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Focus on Low Carbon Emissions for Environmental Conservation – IT Minister Adv. Ashish Shelar

Mumbai, March 1: To ensure the success of the *SAKSHAM-2024-25* initiative, which promotes a clean environment through green and sustainable energy, emphasis should be placed on the use of public transport and eco-friendly systems that produce lower carbon emissions, stated Information and Technology Minister Adv. Ashish Shelar. The state-level *SAKSHAM-2024-25* program was organized by the Maharashtra Petroleum and Natural Gas Industry at the Yashwantrao Chavan Pratishthan. Present at the event were Western Region General Manager of Hindustan Petroleum Corporation B. Achyut Kumar, *BPCL's Director for Maharashtra and Goa, Ashish Rai,* General Manager of Indian Oil Abhijit S. Gite, Deputy General Manager of GAIL India Anurag Bhargav, and State Oil Coordinator of Indian Oil Umesh Kulkarni, among other dignitaries. Speaking at the event, IT Minister Adv. Ashish Shelar emphasized that India imports mineral oil from other countries, which increases transportation costs and makes fuel expensive. Using gas-powered vehicles like auto-rickshaws and taxis can significantly reduce carbon emissions. Lower carbon emissions ensure a balanced oxygen level in the atmosphere, ultimately improving public health. He highlighted that the *SAKSHAM* initiative is an environmental protection movement that benefits both families and the nation. He urged everyone to actively contribute to reducing carbon emissions. During the event, Minister Shelar felicitated school and college students who won competitions such as group discussions and debates focused on fuel and oil conservation. Teachers were also honored for their valuable contributions. The *SAKSHAM (Sanrakshan Kshamata Mahotsav) 2024-25* initiative was conducted nationwide from February 14 to February 28, 2025. The campaign's slogan was *"Adopt Green and Clean Energy, Make the Environment Cleaner."* The initiative reached various vsectors, including OMCs (Oil Marketing Companies), school children, youth, LPG consumers, drivers, fleet operators, industrial employees, laborers, farmers, residential societies, Gram Panchayats, and NGOs.

OPEC+ output ramp-ups, trade wars to boost OMC's marketing margins

RED MARK. Crude oil prices continue to weaken and were around $70.17 a barrel on Wednesday

Rishi Ranjan Kala
New Delhi

Trade wars fuelled by US President Donald Trump, coupled with OPEC+ reversal of voluntary production cuts, have dragged down crude oil prices to around $70 a barrel, a development that bodes well for downstream firms but may impact the margins of upstream companies.

According to the industry and analysts, global markets are under pressure over concerns on crude oil demand as the tariff wars and output ramp up from OPEC+ are impacting prices with Brent slipping below $70 a barrel on Tuesday, the lowest since September 2024.

OMCs such as Indian Oil Corporation (IoCL), Bharat Petroleum Corporation and Hindustan Petroleum Corporation (HPCL) benefit if crude oil prices are below $75 per barrel. On the other hand, a price range of $75-80 a barrel is the sweet spot for upstream players like ONGC and Oil India (OIL), they added.

SWEET SPOT. There is enough spare capacity available globally that is expected to keep prices in the low $70 a barrel range

Crude oil prices weakened for the third day on Wednesday with growing concern over escalating tariff wars between the US, Canada, Mexico, China and India raising fears of slower global economic growth. Brent was trading at $70.17 per barrel in the evening. OPEC+ is effecting a gradual rollback of the 2.2 million barrels per day (mb/d) voluntary production cut from April 2025 up to September-December 2026.

OMCS BENEFIT

Analysts said that crude oil prices sustaining at $70-71 per barrel levels will have a positive impact on marketing margins of OMCs.

Besides, there is enough spare capacity available globally, including in the US and other non-OPEC producers, which is expected to keep prices in the low $70 a barrel range, they added.

As per Emkay Global Financial Services, $70 per barrel oil brings OMCs back to the sweet spot with CP diesel and petrol gross marketing margins at ₹8 a litre and ₹12 per litre, respectively. It offsets the around ₹250 per cylinder of LPG under-recoveries, which can fall further with upcoming summer seasonality.

"Hence, OMCs can report strong earnings like Q3 FY25. While Q4 FY25 still seems weak, some LPG subsidy (we have assumed ₹20,000 crore) can come given comments from the Petroleum Minister, Secretary and OMCs themselves, which along with any hike in LPG prices can be material triggers," it added.

However, the brokerage said that upstream earnings, which are pegged at $75 a barrel, net oil realisation declines 6-9 per cent with NWG (new well gas) realisations also getting hit.

"January production data are encouraging with ONGC's operated oil output up around 1.5 per cent y-o-y, led by KG 98/2 and Oil India's gas production up 7 per cent, though crude output growth was still lower at around 1 per cent y-o-y," it added. Lower oil prices impact GAIL's petrochemicals business, where realisations are oil linked and given that feedstock is gas with US LNG and spot, both being steady.

Also, US LNG sold at oil-linked pricing in India would see spreads shrink as Henry Hub hovers at $4.4 per mBtu. However, GAIL's valuations seem reasonable and the upcoming pipeline tariff hike is a key trigger," Emkay added.