms many analysts say China needs to rebalance its economy and unlock more sustained consumption.

China's ever-expanding exports have also come in for greater scrutiny in many emerging markets, including India, Indonesia and Pakistan, where officials worry their efforts to industrialize their economies and get richer are being threatened by China's overwhelming manufacturing strength. Turkey and Brazil are among those countries that have joined the U.S. and Canada in raising tariffs on Chinese steel.

Still, some economists believe the U.S. and other countries that want to rein in China's factory dominance may have to make other adjustments, including curbing their own spending habits.

In the U.S., years of enthusiastic government borrowing and a shortfall in domestic savings have contributed to the widening trade deficit. Reducing China's surplus could therefore require not just a monumental shift in China's economy, but in the U.S.'s, too.

"This surplus is here to stay," said Brad Setser , a senior fellow at the Council on Foreign Relations and a former U.S. Treasury official. "Just tariffing the bejesus out of China won't solve this problem."

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Date : January 17, 2025	Page: 7

TN looks to highlight its talent pool and manufacturing strength at Davos 2025

Our Bureau
Chennai

Women workforce strength, digital transformation of manufacturing and talent pool creation for future jobs are the key strengths that Tamil Nadu is set to pitch to global investors at the annual meeting of the World Economic Forum (WEF) to be held in Davos next week.

Industry department sources note that the TN delegation, comprising Industries Minister TRB Rajaa and Industries Secretary Arun Roy and others, will meet with various officials from the Middle-East and European nations and will also be part of global panel discussions and sessions.

Almost 50 meetings have been lined up, the sources said. The State will also use the event to showcase success stories of its corporate leaders and entrepreneurs.

GENDER PARITY

WEF's Women In Tech-Hub has invited the State to speak on a session around driving gender parity in STEM. The State will also be participating in other sessions including those on ESG in the time of AI, digitisation in manufacturing sector and about growing a knowledge economy through welfare.

Sources said the TN delegation is particularly focused on highlighting the State's automotive and EV R&D ecosystem.

It will highlight its knowledge capital making it fit to be a hub for GCCs. "Such meetings are typically used to establish connect with the companies and global government officials and in the past we have used the space to finalise investment deals," an official said.

"As we engage with global leaders, investors and decision-makers, we are showcasing our State's unparalleled strengths — from being India's automotive and electronics hub to leading the way in renewable energy, skilling and knowledge-driven industries," TRB Rajaa said. We will be carrying our Chief Minister's message of going 'Bullish on Tamil Nadu' to the investors at WEF 2025, he added.

Arun Roy said, "At the WEF Annual Meeting in Davos, we will communicate to global investors how our tailor-made policies, which we implement effectively, enable companies to invest in Tamil Nadu with optimism and transform those investments into tangible, long-term success."

The 2025 Annual Meeting of WEF is scheduled to take place at Davos-Klosters from January 20-24, 2025.

Sources said the TN delegation is particularly focused on highlighting the State's automotive and EV R&D ecosystem

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US-INDIA BUSINESS COUNCIL SEEKS TRADE DEALS, JOINT R&D WORKS

HT Correspondent

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WASHINGTON: The US-India Business Council (USIBC) on Thursday unveiled a set of recommendations for the incoming US administration to strengthen economic and commercial partnerships between the two countries, as the trade body marks its 50th anniversary.

The recommendations, titled "Together We Win", focus on key areas including trade, technology, energy, defence, supply chains, infrastructure and financial markets.

"The US-India partnership has reached unprecedented heights, driven by our shared values and mutual economic goals," said ambassador (ret.) Atul Keshap, president of USIBC. "Our recommendations offer a pathway for reciprocal trade, innovation-driven growth, and secure supply chains that will benefit businesses and people in both nations."

The Council called for negotiating flexible, sector-focused trade agreements and developing joint R&D frameworks to promote leadership in artificial intelligence and quantum technologies. It also recommended creating a fast-track STEM visa program to facilitate professional exchanges between the two countries.

Other key proposals include strengthening trade in crude oil, LNG, nuclear power and critical minerals, building secure production corridors for pharmaceuticals and semiconductors, and deploying advanced defence systems to boost Indo-Pacific deterrence.

The recommendations also outline plans to launch a US-India Trade Council, establish a Digital Services Agreement, and implement a Supply Chain Resilience Initiative (SCRI).

"The United States and India stand at a pivotal crossroads with the potential to redefine global standards in technology, trade, and security," Keshap said, highlighting USIBC's commitment to advancing the partnership.

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Steel ministry seeks $1.7 bn to help mills cut emissions

Reuters

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NEW DELHI: India's steel ministry has asked for ₹15,000 crore ($1.74 billion) from the budget to offer mills incentives to produce low-carbon steel, two government sources with direct knowledge of the matter told *Reuters*.

Union finance minister Nirmala Sitharaman will present the federal budget for the 2025-26 fiscal year on February 1.

India, the world's biggest steel producer after China, has been working on a green steel policy aimed at decarbonising production of the alloy, part of a wider push towards cutting greenhouse gas emissions under a 2070 net-zero target set by Prime Minister Narendra Modi.

The steel ministry plans to offer incentives to reduce emissions, boost research and development and increase raw material efficiency, as well as encourage banks to offer lower interest rates on renewable energy loans, said the sources, who wished to remain anonymous as deliberations are not public.

The steel ministry did not respond to an email seeking comment.

Once funds are allocated, a proposal for the incentives to be offered to steel mills would be sent for cabinet approval. HT

Once funds are allocated to the ministry, a proposal for the incentives to be offered to steel mills would be sent for cabinet approval, the sources said.

The government last month defined steel produced with carbon dioxide emissions of less than 2.2 metric tonnes per ton of finished steel as 'green'.

The incentives would remain in place until 2030, the sources said. India is also considering the use of green steel in government projects.

Steel producers in India, the world's fastest-growing major economy, generate 2.55 metric tonnes of carbon dioxide per ton of crude steel produced, 38% higher than the global average of 1.85 tonnes, according to Global Energy Monitor.

Online

Headline : India’s oil demand jumps 7.9% in November, crude imports steady: OPEC	Domain : ET Energyworld
Date : January 16, 2025	Journalist: --

https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-oil-demand-jumps-7-9-in-november-crude-imports-steady-opec/117282342

India’s oil demand jumps 7.9% in November, crude imports steady: OPEC

New Delhi: India’s oil product demand rose by 419,000 barrels per day (tb/d) in November 2024, marking a 7.9% year-on-year increase, as diesel, gasoline, and LPG consumption drove growth, according to the OPEC monthly oil market report. Diesel demand surged by 8.9% to 2.05 million barrels per day (mb/d), while gasoline use climbed 10% to 0.98 mb/d. LPG consumption increased by 7.3% to 1.04 mb/d. Crude oil imports stood steady at 4.7 mb/d in November, recording a 3% rise from the previous year. Russia remained India’s top supplier, accounting for 38% of imports, followed by Iraq at 19% and Saudi Arabia at 13%. Product exports reached an eightmonth high of 1.4 mb/d, driven by higher outflows of gasoline and naphtha.

India’s role in global oil demand growth Global oil demand is projected to grow by 1.4 mb/d in 2025, reaching 106.6 mb/d, with non-OECD countries, including India, contributing significantly to the increase. India’s energy needs continue to rise alongside infrastructure expansion and economic development, positioning the country as a major driver of global demand.

Energy transition and renewable investments

While oil consumption grows, India is advancing its renewable energy agenda to meet its Updated Nationally Determined Contributions (NDCs) under the Paris Agreement. The country aims to achieve 50% of its installed power capacity from non-fossil fuels by 2030. Government initiatives include promoting electric vehicles (EVs), expanding advanced battery manufacturing, and developing green hydrogen projects.

The report emphasized India’s focus on sustainable energy development, with significant investments planned to balance rising energy demand and decarbonization efforts. The government’s infrastructure expansion, including roads and airports, supports both economic growth and energy efficiency. Outlook India’s steady growth in crude imports and increasing focus on renewable energy reflect its dual approach to meeting energy security while advancing sustainability goals. With global oil demand projected to rise, India is expected to play a pivotal role in shaping the energy landscape.

Headline : India, Singapore eyeing green energy corridor, says Singapore president	Domain : Live Mint
Date : January 16, 2025	Journalist: Rituraj Baruah

https://www.livemint.com/industry/energy/green-energy-corridor-india-singapore-singapore-president-clean-energy-energy-transition-net-zero-emissions-11737013323909.html

New Delhi: India and Singapore are looking at the possibility of setting up a renewable energy corridor between the two countries, Singaporean president Tharman Shanmugaratnam said. Addressing the media in Delhi on Thursday, Shanmugaratnam said sustainability was a priority for both countries. "Sustainability is a major priority for both India and Singapore and there too we're working actively to look at whether a corridor for renewable energy between India and Singapore can be achieved," he said.

In April 2023, Mint first reported that India was looking at setting up bilateral power transmission lines with Singapore and other countries such as Saudi Arabia and the UAE. It currently has interconnections with Bhutan, Nepal, Bangladesh and Myanmar.

The latest development is in line with the International Solar Alliance's 'One Sun One World One Grid' initiative. India has already signed an agreement for power transmission connectivity with Saudi Arabia and is also looking at an interconnection with the UAE. Sri Lanka and the Maldives are the other countries being considered for bilateral grid connectivity with India. Cross-border interconnections play a vital role in the transition to clean energy.

According to the Central Electricity Authority's National Electricity Plan for transmission, surplus sources of clean electricity in one country can be used by other countries with grid interconnections. These can also help combat time diversity in solar power generation.

Ambitious goals

Both India and Singapore have ambitious energy-transition plans. India plans to install 500 GW of non-fossil power generation capacity by 2030 and achieve net-zero emissions by 2070, while Singapore is working to increase its use of renewable energy sources including solar, wind and hydrogen to meet its goal of net-zero emissions by 2050.

Under the Singapore Green Plan 2030, the country plans to maximise solar panel deployment, including on rooftops, reservoirs and other open spaces, with a target of at least 2 gigawatt-peak (GWp) of solar energy deployment by 2030, would be enough to meet the annual electricity needs of around 350,000 households. The country also aims to import up to 4GW of low-carbon electricity by 2035, which would make up around 30% of its projected electricity supply, according to the green plan.

Terming India a ‘natural partner’, the Singaporean president also said both countries were planning a data corridor between GIFT City in Gujarat and Singapore, and working on maintenance, repair and operations (MRO), skilling and semiconductors. Shanmugaratnam arrived in New Delhi for a state visit on Tuesday, marking his first official trip to India as the president of Singapore. The visit coincides with the completion of 60 years of diplomatic relations between the two countries.

Headline : Oil Sanctions: Why Biden’s Departing Shot at Russia’s Crude Exports Is Important	Domain : Bloomberg
Date : January 16, 2025	Journalist: Julian Lee, Rakesh Sharma

https://www.bloomberg.com/news/articles/2025-01-16/oil-sanctions-why-biden-s-departing-shot-at-russia-s-crude-exports-is-important

Oil Sanctions: Why Biden’s Departing Shot at Russia’s Crude Exports Is Important

In the final days of Joe Biden’s presidency, the US unveiled its most sweeping and aggressive effort yet to disrupt the oil shipments that are helping Russia to fund its war in Ukraine. About 160 tankers were sanctioned, with India — a key buyer of seaborne oil — agreeing not to allow the ships into its ports from March. Two large energy producers and exporters were also targeted, along with trading firms that organize shipments, insurance companies, two US oil service providers and a Chinese oil terminal operator.

If the measures are kept in place by Biden’s successor Donald Trump, they have more chance of disrupting Russian petroleum exports than anything done by a western nation so far. Why are the new sanctions important? Rail wagons for oil cargo in Tuapse, Russia in 2020.Photographer: Andrey Rudakov/Bloomberg The US has sweeping power to affect the oil market given its pivotal role in trade and the dominance of the dollar in oil sales. Yet the sanctions put in place in 2022 in response to Russia’s full-scale invasion of Ukraine were deliberately limited in scope — designed to reduce the oil revenues funding Russia’s war, while avoiding a severe supply crunch that could send energy prices soaring and derail the global economy. By early 2025, the oil market looked better able to tolerate the loss of some Russian crude. The benchmark Brent crude price had fallen to around $70 a barrel from close to $95 in late 2022. Most forecasters were expecting a substantial global oil surplus in the first half of 2025, while the OPEC+ group of oil producers was sitting on combined spare capacity of about 6 million barrels a day.

The existing sanctions, including a price cap of $60 a barrel imposed on Russia’s crude exports, have failed to deal a body blow to its oil-reliant economy. Moscow has been able to muster a “shadow fleet” of mostly older tankers with no connection to western countries so it can keep oil flowing to major consumer nations such as India and China. The US and its allies have been reluctant to penalize buyers of Russian crude for paying prices above the cap, allowing exports to continue uninterrupted. Refiners in India have stepped in to take Russian crude shunned by traditional customers in Europe. The new measures unveiled on Jan. 10 are designed to disable much of the shadow fleet by compelling big buyers not to take the oil the ships are carrying. Crude prices jumped in the days after the sanctions were announced. With Biden soon to leave office, it’s Trump who’ll need to deal with any prolonged increase in energy prices.

How will the sanctions work?

The restrictions kicked in immediately, but allow a grace period that runs to Feb. 27 for cargoes loaded before Jan. 10 to reach their destinations. From March 12, buyers will be breaking the sanctions if they pay for shipments of Russian oil via sanctioned Russian banks. For the sanctions to be truly effective, buyers of Moscow’s oil and the companies that handle it must believe that the incoming administration in Washington will take action against them if they continue the trade. For example, the buyers could be frozen out of the dollar banking system.

What was the immediate impact?

Asianrefinery managers said they were bracing for major disruption that could last from three to six months and affect as much as 800,000 barrels a day of imports. Governments in the region, wary that the measures could stoke inflation, were preparing for negotiations with Washington in an effort to keep crudeflowing. India’s government said it would ban sanctioned tankers booked after Jan. 10to discharge at its ports from March. Banks supporting the Russia-India trade were requesting more paperwork around certificates of origin for cargoes to ensure shipments don’t originate from sanctioned suppliers. Chinese state oil companies and large private refiners were snapping up crude cargoes from the Middle East and elsewhere in preparation for potential disruption to supplies from Russia and expected curbs on flows of Iranian oil during the incoming Trump administration. Iraq, the United Arab Emirates and Kuwait received inquiries to potentially provide additional oil to buyers in China and India in coming months. It was unclear how they and fellow OPEC member Saudi Arabia would react. While the desert kingdom holds about 3.1 million barrels a day of spare capacity, it co-leads OPEC+ with Russia and may be unwilling to step in to offer barrels that Moscow is no longer able to supply.

How have the new sanctions affected the oil market?

The sanctions could in theory reduce what the International Energy Agency predicted in January would be a supply surplus of about 725,000 barrels a day in 2025. Brent rose by $2.84 a barrel on the day they were announced, and a further $1.25 on the following trading day, taking prices to their highest in more than four months. Investment bank Morgan Stanley raised its forecasts for Brent crude through 2025, saying the new sanctions “went further than expected.” Yet it saw Brent peaking at only $77.50 a barrel, before falling back to average $72.50 in the second half of the year. What entities are targeted by the latest sanctions?

Surgutneftegas and Gazprom Neft

The targeting of these two firms is one of the most direct and aggressive steps in the latest package of sanctions. Between them, the two companies shipped about 970,000 barrels a day of oil by sea in 2024. Their seaborne flows are bigger than the global supply surplus anticipated this year by the IEA, and represent almost 30% of Russian seaborne exports.

Tankers

The US announced sanctions on about 160 individual oil tankers. That doubled the entire list of vessels targeted until that point by the US, UK and European Union.

About 30 of the ships were already sanctioned by the UK and the EU. But it’s been the sanctions imposed by the US that have had the most bite, with Asian buyers especially wary of flouting Washington’s demands. Prior to the latest US measures, the US Office of Foreign Assets Control had targeted 39 tankers that transported Russian petroleum since October 2023. Of those, 33 failed to lift cargoes after they were listed, according to ship-tracking data compiled by Bloomberg. That is a higher level of disruption than was achieved by similar measures imposed by the UK or Brussels, and over a period of time that's more than twice as long, with the first sanctions imposed by either of those jurisdictions only coming in June 2024. The new sanctions target all the specialized shuttle tankers used to move crude from key projects in Russia's Arctic and Pacific regions. This could hamper maintenance work on the ships, which is typically carried out in China. The shuttle tankers operating in the Pacific move Russian oil to China, and the sanctions could potentially require cargoes to be moved from one tanker to another before delivery.

Chinese Company

The sanctions target Russian companies, with one exception: Chinese oil terminal operator Shandong United Energy Pipeline Transportation Co. and one of its subsidiaries. The company had provided material support to Russia's state tanker giant Sovcomflot, according to the US State Department.

Traders

The US also targeted what OFAC called "opaque traders willing to ship and sell" Russia's oil. These entities "often are registered in high-risk jurisdictions, have murky corporate structures and personnel with links to Russia, and conceal their business activities," it said. Many of these trading firms were set up only after Russia's 2022 invasion of Ukraine, and several of the early entrants have already disappeared, to be replaced by new entities, with overlapping owners and many of the same staff. Actions taken against the oil traders will likely create some short-term disruption, but it's probable that many will reemerge under different names.

Ship Insurance

The sanctions target two of the biggest Russian providers of protection and indemnity insurance for oil tankers — Ingosstrakh Insurance Company and Alfastrakhovanie Group. This may effectively push some tankers, including Russia's own fleet, out of mainstream insurance markets, at least temporarily. That may add to the concerns already expressed by countries whose waters have been put at risk by the aging vessels hauling Russian oil. 5/5 An important question will be the response of India and its oil buyers and regulators, since the country is a key recipient of deliveries that are covered by Ingosstrakh. "Removing Ingosstrakh from the market creates a vacuum that will inevitably be filled by fly-by-night insurers," the company said by email. It said it would look at ways to address what it called an unwarranted and damaging decision.

Oil Services

The sanctions also require US petroleum service companies to stop operations in Russia by Feb. 27. At least two US-based providers have continued to work in the country since Russia's invasion in Ukraine, according to their quarterly reports. The restrictions are unlikely to have an immediate effect on Russia's ability to pump crude as domestic providers, including companies formerly owned by foreign investors, provide the bulk of oil services in the country. Former subsidiaries of global oil-service providers have retained the equipment, personnel and know-how sufficient to sustain Russia's drilling rates. Only some

15% of the Russian oil-drilling market depends on foreign technologies, Oslobased research firm Rystad Energy A/S estimated in 2024.

Any impact on Russian oil production is likely to be felt over the longer term and most keenly on greenfield projects that require the most up-to-date technologies to pump oil profitably.

Headline : Global nuclear energy momentum builds, 70 GW under construction: IEA	Domain : ET Energyworld
Date : January 16, 2025	Journalist: Saurav Anand

https://energy.economictimes.indiatimes.com/news/power/global-nuclear-energy-momentum-builds-70-gw-under-construction-iea/117306633

New Delhi: Nuclear energy is witnessing renewed momentum globally, with over 70 gigawatts (GW) of new capacity under construction, one of the highest levels in 30 years, according to the International Energy Agency (IEA)'s latest report, The Path to a New Era for Nuclear Energy. The report identifies new policies, investments, and technological advancements, including small modular reactors (SMRs), as key drivers of this growth.

IEA Executive Director Fatih Birol said nuclear energy is poised to generate a record level of electricity by 2025. "More than 40 countries around the world have plans to expand nuclear's role in their energy systems. However, governments and industry must address significant hurdles, including delivering new projects on time and within budget, financing challenges, and ensuring diversified supply chains," Birol said.