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CRUDE OIL PRICES

Why the windfall tax has outlived its utility

The petroleum ministry has written to the finance ministry seeking removal of the windfall tax on crude oil as the global crude oil prices have declined substantially compared to 2022 when the tax was imposed. ***Prashant Vasisht*** explains why the cess has no relevance now

What is windfall tax? When is it imposed?

WINDFALL TAX IS THE higher tax levied by the government on certain specific products in a specific industry when economic conditions allow above-average profits to be generated by these products.

Post the start of the Russia-Ukraine conflict, Brent crude oil prices spiked to about $135/barrel and remained above $100/barrel for several weeks. A few countries, including the US, banned Russian oil and gas imports, while some European nations decided to phase out Russian oil and oil products. This led to further spikes in crude prices and oil companies making significant profits. Recognising this, the government decided to impose a windfall gains tax. The tax, imposed on domestic crude oil production as well as exports of petrol, diesel, and jet fuel, thus was aimed at curbing unprecedented profits earned by oil companies and generating additional revenue for the government. An additional objective was to shore up domestic supplies as oil refiners were preferring to export than to meet the local requirements, given the spike in demand overseas.

On what products was the windfall tax imposed?

ON JULY 1, 2022, the government imposed a special additional excise duty of ₹23,250 per tonne of crude, (equivalent to ~$40/barrel) owing to elevated crude prices and the windfall gains made by the crude producers. Small producers, whose annual production of crude was less than 2 million barrels, were exempted from this cess. Besides this cess on crude, the government imposed special additional excise duty on exports of high-speed diesel (HSD) at ₹13/litre, motor spirit (MS) at ₹6/litre and on aviation turbine fuel (ATF) of ₹6/litre on the oil refining companies.

This special additional excise duty is reviewed every fortnight based on the average prices of oil in the preceding two weeks.

JULY 1, 2022

SPECIAL ADDITIONAL EXCISE DUTY OF ₹23,250 PER TONNE OF CRUDE WAS IMPOSED

SINCE THE IMPOSITION, THERE HAVE BEEN MORE THAN 20 REVISIONS IN THE CESS

SEP 18, 2024

WINDFALL TAX ON DOMESTICALLY PRODUCED CRUDE WAS SCRAPPED TO ZERO

Is there any sunset clause in this special cess?

SINCE THE IMPOSITION, there have been more than 20 revisions in the cess, basis the movement in crude prices and crack spreads of HSD, MS and ATF. The government had raised the windfall tax, or special additional excise duty (SAED) on petroleum crude to ₹7,000 per metric tonne from ₹6,000 per tonne, effective July 16, 2024. However, in August as crude prices started falling, it started slashing the windfall tax. By August 31, 2024, the cess on domestically produced crude oil was down to ₹1,850 per tonne. It was further scrapped to ₹0 per tonne, effective September 18. Windfall tax on export of diesel and ATF was retained at nil. However, there is no sunset clause specified, though this was to be a temporary cess to be phased out when crude and product prices ease to normal levels.

Impact on upstream and downstream firms

THE CESS LOWERED the crude oil realisations of upstream industry to ~$70-75/barrel. Likewise for HSD, MS and ATF, it reduced the ex-refinery realisations. The margins and cash accruals of the industry were impacted; however, the capex plans were not adversely impacted as ex-SAED realisations were remunerative for undertaking capex. A removal of the tax would benefit upstream companies such as state-owned ONGC and private players like Reliance as it affects their profitability and cash accruals. While the government has been reducing the windfall tax in a graded manner in response to the fall in crude prices, oil companies, especially those involved in exploration, production, and refining, have found the fortnightly review and revision process cumbersome, as it adds to the uncertainty in an industry that requires heavy capital investment.

Is the government withdrawing the cess?

EVEN AS GLOBAL economic growth remains tepid, intensifying electrification and slowdown in China is leading to reduced demand for crude oil. Prices of crude oil have moderated to $70-75/barrel at which upstream companies would not be making the above-average profits. The crack spreads of oil products have also declined owing to new refinery capacity additions amid weak demand. Accordingly, the government is considering withdrawal of the special additional excise duty on crude oil, HSD, MS and ATF. As the global crude oil prices have declined substantially compared to 2022 when the tax was implemented, there is no relevance of the tax now. An *FE* report last month had quoted Tarun Kapoor, advisor to the Prime Minister, as saying that the government is mulling scrapping windfall tax on crude oil. He had said that the petroleum ministry has sought removal of the tax and that the finance ministry will take a call on the same noting that there is no relevance of the tax anymore.

The writer is senior vice president & co-group head - Corporate Ratings, ICRA

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Abhijit Majumder assumes charge as Director (Finance) of Oil India Limited

Abhijit Majumder assumed charge as Director (Finance) on the Board of Oil India Limited (OIL) on Nov 20. He succeeded Harish Madhav who superannuated from the company. Majumder joined OIL as a Senior Officer in 1998. He headed the Project Finance Department in OIL's Bay Exploration Project, served on deputation in DGH, the Country's upstream regulator, Finance & Accounts Department of OIL's Field Headquarter, Duliajan.

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Oil prices climb as geopolitical tensions outweigh US inventories

Reuters
feedback@livemint.com

SINGAPORE: Oil prices climbed on Thursday as geopolitical concerns over escalating tensions between Russia and Ukraine outweighed the impact of a bigger-than-expected increase in U.S. crude inventories.

Brent crude futures rose 60 cents, or 0.82%, to $72.81 as of 0734 GMT. U.S. West Texas Intermediate crude futures rose 64 cents, or 0.93%, to $69.39.

Ukraine fired a volley of British Storm Shadow cruise missiles into Russia on Wednesday, the latest Western weapon it has been permitted to use on Russian targets, a day after it fired U.S. ATACMS missiles.

Moscow has said the use of Western weapons to strike Russian territory far from the border would be a major escalation in the conflict. Kyiv says that in order to defend itself it must be able to strike Russian rear bases used to support Moscow's invasion, which entered its 1,000th day this week.

"For oil, the risk is if Ukraine targets Russian energy infrastructure, while the other risk is uncertainty over how Russia responds to these attacks," said ING analysts in a note.

Brent crude futures rose 0.82% to $72.81. REUTERS

JPMorgan analysts added that oil consumption recovered in the past week because of better travel demand in the U.S. and India, while the latter also showed a significant rise in industrial demand.

Global oil demand is estimated to have reached 103.6 million barrels per day (bpd) during the first 19 days of November, up 1.7 million bpd on-year, the analysts said in a note.

Both Brent and WTI have risen more than 3% so far this week.

However, geopolitical turmoil, whether from Russia's invasion of Ukraine or the Israel-Hamas conflict, has provided only a short-term boost to prices and has not sustained momentum, said Priyanka Sachdeva, senior market analyst at Phillip Nova.

Weighing on the market was a rise in U.S. crude inventories by 545,000 barrels to 430.3 million barrels in the week ended Nov. 15, exceeding analysts' expectations in a Reuters poll for a 138,000-barrel rise.

Gasoline inventories last week rose more than forecast, while distillate stockpiles posted a larger-than-expected draw, according to the Energy Information Administration data.

Adding to supply, Norway's Equinor said it had restored full output capacity at the Johan Sverdrup oilfield in the North Sea following a power outage.

The Organization of the Petroleum Exporting Countries and its allies led by Russia, the group known as OPEC+, may push back output increases again when it meets on Dec. 1 due to weak global oil demand, according to three OPEC+ sources familiar with the discussions.

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POLLUTERS' PERK

Why carbon offsets can't check climate change

They only serve as cover for big oil companies, enabling them to continue their polluting practices

AVINASH KUMAR CHANCHAL AND TAMANNA SENGUPTA

The United Nations Climate Change Conference, also known as COP29, in Baku, Azerbaijan, almost failed to address the pressing issue of climate finance for mitigation, adaptation, and loss and damage. Instead, the focus has shifted to insufficient rules for the carbon market. For the last few years, corporate boardrooms have been pushing 'carbon offsets' as a silver bullet solution to tackle the devastating impact of the climate crisis.

Carbon offsets refer to a practice where companies that emit greenhouse gasses buy carbon credits from projects that either capture carbon, such as reforestation or reduce emissions, like renewable energy projects. Almost all big oil companies, such as Shell, Total, and Exxon, are advocating for or practising different models of carbon offsets that allow them to continue producing more oil and fossil gas.

In theory, this might sound like an efficient strategy to protect the planet; but in practice, these carbon offsets are far from the real climate solutions they are being advertised as. Instead, they have become a financial manoeuvre that allows these companies to continue their polluting practices while commodifying nature, in pursuit of supposed carbon neutrality.

The science of the carbon mitigation potential of nature, trees, and forests is highly disputed. Many scientists warn that there is evidence for carbon offsets being 'ineffectual' and 'hindering the energy transition.' Offsets are just a shady accounting trick; they can't be a solution to fight climate change. Instead, they delay the real solution – cutting greenhouse gas emissions at their source, as quickly as possible.

Market-oriented solutions like carbon offsetting also further historical climate colonialism where emissions made in the Global North are often offset in the Global South. Poorer countries are forced to provide the land and resources for carbon offset projects; they end up paying the price through biodiversity loss, loss of indigenous lands, and ecosystem degradation.

Data maintained by the Berkeley Voluntary Registry Offsets Database shows that most of the current offset projects are located in Asia and Africa.

This should raise questions. Most of the companies that buy carbon credits and invest in these projects are headquartered in the Global North. When they cordon off land in the Global South to serve their disingenuous climate commitments, it is unlikely that they have the region's best interests at heart.

A question of accountability

Project developers have repeatedly violated the rights of indigenous communities in various regions. In Peru, the Kichwa community alleged that they were forced out of their home in the

Cordillera Azul National Park and received nothing from the $87 million agreement. They have received no support from the park authorities, who maintain that the actions were taken "within regulation." This is, by no means, an isolated incident. The Global Atlas of Environmental Justice shows that land conflicts arising from REDD+ (reducing emissions from deforestation and forest degradation in developing countries) and CDM (clean development mechanism) projects are largely concentrated in the developing world.

This brings us to an essential question – who is setting regulations, tracking project commitments, monitoring impact, and holding the companies accountable?

The system is known to lack transparency. According to CarbonBrief, the data released by carbon market registries today have missing values, inconsistencies, and issues with identifying companies directly responsible for a project.

Unsurprisingly, an analysis released earlier this year found that some of the largest corporations including ExxonMobil, Disney, Nestle, and Gucci were found to be investing in 'junk' offset projects. Essentially, these are worthless projects that are not equipped to achieve greenhouse gas emission reductions. Alarmingly, 33 of the top 50 carbon credit buyers hold junk offsets in their portfolios; yet, they unwaveringly stand by the carbon market as a viable mitigation mechanism.

The oil and gas companies, heavy-polluting industries like aviation, and big agricultural and forestry companies are now lobbying in global climate negotiations to adopt a more flexible and market-oriented carbon offset framework. A media report says that more than 480 lobbyists who work on carbon capture and storage have been granted access to the COP29 summit. This indicates that big polluters see carbon offsets as an opportunity to keep drilling, refining, and burning fossil fuels without stopping emissions at the source. At the same time, around 43% of the 81 million CO2 credits purchased by oil and gas companies have at least one fundamental flaw or are generally 'junk'.

In addition to the environmental injustices, carbon offset projects threaten food security and economic stability. As big polluters race to grab land for offsetting, food production is threatened. According to estimates, if trees are planted to offset fossil fuel pollution, food prices could rise by 80% by 2050. The Oxfam report found that the net zero plans of just four major oil companies – Shell, BP, Total, and Eni – would require an area twice the size of the UK for their offsetting plans. It is reckless to allow the natural ecosystems and areas that we need for agriculture to be taken over by corporate control for such offset projects.

The concept of carbon offsets is an old-school solution that emerged in the 1990s when solutions like renewable energy and electrified transport were not widely viable. Today, we have cheaper and more affordable renewable energy options, such as solar and wind power. Carbon offsets must not justify continued fossil fuel burning. Leading climate scientists have made it clear: the solution to the climate crisis lies in the immediate phasing out of fossil fuel combustion. Market-driven solutions like carbon offsets cannot become an excuse to delay the urgent transition away from polluting industries.

(Avinash is the Deputy Programme Director of Greenpeace South Asia; Tamanna is a graduate student at the University of Michigan School for Environment and Sustainability)

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Who all are in the eye of the storm

Billionaire businessman Gautam Adani, his nephew Sagar Adani, and six others have been indicted by the United States Securities and Exchange Commission (SEC) in an alleged multi-million dollar bribery and fraud scheme related to a solar energy project in India.

Besides the Adanis, Cyril Cabanes, who was formerly associated with Gurugram-based energy company Azure Power Global, has also been named in the alleged corruption case. The others indicted are Indian nationals, including Vneet Jaain, an executive at Adani Green Energy.

The Adani group rejected the charges and said it would seek "all possible legal recourse".

Here are the details of the people charged by the US authorities:

Gautam Adani

The 62-year-old business magnate, with a net worth of $85 billion according to *Bloomberg*, founded the Adani Group in 1988 as a commodities trading firm. The group now spans the shipping, power, energy, and mining sectors. Adani grew up in Gujarat, dropped out of school at 16, and is ranked as the 18th richest person globally

Cyril Cabanes

A dual French-Australian citizen residing in Singapore, Cabanes is a former director at Azure Power Global and has been charged under the US Foreign Corrupt Practices Act (FCPA). He also worked as managing director of infrastructure for Asia-Pacific at CDPQ, a Canadian public pension fund manager

Vneet Jaain

MD and CEO of Adani Green Energy Limited, Jaain has been with the group for 15 years. He is credited with leading several key energy-related projects for the company's energy and infrastructure businesses

Ranjit Gupta

Gupta is a former CEO of Azure Power Global

Rupesh Agarwal

Former chief strategy and commercial officer at Azure Power Global

Saurabh Agarwal

One of the accused in the case, he is CDPQ's former India MD

Deepak Malhotra

He is former director of infrastructure for South Asia, CDPQ

COMPILED BY NISHA ANAND

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'Developed nations to gain from developing countries' demands'

AMITABH SINHA
Baku, November 21

AMIDST THE CONTINUING deadlock on finance negotiations at the COP29 meeting, a new study has reminded the developed countries that it was in their economic interest to agree to the demands being made by the developing countries for $1.3 trillion in climate finance every year.

The study by researchers at the Cornell Atkinson Centre for Sustainability at Cornell University showed that the developed countries stood to gain 2 to 15 times return on their money over the period of next ten years if they only financed the entire mitigation requirements of the developing countries.

The study said that the $1.3 trillion a year that the developing countries have been asking for at COP29 was not even enough to meet all their requirements. Just the mitigation requirements would add up to about ₹10.5 trillion between now and 2035, out of which the developed nations would need to put in $2.8 trillion of public finance to mobilise the remaining through private sources.

But the developed countries could hope to get far greater economic returns over this period, it said. If they paid for the mitigation costs in developing countries, about $2.8 trillion till 2035, they could hope for returns in the range of $5-41 trillion over this period.

"Providing such climate mitigation finance to developing countries is not only a moral obligation (under Paris Agreement) but is also in developed countries' economic interest," the study said.

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COMPANIES P3

BUSINESS & CLIMATE NO LONGER AN EITHER-OR CHOICE: ICC CHAIR

'Business and climate are no longer an either-or choice'

PHILIPPE VARIN, chair of the International Chamber of Commerce, which represents over 45 million companies in 170 countries, is on an India visit while COP29 is underway. In an interview in New Delhi, he tells **Veenu Sandhu** that any investment today must factor in sustainability from the very beginning, and explains why green trade finance is critical. Edited excerpts:

Q&A

PHILIPPE VARIN
Chair, International Chamber of Commerce

How do you assess the current global trade environment, especially in the context of rising protectionism and geopolitical tensions?

To address this, we need to consider both the short-term and medium-term perspectives. In the short term, trade and global GDP have not seen significant disruptions. Global trade is expected to grow by 2.7 per cent this year and 3 per cent next year, according to forecasts. However, within this broader picture, we observe varying trends. Asia is growing at 4 per cent, while the EU lags at about 1 per cent.

This macroeconomic stability hides some underlying shifts. For example, tensions are mounting, as evidenced by the sharp rise in trade barriers. Last year, there were 3,000 barriers globally, a significant jump from 600 barriers just five years ago. These barriers, which include export restrictions and regulatory measures like the EU's carbon border adjustment mechanism may create fragmentation. A major concern is the current functioning of the World Trade Organisation (WTO), with its dispute settlement body being frozen and critical issues like digitalisation and the sustainability transition making slow progress despite efforts. The WTO remains the most important forum for creating, monitoring and enforcing trade rules. A recent ICC report showed that dissolution of the WTO system would result in GDP losses of close to $4 trillion over a five-year period for developing countries alone.

Regarding a recent development, Gautam Adani has been indicted on bribery charges in a US federal court. Will this impact India's image as a business destination?

I cannot comment on specific cases like this one. However, at the ICC, we emphasise the importance of the rule of law and ethical business practices. Our organisation is well-known for its work in arbitration and upholding legal standards globally, which is critical for any country, including India.

What key trends do you foresee shaping international trade in next 5 years?

The geopolitical tensions we're seeing will certainly influence trade, though it's hard to predict their exact impact. At the ICC, we are focusing on digitalisation, sustainability, and the circular economy as major drivers.

How do you see India's role in the global trade ecosystem, particularly after its G20 presidency?

India is undoubtedly emerging as a major economic power, with significant influence in Brics, the so-called Global South. The country's success in sectors like services, especially IT and digital, is a key strength. India's growing small and medium enterprises (SME) network also offers vast potential, particularly as digitalisation advances in business-to-business (B2B) transactions, which are still largely paper-based.

How do you view the 'Make in India' initiative within the context of global supply chains?

The 'Make in India' initiative is crucial for boosting the country's manufacturing sector, particularly in areas like electronics. While India has seen great success in exporting services, there is still potential to strengthen its position in goods production, especially in areas of electronics and component manufacturing. This will help diversify India's economy and integrate it further into global supply chains, particularly with countries like the US and China also emphasising domestic production.

India has been actively pursuing free trade agreements (FTAs). Do you expect the UK-India FTA to materialise soon?

While I cannot predict the outcome of specific negotiations like the UK-India FTA, the ICC is a strong advocate of free – and fair – trade agreements. FTAs help countries engage more deeply in the global economy, especially at a time when multilateral trade mechanisms like the WTO are facing challenges.

How do you see India balancing economic growth with environmental concerns?

India is making significant strides in energy investments, and it has its carbon sinks and potential carbon capture technologies. At COP29 in Baku, there has been agreement on Article 6 of the Paris Agreement, which will enable carbon offsetting. The ICC, too, is working on voluntary carbon markets and advocating for stronger financing mechanisms to support sustainability transitions, which will also be vital for India's future economic development.

How will India's digital advancements influence global trade standards?

India's progress in digitalisation positions it well to influence global trade standards, especially in services and SME integration. If India can fully harness the potential of digitalisation, it has the opportunity to significantly increase its exports and improve its position in global trade.

India has urged the WTO to review the customs duty moratorium on ecommerce. Your thoughts?

While the ICC understands India's concerns, we believe the e-commerce moratorium is essential, particularly for SMEs. It facilitates the free flow of data and digital goods, which is crucial for expanding digital services. Without this moratorium, we may see an increase in costs and tariffs, which could ultimately hamper growth in these sectors. From our perspective, the moratorium benefits India's digital economy by preventing other countries from erecting trade barriers.

With international trade disputes on the rise, how is the ICC's role in arbitration evolving?

Arbitration is a key part of our services, and we handle around $20 billion worth of claims annually. We're currently modernising our processes by digitalising and introducing AI to speed up case management. We're also expanding our arbitration centres, including a new hearing centre in France. In India, about 30 per cent of ICC arbitrations are domestic, which shows that our services are not limited to cross-border disputes.

With global trends like decoupling and reshoring on the rise, how do you see these impacting trade?

The global landscape is indeed shifting. We're seeing a move toward more sovereign-driven policies, especially in regions like the US and China. The EU has been slower to adopt such policies. These policies are impacting trade, particularly when it comes to critical materials and industrial policies. The challenge is finding a balance between industrial policies and free trade.

How can emerging markets like India balance economic growth with sustainable practices?

It's no longer a matter of choosing between investment, trade and climate – it is all the same now. Any investment today must factor in sustainability from the start. Whether you're building a new plant or entering into trade agreements, integrating green practices at the outset is the most cost-effective approach. If you delay, the costs will only increase. Climate finance is crucial in helping developing countries like India achieve this balance.

'OVER THE NEXT 30 YEARS, WE'RE EXPECTED TO EXTRACT AS MANY RESOURCES FROM THE PLANET AS WE HAVE SINCE THE BEGINNING OF HUMAN CIVILISATION'

Longer version on business-standard.com

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MY VIEW | TECH WHISPERS

Nuclear energy is back in vogue thanks to AI's insatiable demand

AI poses a conundrum as it promises to worsen and help us address climate change at the same time

JASPREET BINDRA
is a founder of AI&Beyond and the author of 'The Tech Whisperer'.

Nuclear energy was the artificial intelligence (AI) of the 1960s. It generated unprecedented excitement and hype around the world. Despite its known dangers—Hiroshima and Nagasaki were quite recent back then—there was great optimism over how nuclear technology could change the world with abundant cheap energy, and free humanity from the tyranny of fossil fuels. Capturing this zeitgeist, US president Dwight D. Eisenhower delivered his famous 'Atoms for Peace' speech at the United Nations in 1953, promising nuclear power for clean and abundant energy rather than for death and destruction. The US was particularly excited, as it rolled out nuclear power plants and submarines and even considered nuclear aircraft. But US euphoria gave way to panic when in March 1979 the reactor core of Three Mile Island Nuclear Generating Station at Pennsylvania suffered a partial meltdown. The ensuing alarm meant that this technology hit a big speed-bump. Nuclear tech never recovered. Multiple reactors closed and the share of nuclear power shrank. Today, most plants in the US are 30-50 years old and the cost of setting up new ones is prohibitive, with a recent one costing $35 billion.

Cut to 60 years later, however, and AI is the new nuclear. There is extraordinary excitement as trillion-dollar companies and hot startups race to build bigger and better AI models. But even as investment flows and enthusiasm reach a fever pitch, there are dark clouds ahead, especially around the unquenchable thirst for energy that AI models and data centres have. For instance, the Electric Power Institute (EPI) expects data centres to consume up to 9% of US electricity generation by 2030, more than double what they currently use. This translates to 50 gigawatts (GW) of additional power needed by 2030 in the US alone, a colossal amount of energy which could power 10 New Yorks.

Most of the power generated across the world is with coal and other fossil fuels, making the sector one of the top contributors to CO2 emissions and global warming. Due to AI's unprecedented need for energy, the global goal of reaching net zero emissions by 2050 will likely be missed, reports the EPI.

This harsh reality has set off a mad scramble for clean energy. While companies are scrounging around for wind and solar power, the most noticeable action is around nuclear. Amazon has struck three deals in this area, including the purchase of a $650 million nuclear-powered data centre outright. Google signed a power purchase agreement with a California nuclear energy startup, Kairos Power. But the biggest eyeball-grabbing move was the one that took us back to the Three Mile Island reactor, with its owner Constellation Energy announcing last week that it will restart the nuclear reactor and Microsoft would buy the energy it generates for 20 years. Microsoft has set stiff net-zero targets for itself, and has made other moves—it tied up with Brookfield Asset Management to generate 10.4GW of renewable energy capacity across the US and Europe. It has even invested in the distant hope of nuclear fusion energy, with an agreement with Helion Energy, a fusion startup.

Even in India, Microsoft has struck a clean energy deal with ReNew Power. Microsoft president Brad Smith has highlighted the potential of repurposing existing coal-fired power plants with advanced nuclear technologies, saying: "You can cut the cost of constructing a new nuclear plant by a third by converting these plants, and we can use the power of cloud computing, AI and data to accelerate all of that." Founder Bill Gates is a big proponent too, having co-founded TerraPower, a company focused on developing advanced nuclear reactors, including designs that address traditional safety concerns around this source.

It is an interesting conundrum. While many experts believe that AI's insatiable energy demands will accelerate climate change, optimists like Gates and others believe the reverse could be true. Big Tech now has an incentive to invest hugely in clean energy, led by nuclear power, and has an equally large need to get energy for its AI dream.

Gates argues that Big Tech firms would pay a 'green premium' for clean energy, thus incentivizing its development and deployment over fossil fuel, and so the net result would be positive for the planet. AI techno-optimists believe that when artificial general intelligence (AGI) is achieved, it will solve big hairy problems like global warming for humanity. In a roundabout way, it may already have started solving our energy problem.

QUICK READ

AI guzzles a lot of power but recent deals struck by Big Tech players including AI majors like Microsoft point to renewed interest in nuclear energy for clean and abundant supply.

Here's the conundrum. While AI's appetite for power may worsen climate change, AI optimists expect nuclear power to help AI reach levels that could solve our crisis of global warming.

Online

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Opinion | Modi's Caribbean Outreach: Deepening Ties With Guyana And Beyond

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Indian Prime Minister Narendra Modi has reached the final leg of his three-nation tour, which included stops in Nigeria and Brazil.

Now in Guyana, Modi's outreach to the countries of the Global South continues.

The visit to Guyana is particularly significant, given its newfound oil reserves and its sizeable Indian-origin diaspora, which have piqued India's interest.

However, the trip is not solely to India's advantage; a wide range of issues are being discussed between the two nations, including energy, trade, and regional security. Both sides are acutely aware of the visit's significance, underscored by the Guyanese government conferring its highest civilian award on Modi and welcoming him with a guard of honour. This also marks the first visit by an Indian Prime Minister to Guyana in more than 56 years.

Guyana is poised to become one of the world's major oil-producing nations. Its neighbour, Suriname, is also on the brink of its own revolution in natural oil and gas production. For India, what better region to secure a positive energy supply chain than one that is home to one of the largest Indian diasporas?

Prime Minister Narendra Modi's visit to Guyana marks the latest in a series of high-level engagements between the two nations. Last year, Guyana's President, Mohamed Irfaan Ali, was the chief guest at the Pravasi Bharatiya Divas and was awarded the Pravasi Bharatiya Samman, the highest honour for persons of Indian origin.

Energy security has been at the top of the agenda, with both parties expected to sign several energy and defence agreements. India is also drawing on Guyana's unique history; nearly 40 per cent of the nation's population is of Indian origin, including President Irfaan Ali, whose ancestors were transported by the British to the Caribbean as indentured labourers in the 19th century.

Modi will also meet other leaders from the Caribbean Community (Caricom), an intergovernmental organisation comprising 15 Caribbean nations, including Guyana, at a Caricom-India Summit on Thursday. The summit will be co-chaired by Modi and Grenada's Prime Minister, Dickon Mitchell.

According to Caricom, the meeting is expected to "further solidify bilateral cooperation between Caricom and India in energy and infrastructure, agriculture and food security, health and pharmaceuticals, and technology and innovation."

Keeping China At Bay

Apart from energy security and infrastructure build-up, one of India's major geopolitical challengers, China, has also been vying for influence in the region. China's growing presence in Guyana has become a major concern for India in the region. Beijing has been strengthening its military, economic, and infrastructure ties with the tiny island nation.

Guyana now holds significant importance due to its vast oil reserves and strategic location. However, as China deepens its influence, India finds itself in a tougher race to build partnerships in the region. This competition has far-reaching effects on regional stability and the balance of power.

Chinese companies have led major projects like the Arthur Chung Conference Centre, the Cheddi Jagan International Airport expansion and the East Bank Demerara Highway.

Guyana's rapid economic rise, fuelled by its vast oil reserves, makes it a valuable partner for India, especially in the energy sector. With Guyana set to become one of the world's top oil producers by the end of the decade, India is eager to secure its share in this booming industry. Companies like the Oil and Natural Gas Corporation (ONGC) are already exploring opportunities in Guyana's oil and gas fields.

Beyond energy, Guyana's strategic location offers India a chance to strengthen its presence in the Caribbean-traditionally dominated by the US and Western powers. As Guyana invests in large-scale infrastructure projects, India can contribute through its expertise in technology, renewable energy and defence cooperation. In the first half of November, Brigadier

Omar Khan, Chief of Defence Staff of the Guyana Defence Force was on a five-day tour to India to enhance defence cooperation between the two countries. Earlier this year, India delivered two Dornier-228 aircraft to Guyana.

India and Guyana share a unique bond. Almost 40 per cent of Guyana's population boasts Indian heritage, descendants of indentured labourers who arrived in the 19th century. The Indian diaspora has profoundly shaped Guyanese society, contributing significantly to its economy and culture, and creating a natural bridge between the two nations. PM Modi's meeting with members of this community, acknowledging their achievements and contributions, has reinforced this connection. He even took to X (formerly Twitter), sharing images and highlighting the unwavering link between the diaspora and their ancestral homeland.

However, it is not just Guyana; the rest of the Caribbean is also filled with the Indian diaspora. Indo-Caribbean people comprise the largest ethnic group in Guyana, Trinidad and Tobago, and Suriname. They are the second largest group in Jamaica, Grenada, Saint Vincent and the Grenadines, Saint Lucia, Martinique, and Guadeloupe.

This increases the significance and impact of an Indian Prime Minister visiting the region even more. Additionally, Barbados and the Dominican Republic are also conferring their highest civilian honours on PM Modi.

The visit cements a growing partnership, fuelled by shared history, a vibrant diaspora, and a mutual desire to boost each other on the world stage. While China is lurking in the background, India is making its presence known, showing its seriousness about investing in the region and building long-term relationships. From energy deals to defence pacts, this trip is a clear signal: India is playing a long game in the Caribbean, and Guyana's a key player. It's a smart move, tapping into a region with huge potential and strengthening ties with a nation that's on the cusp of becoming a major global player. This is a win-win for both countries and a sign of India's growing influence on the world stage.

Headline	ICG conducts 136th meet of Offshore Security Coordination Committee		
Publication	HT Syndication	Edition	Online Coverage
Published Date	21 Nov 2024		

ICG conducts 136th meet of Offshore Security Coordination Committee

https://www.htsyndication.com/pioneer/article/icg-conducts-136th-meet-of-offshore-security-coordination-committee/86162711

New Delhi, Nov. 20 -- All aspects of offshore security were reviewed on Tuesday during the 136th meeting of the Offshore Security Coordination Committee (OSCC)in Hyderabad, Indian Coast Guard(ICG)said here.

Giving details, officials said ICG chief S Paramesh chaired the meeting which took stock of the preparedness and effectiveness of the security of India's offshore

installations. The meeting was attended by members and participants from concerned ministries and agencies including Indian Coast Guard, Indian Navy, IAF, ONGC, DGH, and DG Shipping.

Addressing the committee, the ICG chief underlined the importance of energy security, and thus insisted on taking all possible measures to ensure security of the offshore assets.

Headline	Ritco Logistics wins INR 120 crore contract with Haldia Petrochemicals		
Publication	ITL News	Edition	Online Coverage
Published Date	21 Nov 2024		

Ritco Logistics wins INR 120 crore contract with Haldia Petrochemicals

https://www.itln.in/logistics/ritco-logistics-wins-inr-120-crore-contract-with-haldia-petrochemicals-1353762

Ritco partners with producers across the country such as IOCL, Reliance, Hindustan Mittal, GAIL, ONGC, BCPL, and MRPL.

Headline	India at COP29: We cannot accept any attempts to deflect the focus from finance		
Publication	The Times of India	Edition	Online Coverage
Published Date	21 Nov 2024		

India at COP29: We cannot accept any attempts to deflect the focus from finance

https://timesofindia.indiatimes.com/world/europe/india-at-cop29-we-cannot-accept-any-attempts-to-deflect-the-focus-from-finance/amp_articleshow/115535132.cms

BAKU: Baku: Making intervention during discussion on the latest draft texts at COP29, India on Thursday made it clear that the goal for mobilisation of climate finance “needs to be $1.3 trillion with $600 billion of this coming through grants and grants equivalent resources”. It said the country cannot accept any attempts to deflect the focus from finance.

Articulating India’s stand, the country’s environment secretary Leena Nandan said, “The New Collective Quantified Goal (NCQG) is the financial support from developed to developing countries on grant and concessional terms for meeting our ambitious nationally determined contributions (NDCs)…Action will get severely impacted in the absence of adequate means of implementation.

The document therefore needs to be specific on the structure, quantum, quality, timeframe, access, transparency, and review.”

Referring to the text on the post-2025 finance goal, she emphasised that the expansion of the contributor base, reflection of conditional elements such as macroeconomic and fiscal measures, suggestion for carbon pricing, focus on private sector actors for scaling up resource flows as investments are contrary to the mandate for the goal.

“NCQG is not an investment goal…

We must accept that climate actions by developing countries will have to be country driven, in line with their circumstances and in the manner best suited to country priorities,” said Nandan.

She also underlined that the COP29 started with focus on enablement through NCQG, but its focus is now shifting to mitigation.

“We cannot accept any attempts to deflect the focus again from finance to repeated emphasis on mitigation. All countries have submitted their NDCs and will be submitting the next round of NDCs being informed by the various decisions we have taken together in the past as well as on the basis of our national circumstances and in the context of sustainable development goals and poverty eradication,” said Nandan.

Headline	Wealthy nations pledge 'no new coal' at COP29		
Publication	The Times of India	Edition	Online Coverage
Published Date	20 Nov 2024		

Wealthy nations pledge 'no new coal' at COP29

https://timesofindia.indiatimes.com/world/europe/wealthy-nations-pledge-no-new-coal-at-cop29/amp_articleshow/115483841.cms

BAKU: Twenty-five countries at the COP29 climate summit Wednesday pledged not to build any new unabated coal-power plants, in a push to accelerate the phaseout of the highly polluting fossil fuel.

The United Kingdom, Canada, France, Germany and major coal producer Australia were among the list of mainly wealthy developed economies to sign the voluntary pledge in Azerbaijan.

It commits nations to submit national climate plans early next year that reflect no new unabated coal in their energy systems.

Unabated refers to coal burned without any measures to reduce its emissions, such as carbon capture and storage, technologies criticised as unproven at a large scale.

The pledge does not compel nations to stop mining or exporting coal, which produces more planet-heating carbon emissions than oil and gas, and is a major driver of climate change.

Many of the world's biggest coal-power generators -- including China, India and the United States -- did not sign the "call to action" launched in Baku.

EU climate envoy Wopke Hoekstra, who signed the initiative, said coal power was still growing despite a historic commitment made at last year's COP to use less fossil fuels for energy.

"The commitment to 'transition away from fossil fuels' needs to turn into real steps on the ground," Hoekstra said.

Britain recently became the first of the Group of Seven industrial nations to end all reliance on coal in its power generation.

UK Energy Secretary Ed Miliband said that coal "poses one of the biggest threats" to capping global warming at levels scientists say would prevent the worst consequences of climate change.

This pledge "sends a clear signal from countries around the world that new coal needs to end" by the next COP summit in Brazil, he added.

The inclusion of Australia, a major coal user and exporter, was welcomed by activists at COP29 where raising money for poorer countries has been a bigger priority than efforts to cut heat-trapping emissions.

"This has closed the door on coal. Now we need to lock it," Erin Ryan from Climate Action Network Australia told AFP in Baku.

"It's beyond time that we left it in the past, both in our energy systems and our export markets."

Developing countries including Angola, Uganda and Ethiopia were also among the countries to sign the pledge, which was developed in collaboration with the Powering Past Coal Alliance.