BUSINESS LINE, Delhi, 1.3.2025
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Refiners build world's longest LPG pipeline to cut costs, reduce mishaps

Bloomberg

State-run refiners will fully commission the world's longest liquefied petroleum gas pipeline by June, a key development that will sharply cut fuel transportation costs and help prevent deadly road accidents.

"This will be a game changer in the LPG supply chain," N Senthil Kumar, Director of pipelines at Indian Oil Corp, said in an interview. "It's like putting LPG on a conveyor belt."

The $1.3-billion project will likely replace hundreds of trucks that travel across the length and breadth of the country to move the fuel from refineries to bottling plants, raising the risk of accidents. A tanker overturned in Coimbatore last month, bringing the southern city to a partial halt. In December, 20 people were killed, 45 injured and three dozen vehicles damaged after a truck hit Indian Oil's vehicle in Jaipur.

$1.3-BILLION PROJECT

- IOC, BPCL and HPCL jointly formed IHBL to lay the 2,800-km-long pipeline from Kandla on the west coast to the northern city of Gorakhpur
- The first phase will be commissioned in March, and will be fully operational from the middle of this year

2,800-KM PIPELINE

Indian Oil, Bharat Petroleum Corp and Hindustan Petroleum Corp have jointly formed IHBL to lay the 2,800-km-long pipeline from Kandla on the west coast to the northern city of Gorakhpur. The first phase will be commissioned in March, and will be fully operational from the middle of this year, said Kumar, who is also the Chairman of the joint venture.

The network will be capable of annually transporting about 8.3 million tonnes of LPG, or about 25 per cent of India's total demand. It is likely to significantly reduce transportation costs in the world's third-largest consumer as about 70 per cent of bottling plants still get it by trucks. The Petroleum and Natural Gas Regulatory Board has been pushing refiners to build more pipelines to tackle increased volumes and avoid any major road disasters.

Local use of the fuel, mainly needed for home cooking, has surged four-fifths over the past decade to 29.6 million tonnes in the fiscal year ended in March 2024, outpacing a 47 per cent expansion in demand for refined oil products.

The spurt in sale has been helped by discounts by Prime Minister Narendra Modi's government to wean off low-income households from burning polluting biomass for cooking.

The project has been marred by several delays since it was unveiled in 2019, including pandemic-related lockdowns and challenges in sourcing materials for the project due to Russia's war with Ukraine. India currently has an LPG pipeline network of almost 5,000 km.

FREE PRESS JOURNAL, Mumbai, 1.3.2025
Page No. 7, Size:(2.24)cms X (10.11)cms.

Bakeries to get MGL cookies for PNG switch

Devashri Bhujbal
MUMBAI

Mahanagar Gas Ltd (MGL) on Friday announced to waive the security deposit and other charges for the bakeries and eateries switching to PNG. It said that the move aims to alleviate the financial burden on the establishments which have been asked by the BMC to transition to clean fuel by July 9.

Following the Bombay High Court's order, the BMC started issuing notices to eateries and bakeries which use coal and wood. The civic body's ultimatum has upset the stakeholders, with many citing the financial burden associated with switching to clean fuel in a short span of time. Issuing a statement, the MGL said that aligning with the HC directives and the civic body mandate to promote green fuel, the gas distribution company has revised its policy for bakeries and eateries to facilitate them to convert to PNG.

"The MGL was decided to waive this requirement for bakeries and eateries to support them to convert to a cleaner environment," said the statement. The BMC has welcomed the initiative taken by the MGL, saying it will help the bakeries and eateries to convert to green fuel by lessening their financial burden.

INDIAN EXPRESS, Mumbai, 1.3.2025
Page No. 3, Size:(5.33)cms X (14.02)cms.

Mahanagar Gas waives security deposit to support bakeries' move to switch to cleaner fuels

PRATIP ACHARYA
MUMBAI, FEBRUARY 28

A DAY after the Bombay Bakers Association (BBA) submitted a letter to the civic authorities urging subsidising the rate at which electricity, piped natural gas and liquid petroleum gas (LPG) are supplied, the Mahanagar Gas Ltd (MGL) announced waiving the security deposit for bakers and eateries, which will be applying for new connections in order to switch to cleaner mode of fuel.

"Aligning with the Bombay High Court's directive and BMC mandate to promote clean fuel, Mahanagar Gas Limited has reviewed and revised its policy to further facilitate eateries and bakeries impacted by the directives in switching to Piped Natural Gas (PNG). Mahanagar Gas Limited has waived off the security deposit (towards infrastructure) for such eateries and bakeries in Mumbai," read a statement released by MGL.

The BMC on February 19 directed all the bakeries and eateries in Mumbai to switch to clean fuel alternatives by July 8, 2025.

The civic body's direction came following a Bombay High Court directive which on January 9 ordered the civic body to ensure that all the eateries that are operating on the conventional oven system must switch to cleaner mode of fuels.

At present, the traditional pav — which is a staple food for Mumbaikars — are baked in ovens *(bhattis)* which are dome-shaped structures made out of bricks and mortars, which are suited for wood fires as the sole source of heat. Members from the BBA said that usage of electricity in baking pav is economically unviable and impossible to be used in the dome shaped structures that have a maximum area of 150 sqft.

Earlier on February 27, the Bombay Bakers Association (BBA) wrote to the civic authorities and requested them to extend the timeline considering a six-month deadline would be not enough for them to switch to other means.

K P Irani, the president of the association said, "The utility providers of PNG lines don't have an adequate network of pipelines and have asked us for a deposit of Rs 95 lakh for giving one connection. Paying such an exorbitant price is not at all feasible for us and transforming the existing infrastructure on our own, within such a short notice, will also be not feasible for us. Therefore, we have asked the civic authorities to provide us with subsidies and be flexible with the deadline, considering the service providers will also need to augment their infrastructure to provide the services."

"MGL takes a bank guarantee as a limited period refundable security deposit from its industrial & commercial customers towards the cost incurred in laying the last-mile dedicated gas infrastructure for the customer. MGL has now taken a decision to waive this requirement for eateries and bakeries impacted by the directives to support a cleaner environment and help businesses in their transition to cleaner fuel," the MGL's statement further stated.

According to a survey carried out by Bombay Environmental Action Group, there are 628 bakeries in Mumbai. In 2024, the BEAG carried out a survey of 216 of these bakeries where it was found that 47% or 100 entities use carbon intensive fuels like wood and scrap — which are carbon intensive in nature and contribute to the generation of PM2.5 in the air.

HINDUSTAN TIMES, Mumbai, 1.3.2025
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Bakers get relief on gas transition costs by MGL but seek more support

Shreya Jachak
Shreya.jachak@hindustantimes.com

MUMBAI: A day after the Bombay Bakers Association, which represents and advocates for local bakery owners, urged the BMC to subsidise the cost of transitioning to cleaner fuels, Mahanagar Gas Limited (MGL) stepped in to offer relief.

On Friday, MGL, which supplies piped natural gas (PNG) and compressed natural gas (CNG) in Mumbai, announced a waiver on all costs associated with the transition for bakery and eatery owners.

As part of this initiative, MGL has waived a security deposit of ₹97 lakh and committed to setting up new gas pipelines and meters at no cost to the businesses.

This move significantly reduces the financial burden on bakers, who had been concerned about the transition expenses. Despite this relief, the total cost of internal infrastructure changes is

MGL has waived a security deposit of ₹97 lakh and committed to setting up new gas pipelines at no cost. AGENCIES

still estimated to be between ₹10-12 lakh for each bakery. "In line with the Bombay High Court's directive and BMC's mandate to promote cleaner fuels, MGL has revised its policy to facilitate eateries and bakeries affected by these regulations in making the switch to PNG," MGL stated.

Typically, MGL requires industrial and commercial customers to provide a bank guarantee as a limited-period refundable security deposit for last-mile dedicated gas infrastructure.

However, citing the urgency of the High Court's order, the company has made an exception to ensure a smoother transition. While the waiver has alleviated some financial pressure, bakers continue to express concerns about looming deadlines and the high cost of new ovens.

"The infrastructure costs for the gas pipeline are sorted, and we are grateful for that. However, we still need time to make internal modifications and require subsidies for ovens, which cost around ₹10 lakh each," said Nasir Ansari, president of the BBA. Another major concern is space constraints. "All the ovens available in the market are large, but our bakeries operate in small spaces. We simply do not have enough room to fit them. Additionally, some areas still lack gas pipeline connections," said Shaikh Sajid, owner of Central Bakery in Nagpada. In addition to waiving transition costs, MGL has assured assistance in obtaining the necessary statutory approvals, ensuring that bakers won't have to bear additional expenses beyond purchasing new cooking appliances. The company has also committed to covering the costs of downstream pipelines and metering facilities.

On February 26, the BBA wrote to civic authorities requesting an extension and subsidies for the transition. This plea follows a directive issued by the BMC on July 8, in compliance with the HC's January 9 order, which gave businesses six months to switch to cleaner fuels due to concerns over health risks and air pollution.

The Mumbai Climate Action Plan 2023 estimates that these bakeries contribute approximately 6% to the city's overall air pollution levels.

Coal & Electricity Slow Core Sector Growth to 4.6% in Jan

Six of eight sectors record growth, cement output touches 15-month high of 14.5%

Our Bureau

New Delhi: India's core sector growth marginally slowed to 4.6% in January from 4.8% in the month before, due to moderation in the coal and electricity sectors, according to official data released Friday. On a yearly basis, however, the growth accelerated from 4.2% in January 2024, helped by the base effect.

"The monthly slowdown was caused by slower growth in electricity generation and coal output, even as the latter was much better than expected given the decline in Coal India Ltd's output in the month," said Rahul Agrawal, senior economist at ratings firm ICRA.

The core sector consists of eight industries: coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity.

Six of these sectors recorded growth, with cement output reaching a 15-month high of 14.5%.

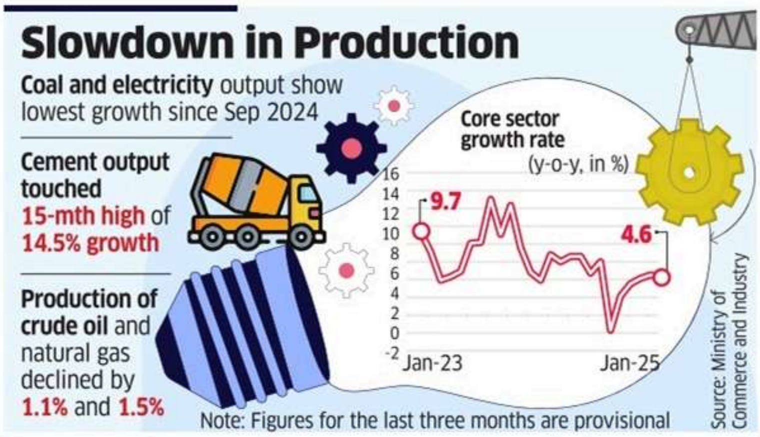
This was due to good demand in the real estate and roads sectors, said Madan Sabnavis, chief economist at Bank of Baroda.

Next was refinery products (8.3%), followed by coal (4.6%), steel (3.7%) and fertilisers (3%), according to the data from the Ministry of Commerce and Industry. Coal and electricity (1.3%) output marked the slowest growth since September 2024.

"Lower power demand due to the unusual rise in temperatures could be behind this," said Paras Jasrai, senior economic analyst at India Ratings & Research (Ind-Ra).

Production of crude oil and natural gas declined by 1.1% and 1.5%, respectively, in January compared with the previous year. Sabnavis attributed this to supply side issues and higher imports.

Overall, the core sector growth slowed to 4.4% in FY25 (till January) compared with 7.8% in the corresponding period last fiscal year.



GETTING TO THE CORE

Overall, core growth slowed to 4.4% in FY25 (till Jan) compared with 7.8% in year-ago period

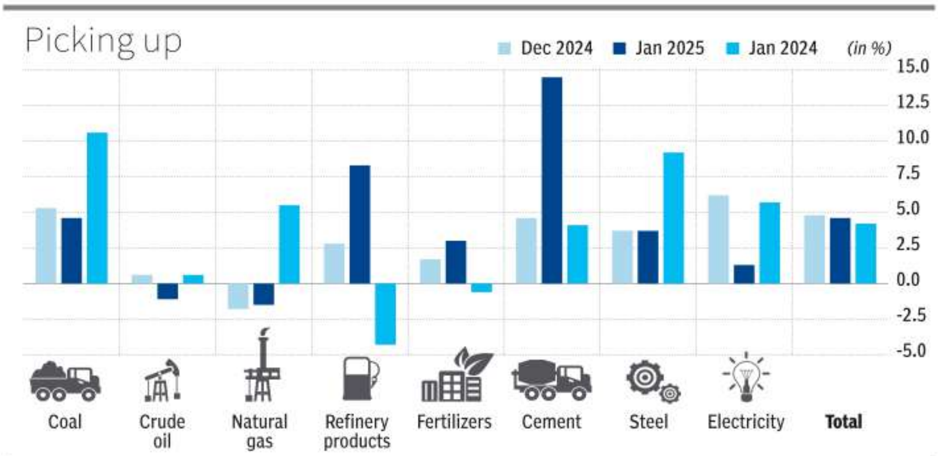
The eight sectors contribute 40.27% to the Index of Industrial Production (IIP), which measures industrial activity. IIP growth had slowed to 3.2% in December 2024 from a six-month high of 5.2% in November. Bank of Baroda forecasts IIP growth to be between 4% and 5% in January, while ICRA expects 3.2%. Ind-Ra projects growth in the range of 3-4%.

BUSINESS LINE, Delhi, 1.3.2025
Page No. 3, Size:(15.95)cms X (12.22)cms.

Core sector output rises 4.6% in Jan

IN POSITIVE TERRITORY. Cement, refinery products, coal and steel lead the charge

KR Srivats
New Delhi



Boosted by a strong performance in the cement and refinery products sectors, the eight core industries' output grew by 4.6 per cent in January 2025, surpassing the 4.2 per cent growth recorded in January 2024, official data showed.

While cement sector output grew by a robust 14.5 per cent (the sharpest pace in 15 months) on the back of sustained pickup in government capex, refinery products grew 8.3 per cent (the fastest since November 2023).

Also, the Commerce and Industry Ministry has now revised upwards the core industries growth of December 2024 to 4.8 per cent from the provisional level of 4 per cent announced last month.

This December 2024 print change was primarily due to the sharp upward revision in the growth of cement (from 4 to 4.6 per cent), steel (from 5.1 per cent to 7.3 per cent) and electricity (5.1 per cent to 6.2 per cent).

For the April-January 2025 period, the core industries growth came in at 4.4 per cent, sharply lower to the 7.8 per cent growth recorded in same period last fiscal.

Meanwhile, for the month under review, six of the eight core industries recorded positive growth. The two sectors that saw contraction were crude oil (-1.1 per cent) and natural gas (-1.5 per cent).

GROWTH DRIVERS

The sectors that showed positive growth in January 2025 are coal (4.6 per cent), refinery products (8.3 per cent), fertilizers (3 per cent), cement (14.5 per cent), steel (3.7 per cent) and electricity (1.3 per cent).

The eight core industries — coal, natural gas, crude oil, refinery products, fertilizers, cement, steel and electricity — comprise 40.27 per cent of the weight of items included in the Index of Industrial Production (IIP).

Commenting on the latest core sector performance, DK Srivastava, Chief Policy Advisor, EY India, said a slowdown is visible in the growth of coal, steel, cement and electricity output during April 2024 to January 2025.

"This data confirms the message emanating from the National Accounts data, also released today by the NSO, which shows that amongst the GVA sectors, the largest fall comes from the manufacturing sector, whose growth fell from 12.3 per cent in 2023-24 to 4.3 per cent in 2024-25," he added.

Madan Sabnavis, Chief Economist, Bank of Baroda, said that core sector performance for January was driven by base effects to a large extent.

Cement growth was higher at 14.5 per cent over 4.1 per cent last year with real estate and the roads sector having good demand, he said. Electricity growth was muted due to lower levels of business activity, he added.

Fertilizer production was muted at 3 per cent over -0.6 per cent as this is the lull season with less demand due to completion of rabi sowing. Demand is normally for non-crops, he said.

CRUDE OIL DOWN

Production fell for crude oil and natural gas due to supply side issues and higher imports. "IIP growth can be expected to be in the range of 4-5 per cent based on this growth rate," Sabnavis added.

Paras Jasrai, Senior Economic Analyst at India Ratings and Research, said moderation in coal, electricity and steel pulled down core sector growth in January. The coal and electricity output growth at 4.6 per cent and 1.3 per cent were the lowest since September 2024.

"With the high base effect kicking in (February 2024: 7.1 per cent y-o-y), Ind-Ra expects the core sector output growth to remain at 3.5 per cent year-on-year in February 2025)," Jasrai added.

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India builds world's longest LPG pipeline to cut costs

India's state-run refiners will fully commission the world's longest liquefied petroleum gas pipeline by June, a key development that will sharply cut fuel transportation costs and help prevent deadly road accidents. "This will be a game changer in the LPG supply chain," N Senthil Kumar, director of pipelines at Indian Oil, said. "It's like putting LPG on a conveyor belt." The $1.3 billion project will likely replace hundreds of trucks that travel across the country to move the fuel from refineries to bottling plants, raising the risk of accidents. **BLOOMBERG**

BUSINESS LINE, Delhi, 1.3.2025
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India, EU agree to conclude free trade pact by year-end

Amiti Sen
New Delhi

India and the EU have set the year-end as deadline for concluding the long-negotiated bilateral free trade agreement (FTA), which would be the "largest deal of this kind anywhere in the world".

The decision, taken by Prime Minister Narendra Modi and EU President Ursula von der Leyen in their bilateral meeting on Friday, comes at a time when US President Donald Trump has issued fresh tariff threats to the EU, and India too has been warned of reciprocal tariffs in April.

ON THE SAME PAGE. Prime Minister Narendra Modi greeting President of the European Commission Ursula von der Leyen at Hyderabad House in New Delhi on Friday PTI

BILATERAL TIES

The two leaders also agreed to take concrete steps for realisation of the India-Middle East-Europe Economic Corridor, boost digital tech, including AI, step up security and defence partnerships and enhance the dialogue on clean and green energy with a focus on green hydrogen, according to a joint statement issued after the meeting.

"We have directed our teams to conclude a mutually beneficial bilateral FTA by the end of this year," Modi said in his press statement after the meeting.

A blueprint has been prepared for collaboration in the areas of trade, technology, investment, innovation, green growth, security, skilling and mobility, he added. The two sides will move forward on negotiations for an investment protection pact as well as on geographical indications as part of broader efforts to boost investments, the PM said.

"Timing and determination counts... this partnership comes at the right moment for both of us," von der Leyen said, referring to a world fraught with danger but not directly mentioning either the US or Russia.

von der Leyen said the negotiations for the FTA, the largest one globally, would not be easy, but the EU was committed to delivering it.

The FTA negotiations, which first began in 2008 and have seen several ups and downs, are presently stuck over demands for stiff tariff cuts on auto and wines and spirits from the European side and demands for easier work visas and greater market access for labour-intensive items, such as textiles and leather, from the Indian side.

The EU is India's largest trading partner, accounting for €124 billion worth of trade in goods in 2023 or 12.2 per cent of total Indian trade, ahead of the US (10.8 per cent) and China (10.5 per cent), per EU figures.

FTA will not be possible without commitments on cars: EU official

The EU will not budge on its demand for steep cuts in import duties on cars and wines & spirits in the India-EU FTA talks, notwithstanding the fact that both sides decided on a year-end deadline to conclude the talks, an EU official said.

Read more on p5

India's oil supplies from Russia and US drop, West Asia rise

S DINAKAR
New Delhi, 28 February

Iraqi and Saudi Arabian supplies to India remained consistent in February, while Russian shipments declined as Washington's sanctions on Moscow took effect Friday after a grace period, according to ship tracking data, industry sources, and sanction documents.

The gap between Russian crude oil shipments to India and Iraqi supplies — India's two biggest sources — shrank to its lowest level since December 2022, as the toughest US sanctions in January led to a rebound in West Asian supplies. The shrinkage is notable because just four months ago, in November 2024, Russia supplied India with twice as much oil as Iraq.

Imports of Russian oil were 280,000 barrels per day (bpd) more than Iraqi oil in February, according to Paris-based market intelligence agency Kpler.

When the Ukraine war began in February 2022, Iraq — then India's biggest supplier — delivered over 1 million bpd of oil to India, while Russia supplied none. By June of that year, Russian shipments had breached Iraq's and maintained the lead until this month.

India imported 1.4 million bpd of Russian oil in February, a 15 per cent drop from January, Kpler data showed. Iraqi supplies averaged 1.12 million bpd, and Saudi supplies averaged over 700,000 bpd during the period, according to Kpler. The share of Russian oil in India's crude basket fell below 30 per cent in February for the first time since January 2023, compared with a 38 per cent share for the entirety of 2024. Iraq's share in February was 3 percentage points higher than last year's annual average and that of Saudi Arabia was 1.5 percentage points higher.

It is unclear how supplies in March will unfold, with top refining executives foreseeing a 20-30 per cent decline in Russian imports, while traders in the market forecast higher shipments next month. Another uncertainty is the prospect of a ceasefire in Ukraine, potentially brokered by US President Donald Trump, which could lead to the easing of sanctions and the disappearance of Russian discounts, said a senior executive from a state refiner.

Geopolitical uncertainties are making oil prices volatile, with fluctuations since the US sanctions were announced in January. The European benchmark Brent crude surged from $74 a barrel in early January to around $82 per barrel on 15 January, dropped to nearly $73 per barrel on news of a possible Ukraine ceasefire, and then rose more than 1.5 per cent on Thursday as supply concerns resurfaced after Trump tightened sanctions on Venezuela.

However, amid all the uncertainty, the resurgence of West Asian crude oil this year, led by Iraq and Saudi Arabia, appears certain. Indian refiners find Basrah Light and Arab Mix the most suitable and reliable for their facilities.

The decline in Russian shipments in February followed shrinking discounts, which fell to around $2 per barrel, and supply disruptions due to sanctions, a top executive from state-run refiner IndianOil said.

Indian refiners need at least a $3-per-barrel discount on average to derive value from Russian barrels. Imports of US crude oil nearly halved in February to 155,000 bpd from 293,000 bpd in January. The US oil share in the Indian market was just 3 per cent in February, down from a 4 per cent average for 2024, Kpler data showed.

The decline in US oil shipments comes as Trump pressures Indian Prime Minister Narendra Modi to buy more oil and gas to trim a $36 billion trade gap.

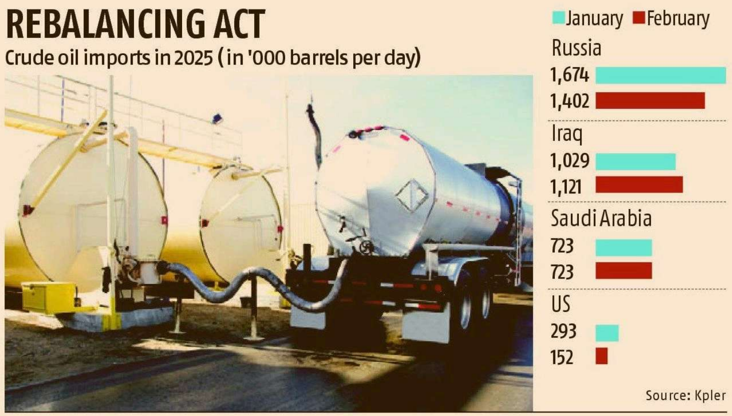
"India is open to purchasing more US crude, but the higher transportation costs compared to oil from West Asia can make US oil less competitive," said Darshan Ghodawat, CEO, AVA Global Logistics. A typical voyage from the US to India through the Suez Canal takes about 20 to 25 days. However, if the Suez Canal is closed, ships must circumnavigate Africa via the Cape of Good Hope, extending the journey by approximately 30 days, he added. A longer route increases fuel costs and other operational expenses.

US crude oil shipments surged fourfold to 293,000 bpd, or a 6 percent share of total crude imports, in January but failed to sustain momentum in February. A top executive from a state refiner called US crude oil "an opportunistic purchase", reflecting the challenges Indian policymakers face in increasing shipments.

Washington imposed its most stringent sanctions on Russia on 10 January, targeting 183 tankers, two major insurers, and two large Russian oil and gas producers. Cargoes were permitted to be delivered and paid for by February 27.

REBALANCING ACT

Crude oil imports in 2025 (in '000 barrels per day)



Source: Kpler

BUSINESS LINE, Delhi, 1.3.2025
Page No. 3, Size:(2.99)cms X (3.88)cms.

Oil imports from Russia plunge to lowest in 2 years

India's imports of crude oil from Russia slumped this month to the lowest level since January 2023, according to data analytics company Kpler. India's imports from Russia fell 14.9 per cent from a month earlier to an average of 1.4 million barrels a day in February, the data showed.

BLOOMBERG

ECONOMIC TIMES, Delhi, 1.3.2025
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Oil Prices Slip 1% to $72.69 per Barrel on Trump Tariff Concerns

Reuters

London: Oil prices were down over 1% on Friday and headed for their first monthly drop since November, as markets braced for Washington's tariff threats and Iraq's decision to resume oil exports from the Kurdistan region.

Uncertainty surrounding OPEC's production resumption plans in April and ongoing peace talks to end the war in Ukraine also weighed on investor sentiment.

The more active May Brent crude futures slipped 88 cents, or 1.20%, to $72.69 a barrel by 1212 GMT. US West Texas Intermediate crude futures were at $69.36 a barrel, down 99 cents, or 1.41%.

Front-month Brent, which expires on Friday, traded at $73.09, down 95 cents.

Both benchmarks are on track to post their first monthly decline in three months.

Baghdad will announce in the coming hours the resumption of oil exports from the semi-autonomous Kurdistan region through the Iraq-Turkey pipeline, according to an Iraqi oil ministry statement.

Iraq will export 185,000 barrels per day through state oil marketer SOMO, and that quantity will gradually increase.