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# Domestic Crude Output Falls 6%, Natural Gas 12%

## Our Bureau

**New Delhi:** Domestic crude oil production contracted 6% and natural gas output fell 12% in June from that a year earlier.



**Crude oil production fell to 2,527 thousand metric tonnes in June**

Crude oil production fell to 2,527 thousand metric tonnes in June as the coronavirus pandemic compounded problems for India's ageing fields whose output has been declining for years. Decline in output from fields operated by ONGC was just 1% while that for the fields operated by Oil India Limited and the private sector was almost 10% and 16% respectively.

Underperformance of wells, delayed oilfield enhancement plans and general disruption caused by the pandemic contributed to a decline in oil production.

Natural gas output fell to 2,324 million metric standard cubic metres primarily on lower offtake by customers. ONGC's gas output fell 9% year-on-year in June while the private sector's production fell 29%.

Refineries processed 13.6% less crude in June from a year earlier. State-run refiners processed 9.2% less crude than a year ago while private refiners processed 16% less crude.



# The Contest At Sea

*As China advances, it sees an India without economic strength as a paper tiger*

Nayan Chanda



In a dramatic reversal from barely a year ago, China's standing in the world has sunk to a new low. From Covid-19 to Uighur concentration camps, from assault on Hong Kong's autonomy to threats to Australia and bloody attack on India, China has given reason enough to unite its critics. There are signs that the long simmering discontent with China is coalescing into an incipient anti-Beijing coalition. Parallel naval exercises on South China Sea and Indian Ocean by the US and its Quad allies are the most recent examples of changing dynamics. China too has been mobilising its Belt and Road partners and developing country friends as shown by 53 countries lining up to support imposition of China's national security law on Hong Kong. The future will tell if this is a passing phenomenon or if we are witnessing the emergence of a new Cold War divide over trade, technology and security issues. One thing is clear though: schadenfreude over China's difficulties could be turned into complacency only at India's own peril.

The Covid-19 crisis has exposed the crippling dependency of global industrial production on Chinese supply chains. One of the earliest efforts was virtual meetings between the US and a number of countries to seek alternatives. But the effort to replace the Chinese supply chain has to be tempered by realisation of the significant amount of time and money it would take. Meanwhile manufacturers all over the world would have to rely on Chinese suppliers. With China ramping up its control over South China Sea and expanding its occupation along the Indian border India, which has been a reluctant partner of the Quad, has a new incentive. India is now likely to shed its reticence and invite Australia to its Malabar exercise. The parallel exercises held this month are a forerunner of such a move. The mostly symbolic exercises are designed to send a signal to Beijing which will surely irk China. However satisfying the imagery, warships cutting a swath through blue waters and jet fighters screaming off aircraft carrier decks are still a paper deterrence. While foreign vessels will head home, the powerful Chinese navy and its thousands of armed fishing militia and coastguard vessels will stay.

In a way thousands of small fishing vessels manned by ex-navy personnel – the so-called 'little blue men' – are key actors in China's naval aggression. China has succeeded in turning the South China Sea into a Chinese lake because of their asymmetric warfare involving the People's Armed Forces Maritime Militia (PAFMM). Thousands of their vessels swarm the waters engaged in fishing but more importantly in combat operations and enforcing Chinese control against foreign vessels. History shows most of China's acquisitions since 1974 have been the work of the militia. They have even engaged in harassing Seventh Fleet ships – always under the threshold though of provoking a strong response. Large US warships sailing by illegally Chinese occupied islands or reclaimed reefs as part of Freedom of Navigation Operation may satisfy US policy makers, but they do nothing to shake the Chinese hold or encourage cowed neighbours to challenge China. Thanks to Chinese harassment, attacks on fishermen and threats to blow up oil drilling by South China Sea claimants, Chinese sovereignty has been established.

According to a recent report, forced to abandon drilling operations under Chinese threat, Vietnam has had to pay a billion dollars in compensation to European and UAE companies. ONGC's joint venture with Russian Rosneft appears to have been abandoned. American FONOPS do not appear to have made any difference in the Chinese domination of South China Sea. The kind of economic strength and military deployment needed to stand up to Chinese aggression would require determined, long-term efforts and sources. In the end it is the economy, stupid. Without national mobilisation of resources mere exercises with foreign friends would not convince China that it is facing anything other than a paper tiger.



## A Tale of Two Futures



**J MULRAJ**

Much like Charles Dickens' A Tale of Two Cities, *'it is the best of times, it is the worst of times; it is the age of wisdom, it is the age of foolishness; it is the spring of hope, it is the winter of despair; we have everything before us, we have nothing before us'*

The world is at the cusp of the 4<sup>th</sup> Industrial Revolution, which provides huge opportunities, as also great threats, but will, if managed well, bring huge prosperity as well as environmental benefits. Each of the previous three brought huge benefits to humankind. The first was provided the steam engine (1784), the second was of science and mass production (1870) and the third was the digital revolution (1969).

The 4<sup>th</sup> Industrial Revolution, which we are at the cusp of, includes technologies such as 5G telecom, Artificial Intelligence, Robotics, Internet of Things (IoT), 3D Printing, Genetic Engineering, Quantum Computing and others. But geopolitics is threatening to delay, or perhaps split the world into opposing camps, the benefits of the 4<sup>th</sup> Industrial Revolution.

5G, or fifth generation, communication technology would provide 100 times faster download speeds with low latency (the annoying lags during downloads). Faster video/game downloads would benefit consumers, and provide revenue streams. More importantly, the low latency will make possible autonomous vehicles, as long latency can result in less accidents. The design of the automobile, when it was first made, focused on safety (hence heavier steel was used) and on comfort (larger cars) and speed (faster engines). It did not focus on energy efficiency. According to Natural Capitalism, a downloadable book on at cap.org, about 3-5 per cent of the energy in the fuel (petrol/diesel) actually moves the person, around 80 per cent moves the vehicle (in proportion to relative weightage) and the rest is lost in converting the energy into movement. So using composite materials would reduce the relative weightage and reduce fuel consumption.

Autonomous vehicles, combined with ride sharing (a la Uber etc), would reduce the number of private vehicles and free up parking spaces. Electric vehicles, using renewable sources, can further reduce fossil fuel requirement. These changes will be highly disruptive of the auto industry, the metals industry, the insurance sector and the fossil fuel based energy sector.

Robotics will result in automation of many repetitive factory jobs, displacing labour. The machines will be enabled, thanks to 5G, to talk to each other, through the IoT. This will result in productivity gains, and create wealth. Newer jobs will be created in areas where machines cannot displace, such as creative jobs. This will require a huge re-skilling effort and the Government must start encouraging re-skilling and vocational training efforts on a huge scale.

The anticipated displacement of labour has resulted in the call for a universal basic income, which the enhanced productivity will help pay for.

Perhaps in future, it might become possible for each individuals, carbon footprint to be measured (there already are wearable devices to do a bit of it). Maybe then, the variable component of pay of business leaders can be linked to their carbon footprint rather than to increase in market cap.

Thanks to investments made in several countries via the Belt and Road Initiative, China has created a lot of economic dependencies. For example, as per a video 'Will China take over Europe' by KG Vid, it is now the largest FDI investor in Europe. It is the top shareholder in Germany's Daimler, owns a stake in a nuclear power plant in UK, control over Switzerland's Cyngenta, 67 per cent of Greece's largest port and others. Its aim is to acquire technology and IP from Europe and to weaken its links with USA.

This is aided by Trump's petulant behaviour towards US allies. This is why the coming elections in November are very important. To face off China requires getting a coalition of willing allies. But loyalties are divided due to a variety of reasons, including China's economic involvement and financial muscle, as also Trump's abrasiveness. Will an octogenarian Biden have the mental and physical ability to take on the most challenging job in the world?



## ENTERPRISE CONNECT

### GAIL India Limited : #WakeUpAndSmellTheChange initiative reaches 8 million people digitally spreading awareness for a better environment

GAIL has been creating awareness for bringing a positive change to ensure a greener and cleaner environment through its "Hawa Badoo" movement. In this move #WakeUpAndSmellTheChange initiative has been started by the Hawa Badoo platform to spread the idea of appreciating and preserving the positive environmental changes occurred due to the lock down. Through #WakeUpAndSmellTheChange initiative the netizens were asked to take a pledge and sustain this change in future as well as with befitting lifestyle changes like: Staying Home more on weekends, Walking or riding the bicycle whenever one can. Using one car per family and Using cleaner fuels in vehicles and home like Natural gas, CNG, PNG, renewables etc. An online engagement activity was also organised under this initiative earlier where in people were requested to click pictures of scenic beauties from their balconies, windows or roofs and post them on Hawa Badoo handles in the comments section with hashtag #WakeUpAndSmellTheChange.

### Bank of Baroda Celebrated its 113th Foundation Day

Bank of Baroda, founded by Maharaja Sir Sayajirao Gaekwad - III on 20th July, 1908, celebrated its 113th Foundation Day with great zeal & enthusiasm across the branches of Baroda City on 20th July 2020. Due to the outbreak of Covid-19, limited on-ground activities were organised. This



year bank has felicitated 5 Covid Warriors on this occasion. These warriors comprised of 5 sections of front line services: Police, Doctor, Para Medical, Sanitation and Banking. The Covid warriors were felicitated by Ms Daksha Shah, Regional Head Baroda City Region adhering to all government guidelines and social distancing norms issued from time to time. It is worthwhile to mention that Bank of Baroda is celebrating its 113th Foundation Day across the globe, where it has vast presence and wide network of branches.

### HAL Establishes COVID-19 Care Centre in 16 Days, Hands it Over to State Administration

Sensing the urgency to control rapidly spreading Pandemic, HAL has converted its Ghatge Convention Centre located on Old Airport Road into a Covid-19 Care Centre (CCC) and handed it over to Bruhat Bengaluru Mahanagara Palike (BBMP) here today. The facility having 160 beds with other supporting infrastructure like toilets, bath rooms etc.



was created in 16 days, says Mr. R. Madhavan, CMD, HAL. Initially, the facility would be utilized for treatment of asymptomatic COVID-19 positive patients, says Mr. Alok Verma, Director HR. A MoU was signed between HAL, represented by Mr Ch. Venkateswara Rao, GM (CSR) and BBMP, represented by Mr R Venkatachalapathy, Joint Commissioner, Mahadevapura Zone in the presence of senior Government and HAL officials. Arrangements for doctors and paramedical staff and running of the facility would be taken care by BBMP. As part of its fight against COVID-19 pandemic, HAL has already contributed Rs 26.25 crores to the PM-CARES Fund (Rs. 20 crores under CSR head with employees contributing another 6.25 crores).

### HPCL Celebrated Swachhta Pakhwada 2020

Swachhta Pakhwada was started with the objective of bringing a fortnight of intense focus on issues and practices of Swachhta and bring about qualitative Swachhta improvements. In the current scenario of global pandemic of COVID-19, the importance of cleanliness activities and spreading awareness of the same becomes more significant. Accordingly, HPCL undertook activities to rekindle



mass awareness on cleanliness, hygiene and preserving environment keeping in view the various instructions and guidelines issued by Government. As part of this campaign, HPCL carried out activities by involving employees, family members, Contract Workers, Dealers, Distributors and Vendors among others to generate mass awareness to make Swachhta a 'Jan Andolan'. The campaign was launched at Mumbai by administering online cleanliness pledge to employees by Chairman and Managing Director, Shri Mukesh Kumar Surana and Director - HR, Sh. Pushp Kumar Joshi.

### Matrix Wins 'National Telecom Make in India Awards 2020' by CMAI Association of India

The award of "Excellence in Manufacturing Telecom Equipment" was conferred on Matrix at the virtual National Telecom Make in India Awards & Summit ceremony held on 21st July 2020 from New Delhi, organized by TEMA and CMAI Association of India. The Award has been instituted to promote manufacturing of world-class telecom products in India. On winning this prestigious award, Ganesh Jivani, Chief Executive of Matrix said, "We are happy to win this award for 'Excellence in Manufacturing Telecom Equipment'. We thank TEMA and CMAI for recognizing Matrix for our technologies, products and solutions. Matrix offers cutting-edge telecom and physical security solutions in more than 50 countries including many first-world technologically advanced nations. With 250+ R&D engineers, world-class processes and infrastructure, Matrix is committed to designing and manufacturing cutting-edge solutions. This award is a validation of Matrix's innovation, design and manufacturing capabilities and will go a long way in motivating us towards building world-class technology solutions."

### National Institute of Industrial Engineering

The COVID 19 has caused unprecedented havoc in the world and disrupted lives, livelihood, business, enterprise, and economy. The disruption to the supply chain and the inadequate response of the industry

has been the cause of concern across the globe. National Institute of Industrial Engineering is proud to present Prof. David Simchi-Levi, Professor of Engineering Systems at Massachusetts Institute of Technology and Head of the MIT Data Science Lab, to share his insights on

supply chain resilience on August 1st, 2020 at 6.30 pm. This lecture titled "Supply Chain Resilience and Need for Stress Tests" is part of NITIE Logistics Eves series Season 1. Prof. David Simchi-Levi is well known for his significant contribution to areas of supply chain and business analytics. It's indeed a once in a lifetime opportunity to witness his brilliant mind hold forth on the need for stress tests to evaluate supply chain resilience.

### NPCI introduces UPI AutoPay facility for recurring payment

National Payment Corporation of India (NPCI) said that it has launched the functionality of UPI AutoPay for recurring payments. With this new facility introduced under UPI 2.0, customers can now enable recurring e-mandate using any UPI application for recurring payments such as mobile bills, electricity bills, EMI payments, entertainment/OTT subscriptions, insurance, mutual funds and loan payments, paying for transit/metro payments among others of upto Rs. 2000. If the amount exceeds Rs. 2000, customers have to execute every mandate with UPI PIN. Both, individual users and merchants can benefit from this feature tremendously, as mandates are generated instantly and payments get deducted automatically on the authorized date. The customers have to authenticate their account through UPI PIN for one-time and subsequent monthly payments would be debited automatically. Nandan Nilekani Chairman and Co-Founder, Infosys Limited said, "UPI being the one stop destination for customers' day-to-day spends, acts as a backbone of digital India. Introducing UPI AutoPay on UPI is a testament of continuous innovation in the digital payments space. This was also one of the key recommendations of the RBI Committee on Deepening of Digital Payments, which I chaired. It is a proud moment for the ecosystem to witness features like UPI AutoPay, which is technology driven that requires minimum human intervention."

### India's First Port Based SEZ - JNPT SEZ - is Now Operational

JNPT, the premier container port in the country is developing a multi-product Special Economic Zone (SEZ) in its owned free hold land of 277 hectares at Navi Mumbai. The multi-product port based SEZ aims to boost exports by enabling port-led industrialization under Sagarmala initiative of Ministry of Shipping,



The foundation stone of the project was laid by the Honorable Prime Minister, Shri Narendra Modi in August 2014. JNPT reached yet another milestone in development of SEZ by becoming the first of its kind operational Port based multi-product SEZ. Two units in JNPT SEZ namely, M/s OWS LLP and M/s Krish Food Industry (India) have completed their first phase of operational activity and are declared operational units by Development Commissioner, SEEPZ, SEZ.

### Ravindra Pandey takes charge as DMD (Strategy) & CDO of SBI

Ravindra Pandey has taken charge as DMD (Strategy) & Chief Digital Officer (CDO) of country's largest lender State Bank of India (SBI). He will be heading SBI's digital strategy and play a pivotal role in



promoting digital payments. Mr. Pandey would also be responsible for the payment solutions and special projects of the bank. Prior to taking charge as DMD (Strategy) & CDO, Mr. Pandey was heading the Rajasthan Circle of SBI. Ravindra Pandey has a rich banking experience of over three and a half decade handling verticals like digital payment strategy, corporate credit, loan syndication, business strategy, retail banking, SME lending strategy, NPA management, HR and so on. He also managed to steer the bank to become the largest merchant acquirer of the country within 2 years. Ravindra Pandey has also had international experience as he also headed SBI's operations in France.

### Bank Of Baroda, Gandhinagar Region Celebrated 113th Foundation Day On 20.07.2020 By Felicitating Covid Warriors Of Gandhinagar City

On the eve of 113th foundation day of Bank of Baroda, Gandhinagar Region celebrated it in an unique way on 20.07.2020 by acknowledging the services of the -5- important pillars of the society i.e Doctors, Para Medical Staff, Police Department, Sanitation Worker & Banker, who are performing their duty since the beginning of COVID-19 pandemic and

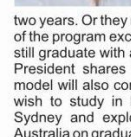


protecting us from contamination of corona virus. As a part of Celebration of Bank's 113th Foundation Day, these COVID warriors viz., Dr. Nitesh Girdharlal Shah (Medical Officer), Shri Aashish Goswami (Para Medical Staff), Shri I.M. Hudad (Police Inspector, Chiloda Police Station), Shri Mahendrabhai Jagabhai Vala (Sanitation worker of Gandhinagar Municipal Corporation) and Shri Himanshu Gadhavi (Manager - Bank of India) were felicitated by Shri Manish J Palan, Regional Head, Bank of Baroda, Gandhinagar Region.

### SP Jain School of Global Management introduces the world's most flexible BBA program

SP Jain School of Global Management (SP Jain Global) announced the launch of a new set of flexible learning options for its Bachelor of Business Administration (BBA) program. These options are to cater to students and parents who, amid the uncertainty surrounding the COVID-19 crisis, have different preferences for how they would like to study and travel. SP Jain which has campuses in Sydney, Dubai, Mumbai and Singapore said today that the students who sign up for its BBA program could choose which campus they would like to study at. They may consider a year or two in Mumbai, Dubai or Singapore and travel to Sydney for the final

two years. Or they may choose to spend all four years of the program exclusively in Mumbai and Dubai, and still graduate with an Australian degree. The SP Jain President shares that the School's original tri-city model will also continue to be offered for those who wish to study in Mumbai / Singapore, Dubai and Sydney and explore employment opportunities in Australia on graduation.





# Global investors show interest in bidding for BPCL

## BLOOMBERG

July 24

The country's biggest asset sale programme is drawing interest from global investors despite the volatility in the oil markets and devastating fallout of the coronavirus pandemic.

As many as 81 queries were sent by prospective bidders vying for state-owned oil refiner-cum-fuel retailer Bharat Petroleum Corp, according to officials with knowledge of the matter. While the questions from multiple international oil majors is a reflection of interest, it doesn't mean they will translate into bids, they said, without disclosing how many companies have sought clarifications.

A government official had previously said that several top oil producers from West Asia and Russia's Rosneft PJSC have shown interest in buying BPCL.

# June crude oil processing picks up on easing of travel restrictions

**ENSECONOMIC BUREAU**  
NEW DELHI, JULY 24

TOTAL CRUDE oil processed by domestic refiners in June was 17.54 million metric tonnes (MMT), rising 7.3 per cent from May and up 18.9 per cent from April, indicating an increase in demand for petroleum products after the easing of travel restrictions due to COVID-19, according to data released by the government.

Crude oil processing in June, however, was still down 13.6 per cent compared to the year-ago period. The main reason for this was lower demand due to lockdown, a government release said. Total crude oil processing in India for the June quarter was down 22.3 per cent at 48.6 MMT, as against 62.8 MMT in the year-ago period, and 20.2 per cent below the processing target for the quarter.

# PMUY penetration in Indian households rises to 97%

**MUMBAI:** In order to provide environment friendly clean cooking fuel to women especially in rural areas to get rid of health hazards faced by them due to use of traditional fuel, Pradhan Mantri Ujjwala Yojana was launched on 1st May, 2016 by Prime Minister Narendra Modi from Balia in Uttar Pradesh. This Yojana had multipronged objectives such as getting rid of hazardous traditional cooking fuel, empowering women, supporting & promoting use of LPG etc.

Since the launch of #PMUY, LPG penetration in Indian households has increased from around 55 % to over 97%, at present.

A challenging target of providing 5 crore LPG connections

was set up for Oil Marketing Companies (OMCs) viz. HPCL, IOCL & BPCL under PMUY. With tremendous display of efficiency and efficacy, the target was achieved much before the target date by OMCs. In view of tremendous success of the Yojana, a revised target of providing 8 crore LPG connections was set up.

OMCs under the guidance of Minister of Petroleum & Natural Gas, Dharmendra Pradhan, achieved the revised target of providing 8 crore LPG connections in September, 2019, much ahead of the target date.

In order to spread awareness & educate PMUY beneficiaries 'LPG Panchayats' were conceptualized and launched during 2017. LPG Panchayats



brought together PMUY beneficiaries on a semi-structured interactive platform to discuss

safe & sustainable usage of LPG along with its benefits and the linkage between usage of clean

cooking fuel and Women's empowerment.

Each & every LPG Panchayat shared the experience of early local adopters of LPG, an exercise on comparing the costs of alternative biomass fuels, safety demonstration & feedback on services by the distribution network of Oil Industry.

LPG Panchayats were highly impactful in achieving the set objectives, which were mainly due to wholehearted efforts & involvement of "LPG Didis" who were from amongst the locals and provided energy services & solutions in their role as catalysts of social change.

The success of LPG Panchayats was evident as LPG usage increased gradually & steadily with LPG becoming

one of the most accepted fuels, especially with village women.

The advent of Covid-19 around the Globe & in India resulted in various measures by GoI to control the spread including countrywide lockdown leading to new challenges for the poor households.

The poor households bore maximum impact with income of these families getting adversely affected due to suspension of economic activity because of nationwide lockdown to combat Covid-19.

To overcome the economic impact of COVID-19, Government announced a relief package under Pradhan Mantri Garib Kalyan Yojana (PMGKY) with various support initiatives for those affected by COVID-19. **MP051**