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IndianOil's women engineers' achievement

Ms. Sukla Mistry, Director (Refineries) of IndianOil, visited the Panipat Refinery & Petrochemical Complex (PRPC) on April 28, 2024, to personally commend and felicitate the team members behind the groundbreaking achievement of the All-Women Run 3G Ethanol & Butene-1 units. Since their inception in July 2023, these units, under the stewardship of Mr. ML Dahriya, Executive Director & Refinery Head, PRPC, have operated marking a significant milestone in the history of the Corporation. Ms. Mistry praised the women engineers for their dedication and professionalism, emphasizing that their success has redefined excellence in the oil refining industry.

India's increased crude oil imports from Russia contained inflation in 2023-24

FOCUS

Subrata Majumder

During 2021 to 2023, Brent crude oil prices increased by over 60 percent. Surprises to many, prices of petrol and diesel in India did not rise proportionately. Global sanction on Russia, which led crude oil price spurred and dashed EU economy, became boon to India. Not only it shielded India from oil shock, but also rejigged its economy and exports.

India's retail inflation recorded normal growth during the sanction. During 2021-22 to 2023-24, retail inflation was 5-6 percent, which is known as comfortable in terms of rise. This is the first time in the history oil imbroglio; inflation was not responsive to global oil price hike. It is Russian crude, which shielded India from oil shock. Russia outplayed Arab majors to supply oil to India. Russia became the biggest crude oil supplier to India in 2022-23 and the trigger for India's exports of petroleum refinery products.

Russia, which descended to a negligible trade and economic partner of India with the breakup of Soviet Union and great Indian economic reforms in 1991, emerged indispensable to India in the recent years. In 2022-23, Russia was 5th biggest trading partner of India, compared to 25th in 1997-98. This invoked a new era of India-Russia economic relations.

Greater part of the revival in India – Russia economic trade relations parks on oil supply by Russia. It played a key role in protecting India from oil turbulence due to global oil sanction on Russia. India and China are non-party to the sanctions. In

2022-23, nearly 22 percent of total crude oil was imported from Russia, compared to 1.9 percent in 2021-22. Eventually, Russian oil became the biggest base for India's manufacturing oil refinery products and exports. India imports crude oil, refine them domestically and exports refinery products, such as petrol, diesel, ATF and others.

Petroleum refinery products have been the major products in the Indian export basket. Since Russia was the biggest supplier of crude oil in 2022-23, it played a key role in boosting export of petroleum refinery products. Petroleum refinery products, which hold biggest share in the total export basket, became the engine for India's overall exports growth. EU prohibited maritime exports of Russian oil and levied price cap of US \$60 per barrel in December 2022. USA, G-7 and Australia followed up price capping on Russian oil. The angry Russia retaliated and banned the export of oil to these nations from February 1, 2023. To ride over the sanctions, India and Russia set up alternative arrangements. Indian refineries have accepted Russian insurance. Russian oil suppliers are trying to handle Urals oil transport to India by themselves, using their own vessels and shipping

arrangement. Further, Indian government has permitted nine Indian banks to open vostro accounts with Russian banks. This facilitated to deal with Russian oil in rupee trade in currency swapping deal. Indian UCO bank has opened the vostro accounts with Russian Gazprombank and VTB banks

Both in terms of growth and share in exports, petroleum refinery products lead the export basket. Export of petroleum refinery products spurred by 44.5 percent in 2022-23 y-o-y basis. It's share in total exports of the country increased to 22.6 percent in 2022-23, from 15.9 percent in 2021-22. All other major export items exhibited a normal growth in between 8 to 10 percent. Russian crude, converted into refinery products and exported from India, does not violate internationally recognized Rules of Origin. It has been defined that crude, once refined in another country, is classified for the purpose of trade as originating from the refinery country.

Thus, notwithstanding ban on import of Russian crude oil under sanctions, Russian crude was flowing through India and China in the form of petroleum refinery products like petrol, diesel, jet fuels and others. India and China, who are not part of sanctions, were able to legally import Russian crude

and refine them in oil products, according to Centre for Research on Energy and Clean Air (CERA). These demonstrate India's unique balancing of imports of crude oil by export of petroleum refinery products. This led lesser pressure on BOP (Balance of Payment). In 2022-23, India imported crude oil worth US\$ 157,531 million. It exported petroleum refinery products worth \$ 97,468 million, leaving a balance of US \$ 60,063 million as the net imports. In the preceding year 2021-22, when Russia had negligible share in crude oil imports, net imports was much bigger. It was US \$ 76,237 million, casting more pressure on BOP. This demonstrates Russian significance over Arab oil, indicating a bonanza for a new economic engagement with Russia.

Russian oil price was lower than the average basket price of oil imported in India. During April-August 2023-24, while the average basket price of oil was ranging between US\$ 75.9 to 89.7 per barrel, the average price of Russian oil was US\$ 68.9 per barrel. The crucial point of the revival of the trade relation with Russia is India's shift of oil dependency from Arab world to Russia. This shields India from global uncertainty in oil prices. Repeated OPEC threat for cut in production and triggering oil prices increased the vulnerability of oil influenced economic parameters of India.

In sum, hitherto oil dependency on Arab used to be an uphill task to manage the growth of the economy. With the dependency shifting to Russia, it has become more comfortable for the Indian economy (IPA)

Honeywell bats for methane abatement

THE REDUCTION OF methane emissions is one of the most cost-effective and impactful methods to help reach global climate and environmental goals. Honeywell's emissions management solution offers customers in the industrial



sectors an array of sustainability technologies that will support their emission reduction goals. It features a combination of hazard area certified wireless gas leak detection technology and software to quickly identify methane leaks. Honeywell has partnered with their customers in the oil & gas industry in their global efforts to promote methane abatement.

"Honeywell helps organisations solve the world's toughest challenges, with actionable solutions for industrial automation, the future of aviation, and the energy transition. With our technologies and experience, we will help companies throughout Asia with methane-intensive operations be better positioned to meet their goals," said Robert Kester, CTO, Emissions, Honeywell Process Solutions.