

C-BAM Aims to Reward India's Investment in Green Energy: French Envoy to OECD

Anoushka Sawhney

New Delhi: The Carbon Border Adjustment Mechanism (C-BAM), introduced by the European Union, aims to recognise and reward India's significant investment in green energy, said Amelie de Montchalin, France's permanent representative to the Organisation for Economic Cooperation and Development (OECD).

"The European approach is neither protectionism nor penalization," Montchalin, who was a minister in the French government, told ET. Montchalin is in India for the Kautilya Economic Conclave, being organised by the finance ministry.

C-BAM, which will come into effect in January 2026, imposes a carbon tariff on products like steel, cement and electricity imported to the EU.

 **Fighting climate change is not to protect the planet but the people on the planet**

AMELIE DE MONTCHALIN
France's permanent representative to OECD

On green transition, Montchalin said, "Fighting climate change is not to protect the planet but the people on the planet."

She said that while economic prosperity cannot come at the expense of the planet, at the same time, focusing solely on green transition without addressing poverty is not viable.

Montchalin mentioned that both India

and France believe that planning of green transition and economic development should be determined by the countries themselves.

"The decision-making should rest with the national government and they can engage with public and private financial institutions based on what some call country platforms," she said.

Montchalin said that in the realm of green transition, India and France are working closely on a more inclusive global financial governance as well as improving the assessment of risk and returns of green initiatives like renewable energy and solar projects.

In February next year, France will organise a Global AI (Artificial Intelligence) Action Summit, covering subjects such as the state of innovation, impact on labour, cybersecurity (how to make AI safe), governance and AI for good.

Escalating West Asia conflict threatens to disrupt India's crude oil supplies

Rishi Ranjan Kala
New Delhi

As the threat of a full-scale conflict between Iran and Israel becomes more pronounced, analysts and trade sources say a further escalation in hostilities could impact crude oil supply, which in turn would lead to more volatility in prices.

ICRA's Senior VP & Co-Group Head (Corporate Ratings), Prashant Vasisht, said: "If the Middle East conflict widens and affects other oil producing countries or key routes/ trade channels such as the Strait of Hormuz (which Iran straddles), oil and natural gas supplies would be impacted, which could have an adverse impact on crude oil and natural gas prices."

KEY ROUTE

Around 20 per cent of the world's oil and liquefied natural gas (LNG) passes through the Strait of Hormuz, making it an important energy choke point, he said.

Pulkit Agarwal, Head of India Content (cross commodities), S&P Global Commodity Insights, said: "While there is no immediate impact given Iran, Israel or Lebanon are not significant oil trade partners for India, a wider West Asian conflict can impact India given our continued reliance on West Asian crude oil."

Vasisht explained that higher crude oil prices will add to the oil import bill. Additionally, oil marketing companies (OMCs) could see marketing losses on sale of auto fuels in case retail prices are not revised. In case natural gas prices rise, the fertiliser subsidy bill would increase, besides which prices of PNG (Industrial and Commercial) would also rise.

However, while rising geopolitical tensions have a bullish sentimental impact on oil prices, the physical fundamentals for oil remain as is.

The fundamental fears of oil oversupply and looming OPEC+ cuts continue to weigh in, even in the wake of the heightened geopolitical risk. Vasisht said it would be difficult to predict the im-



WAR IMPACT. Export earnings of domestic refiners could be hit as Israel procures refined petroleum products from India.

pact on crude oil prices as this is a geopolitical event driven impact.

Government officials, analysts and trade sources *businessline* spoke with expressed apprehensions of possible attacks on strategic and critical infrastructure on both sides, particularly oil and gas production, refining and supply.

For Iran, this can have a bearing on crude oil. China is a major buyer and an impact on Iran's facilities could derail supply which, in turn, will infuse volatility in global supply and consequently oil prices.

Strategic Iranian facilities such as Kharg Island (primary oil export terminal in Persian Gulf), facilities near South Pars offshore field, or Abadan oil refinery, could be under threat.

For instance, Houthi rebels used drones to attack oil processing facilities in Saudi Arabia in May and September of 2019, disrupting supplies and adversely impacting market dynamics.

SUPPLY RISKS

Vortexa's Head of APAC Analysis, Serena Huang said "Crude prices have risen in response to heightened sup-

ply risks amidst growing tensions in the Middle East. The market is closely monitoring the situation, especially attacks on oil infrastructure or disruptions in waterways which could have a massive impact on oil flows and in turn prices."

"What happens next will be determined by Israel's response. Russia-Ukraine drone attacks on critical infrastructure are still fresh. So, supply could tighten or Red Sea transit could witness more attacks. It's all fluid at present. It's wait and watch for now," a top official with a state-run refiner anticipated.

India does not import Iranian crude, which is under sanction.

However, an escalating conflict between Iran and Israel will impact supplies and prices in West Asia, which accounts for almost 46 per cent of India's crude oil imports in September 2024.

Domestic refiners could also face a hit on their export earnings as Israel procures refined petroleum products from India.

In FY23, refiners sold refined products worth around \$5.5 billion to Israel, which fell to \$2.3 billion in FY24.

India closely watching developments: FinMin

Press Trust of India

New Delhi

The Finance Ministry is closely watching developments in West Asia but is not worried about crude oil prices, government sources said.

The government has tools to deal with volatile crude oil prices, sources said.

India has seen much higher

crude oil prices, crude oil prices are still not at those levels, sources said. Crude oil futures surged as much as 5 per cent in Thursday's intraday session after US President Joe Biden said his administration would support Israel striking Iran's oil facilities.

Brent crude for November delivery gained 4.8 per cent to trade at \$77.44 per barrel.

PM internship scheme takes off; 50 firms onboarded on portal

KR Srivats

New Delhi

The Prime Minister Internship Scheme, launched on a pilot basis on Thursday, has seen a promising start, with 50 companies having already onboarded the portal in the first two days.

More than 2,200 internship opportunities have been listed on the portal till 3 pm on Friday, sources in the Ministry of Corporate Affairs (MCA) said.

The government on Thursday said that it has set aside ₹800 crore for the pilot scheme, which aims to provide 1,25,000 internships to youth aged between 21 and 24 years in FY'25.

MCA is administering the Scheme, which was announced in this year's Budget as part of government efforts to boost job creation and skilling among youth of the country.

The internship portal is being managed by the Bhaskaracharya Institute for Space Applications and Geoinformatics (BISAG), a national agency by the Gujarat government.

SELECTION & OFFERS

The internship offers will be



Prime Minister Narendra Modi

issued by India's top 500 companies ranked by average CSR spend in last three financial years.

Corporates can, between October 3-12, submit available positions on the internship portal. From October 12 to October 25, candidates can apply on the portal.

Names of shortlisted candidates will be prepared on October 26, using Artificial Intelligence (AI).

Between October 27-November 7, companies will review and select candidates. The candidates can then accept or reject the internship offers between November 8 and 15.

Some of the big companies

that had onboarded the internship portal on first day include Mahindra & Mahindra, Alembic Pharma and Max Life Insurance.

PAY BREAKUP

Under the scheme, MCA will give ₹6,000 to interns upon joining. A monthly assistance of ₹5,000 (₹4,500 by the government and ₹500 by companies from CSR funds) will be provided for 12 months.

Companies can provide assistance over and above ₹500 if they wish to do so. However, the excess spend will not be counted as CSR expenditure.

RESERVATION VALID

The Centre's reservation policy for Scheduled Castes, Scheduled Tribes, Other Backward Classes, and persons with disabilities will be applicable to the internships offered under the PM Internship scheme.

Under the PM Internship Scheme, government aims to skill 1 crore youth over five years.

The scheme will offer interns a 12-month exposure to the real world of industry, business environments and diverse professions.

Ujjwala scheme may get fourth extension

2.67 mn applications pending nationwide for induction into PMUY

SUBHAYAN CHAKRABORTY
New Delhi, 4 October

The Petroleum and Natural Gas Ministry is open to giving its nod to a potential fourth expansion of the Pradhan Mantri Ujjwala Yojana (PMUY), said sources in the know.

More than 2.67 million applications are currently pending nationwide for induction into the scheme.

“LPG penetration in the country has reached near saturation levels, up from 62 per cent in April 2016 when the Ujjwala scheme was launched. However, there are still many applicants from economically distressed backgrounds. The government is looking to expand the PMUY to cover them,” an official source said.

PMUY was introduced in May 2016 as a flagship scheme with an objective to make clean cooking fuel such as LPG available to rural and deprived households.

As of July 1, there are 103.3 million PMUY beneficiaries in the country, making up almost a third of the 314 million households in India with LPG connection.

Of these, 20.3 million beneficiaries, or nearly 20 per cent, took more than 6 refills in 2023-24, government data shows.

In September 2023, the government had extended the PMUY till 2026, and announced that at least 7.5 million new connections will be given during the period.

Figures provided by the government to Parliament show that oil marketing companies (OMCs) have completed the release of these addi-



FACT SHEET

- **Sep 2016:** Pradhan Mantri Ujjwala Yojana launched
- **Sep 2019:** Achieved target of 80 million PMUY connections
- **Aug 2021 (First expansion):** Ujjwala 2.0 launched, targeted 10 million additional households
- **Jan 2022:** OMCs released 10 million connections
- **Dec 2022 (Second expansion):** OMCs released additional 6 million LPG connections
- **Jul 2024 (Third expansion):** OMCs complete onboarding 7.5 million more connections

tional connections as part of the scheme’s third expansion by July.

Of the pending 2.67 million applications 56.5 per cent are from just one state, West Bengal. The next largest state in terms of pending applications is Assam — with 189,000 applicants.

The government has said no

timelines have been fixed with regard to accepting these applications. “We are open to expanding the scheme, and this has been communicated to other ministries. The Finance Ministry will give a final nod to the matter,” a petroleum ministry official said.

Rising subsidy

In addition to the support of the ₹2,200 per connection, the government provides the first refill and stove to new PMUY beneficiaries.

Since October 2023, PMUY has provided a targeted subsidy of ₹300 per cylinder refill, up to 12 refills in a year. The subsidy amount was increased from the earlier ₹200 in place from May 2022.

As a result, cost to the exchequer for the PMUY scheme has risen to ₹13,000 crore in FY25. This is up from ₹7,680 crore in FY24, and ₹6,180 crore in FY23.

On the other hand, expanding nationwide city gas distribution coverage is part of the government’s target of raising India’s share of natural gas in its energy basket to 15 per cent by 2030. This is up from the current 6.8 per cent.

Earlier this year, the Petroleum and Natural Gas Regulatory Board (PNGRB) finished rolling out licenses for supplying piped natural gas (PNG) for entire India, barring Andaman and Lakshadweep.

Currently, there are 12 million PNG connections, up from 2.54 million across 66 districts in 2013-14. Last year, the government informed Parliament that authorised entities have to provide 125 million PNG connections by 2030.



Oil prices set for 9% weekly gains

OIL PRICES WERE on track for weekly gains of 9% as investors feared a wider Middle East conflict could disrupt crude flows after President Joe Biden said the United States was discussing an Israeli attack on Iranian oil facilities.

Brent crude futures were up 66 cents, or 0.85% at \$78.28 a barrel, as of 1323 GMT US West Texas Intermediate crude futures were up 63 cents, or 0.85%, at \$74.34 a barrel.

The US is discussing whether it would support Israeli strikes on Iran's oil facilities as retaliation for Tehran's missile attack on Israel, Biden said on Thursday, while Israel's military hit Beirut with airstrikes in its battle against Lebanese armed group Hezbollah.

Iran raised the stakes when it fired missiles at Israel on Tuesday, partly in retaliation for Israel's killing of Hezbollah secretary general Sayyed Hassan Nasrallah.

—REUTERS

Modi says conflict-hit regions are important for energy security

Press Trust of India
NEW DELHI

Prime Minister Narendra Modi made oblique references to the widening conflicts in West Asia and the Russia-Ukraine war on Friday, saying the two regions were crucial for the global economy and energy security.

His comments came amid fears of further escalation in West Asia if Israel were to retaliate and attack Iran, potentially its nuclear, and oil facilities. This, analysts fear, could fuel a surge in energy prices and draw the region into a wider conflict.

Speaking at the third edition of the Kautilya Economic Conclave here, Mr. Modi on the domestic front committed to continuing structural reforms to help India become a developed nation by 2047.

'War-like situation'

"This conclave is happening at a time when two big regions of the world are close to war-like situations. These two big regions are crucial for the global eco-



Narendra Modi

nomy as well as energy security," he said without naming any country.

India is more than 85% dependent on the import of crude oil, which is converted into fuels like petrol and diesel, and about half of its gas needs.

A bulk of these come from West Asia, and in scenarios of Israel-Iran getting into prolonged conflict, the supplies could be impacted.

"In the midst of these big global uncertainties, we are all here witnessing the Indian era, we are discussing India. This shows the confidence in India... Whether it is science, technology or innovation, India clearly is at a sweet spot," Mr. Modi said.

Don't Fan This Flame

US must stop Israel from targeting Iranian oil

With Iran's missile attack on Israel this week, there's little doubt Tel Aviv will retaliate. While US has ruled out Israel striking Iran's nuclear facilities, there's now talk of a hit on Iranian oil producing infra. That would be disastrous in a different way. Washington must do everything in its power to restrain Tel Aviv from targeting Iranian oil.

Huge provocation | Hitting Iranian oil infra would be a huge escalation. For, Iran may choose to retaliate by targeting oil shipments from the Persian Gulf. That itself could drag countries like UAE and Saudi Arabia into the conflict. Plus, Iran, despite sanctions, pumps out about 2mn barrels of crude a day, or 2% of global supply. A hit on this production will see crude prices jump, given that oil trade is driven by global market dynamics. In fact, Brent crude has already crossed \$78 a barrel from \$71 a barrel before Iran's missile attack.



Bad for India | Countries like India that rely on oil and gas imports from the Gulf will suffer if Iran disrupts this route. Also, oil is traded on forward contracts. These will go for a toss in case of wider war. The knock-on effects for these economies will be considerable. Additionally, India has a huge diaspora in Gulf Arab states. A wider regional conflict may necessitate emergency evacuation.

Biden's final test | Hitherto US has been unable or unwilling to rein in Netanyahu. There are now reports that Hezbollah and Israel had agreed to a US-France ceasefire before Nasrallah was killed. If that's true, Biden can be accused of being a lame-duck President. That's certainly not the legacy he wants and many Democrats are privately upset with Israel. The least Biden can do is not let Netanyahu cause anymore major damage.



Markets decline as oil prices climb

RAVI RANJAN PRASAD
MUMBAI, OCT. 4

Market continues to see selling pressure as brewing tensions in the Middle East caused further rise in Brent crude futures on Friday to \$78.79 per barrel and China's stimulus providing foreign investors reason to book profit from the Indian market.

Market opened in the red but there was over 200 points recovery on Nifty-50 as it touched an intra-day high of 25,485 but thereafter the market saw a repeat of previous session heavy selling by foreign investors.

The Sensex fell 808.65 points or 0.98 per cent to 81,688.45 while Nifty-50

fell below the 25,000 mark to 24,966.8 intra-day and finally closed 0.93 per cent at 25,014.6.

Market investors saw another ₹4.26 lakh crore notional loss as BSE's market capitalisation shrank to over ₹460.89 lakh crore from over ₹465.15 lakh crore.

"Indian equities have sustained high valuation premiums compared to other emerging markets but a realignment may occur if other EMs begin performing well. Earnings momentum for Indian equities is slowing in near term though the medium-term outlook remains positive," said Gaurav Mehta, CIO, Alternatives, SBI Mutual Fund.

पश्चिम एशिया पर भारत की करीबी नजर, पर तेल कीमतों को लेकर चिंतित नहीं

भारत अपनी पेट्रोलियम जरूरतों को पूरा करने के लिए काफी हद तक आयात पर निर्भर है।

एजेंसी ■ नई दिल्ली

वित्त मंत्रालय पश्चिम एशिया में बढ़ रहे तनाव के बीच घटनाक्रम पर करीबी नजर रखे हुए है। हालांकि कच्चे तेल की मौजूदा कीमतों को लेकर वह चिंतित नहीं है। सरकारी सूत्रों ने शुक्रवार को यह बात कही। आधिकारिक सूत्रों के मुताबिक, सरकार के पास कच्चे तेल की

अंतरराष्ट्रीय कीमतों में अस्थिरता से निपटने के लिए कई साधन मौजूद हैं।

सूत्रों ने कहा कि भारत में कच्चे तेल की कीमतें इसके पहले काफी उंचे स्तर पर देखी जा चुकी हैं और मौजूदा कीमतें अभी भी उस स्तर पर नहीं पहुंची हैं।

भारत अपनी पेट्रोलियम जरूरतों को पूरा करने के लिए काफी हद तक

आयात पर निर्भर है। ऐसे में तेल उत्पादक देश ईरान के युद्ध में उलझने पर भारत की मुश्किलें बढ़ सकती हैं।

इजराइल और ईरान के बीच सैन्य संघर्ष की आशंका बढ़ने से पिछले कुछ दिनों से कच्चे तेल की कीमतों में उछाल देखा जा रहा है। ईरान ने इजराइल के कुछ ठिकानों पर हमले किए हैं जिसके बाद इजराइल की तरफ से जवाबी कार्रवाई की आशंका जताई

जा रही है।

इस बीच अमेरिका के राष्ट्रपति जो बाइडन ने कहा है कि उनका प्रशासन ईरान के तेल प्रतिष्ठानों पर हमला करने के लिए इजराइल का समर्थन करेगा।

इस बयान के बाद बृहस्पतिवार को कारोबारी सत्र में कच्चे तेल के वायदा भाव में पांच प्रतिशत तक की तेजी आ गई। वहीं नवंबर आपूर्ति के लिए ब्रेंट क्रूड 4.8 प्रतिशत बढ़कर 77.44 अमेरिकी डॉलर प्रति बैरल पर पहुंच गया।

