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Business Standard
New levy on unblended fuel may lead to price hike
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New levy on unblended fuel may lead to price hike

TWESH MISHRA & ARUP ROYCHOUDHURY
New Delhi, 13 February

A proposal in the Union Budget 2022-23 to raise excise duty on dirtier, unblended retail petrol and diesel has met with some resistance from the petroleum ministry. However, finance ministry officials say no such communication arguing against the levy of extra duty on diesel has been received from the oil ministry. Until there are discussions between the two departments, the proposal will not be tweaked in the Finance Bill.

The ₹2 per litre additional excise duty proposed on unblended fuels in the Finance Bill will result in a uniform hike of diesel prices across the country from October 1. According to oil ministry officials, the current biodiesel blending levels with diesel are nowhere near the targets prescribed in the National Policy on Biofuels —2018.

Highlighting the Centre's focus, Union Finance Minister Nirmala Sitharaman in her Budget 2022-23 speech said: "Blending of fuel is a priority of this government. To encourage the efforts for blending of fuel, unblended fuel shall attract an additional differential excise duty of ₹2 a litre from the first day of October 2022."

In a memorandum explaining the provisions in the Finance Bill, 2022, the Centre said, "In order to promote blending of motor spirit (commonly known as petrol) with ethanol/methanol and blending of high-speed diesel with biodiesel, an additional basic excise duty of ₹2 per litre on petrol and diesel, intended to be sold to retail consumers without blending, would be levied with effect from October 1, 2022."

"The present proposal will push up diesel prices across the country from October 1," a senior oil ministry official told Business Standard, adding, "It is being suggested to remove provisions that are proposing an additional levy on unblended diesel because the targets will not be met."

Any hike in fuel prices through levies is being discouraged since crude oil prices have firmed up in 2022 and are already pushing closer to $100 a barrel. This results in more expensive petroleum products, such as petrol and diesel, for consumers in the country.

Meanwhile, the petroleum ministry is confident of achieving the ethanol blending targets being set for petrol in the country.

Oil companies are expected to absorb the additional ₹2 per litre levy on unblended petrol in situations where they fail to secure adequate ethanol supplies and blend it.

"The present percentage of blending of biodiesel in diesel is less than 0.1 per cent. The National Policy on Biofuels – 2018 prescribes an indicative target of 5 per cent blending of biodiesel into diesel by 2030," Minister of Petroleum and Natural Gas Hardeep Puri told the Lok Sabha in response to an unstarred question on August 2, 2021.

"The availability of biodiesel has been low in the past few years due to increase in price and non-availability of feedstock for biodiesel. Some biodiesel is also being marketed by agencies other than oil marketing companies (OMCs). Further, to increase the supply of biodiesel in the country, OMCs are regularly floating expressions of interest to encourage the production of biodiesel from used cooking oil," added Puri.

Two senior finance ministry officials who were involved in the drafting of the Union Budget and the Finance Bill, 2022, said no such proposal had been received from the petroleum ministry yet to make relevant changes to the Finance Bill and its memorandum.

"We haven't received anything from them yet. Once the oil ministry tells us, we will examine it. If it is agreed upon, the section will be tweaked in the Finance Bill," one of the officials said.

The second official said if there is a proposal to not charge the additional duty on diesel, a decision will be taken based on not only the ground situation with regard to low biodiesel production in the country, but also on the basis of what the revenue foregone by the Centre will be.

Saudi Arabia moves $80 bn Aramco stake to wealth fund

4% shares of the firm transferred

DEAL DETAILS

- It is a private transfer between the kingdom and the PIF, and Aramco is not a party to the transfer and did not enter into any agreements or pay or receive any proceeds from the transfer
- Transfer does not have an impact on firm's operations, strategy
- The government will still be the largest shareholder in Aramco, with more than **94%** stake

BLOOMBERG
13 February

Saudi Arabia transferred a $80 billion stake in Aramco to the kingdom's sovereign wealth fund, boosting its assets ahead of plans to tap debt markets for the first time.

The transfer from the government will "bolster the fund's strong financial position and high credit ratings in the medium term," the Public Investment Fund said, adding that it "relies on the value of its assets and the returns on its assets under management for its funding strategy."

The Aramco deal, which essentially transfers an asset from one pocket of the government to another, is the latest move taken to bolster the fund's assets. The PIF, which got its first credit ratings this month ahead of a potential bond sale, was previously handed billions of dollars from the central bank's reserves and received free land to develop projects.

The move also follows people familiar with the matter saying last week that the government held talks with advisers on a potential second offering of Aramco stock, which could bring in more than its initial public offering.

Aramco's 2019 IPO–in which it sold about 2 per cent of its stock on the Riyadh bourse -- raised almost $30 billion. The money was transferred to the wealth fund and was meant to support investments to shift the biggest Arab economy away from a reliance on oil sales.

The stake transfer "could be an indicator that we might expect a secondary offering of Aramco," said Thamer AlSaeed, chief investment officer of Saudi Arabia-based Mad'a Investment. The PIF last year raised $3.2 billion selling part of its stake in Saudi Telecom Co. through a secondary offering.

The surge in oil prices as the global economy reopens has helped lift Aramco's share price from a low of 27.8 riyals in March 2020 to 37.3 riyals, giving it a market capitalisation of almost $2 trillion. Aramco trades at 19 times its estimated earnings per share for the coming year.

The wealth fund has outlined a plan to grow its assets under management to about $1.1 trillion by 2025

Aramco is the world's biggest oil company and is helping finance de factor ruler Crown Prince Mohammed bin Salman's plan to transform and diversify the Saudi economy. The wealth fund, also chaired by the crown prince, has outlined a plan to grow its assets under management to about $1.1 trillion by 2025, while investing $40 billion annually into the local economy.

The fund is a key investor in developing new industries like entertainment and tourism. Since 2015, the PIF has grown assets under management to $500 billion from about $150 billion.

Its governor Yasir Al-Rumayyan is also chairman of Aramco.

Mint

Saudi transfers $80 bn Aramco shares to wealth fund

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Saudi transfers $80 bn Aramco shares to wealth fund

▶P11

Saudi Arabia transfers $80 bn Aramco shares to wealth fund

Transfer is part of plan to boost Public Investment Fund's assets under management and help diversify economy

Summer Said
feedback@livemint.com
DUBAI

Saudi Arabia transferred shares worth about $80 billion in oil giant Aramco to its wealth fund as part of efforts to diversify the kingdom's hydrocarbon-dependent economy.

The transfer of a 4% stake in state-owned Saudi Arabian Oil Co., known as Aramco, will support the Public Investment Fund's plan to grow its assets under management to over $1 trillion by 2025, from about $480 billion currently, the Saudi government said Sunday.

The Saudi government, which will remain the largest shareholder in Aramco with a stake of more than 94%, has sought to monetize the country's massive oil assets and use the proceeds to invest in industries outside of oil as part of Crown Prince Mohammed bin Salman's plan to restructure the economy by 2030.

To help meet that goal, Prince Mohammed, the kingdom's day-to-day ruler, has tasked PIF to invest in companies and industries untethered to hydrocarbons. The government had also transferred the $29.4 billion it raised from Aramco's initial public offering in 2019 on the Saudi stock exchange to the PIF to deploy.

Analysts say PIF could use the Aramco stake as collateral to raise more debt, or sell the shares in the market in phases or in chunks to strategic investors. The wealth fund has multiple options to monetize the Aramco stake and, unlike the government, can be more discreet with its fundraising plans, they added.

Earlier this month, people familiar with Aramco's strategy said the kingdom has restarted plans to list more shares of Aramco, the world's most valuable oil company, with an ambition to sell as much as a $50 billion stake, which at current valuations would be 2.5% of the company. The listing of shares would be by far the largest in the history of capital markets and could prove difficult to pull off.

More than 94% of shares in Aramco will remain with the Saudi government. BLOOMBERG

The stake-sale effort is still in the planning stage, and could still be delayed or changed, the people said.

Riyadh has floated several different plans over the years aimed at raising funds via Aramco, some of which have ultimately faltered or been abandoned. The share transfer to PIF will help bolster the fund's strong financial position and its high credit rating in the medium term, according to the government.

THE WALL STREET JOURNAL.

Ratings agency Fitch in February assigned PIF an "A" rating, while Moody's gave it an "A1" rating, as the fund prepares to tap the international debt markets.

The fund started raising bank debt in 2018 with an $11 billion facility, followed by a $10 billion loan in 2019 that was repaid a year later. Its governor, Yasir al-Rumayyan, said in September 2021 that PIF was working with BlackRock Inc. on an environmental, social and governance framework and planned to issue its debut green bonds soon.

Meanwhile, the wealth fund will also start receiving dividends from Aramco and can market itself as a bigger fund while competing with others for global assets.

The fund, which had assets under management of about $150 billion in 2015, has used the cash it has received or raised since then to invest in businesses as diverse as electric-vehicle manufacturer Lucid Motors Inc., Citigroup Inc., Facebook Inc. and the Premier League soccer club Newcastle United. It invested billions in SoftBank's Vision Fund.

It has also played a more active role in the global markets after receiving $40 billion from the kingdom's reserves in early 2020. It plans to invest another $10 billion in listed stocks this year, according to people familiar with the fund's plan.

Some PIF officials, however, have privately questioned the fund's strategy, given its mixed record investing internationally and its struggles to attract significant foreign capital to help finance domestic projects.

The wealth fund is seen by the government as the engine driving the kingdom's economic transformation, with a five-year strategy to inject at least $40 billion a year into the local economy. But it isn't clear if any of the international companies that PIF has invested in are looking at the kingdom for expansion. PIF doesn't publicly release its financial reports.

Foreign investment in Saudi Arabia has remained stubbornly low and some companies are scaling back their operations or delaying promised expansion plans.

Foreign direct investment into Saudi Arabia was $5.4 billion in 2020, less than half the level of a decade ago and well below the $19 billion that the country had targeted. It was on track to top $6 billion in 2021 based on data through the third quarter. That excludes the $12.4 billion sale of a stake in a Saudi pipeline company to foreign investors.

Some foreign investors also became cautious on their plans in the kingdom after men working for Prince Mohammed killed dissident journalist Jamal Khashoggi in late 2018. Riyadh says the crown prince wasn't involved in the killing.

The Saudi investment ministry has said interest in the country remains high, pointing to a 250% annual increase in new investor licenses in 2021. Aramco said the latest deal is a private transfer between the kingdom and the PIF, and Aramco isn't a party to the transfer and didn't enter into any agreements or pay or receive any proceeds from it.

The transfer doesn't have an impact on Aramco's operations, strategy or dividends-distribution policy, it added.

(Stephen Kalin and Rory Jones contributed to this article.)

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Saudi Arabia gives Aramco's 4% stock worth $80 billion to sovereign fund

DUBAI: Saudi Arabia said Sunday it will transfer 4 per cent of the stock in the state-run oil giant Aramco to a sovereign wealth fund, an infusion valued at nearly $80 billion as the kingdom tries to overhaul its energy-dependent economy.

The announcement on the state-run Saudi Press Agency comes as the oil firm is valued at just under $2 trillion and as oil trades above $90 a barrel its highest level since 2014.

Saudi Crown Prince Mohammed bin Salman, the assertive son of King Salman, made the decision to transfer the stock, the state media report said. It will go to the Public Investment Fund, the kingdom's sovereign wealth fund, which has been Prince Mohammed's vehicle to invest in everything from Uber to British soccer team Newcastle United. The fund also is part of the prince's Neom project along the Red Sea coast.

His Highness added that the transfer of these shares is part of the kingdom's long-term strategy aimed at supporting the restructuring of the national economy, the report said. That will include creating private-sector jobs in the kingdom, it added.

Saudi Arabia has reaped the benefits of a spike in oil prices after the Coronavirus pandemic crashed prices at one point into negative territory, but it also sees the growing worldwide concern over climate change being fuelled by burning fossil fuels. Prince Mohammed's plans hope to see that oil wealth pay to create jobs for the kingdom's youth to pivot away from oil over time.

It will go to the Public Investment Fund, the kingdom's sovereign wealth fund, which has been Prince Mohammed bin Salman's investm vehicle to in everything from Uber to British soccer team Newcastle United

The Public Investment Fund also has invested in the electric car manufacturer Lucid Motors Inc of Newark, California.

The fund did not immediately acknowledge what its plans for the stock would be and did not immediately respond to a request for comment. Ratings agency Moody's Investors Service last week said the fund's assets had grown to $ 412 billion in 2020, up from $ 152 billion in 2015.

The kingdom remains the largest shareholder in the firm with some 94 per cent of the company. The Saudi Arabian Oil Co. long has served as both the main economic engine in the kingdom and the main source of funds for its ruling Al Saud royal family.

Saudi Arabia offered a sliver of shares of the oil firm on Riyadh's Tadawul stock market in 2019. That listing made Aramco one of the world's most-valued companies alongside Apple and Microsoft. Aramco stock closed slightly down Sunday to 37.05 Saudi riyals, or 9.87, a share.

AGENCIES

Highlights

- The Public Investment Fund (PIF) also has invested in the electric car manufacturer Lucid Motors Inc of Newark, California
- Moody's last week said the fund's assets had grown to $412 billion in 2020, up from $152 billion in 2015
- The Saudi Arabian Oil Co. (Aramco) long has served as both the main economic engine in the kingdom & main source of funds for its ruling Al Saud royal family

TaMo expects CNG, EV sales to go up

Tata Motors is expecting CNG cars contribution to grow up to 20% gradually in its total sales over the next 3 to 5 years as it anticipates more entry-level petrol and diesel customers to opt for such models, a top company official has said.

The Mumbai-based auto major is also bullish on the electric vehicle segment with sales expected to account for about 20% of its overall dispatches over the next few years. "I think CNG is a segment which is going to grow in the coming years. This will be a subset of, I would say, the petrol, because this is being more triggered with the rising cost of petrol. It uses a petrol engine...and therefore, it will mostly cannibalise petrol and to a great extent, also diesel, replacing diesel in the entry segment," Tata Motors president passenger vehicle and electric vehicles Shailesh Chandra said. Therefore, the company sees a strong future of this, given that there is a deeper penetration and expansion of the CNG outlets which is taking place in the country, he added. **PTI**

ओएनजीसी ONGC

Millenniumpost

Coal supply crunch has led non-power sector to 'catastrophic conditions': Industry associations

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Coal supply crunch has led non-power sector to 'catastrophic conditions': Industry associations

NEW DELHI: Industry associations have written to Prime Minister Narendra Modi on deteriorating coal supply to the non-power sector, stating that curtailment in fuel supply by rail as well as road and road cum rail (RcR) modes over the last few weeks has pushed the sector towards a "catastrophic" situation.

Moreover, fertiliser being part of the regulated sector is also suffering immensely due to supply crunch from the indigenous sources, they said in a joint representation.

The associations include the Aluminium Association of India, Coal Consumers' Association of India, Confederation of Indian Textile Industry, Indian Captive Power Producers Association, Sponge Iron Manufacturers Association, and Fertiliser Association of India.

"While regular supply of coal rakes to the utilities have helped the stock of dry fuel at the country's power plants to rise, we beg to state that despite several representations by various industry players as well as the associations, the coal supply scenario to the non-power sector has deteriorated even more.

Further curtailment in supply by rail as well as road and road cum rail (RcR) modes since the last few weeks has caused the plight of NRS consumers to descend towards catastrophic conditions," they said.

The industries like aluminum, cement, steel, sponge-iron, paper, fertiliser, chemical, rayon and and their captive power plants (CPPs) are mostly dependent on domestic coal as fuel as well as a direct feed in the process of manufacturing.

This adverse supply situation that started around August/September last year became further arduous as coal stock at many plants plunged below critical level. The demand-supply ratio had shown signs of improvement during November. However, the supply to the NRS consumers, including CPPs, has plummeted once again despite October-March being the highest production months for Coal India Ltd.

"Industries plan for their fuel requirement well in advance. Therefore, any sudden changes in supply commitment from the indigenous sources create huge impact in plant operations," the associations explained.

Energy-intensive and continuous process plants along with their captive power plants are highly dependent on coal as a primary source of fuel. Therefore, interruption in the fuel supply chain is forcing many plants to run at a lower capacity and adversely affecting their cost of production. Higher cost of production will ultimately affect every section of the society, they said.

"It is our humble submission that the standard policy of the Ministry of Coal (CCEA approved) may be strongly implemented to ensure a justified ratio of coal allocation between power sector and industries so that the consumers are not deprived of their legitimate entitlement and could continue their production economically for delivery of goods at affordable price to the common people," they said.

Coal India on Saturday said it is currently supplying around 3.4 lakh tonnes of coal per day to non-power sector which is the company's average supply to this segment and stressed that it has sufficient buffer stock to increase supply to the sector. PTI

ओएनजीसी ONGC

Millenniumpost

Iran raises projected oil exports in draft Budget

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Iran raises projected oil exports in draft Budget

TEHRAN: Iran raised forecasts for revenue from oil exports by almost a third in the draft budget for the next Iranian year, the semi-official *Tasnim news agency* reported.

Oil exports for the 12 months ending March 2023 are now projected to reach approximately 4.84 quadrillion rials, according to figures reported by Tasnim on Sunday. That's about $115 billion based on the fixed government exchange rate and $17.2 billion based on the unregulated exchange rate.

The previous figure for projected oil exports in the draft budget, which still needs to be finalized and approved by parliament, was 3.81 quadrillion rials, according to Tasnim.

Iran's oil exports are heavily sanctioned by the U.S. Big-power talks are underway in Vienna to try to broker a revived nuclear deal that would ease the penalties and allow more Iranian crude onto global markets in exchange for limits on the Islamic Republic's atomic activities. AGENCIES

RIL plans to turn syngas into blue hydrogen

NIDHI VERMA
NEW DELHI, FEB. 13

Reliance Industries Ltd plans to produce blue hydrogen at a "competitive cost" of about $1.2-$1.5 per kg as it repurposes its $4-billion gasification assets, the conglomerate said in a presentation.

Owned by billionaire Mukesh Ambani, Reliance has in the past year unveiled plans to reduce its dependence on its mainstay oil-to-chemicals business and invested in clean energy projects to burnish its green credentials.

Reliance will initially use syngas, produced by petcoke gasifies, to make blue hydrogen for it Jamnagar complex, until green hydrogen's cost comes down, it said in the presentation.

Hydrogen produced from natural gas and which eliminates emissions by capturing and storing the emitted carbon is called blue hydrogen. Green hydrogen is extracted from water using electrolysis powered by renewable energy.

"In the interim, till cost of green hydrogen comes down, RIL can be the first mover to establish a hydrogen ecosystem, with minimal incremental investment, in India," it said.

Ambani, who wants to move his group to net-zero carbon emissions by 2035, last month announced plans to invest Rs 5.95 lakh crore ($79 billion) to set up green energy projects including a 100 gigawatt renewable energy power plant.

The company operates the world's biggest refining complex at Jamanagar.

"Subsequently, as hydrogen from syngas is replaced by green hydrogen, the entire syngas will be converted to chemicals."

Ambani wants to produce green hydrogen at $1 per kg before the turn of this decade.

—*Reuters*

Tata Motors expects sales contribution of CNG & EV to go up in next three-five years

'Currently diesel car sales across its portfolio stand at around 15%, while petrol and CNG sales account for roughly about 66% and 12%, respectively'

NEW DELHI: Tata Motors is expecting CNG cars contribution to grow up to 20 per cent gradually in its total sales over the next 3 to 5 years as it anticipates more entry-level petrol and diesel customers to opt for such models, a top company official has said.

The Mumbai-based auto major is also bullish on the electric vehicle segment with sales expected to account for about 20 per cent of its overall dispatches over the next few years.

"I think CNG is a segment which is going to grow in the coming years. This will be a subset of, I would say, the petrol, because this is being more triggered with the rising cost of petrol. It uses a petrol engine...and therefore, it will mostly cannibalise petrol and to a great extent, also diesel, replacing diesel in the entry segment," Tata Motors President Passenger Vehicle and Electric Vehicles Shailesh Chandra said.

Therefore, the company sees a strong future of this, given that there is a deeper penetration and expansion of the CNG outlets which is taking place in the country, he added.

Shailesh Chandra noted that currently diesel car sales across its portfolio stand at around 15 per cent, while petrol and CNG sales account for roughly about 66 per cent and 12 per cent, respectively.

Electric Vehicles (EVs) account for the rest of the dispatches.

"In the next three to five years, petrol will possibly come down to about 50 per cent level, CNG will go up to 20 per cent..diesel would come down further to about 10 per cent and I would say (for) EV..., we have already declared our target of going more towards 20 per cent," Shailesh Chandra stated.

Elaborating further, he said the company is focusing on hatchback and compact sedan segments for expansion of CNG model range. PTI

Virat Vaibhav

Tata motor ko CNG ka hissa 20% pahuchne ki umeed

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टाटा मोटर्स को सीएनजी का हिस्सा 20 प्रतिशत पहुंचने की उम्मीद

नई दिल्ली। टाटा मोटर्स को उम्मीद है कि अगले तीन से पांच साल में उसकी कुल बिक्री में सीएनजी कारों का हिस्सा बढ़कर 20 प्रतिशत पर पहुंच जाएगा। कंपनी के एक शीर्ष अधिकारी का मानना है कि अधिक से अधिक संख्या में प्रवेश स्तर की पेट्रोल और डीजल कारों के ग्राहक आगे चलकर सीएनजी वाहन खरीदना पसंद करेंगे। मुंबई की वाहन कंपनी इलेक्ट्रिक वाहन खंड को लेकर भी उत्साहित है। कंपनी का मानना है कि अगले कुछ साल में उसकी बिक्री का लगभग 20 प्रतिशत हिस्सा इलेक्ट्रिक वाहनों का होगा। टाटा मोटर्स के अध्यक्ष-यात्री वाहन और इलेक्ट्रिक वाहन शैलेश चंद्रा ने विश्लेषकों से बातचीत में कहा, मुझे लगता है कि सीएनजी एक ऐसा खंड है जो आने वाले वर्षों में बढ़ने वाला है। यह पेट्रोल की जगह लेगा। पेट्रोल की बढ़ती लागत की वजह से सीएनजी वाहनों की मांग बढ़ेगी। चंद्रा ने कहा, इसलिए कंपनी इसका मजबूत भविष्य देखती है। यही वजह है कि आज देश में सीएनजी स्टेशनों का तेजी से विस्तार हो रहा है। इसकी पहुंच बढ़ रही है।

चंद्रा ने कहा कि वर्तमान में कंपनी के पोर्टफोलियो में डीजल कारों की बिक्री का हिस्सा करीब 15 प्रतिशत है, जबकि पेट्रोल और सीएनजी वाहनों का हिस्सा क्रमशः 66 प्रतिशत और 12 प्रतिशत है।

Veer Arjun
Tata motors ko 3-5 saal mai company ki total bikrimai CBG ka hissa 20% par pahuchne ki umeed
Feb 14, 2022 | Delhi | Pg No.: 11 | | Sq Cm:235 | AVE: 609815 | PR Value: 3049075

टाटा मोटर्स को 3-5 साल में कंपनी की कुल बिक्री में सीएनजी का हिस्सा 20 प्रतिशत पर पहुंचने की उम्मीद

नई दिल्ली, (भाषा)। टाटा मोटर्स को उम्मीद है कि अगले तीन से पांच साल में उसकी कुल बिक्री में सीएनजी कारों का हिस्सा बढ़कर 20 प्रतिशत पर पहुंच जाएगा। कंपनी के एक शीर्ष अधिकारी का मानना है कि अधिक से अधिक संख्या में प्रवेश स्तर की पेट्रोल और डीजल कारों के ग्राहक आगे चलकर सीएनजी वाहन खरीदना पसंद करेंगे। मुंबई की वाहन कंपनी इलेक्ट्रिक वाहन खंड को लेकर भी उत्साहित है। कंपनी का मानना है कि अगले कुछ साल में उसकी बिक्री का लगभग 20 प्रतिशत हिस्सा इलेक्ट्रिक वाहनों का होगा। टाटा मोटर्स के अध्यक्ष-यात्री वाहन और इलेक्ट्रिक वाहन शैलेश चंद्रा ने विश्लेषकों से बातचीत में कहा, मुझे लगता है कि सीएनजी एक ऐसा खंड है जो आने वाले वर्षों में बढ़ने वाला है। यह पेट्रोल की जगह लेगा। पेट्रोल की बढ़ती लागत की वजह से सीएनजी वाहनों की मांग बढ़ेगी। चंद्रा ने कहा, इसलिए कंपनी इसका मजबूत भविष्य देखती है। यही वजह है कि आज देश में सीएनजी स्टेशनों का तेजी से विस्तार हो रहा है। इसकी पहुंच बढ़ रही है। चंद्रा ने कहा कि वर्तमान में कंपनी के पोर्टफोलियो में डीजल कारों की बिक्री का हिस्सा करीब 15 प्रतिशत है, जबकि पेट्रोल और सीएनजी वाहनों का हिस्सा क्रमशः 66 प्रतिशत और 12 प्रतिशत है। शेष हिस्सा इलेक्ट्रिक वाहनों का है।

उन्होंने कहा, अगले तीन से पांच वर्षों में पेट्रोल संभवतः लगभग 50 प्रतिशत के स्तर पर आ जाएगा, सीएनजी 20 प्रतिशत तक चला जाएगा..डीजल लगभग 10 प्रतिशत तक नीचे आ जाएगा। ईवी के लिए हमारा लक्ष्य 20 प्रतिशत का है। उन्होंने कहा कि कंपनी सीएनजी मॉडलों की श्रृंखला के विस्तार के लिए हैचबैक और सेडान खंड पर ध्यान दे रही है।

BPCL scraps planned ₹11,130-cr polyols plant at Kochi refinery

Increase in material, equipment forces rethink; propylene plant on the cards

P MANOJ
Mumbai, February 13

In a strange and surprising move, Bharat Petroleum Corporation Ltd (BPCL) has scrapped a ₹11,130 crore project to build a specialty petrochemicals plant for producing polyols at its Kochi refinery stating that the project economics was hit by higher revised cost estimates. "The Board at its meeting held on January 31 has approved a proposal for evaluating the option of putting up a polypropylene unit at Kochi Refinery and to discontinue the polyols project," the company said.

Oil industry officials are baffled by the move as it comes at a time when refiners are pumping thousands of crores to produce petrochemicals to hedge against a drop in price/demand of fuels. Besides, integration of refining and petrochemicals can lead to better profit margins.

The polyols project was approved by the firm's board in September 2018 and the foundation stone for the project was laid by prime minister Narendra Modi in January 2019. The project had all approvals including key environment clearance.

BPCL carried out project activities such as the award for licensing of technology and related activities and picked US-based engineering and consultancy firm Fluor Corporation as a project management consultant.

Polyols are used for a variety of applications in the automobile, textile and furniture industries

"During the development of the project, cost estimates with an accuracy level of +/- 10 per cent were prepared based on the front-end engineering design of the facilities. However, the revised cost estimates are much higher than the original estimate mainly on account of an increase in equipment and material cost. As this has adversely affected the project economics, the Board has approved the proposal to discontinue the polyols project," BPCL said.

Privatisation uncertainties

Sources briefed on the project, however, said that the project was scrapped due to uncertainties surrounding the privatisation of the company.

The polyols plant was planned to produce niche petrochemicals that are extensively imported into India to manufacture polyurethanes used in footwear, foam and other items. Six new process units were to be built.

When commissioned this year, the Kochi complex was expected to produce propylene glycol, ethylene glycol and various grades of polyols based on 250 kilotonnes per annum of polymer grade propylene sourced from the refinery.

BPCL commenced production at the Propylene Derivatives Petrochemical Project (PDPP) at Kochi last year with another 250 kilotonnes per annum of propylene.

"With the scrapping of the polyols plant, BPCL has to utilise the 250 kilotonnes of propylene made by the refinery meant for the polyols plant. For that purpose, the Board has cleared a proposal to weigh the option of putting up a polypropylene unit," a source said.

A major setback

The scrapping of the polyols plant is a setback to India's bid to cut polyol imports. India's polyols demand last year was estimated at 4 lakh tonnes of which only 15,000 tonnes are produced locally.

Polyols are used for a variety of applications in the automobile, textile and furniture industries. They are also widely used in construction as insulation and sealants. The polyols plant was also designed to shore up the profitability of Kochi refinery whose margins have been declining due to depreciation from recently opened projects built with huge capex, the source said.

The discontinuation of the polyols plant will also hurt the petrochemical park planned by the Kerala Government in Kochi where small industries would manufacture products utilising niche/speciality petrochemicals sourced from the polyol plant and PDPP.

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Global oil stockpiles lower than estimated
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SHORT TAKE

Global oil stockpiles lower than estimated

JULIAN LEE

Remember all that missing oil I wrote about last month? The discrepancy between where stockpiles ought to be (based on implied supply and demand balances) and the volumes that had actually been reported or measured?

Well, those barrels are missing no more. As I feared, it turns out they've already been used up — in the refineries and petrochemicals plants of China and Saudi Arabia. That means oil balances are a lot tighter than the International Energy Agency previously thought.

The group published its latest monthly report on Friday, revising its historical oil demand numbers all the way back to 2007. Yes, that's right, for the past 15 years the world has been using more oil than the primary monitoring agency that advises consumer governments thought.

The changes aren't small. At 2.9 billion barrels, the additional demand they've just found is equivalent to five times the US Strategic Petroleum Reserve, or an entire year's worth of consumption in France, Germany, Italy, Spain, the UK and Mexico.

Not surprisingly, the revisions were made to oil products and in sectors that are among the least transparent in the oil balance — the petrochemicals industries in Saudi Arabia and China.

That doesn't make them unimportant. Petrochemicals is the fastest-growing sector in medium-term oil demand forecasts and it is an area that has seen rapid expansion during the Covid-19 pandemic due to a surge in demand for personal protective equipment and for packaging that has accompanied the boom in online shopping.

The impact on estimates of global oil stockpiles during the pandemic is stark.The 660 million barrels of surplus stockpiles that the IEA saw a month ago have evaporated. The demand revisions mean that the agency now estimates that global oil stockpiles fell below their end-2019 level by the start of 2022.

And that may not be the end of it. Stockpile data for the OECD countries suggest that there may be more demand revisions to come from the IEA. BLOOMBERG

US exporting every molecule of LNG possible

SERGIO CHAPA
FEB. 13

Tankers are docked or loading at all seven US liquefied natural gas export terminals for the first time, marking a small piece of industry history and setting up record flows to the plants amid high prices and tensions in Europe.

The Greek-flagged tanker Yiannis is docked at Venture Global LNG's Calcasieu Pass plant in Louisiana, which remains under construction but has been given permission by the Federal Energy Regulatory Commission to send out cargoes during the export terminal's startup process. The

Saturday afternoon arrival of LNG ships Manhattan at Kinder Morgan's Elba Island LNG plant in Georgia, marked loadings at the other six US LNG export terminals.

Although the tankers will only remain docked at the same time for less than a day, demand from their loadings helped set a record 13.3 billion cubic feet of natural gas flows to US LNG export terminals on Saturday. Once Calcasieu Pass LNG is in full service, the seven US LNG export terminals will be able to draw as much as 13.9 billion cubic feet of natural gas per day, solidifying America's lead over Qatar and Australia as the world's top supplier of the super-chilled power plant fuel, figures from US Energy Information Administration show.

Out of the roughly five dozen US LNG cargoes on the water, more than two-thirds are headed to Europe where low winter inventories and tensions between Russia and Ukraine have sent natural gas prices on the continent soaring to more six times the US benchmark Henry Hub. —*Bloomberg*