TIMES OF INDIA, Delhi, 3.6.2024
Page No. 1, Size:(11.07)cms X (8.31)cms.

India's come a long way since 2012 outage, world's largest. Even 250GW isn't a problem

Sanjay Dutta | TNN

New Delhi: When India's power demand spiked to 250 gigawatts (GW) — a level never seen before — on May 30 against a projection of 235 GW for the month, the cross-country transmission network did not heat up and there was no report of unscheduled outages.

Despatchers manning the national control centre directing the flow of electricity are now gearing up for a peak demand of 258 GW in the coming months. This is a far cry from July 30 and 31, 2012, when India suffered the world's largest outage after the northern and eastern grids collapsed due to overload, plunging 620 million (62 crore) people, or 9% of the world's population at the time, into darkness for over 13 hours. The peak demand recorded during that month was around 130 GW but additional power could not be imported from surplus regions as the work on integration with other grids was still under way and completed in December 2013, giving India 'One Nation, One Grid'.

▶ 'Have to be on toes', P 12

POWERING AHEAD

Transmission

Length
4,81,326 circuit-Km

Inter-regional transfer capacity

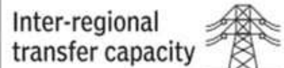
1,16,540 MW

Transformation capacity
12,25,260 MVA

Generation capacity by resource

In MW

Resource	Capacity
Coal	2,10,969
Renewables, including hydro	1,83,498
Gas	25,038
Nuclear	7,480
Lignite	6,620
Diesel	589



Total generation capacity
4,34,194 MW

Source: Power ministry

TIMES OF INDIA, Delhi, 3.6.2024
Page No. 1, Size:(11.07)cms X (8.31)cms.

Have to be on toes to meet power demand: Grid India chairman

▶ Continued from P1

Enhancements since then has turned the network into the world's largest unified grid wheeling thermal, nuclear, hydro, solar and wind power from one corner to another — and across borders — for distribution utilities. Inter-regional integration and expansion in generation basket today allow operator Grid-India flexibility in managing demand by shifting load around, ensuring power flows according to the day's plan. "Things don't get over for us with the day. We have to analyse data on trippings, frequency, voltage, loading of lines or transformers to see they are within limits. We go into any violation to ensure a repeat. We have to be on our toes," Grid-India chairman S R Narasimhan told **TOI**.

An 'energy management system' monitors the grid 24X7 at two-minute intervals and 40-milliseconds gap through 'synchrophasors'. Advance planning is done through computer simulations on worst-case demand-supply situations and check inter-region transfer limits. These are used for administering the market. "Certain steps have to be taken at different time-horizons. For example, shutdowns of power plants for overhaul or maintenance in a fiscal year are frozen with regional stakeholders in advance. This makes life easier for last-mile operators as everyone knows how things will wok during a fiscal and plan," Narasimhan said.

"With wind and solar, we have a situation where north would (typically) export (power) during daytime when there is high solar and so on. We put out those figures 11 months in advance for trades to happen as long as grid conduct rules and transfer limits are not breached," he said.

In addition, week-ahead forecasts are simulated on the basis of weather outlook to estimate power available from solar and wind, determine hydro generation pattern since the rest of the demand has to be met by coal- and gas-based plants. Meeting peak demand during daytime is not a problem due to abundance of solar power, when coal-fired plants can be backed down and ramped up during the night. Hydro is generally scheduled during peak hours when prices are high. Gas-fired power is requisitioned only if there is a shortfall still.

Overdrawal, a key reason behind the 2012 grid failure, and the shouting match between the national and state load despatchers have "come down drastically", he said.

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MINT, Delhi, 3.6.2024
Page No. 9, Size:(5.74)cms X (8.65)cms.

OPEC+ agrees to extend oil cuts

OPEC+ agreed to extend its oil production cuts into 2025, while also setting a timeline for winding down some of those curbs in a move that could weigh on prices in the short term.

The agreement reached in Riyadh on Sunday exceeds market expectations in some ways, extending so-called "voluntary" cuts from key members including Saudi Arabia and Russia well into 2025. However, it also begins rolling back those supply reductions earlier than some OPEC-watchers had predicted.

Prior to the meeting, traders and analysts had widely expected the extension of these supply reductions in order to offset soaring output from several of the alliance's rivals, with some predicting they would continue until the end of 2024. Under the new agreement, the eight nations participating in these additional curbs will have added about 750,000 barrels a day to the market by January. **BLOOMBERG**

INDIAN EXPRESS, Delhi, 3.6.2024
Page No. 13, Size:(16.34)cms X (7.00)cms.

OPEC+ extends deep oil output cuts into 2025

REUTERS
LONDON/DUBAI, JUNE 2

OPEC+ AGREED on Sunday to extend most of its deep oil output cuts well into 2025, exceeding expectations, as the group seeks to shore up the market amid tepid demand growth, high interest rates and rising rival US production.

Oil prices trade near $80 per barrel, below what many OPEC+ members need to balance their budget. Worries over slow demand growth in top oil importer China have weighed on prices alongside rising oil stocks in developed economies.

OPEC headquarters in Vienna, Austria. *Reuters File*

The Organization of the Petroleum Exporting Countries and allies led by Russia, together known as OPEC+, have made a series of deep output cuts since late 2022. OPEC+ members are currently cutting output by a total of 5.86 million barrels per day (bpd), or about 5.7 per cent of global demand.

Those include 3.66 million bpd of cuts, which were due to expire at the end of 2024, and voluntary cuts by eight members of 2.2 million bpd, expiring at the end of June 2024.

On Sunday, OPEC+ agreed to extend the cuts of 3.66 million bpd by a year until the end of 2025 and prolong the cuts of 2.2 million bpd by three months until the end of September 2024.

OPEC will spend one year on gradually phasing out cuts of 2.2 million bpd starting from October 2024 until the end of September 2025.

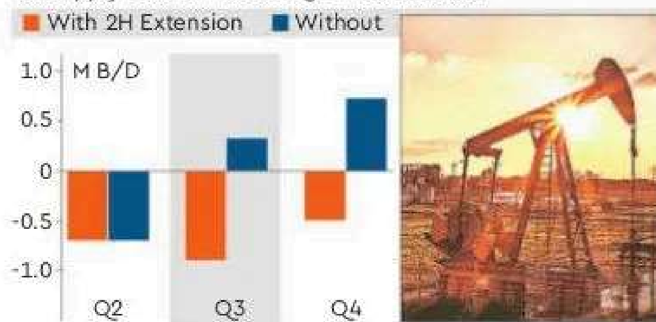
IN BID TO SUPPORT PRICES

OPEC+ agrees to extend output cuts

GRANT SMITH,
SALMA EL WARDANY &
ANTHONY DI PAOLA
June 2

OPEC+ CURBS CAN AVERT OIL SURPLUS

Oil supply excess will emerge if cuts relaxed



Source: Bloomberg calculations using IEA data

OPEC+ AGREED TO extend its oil supply cuts, delegates said, as the group continues its efforts to avert a global surplus and shore up prices.

The so-called "voluntary" cuts from key members including Saudi Arabia and Russia, which total roughly 2 million barrels a day and were set to expire at the end of June, will continue until the end of 2024, delegates said, asking not to be named because the talks were private.

Those curbs were in addition to an earlier group-wide agreement capping crude output that runs until the end of this year. The alliance also agreed to prolong that accord to the end of 2025, according to a statement on the OPEC website. The United Arab Emirates, which has invested heavily in new oil projects in recent years, was given a 300,000 barrel-a-day boost to its production target for next year.

OPEC+ ministers gathered on Sunday for a meeting to decide oil policy, with some attending in-person talks at the Ritz hotel in Riyadh and others participating online. Traders and analysts had widely expected the extension of the group's voluntary cuts, seeing it as necessary to offset soaring production from several of OPEC+'s rivals — most notably US shale drillers — and a fragile economic outlook in top consumer, China. The agreement to prolong the group-wide cuts for a further 12 months does go a little further than OPEC-watchers had been expecting.

While crude prices briefly soared above $90 a barrel in April as conflict in the Middle East threatened regional exports, they've since declined. Brent futures settled at $81.62 a barrel on May 31, a drop of 7.1% for the month.

Lower oil prices have offered some relief to central banks grappling with persistent inflation, but threaten revenue for producers like Saudi Arabia.

The kingdom needs prices close to $100 a barrel to fund the ambitious spending plans of Crown Prince Mohammed bin Salman, the International Monetary Fund (IMF) estimates. —BLOOMBERG

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FINANCIAL EXPRESS, Delhi, 3.6.2024
Page No. 2, Size:(24.90)cms X (14.95)cms.

Oil products exports up 3.3% in May

ARUNIMA BHARADWAJ
New Delhi, June 2

AFTER REGISTERING A drop of over 11% in April, India's export of refined oil products regained momentum and rose marginally last month as the demand increased. The country exported 1.24 million barrels per day of petroleum products in May, registering a marginal increase of 3.3% against 1.20 million barrels per day in April, data from ship tracking intelligence firm Vortexa showed.

Exports, however, remained largely unchanged from the corresponding period of last year at 1.25 million barrels per day.

India primarily supplies petroleum products to countries in Europe and Asia. The country has emerged as a major fuel supplier to Europe in the past few months after European countries started boycotting Russian supplies post its invasion of Ukraine. However, going forward, supplies to Europe may see a decline due to ample supplies in the West. "Asia, Europe and Africa are the top destinations for India's refined product exports. However, more clean product exports are heading to Asia this month, instead of Europe, as arbitrage to the West has narrowed due to ample supplies," said Serena Huang, Vortexa's Head of APAC Analysis.

The country exports a variety of goods via the Red Sea including petroleum products. The country's export of petroleum products fell by 14% in FY24 to $84.14 billion compared to $97.47 billion in FY23, according to government data. The slight uptick in the country's exports also comes amidst rising domestic consumption of these petroleum products, majorly driven by growth in demand for diesel, aviation turbine fuel, and liquified petroleum gas. The consumption of petroleum products grew by 6% to 19.9 million tonnes in April, as per data from the Petroleum Planning and Analysis Cell.

The country's production of petroleum products has also seen a rise in the beginning of the current financial year, marking a rise of 4% to 23.4 million tonnes in April compared with the same period of previous year. Even though India's petroleum products exports may be marginally outpacing the overall outward shipments, imports of these items are rising. As a result, the country's self-sufficiency in oil products has been witnessing a decline from 14.5% in 2011-12 to 12.6% in 2022-23, and further to 12.2% in FY24, PPAC data showed.

In April, the country's import of petroleum products registered an increase of 34.4% to 4.3 million tonnes at $2.1 billion, a 40% rise from April 2023. Exports, on the other hand, rose just by 9% on year to 4.8 million tonne at $3.7 billion during the month. The country's demand for petroleum products including jet fuel, diesel, LPG among others is likely to grow to 239 million tonnes in the financial year 2024-25, as per estimates by PPAC. The country's consumption of petroleum products stood at 233 million tonnes last year.

REFINED OIL PRODUCTS OUTFLOW

India's refined product exports (million barrels per day)

Source: Vortexa

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MILLENNIUM POST, Delhi, 3.6.2024
Page No. 9, Size:(17.04)cms X (10.23)cms.

'India has significant potential for producing Sustainable Aviation Fuel to help cut emissions'

DUBAI: India has significant potential for producing Sustainable Aviation Fuel (SAF), which can help reduce carbon emissions, global airlines' grouping IATA said on Sunday amid rising air travel.

In 2023, the production of SAF stood at around 0.5 million tonnes and the amount has to be increased multiple folds by 2050.

The International Air Transport Association (IATA) said it will establish the SAF Registry to accelerate the uptake of the fuel by authoritatively accounting and reporting emissions reductions from the use of the fuel. The registry is expected to be launched in the first quarter of 2025.

Seventeen airlines, one airline group, six national authorities, three Original Equipment Manufacturers (OEMs), and one fuel producer are already supporting the effort to develop the registry.

Hemant Mistry, Director of Net Zero Transition at IATA, said there is a significant potential for producing SAF in India.

"Regions like India have significant opportunities on feedstocks, which can support the pathway (for SAF)," he said here.

India is one of the world's fastest growing civil aviation markets and domestic carriers are expanding their fleet to meet rising air traffic demand.

As many as 140 identified SAF projects are progressing across 31 countries, the grouping said.

At a briefing on the sidelines of the IATA AGM here, Marie Owens Thomsen, Senior VP Sustainability & Chief Economist at IATA, said multiple levers can be used in different combinations to achieve net zero emissions.

"SAF will be responsible for the greatest amount of CO2 reductions by 2050 (65 per cent)," she said. Compared to the 2023 level, she said, the production of SAF has to be increased by around 1,000 times to reach 500 million tonnes by 2050.

In a release, IATA said SAF is expected to account for up to 65 per cent of the total carbon mitigation needed to achieve net zero carbon emissions in air transportation by 2050.

"SAF is key to aviation's decarbonisation. Airlines want more SAF and stand ready to use every drop of it," IATA Director General Willie Walsh said. IATA represents around 330 airlines that account for over 80 per cent of the global traffic. Indian carriers, including Air India and IndiGo, are part of the grouping. PTI

MILLENNIUM POST, Delhi, 3.6.2024
Page No. 9, Size:(17.12)cms X (11.60)cms.

Oil producing countries led by Saudi Arabia extended supply cuts amid slack prices

OPEC+ alliance decided at an online meeting to hold steady its production levels, which include collective cuts of 2 million bpd, through Dec 31, 2025

FRANKFURT: Saudi Arabia and allied oil producing countries on Sunday extended output cuts through next year, a move aimed at supporting slack prices that haven't risen even amid turmoil in the Middle East and the start of the summer travel season.

The OPEC+ alliance, made up of members of the producers cartel and allied countries including Russia, decided at an online meeting to hold steady its production levels, which include collective cuts of 2 million barrels per day (bpd), through Dec 31, 2025.

The Saudis need higher oil prices to fund ambitious plans

by Crown Prince Mohammed bin Salman to diversify the country's economy away from fossil fuel exports. Higher oil prices would also help Russia maintain economic growth and stability as it spends heavily on its war against Ukraine.

The OPEC+ statement didn't say what would happen to an additional set of voluntary cuts that include a reduction of 2.2 million barrels a day by a smaller group of alliance members including the Saudis. Analysts expected those unilateral cuts, which expire at the end of the month, to be extended as well.

International benchmark Brent has loitered in the $81-$83 per barrel range for the past month. Even the war in Gaza and attacks on shipping in the Red Sea by Houthi rebels in Yemen have not pushed prices up toward the $100 per barrel level last seen in September 2022. Reasons include higher interest rates, concerns about demand due to slower than desired economic growth in Europe and China, and rising non-OPEC supply including from US shale producers,

US motorists have benefitted from weaker oil prices. Gasoline prices have been quiescent recently, averaging $3.56 per gallon last week, a penny less than a year ago. That is down from a record national average high of $5 per gallon in June 2022.

US gas prices rise along with crude because the price of oil makes up half the cost of a gallon of gasoline. The price swings are much smaller in Europe because there taxes make up a bigger proportion of the price of fuel. AGENCIES

BUSINESS STANDARD, Delhi, 3.6.2024
Page No. 8, Size:(29.33)cms X (28.06)cms.

Opec+ extends output cuts into 2025 to support prices

Will also extend third round of voluntary cuts into Q3 2024

BLOOMBERG
2 June

Opec+ agreed on Sunday to extend most of its deep oil output cuts for 2024 but to start phasing them out in 2025, as the group seeks to shore up the market amid tepid global demand growth, high interest rates and rising rival US production.

Oil prices trade near \$80 per barrel, below what many Opec+ members need to balance their budget. Worries over slow demand growth in top oil importer China have weighed on prices alongside rising oil stocks in developed economies.

The Organization of the Petroleum Exporting Countries and allies led by Russia, together known as Opec+, have made a series of output cuts since late 2022.

Opec+ members are currently cutting output by a total of 5.86 million barrels per day (bpd), or about 5.7 per cent of global demand.

The cuts include 2 million bpd by all Opec+ members, the first round of voluntary cuts by nine members of 1.66 million bpd, and the second round of voluntary cuts by eight members of 2.2 million bpd.

Opec+ extended the the first round of cuts until the end of 2025 from the end of 2024, the group said in a statement.

It also agreed to extend the third round of voluntary cuts into the third quarter of 2024, Opec+ sources said, adding that more details were being worked out and would be announced on Sunday.

The countries which have made voluntary cuts in the second round are Algeria, Iraq, Kazakhstan, Kuwait, Oman, Russia, Saudi Arabia and the United Arab Emirates and Gabon. The same countries except Gabon participated in the third round. The group also agreed to allocate the UAE a higher production quota of 3.5 million bpd in 2025, up from the current level of 2.9 million.

Opec+ also postponed the deadline for an independent assessment of its members' production capacities to the end of November 2025 from June 2024. The figures will be used as guidance for 2026 reference production levels.

Opec+ will hold its next meeting on December 1, 2024.

Sources have said Opec's de facto leader and biggest producer Saudi Arabia had spent days pre-cooking the deal behind the scenes.

Its energy minister Price Abulaziz bin Salman invited some key ministers to come to Riyadh on Sunday despite meetings being online.

KEY DECISIONS

- Total output cut of 5.86 million bpd, which is 5.7% of the global demand
- All Opec+ members to cut 2 million bpd
- The UAE's production quota for 2025 increased to 3.5 million bpd from 2.9 million bpd
- Opec+ will convene its next meeting on December 1, 2024

Investors flock to Aramco share sale to raise \$13 bn

Offer sells out in hours

Saudi Arabia's sale of shares in oil giant Aramco drew more demand than the stock on offer within hours of kicking off on Sunday, a deal that could raise up to \$13.1 billion in a major test of international appetite for the kingdom's assets. The share sale sold out shortly after the deal opened.

The banks on the deal — Citi, Goldman Sachs, HSBC, JPMorgan, Bank of America, and Morgan Stanley along with Saudi National Bank, Al Rajhi Capital, Riyad Capital, and Saudi Fransi — will take institutional orders through Thursday and will price the shares the following day, with trading expected to start next Sunday on Riyadh's Saudi Exchange. The offering will be a gauge of Riyadh's appeal to foreign investors to overhaul its economy.

The sovereign wealth fund, the Public Investment Fund (PIF), the preferred vehicle driving the mammoth agenda that has poured tens of billions of dollars into everything from sports to futuristic desert cities, is likely to be a beneficiary of the funds, analysts and sources have said. Aramco's shares closed about 2 per cent lower on Sunday at 28.45 riyals (\$7.53).

Saudi Arabia is offering investors about 1.545 billion Aramco shares, or 0.64 per cent, at 26.7 to 29 riyals, or just under \$12 billion at the top end of the range.

REUTERS

BUSINESS LINE, Delhi, 3.6.2024
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OPEC+ extends deep oil production cuts into 2025

London/Dubai: OPEC+ agreed on Sunday to extend its deep oil output cuts for 2024 and start phasing them out in 2025, as it seeks to shore up the market amid tepid global demand growth, high interest rates and rising rival US production. As oil prices trade near $80 per barrel, worries over slow demand growth in China have weighed on prices alongside rising oil stocks in developed economies. REUTERS

ECONOMIC TIMES, Delhi, 3.6.2024
Page No. 11, Size:(19.13)cms X (7.54)cms.

WITHDRAWAL OF NOTICE BY PNGRB TO END LEGAL TUSSLE

Regulator Now Says City Gas Networks not Common Carriers

Sanjeev.Choudhary
@timesgroup.com

New Delhi: The Petroleum and Natural Gas Regulatory Board (PNGRB) has withdrawn notices to declare city gas networks in 54 licensed areas as common carriers, which would help end a legal tussle between the regulator and the affected city gas distributors.

In April, the PNGRB had repealed its previous guideline on declaring networks as common carriers, which had formed the basis for notices to 54 city gas licensees in 2021, and replaced it with a new guideline. Since the old guideline was repealed, it decided to withdraw all those notices, the regulator said.

City gas licensees have been fighting the PNGRB in court over those notices. The withdrawal of notices will automatically persuade companies to pull out the cases, people familiar with the matter said. The regulator, however, may again move to declare the networks in the licensed areas that have long exceeded their exclusivity period as common or contract carriers, as it would be necessary to bring in fair competition among suppliers, cut costs for consumers, and enhance gas consumption in the country, the people said. India has set a goal of increasing the share of natural gas in the primary energy mix to 15% by 2030 from the current 6%. Any future attempt by the PNGRB to declare the city gas network as a common carrier too may get challenged in court as giving up monopoly means erosion of profit for licensees, an industry executive said. In March, oil minister Hardeep Puri said the full benefit of the reforms in the natural gas sector had not reached the end customer and that the government would take all measures to ensure compliance by city gas companies. The exclusivity period for both Delhi and Mumbai expired in 2012, according to PNGRB's 2021 notice. Indraprastha Gas is the licensee for Delhi and Mahanagar Gas for Mumbai. Adani Total Gas' exclusivity for Ahmedabad expired in 2016 and Indian Oil-Adani Gas's exclusivity for Chandigarh ended in 2018, as per the PNGRB.

ISTOCK

Licensees enjoy two kinds of exclusivity, according to the April PNGRB guideline. The first gives them exclusive rights to lay, build and expand supply infrastructure, and the second bars other suppliers from using that infrastructure. The second, also referred to as marketing exclusivity, is available for 6-8 years, after which a licensee's supply network can be declared a common carrier, opening the doors for other suppliers to that market.

MINT, Delhi, 3.6.2024
Page No. 8, Size:(22.57)cms X (6.75)cms.

Saudi Aramco's $12 billion stock offer sells out in hours

Bloomberg
feedback@livemint.com

Saudi Aramco's $12 billion share sale sold out shortly after the deal opened on Sunday, in a boon to the government that's seeking funds to help pay for a massive economic transformation plan.

The government had demand for all shares on offer in a few hours after books opened, according to terms of the deal seen by *Bloomberg News*. Books were covered across the price range of 26.70 riyals to 29 riyals.

While it wasn't immediately clear exactly how much of the demand came from overseas, the order book reflected a mix of local and foreign investors, three people familiar with the matter said, declining to be identified as the information is private.

The extent of foreign participation will be closely watched as an indicator of interest in Saudi assets. During Aramco's 2019 initial public offering, overseas investors had largely balked at valuation expectations and left the government reliant on local buyers. The $29.4 billion listing drew orders worth $106 billion, and about 23% of shares were allocated to foreign buyers.

The Saudi government owns about 82% of Aramco. REUTERS

A top selling point of the latest offer is the chance to reap one of the oil industry's biggest dividends. Investors who are willing to look past a steep valuation and the lack of buybacks would cash in on a $124 billion annual payout that *Bloomberg Intelligence* estimates will give the company a dividend yield of 6.6%.

Aramco shares fell as much as 2.9% to 28.30 riyals Sunday, valuing the firm at about $1.8 trillion. The stock has dropped about 14% since the start of this year, when *Bloomberg News* first reported the government's intention to offload a stake, and is currently trading at its lowest levels in over a year.

The Saudi government owns about 82% of Aramco, while the kingdom's wealth fund holds a further 16% stake. The kingdom will continue to be the main shareholder after the offering, which has been in the works for years.

Crown Prince Mohammed bin Salman said in 2021 that the government would look to sell more Aramco shares in the future. Those plans gained momentum a year ago, when the kingdom began working with advisers to study the feasibility of a follow-on offer.

The deal ranks among the largest share sales globally since Aramco's listing.

INDIAN EXPRESS, Delhi, 3.6.2024
Page No. 11, Size:(20.74)cms X (14.30)cms.

OVER THE BARREL
BY VIKRAM S. MEHTA

A new kind of green

To accelerate the energy transition, a different policy framework is required

GENERALS ARE, ON occasion, accused of preparing for the last war. The mandarins responsible for energy in the next government should not make this mistake. India is in the midst of a significant energy transition. The decision makers would be wise to create a new strategic framework for energy policy and its implementation.

Our energy policy is dual pronged. One prong is focused on fossil fuels. The priority here is to manage and mitigate the increasing import dependency on petroleum. The specifics of this prong are diversification of the sources of imports, strategic reserves, domestic exploration, demand conservation and efficiency and environmental protection.

The second prong is focused on accelerating the transition to clean renewable fuels. Here the specifics flow from the longer term commitment to achieve net zero carbon emissions by 2070 to the shorter/medium term objectives of reducing carbon intensity of GDP and creating 500 GW of electricity generation capacity from non fossil fuels by 2030.

These two prongs are developed and implemented by functional, vertically structured ministries. The Ministry of Petroleum is responsible for the first prong. And as coal accounts for the largest share in our energy consumption basket, the Ministry of Coal is also crucially significant. The second prong has a more cluttered parentage. The Ministries of Renewables and Power predominate, but the Ministries of Heavy Industry, Mines and Minerals, IT and Information and Environment are also involved. This is because many of components required to build a green energy ecosystem fall in their jurisdiction.

Each of these government ministries is headed by a cabinet minister. They all have a phalanx of bureaucrats who operate within well defined, narrow and impermeable siloes. There is no formal executive forum for an integrated discussion on energy policy.

I have often commented on the sub optimality of such a compartmentalised decision making structure. But I do so because I believe the targets for decarbonisation and sustainability that India has publicly announced will be difficult to achieve unless decision makers view the energy value chain through one integrated lens. This is because of the international forces that bear on the green transition.

The world is once again confronted by great power competition. The US and its allies are pitted against China and Russia in a new version of the Cold War. Taiwan is the "Berlin" of this contest and technological superiority the surrogate for nuclear arms race. This Cold War has ramifications for the green agenda along three axes — supply chain resilience, domestic investment and national security.

China has a near monopoly concentration on global supplies of materials essential for green energy. It also produces the least cost solar wafers, cells, panels and wind turbines. And it has stolen a march over others on low cost green technology. Domestic manufacturers of solar, wind and EVs have been the beneficiaries. But there are national security concerns. What is supplied can also be withheld.

To mitigate this exposure, the Indian government has imposed duties on Chinese imports and introduced the PLI scheme to incentivise domestic manufacturers. It has not, however, created a strategic frame a la the Chips and Science Act legislated by the US.

The next government should consider developing such a frame. The purpose should be to weave the different strands of policy related to fossil fuels and green energy into one seamless whole and converge the current two-track energy policy onto one track. The government should, as a first step, prepare a document captioned "Energy strategy: Towards convergence, security and sustainability". Such a document should address the following issues.

One, the relationship between the hydrocarbon PSEs and other energy companies. Several of the former are now operating in the domain of the latter. The intent should be to prevent duplicity of effort and resources.

Two, IEA has forewarned that the market for copper, lithium, nickel and cobalt will be volatile and there will be supply shortages in the absence of additional investment in mining. India must, therefore, lay out a clear strategy for meeting its future requirements.

Three, in the face of the "China factor", the competitiveness of clean energy vis a vis fossil fuels and the ease of access to low cost green technology. The US and EU have imposed anti-dumping duties on Chinese EVs. The reasons are understandable. National security should take priority over economics. But there will be an impact on investors and on the pace of the green transition. These ramifications should be studied.

Four, board rooms are currently cautious about green investment. But, private capital is crucial for the transition. The government must address this risk aversion. One approach could be to identify specific sectors or activities for special incentives. Another, to step up public investment and "crowd in" private capital. The strategy document should detail the options and lay out a road map.

The next government's challenge is to reduce the share of fossil fuel against the backdrop of a polarised international geopolitical context and technological innovation.

The writer is chairman and distinguished fellow, CSEP

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Page No. 3, Size:(7.88)cms X (9.51)cms.

Saudi Aramco's $12-billion stock offer sells out in hours

MATTHEW MARTIN
& JULIA FIORETTI
June 2

SAUDI ARAMCO'S $12 billion share sale sold out shortly after the deal opened on Sunday, in a boon to the government that's seeking funds to help pay for a massive economic transformation plan.

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While it wasn't immediately clear exactly how much of the demand came from overseas, the order book reflected a mix of local and foreign investors, three people familiar with the matter said, declining to be identified as the information is private.

The extent of foreign participation will be closely watched as an indicator of interest in Saudi assets. During Aramco's 2019 initial public offering, overseas investors had largely balked at valuation expectations and left the government reliant on local buyers. The $29.4 billion listing drew orders worth $106 billion, and about 23% of shares were allocated to foreign buyers.

A top selling point of the latest offer is the chance to reap one of the oil industry's biggest dividends. Investors who are willing to look past a steep valuation and the lack of buybacks would cash in on a $124 billion annual payout that Bloomberg Intelligence estimates will give the company a dividend yield of 6.6%.

Aramco shares fell as much as 2.9% to 28.30 riyals Sunday, valuing the firm at about $1.8 trillion. The stock has dropped about 14% since the start of this year, when Bloomberg News first reported the government's intention to offload a stake, and is currently trading at its lowest levels in over a year. —**BLOOMBERG**

SHARES FELL 2.9% TO 28.30 RIYALS

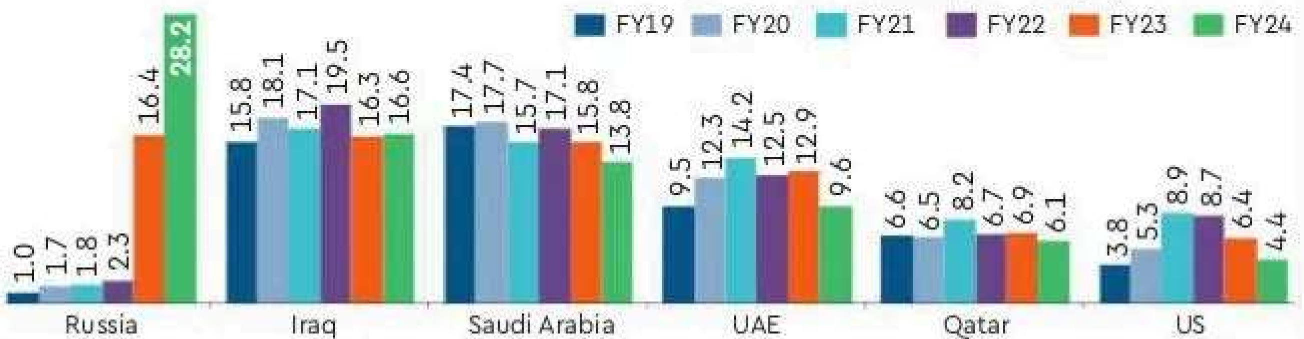
(%) Estimated dividend yield for 2024

Source: Bloomberg Intelligence

FINANCIAL EXPRESS, Delhi, 3.6.2024
Page No. 2, Size:(9.08)cms X (9.18)cms.

Russia became India's top oil exporter in FY24, edging out Saudi Arabia

INDIA'S SHARE OF petroleum imports from Russia jumped to 28.2% in FY24 as compared to an average of 1.6% between FY18 and FY22 as the country increased its import of discounted Russian barrels. India imported petroleum products worth $180 billion in FY24 as compared with $209 billion the year before, a drop of 14% on-year despite elevated global crude oil prices. In FY23 too, the share of oil imports from Russia was high at 16.4%. The share of oil imports from Saudi Arabia dropped to 13.8% in FY24 from 15.8% in FY23 and that from Iraq remained flat at 16% in the two financial years. The share of oil imports from the United Arab Emirates, too dropped to 9.6% in FY24 from 13% in FY23.



Source: Economic Outlook

BUSINESS LINE, Delhi, 3.6.2024
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गेल GAIL TO THE FUTURE

SPIC's natural gas play bolsters operations, profitability

G Balachandar

Ashwin Muthiah (58) is now a contented man as Southern Petrochemical Industries Corporation Ltd (SPIC), the flagship of the Singapore-headquartered AM International, has achieved a major milestone and embarked on a new phase of growth following a remarkable turnaround over a decade.

"With all legacy issues behind us, we have successfully reorganised SPIC for future growth," says the Chairman of SPIC, and Founder and Chairman of AM International, with satisfaction.

AM International, as the holding company, oversees a diverse portfolio worth about $2 billion in sectors such as fertilizers and petrochemicals. SPIC stands alongside Manali Petrochemicals Ltd (MPL) in the petrochemical sector. The group includes four listed companies: SPIC, MPL, Tamilnadu Petroproducts (a JV firm), and Tuticorin Alkali Chemicals & Fertilizers.

Under Muthiah's leadership, since he became Chairman in 2011, SPIC has staged an impressive turnaround. The 55-year-old pioneer in the Indian fertilizer space is now well-positioned to seize emerging opportunities as India is evolving into a cost-efficient producer while achieving self-sufficiency.

SPIC, a pure-play urea producer, has entered a new chapter in its history, undergoing major expansions for future growth. The company transitioned from high-cost naphtha-based operations to 100 per cent natural gas (NG)-based operations. This shift promises to enhance sustainability, operational efficiency and profitability. "We have completely stopped buying naphtha now," Muthiah proudly states.

THE GREEN LEAP

Urea, the primary fertilizer used in India, is produced in 36 fertilizer plants nationwide. All these factories use natural gas as their main raw material due to its low emissions, ease of handling and reduced energy consumption. After a long wait, SPIC has now joined this group.

In May 2024, SPIC joined the "gas pooling" mechanism which calculates a single pooled gas price based on the weighted average price of natural gas used by all fertiliser companies. Companies with lower natural gas costs pay the difference into the system, while those with higher costs receive the difference.

"Following the full conversion to natural gas, the company's EBITDA is expected to see a significant improvement supported by some key factors," says Bhanu Patni, Director, India Ratings & Research (Ind-Ra).

The complete shift to pooled gas is anticipated to boost energy efficiency to 5.8 gigacalories (Gcal) per tonne. SPIC will benefit from the

Ashwin Muthiah, Chairman of SPIC

pooled gas price mechanism, reducing forex losses by eliminating naphtha imports, Patni added.

With this transition, SPIC is poised for a ₹970 crore revamp of its existing urea plant to boost capacity and establish a 150 tonnes per day green ammonia plant. This upgrade aims to increase urea production capacity from 7,59,000 tonnes per year to 9,12,000 tonnes per year, with an energy consumption target of approximately 5.7 Gcal/tonne (6.0 GCal/t now). This revamp will enhance plant stability, improve efficiency, and reduce the government's subsidy burden. "Completion of capex is key to sustaining EBITDA at the current level," says Patni.

Next on the agenda is fortifying SPIC's balance sheet, aiming for zero debt, with minimal long-term and working capital debt in the company. The company is reinvesting its cash into the business and has become a dividend-paying entity. "We are now a dividend-paying company, distributing dividends in a measured way while retaining funds to fuel growth," Muthiah explains.

WEATHERING THE STORM

However, SPIC's performance in FY24 was impacted by unprecedented floods in the Thoothukudi region of Tamil Nadu, where its manufacturing operations are located. This led to a decline in net profit to ₹88 crore from ₹284 crore in FY23, and total income dropped to ₹1,962 crore from ₹2,849 crore due to a factory closure lasting over two months.

"SPIC's EBITDA improved given the difference between the normative and the actual efficiency. In addition to healthy EBITDA generation, SPIC's working capital situation was also supported by the timely receipt of subsidies from the government allowing SPIC to reduce trade payables," states Patni.

Muthiah remains optimistic about the future growth of SPIC. "Everything runs smoothly if you have your raw materials, market demand and funds in place. It will be an autopilot operation," he says confidently.

While the fertilizer sector shows promise, Manali Petrochemicals, operating in the commodity sector, faces challenges from cheap imports. The company has crafted a strategy to balance its portfolio with a mix of commodities and speciality chemicals, leveraging its two UK facilities to enhance business through high-margin, sustainable specialty chemicals. "We are very clear on our trajectory. We will continue to grow in our core businesses — fertilisers and petrochemicals. In fertilisers, our focus will be on urea and phosphate, while in petrochemicals, we will concentrate on intermediates," asserts Muthiah.

But the group companies will not overstretch to achieve growth. "We will not let peer pressure sway us. We will focus on growing where our strengths lie and trim down where our weaknesses are," he states.

As the group companies progress through various expansion and growth stages, have the promoters developed the management capacity to ensure business continuity without disruption? "That is something we are very conscious about," he affirms. The companies are professionally run, focusing on building strong operational teams and balancing family involvement carefully.

What would be his message to shareholders? "The dividend is a message to say we are committed to long-term sustainability. It signals to shareholders and stakeholders our dedication to maintaining sustainable growth," Muthiah emphasises.

PUNJAB KESARI, Delhi, 3.6.2024
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ओपेक ने तेल उत्पादन में कटौती को बढ़ाया

फ्रैंकफर्ट, (एपी): सऊदी अरब और सहयोगी तेल उत्पादक देशों के संगठन ओपेक ने रविवार को उत्पादन में कटौती को अगले साल तक बढ़ा दिया। यह कदम पश्चिम एशिया में उथल-पुथल और गर्मियों के यात्रा सीजन की शुरुआत के बीच भी कीमतों के नहीं बढ़ने पर उठाया गया है।

ओपेक और अन्य देशों के गठजोड़ ने एक ऑनलाइन बैठक में अपने उत्पादन के स्तर को स्थिर रखने का फैसला किया। इन देशों में रूस भी शामिल है। इसके तहत 31 दिसंबर, 2025 तक प्रति दिन 20 लाख बैरल की सामूहिक कटौती शामिल है।

सऊदी अरब के क्राउन प्रिंस मोहम्मद बिन सलमान की महत्वाकांक्षी योजनाओं को वित्तपोषित करने के लिए उसे तेल की ऊंची कीमतों की जरूरत है।

JANSATTA, Delhi, 3.6.2024
Page No. 11, Size:(3.77)cms X (6.27)cms.

ओपेक ने तेल कीमतों में गिरावट के बीच आपूर्ति में कटौती को बढ़ाया

फ्रैंकफर्ट, 2 जून (एपी)।

सऊदी अरब और सहयोगी तेल उत्पादक देशों के संगठन ओपेक ने रविवार को उत्पादन में कटौती को अगले साल तक बढ़ा दिया। यह कदम पश्चिम एशिया में उथल-पुथल और गर्मियों के यात्रा सीजन की शुरुआत के बीच भी कीमतों के नहीं बढ़ने पर उठाया गया है।

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