



# BPCL profit up 19.6% on improved ops

AMRITHA PILLAY  
Mumbai, 22 January

State-run Bharat Petroleum Corporation (BPCL) reported a 19.6 per cent rise in net profit (attributable to the owners of the company) for the third quarter of the financial year 2025 (Q3FY25), on the back of improved performance.

For the quarter under review, BPCL's consolidated net profit was at ₹3806 crore, while gross revenue was down 1.9 per cent to ₹1.27 trillion from a year ago.

"This quarter we had a good performance, both refining as well as marketing, both have performed well. In fact, our refining margins have improved from \$4.4 per barrel during Q2 to \$5.6 per barrel during quarter," said G Krishnakumar, chairman and managing director for the company.

Commenting on crude oil prices, Krishnakumar added, "Crude, it is

	Consolidated figures (in ₹ Crore)			
	Q3FY25	Q-o-Q	Change %	Y-o-Y
Net revenues	113,166	10.1		-2.0
PBIDT	8,064	37.4		12.3
Net profit	3,806	65.7		19.6

PBIDT: Profit before depreciation, interest, and tax  
Compiled by BS Research Bureau Source: Bloomberg

on the higher side, \$80, which is not good for the industry, but we are foreseeing this will not continue for a longer period," and further said, "Once the markets rebalance, and anyhow, the US has indicated that they are going to increase their production and in case OPEC removes their cuts, then new products will come to the market and in the long term, the crude has to come back to 70 to 75 levels." He expects India's retail fuel prices to remain stable.

In its marketing business, BPCL saw a four per cent rise in volumes

from a year ago, against a double-digit growth reported by private players such as Reliance Industries for the same period.

Krishnakumar said, "The base impact of last year when crude prices were very high, where we had not increased the prices and not passing on the burden to the customers, most of the private refiners, did not supply the product to the market. They got back their volumes and it is not that they have taken any good amount of market share from the PSUs." BPCL's current mar-

ket share in fuel retail (private and public included), the executive said, was upwards of 22 per cent.

For its liquified petroleum gas (LPG) business, for the nine-month period ending December, the executive noted ₹7,200 crore was the negative buffer.

"We are hopeful for support from the government as they have supported in the past for under-recoveries in this segment," he added.

BPCL for the full-year FY25 is estimated to spend ₹16000 crore, higher from the earlier stated ₹13000 crore. In FY26, the top executive said, capex is likely to be around ₹18500 to ₹19000 crore. BPCL earlier announced plans to set up a refinery in Andhra Pradesh, and said a detailed report is likely by the end of calendar year 2025. The currently estimated capacity is in the range of 9-12 million tonnes, with a rough investment of ₹1 trillion.



● G KRISHNAKUMAR, CHAIRMAN & MD, AND VETSA RAMA KRISHNA GUPTA, DIRECTOR-FINANCE, BPCL

# 'BPCL sets FY26 capex target at ₹19,000 crore'

State-owned Bharat Petroleum Corporation Ltd (BPCL) which recorded a 19.6% jump in its consolidated profit for the third quarter of FY25 has revised its capex target for the current fiscal year upwards from ₹13,000 crore to ₹16,000 crore and set the goal for 2025-26 at around ₹19,000 crore. The company is also planning to come out with an initial public offering for Maharashtra Natural Gas Ltd - its joint venture with GAIL India by mid 2025-26, chairman and managing director G Krishnakumar and director-finance Vetsa Rama Krishna Gupta told Arunima Bharadwaj in an interview. While the firm sees some shortage of Russian oil supplies in the short term owing to US sanctions, it is hopeful that Russian supplies will revive. Excerpts:

On the company's Q3 financial performance and the short-term outlook

stellar performance. We have ₹4,649 crore profit after tax on a standalone basis compared to ₹2,397 crore during second quarter of FY25, almost 94% increase on QoQ basis. We have had a good growth in sales volume at around 4% and an Ebitda of ₹20,001 crores during April to December period. Our capacity utilisation of all three refineries put together is 107% even though there were shutdown periods during this quarter. In terms of petrochemicals we have just concluded the project finance of ₹31,800 crore for Bina refinery expansion. In terms of our renewable ambitions, we have approved the 50:50 JV formation with Sembcorp Green

Hydrogen India to create around 3.5-4 GW renewable assets. We have also undertaken other initiatives for expansion in CGD business. We have made good progress in terms of achieving the minimum work programmes. This quarter the refining performance while compared to the previous quarter is much better. Our refining margin in Q3FY25 is at \$5.6 per barrel compared to \$4.41 per barrel in the previous quarter. Impact of US sanctions on Russian oil supplies on the company Every month around 35-38% throughput is coming from Russian crude. Now, almost

180 vessels have been put on sanctions, so it may impact our supplies from Russia on a temporary basis. We will have to wait and see for two to three months. Even Russia has not cut down any production and is continuously keeping the same production levels. Immediately in the next one or two months we may see a shortage of Russian cargoes but at the same time, crude is available from other markets like the Middle East. Supply side there is no issue. Maybe commercially we were getting a bit of benefit from Russian cargoes which may not be

available for a couple of months. On pricing differential between crude oil sourced from West Asia and Russia If we go to the Middle East market, they are asking for \$2-\$3 per barrel premium because these are not on term basis but on spot basis. In the spot market, the demand has gone up due to the non-availability of Russian cargoes. But when we are approaching the traders (in Russia), they are telling us not to worry. The traders will find out some ways and means that the supplies come back. It's a matter of time, maybe one or two months. We have to wait and see. Wherever commercially viable crude is available, we approach those particular traders. Even recently we

have got one cargo from Argentina also. On Capex targets for 2025-26 For FY25, we have initially estimated a capex target of ₹13,000 crore. Capex spent in April-Dec 2024 is around ₹12,000 crore. We are revising current year's target to around ₹16,000 crore and are hopeful that by the end of the year we may reach this target. For FY26 we have estimated around ₹18,500-19,000 crore of capex requirement. It is the initial estimation, we will finalise the number by the end of Feb.

Ongoing and future projects Bina refinery's capacity is 7.8 million metric tonnes per annum which is likely to go to 11 MMTPA. The refinery expansion is likely to be over by September 2027. Along with that we are getting the world class ethylene cracker unit which is expected to be commissioned by May 2028. Currently, we are establishing a de aromatised solvent unit in

Mumbai refinery at the cost of ₹500 crore and expect it to be commissioned in the year 2025. Along with that, in the Kochi refinery we are getting a polypropylene unit at the cost of ₹5,000 crore. Regarding coal regasification, we are working with Coal India. Once the DFR (detailed feasibility report) is prepared, then we will be able to give more details. We're looking at coal regasification to syngas and syngas will be converted to natural gas. It will be a JV with Coal India. Broadly we are looking to set this up close to Chandrapur in Maharashtra.

On current crude oil prices and marketing margins We expect crude oil prices to be around \$70-75 per barrel at least in the long term. In the short term, Brent prices have gone up to \$80 per barrel but we don't foresee any logic for crude prices to go beyond \$80/bbl level because demand is not picking up from China.



**BRENT PRICES HAVE GONE UP TO \$80 PER BARREL BUT WE DON'T FORESEE ANY LOGIC FOR CRUDE PRICES TO GO BEYOND \$80/BARREL LEVEL**



G Krishnakumar (left) and Vetsa Rama Krishna Gupta



## INBRIEF



### BPCL's Q3 consolidated net profit rises 20% to ₹3,806 cr.

Bharat Petroleum Corporation Ltd. (BPCL) reported a 20% growth in consolidated net profit to ₹3,806 crore for the third quarter ended December 31, 2024, compared with ₹3,181 crore in the year-earlier period. Revenue from operations during the quarter, however, decreased to ₹1,27,551 crore from ₹1,29,985 crore in the year earlier. The BPCL board has also declared an interim dividend of ₹5 per equity share of a face value ₹10 each.

# 'EVs, hybrids impacting auto fuel sales in FY25'

**Rishi Ranjan Kala**

New Delhi

The rising popularity of electric vehicles (EVs) and hybrid vehicles is impacting India's consumption of petrol and diesel, which accounts for more than 60 per cent of the refined products usage.

Top management at the State-run Bharat Petroleum Corporation (BPCL), operating over 22,000 fuel dispensing stations, pointed out that November and December 2024 in FY25 had been "outlier" months with petrol and diesel sales showing a rising trend.

"Auto fuel sales in FY25 (so far) are quite erratic. Until October, it was almost zero (flat), but suddenly in



**Mixed bag.** Auto fuel sales in FY25 are quite erratic, with October numbers being flat and jump in November and December

November, it has almost risen 8-9 per cent and in December also, it has behaved in the same fashion. In January, it is again going back to almost the same old trend (flat). So it is a little erratic," Sukhmal Kumar Jain, Director - Marketing, BPCL, said in a telephonic interac-

tion with *businessline*.

## **ERRATIC SALES**

On reasons behind the "erratic" sales, he pointed at late monsoon withdrawal and, to some extent, marriage season (after November 15). BPCL is also analysing sales of alternate fuel vehicles,

which includes EVs and hybrids.

"Maybe a little more clarity will come once we close the financial year. How this auto fuel sales trend will continue, in the immediate future and long term also," Jain explained.

During the April-December period in FY25, India consumed around 30 million tonnes (mt) petrol and around 68.25 mt diesel.

## **JUMP IN PROFITS**

BPCL CMD G Krishnakumar said the oil marketing company reported a "significant" jump in net profit from ₹2,397 crore in Q2 FY25 to ₹4,649 crore in Q3 FY25, on a standalone basis, driven by improved refining and marketing margins as well as

sales growth. "If you compare our refining side q-o-q, we have performed well because refinery margins have gone up from \$4.41 to \$5.6 per barrel. Marketing margins improved significantly during this quarter as crude prices are on a lower side and we could get to higher marketing margins. Besides, we have a volume growth of around 4 per cent," he noted.

On impact of the US sanctions on Russia, Krishnakumar said, "Due to sanctions on majority of vessels, Russian cargoes are not flowing to markets. It may take time. We feel it is a temporary phenomena. We may not get full cargoes from Russia. After a certain point of time, Russian cargoes will come back to the market."

# Green hydrogen incentives likely for polluting sectors

Moving to large-scale use of hydrogen fuel could enhance India's geopolitical heft

Rituraj Baruah  
rituraj.baruah@livemint.com  
NEW DELHI

The Union budget for FY26 may announce financial support for green hydrogen initiatives in key polluting industries—including steel, cement, and power—according to two people aware of the matter, as high costs slow the adoption of green technologies.

The ministry of new and renewable energy has sent a proposal to offer incentives for the adoption and procurement of green hydrogen to the finance ministry, said one of the persons quote above.

“Incentives for adoption of green hydrogen and CCUS (carbon capture, utilization and storage) are expected to be mentioned in the budget. The adoption of both green hydrogen and CCUS is key to energy transition goals. It is felt that fiscal support would be required to increase their capacity addition and usage,” the person added.

Under the ₹19,700 crore National Green Hydrogen Mission (NGHM), the government currently offers supply-side support. This includes ₹17,490 crore for the production of green hydrogen and electrolyzers under the Strategic Interventions for Green Hydrogen Transition (SIGHT) scheme.

Transitioning to large-scale use of hydrogen fuel could enhance India's geopolitical heft and improve energy security. India aims to produce 5 million tonnes of green hydrogen by 2030.



The country plans to leverage its vast land area along with low solar and wind tariffs to produce low-cost green hydrogen and ammonia for export. **BLOOMBERG**

The country plans to leverage its vast land area along with low solar and wind tariffs to produce low-cost green hydrogen and ammonia for export.

“Through the incentives, the government would look at encouraging these polluting businesses to move towards green hydrogen and turn cleaner, rather than forcing them for the transition. New technologies for transition should also be viable,” said the second person aware of the development.

CCUS involves capturing carbon dioxide from polluting industries which is then transported by rail, road or pipe-

lines, and stored in underground oil fields or deep saline aquifers. This can be used in industries such as urea, food, methanol, building materials and polymers, thereby lowering carbon emissions.

But demand for green hydrogen is yet to pick up, which is making producer companies slow down production plans.

This is the reason the government is now looking to boost demand through incentives such as subsidies.

The subsidy for green hydrogen production, which is capped at \$0.66 per kg in the first year and tapers down to \$0.4

per kg by the third year, is insufficient for almost all sectors.

The subsidy offered in the second tranche of the SIGHT scheme continues these rates for green hydrogen production in addition to offering a subsidy for green ammonia production, said a report by the Council on Energy, Environment and Water (CEEW), a think-tank, in July last year.

It said although the current incentives granted by the NGHM to provide viability gap funding for green hydrogen production and indigenize electrolyzer manufacturing are intended to be catalytic, they fall short of bridging the gap between green hydrogen production costs and the necessary breakeven costs.

“Furthermore, the production-linked incentives (PLI) scheme for electrolyzer manufacturing with an allocation of approximately \$560 million and an average incentive of \$39.5 per kW, can only support around half of the electrolyzer capacity needed to achieve India's 2030 green hydrogen goals,” the report said.

CCUS is still in its nascent stage in India, and the government may provide incentives for its adoption by these hard-to-abate sectors. In August last year, NITI Aayog member V.K. Saraswat said that the Centre is working on a national mission that will provide financial incentives to promote CCUS to help the country achieve its ambitious net-zero goals.

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**CONSUMPTION OF MAJOR FUELS SET TO RISE**

# India's oil demand likely to hit yet another record in 2025-26

**SUKALP SHARMA**

NEW DELHI, JANUARY 22

INDIA'S CONSUMPTION of refined petroleum fuels and products is projected to hit yet another fresh high in the financial year 2025-26 (FY26) on the back of steady growth in energy use in various sectors of the economy.

According to latest projections by the Petroleum Planning & Analysis Cell (PPAC) of the oil ministry, consumption of petroleum products—seen as a proxy for crude oil demand—is seen rising 4.7 per cent over the revised estimate for FY25 to 252.93 million tonnes. The consumption growth is expected to be led by fuels and products like petrol, aviation turbine fuel (ATF), liquefied petroleum gas (LPG), diesel, and petroleum coke.

India's petroleum consumption has been scaling new heights with each passing year, with the exception of two years when demand was hit because of the COVID-19 pandemic. The revised estimate for the current fiscal—241.68 million tonnes—is slated to be the highest-ever petroleum product consumption level so far, but will likely be topped in the next fiscal. The current record consumption level—234.26 million tonnes—was achieved in FY24.

An analysis of historical data shows that the pre-pandemic record for consumption of petro-

CONSUMPTION ESTIMATES			
Product	FY26 (mn tn)	FY25 (mn tn)	Change (%)
Petrol	42.64	39.98	6.6
Diesel	94.12	91.58	2.8
LPG	33.00	31.52	4.7
ATF	9.95	9.06	9.9
Petcoke	24.85	22.59	10.0
Others	48.37	46.95	3.0
<b>Total</b>	<b>252.93</b>	<b>241.68</b>	<b>4.7</b>

Source: PPAC

leum products was 214.13 million tonnes in FY20. Demand took a hit in FY21 due to the pandemic, and posted a modest recovery in FY22. Consumption of most products breached pre-pandemic highs in FY23, and have been rising since.

Unlike many countries, India is seen as a major growth centre for oil demand given the future potential in energy-intensive industries, growing vehicle sales, a rapidly expanding aviation sector, expected growth in consumption of petrochemicals, and a still growing population with relatively low per-capita energy consumption. In fact, India is among the few markets where refinery capacity is expected to expand substantially over the coming years. India currently has a refining capacity of nearly 257 million tonnes per annum.

But given the country's stagnant domestic oil production, rising demand for petroleum fuels and products is expected to lead to higher oil imports in the foreseeable future. India is the world's third-largest consumer of crude oil with an oil import dependency of over 85 per cent.

Late December, S&P Global Commodity Insights (SPGCI) had said that India was expected to end 2024 with an oil demand growth rate surpassing that of China, making the South Asian country one of the fastest-growing major oil consumption centres globally.

China is the world's second-largest consumer of crude oil behind the United States (US), but is the commodity's biggest importer globally. But oil demand growth in China has been subdued in the post-pandemic era due to a com-

bination of factors. These include a slump in sectors like real estate and construction, investments shifting to sectors that are not oil intensive, declining population, and growing adoption of vehicles powered by electricity and other alternative fuels. In February 2024, Paris-based International Energy Agency (IEA) had said that India's oil demand growth was expected to overtake China's by 2027, making the former the biggest driver of global oil demand growth through the remainder of the decade "underpinned by strong economic and demographic growth", notwithstanding the growing electric vehicle (EV) penetration, energy efficiency, and rising biofuel consumption.

## Consumption growth projections

Consumption of all major fuels—diesel, petrol, and liquefied petroleum gas (LPG)—is likely to touch an all-time high in the next fiscal, per PPAC projections.

Consumption of diesel, which is the most used petroleum fuel in the country, is seen rising 2.8 per cent over the current fiscal's revised estimate to 94.12 million tonnes in FY26. Petrol consumption is seen higher by 6.6 per cent at 42.64 million tonnes. Higher demand for these two fuels usually reflects robustness in the transportation and industrial segments.

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# LPG safety guidelines issued for Maha Kumbh to protect devotees and Kalpvasis

PIONEER NEWS SERVICE ■  
PRAYAGRAJ

The Food and Logistics Department convened a crucial meeting to address LPG safety during the ongoing Maha Kumbh Mela. The meeting was attended by officials from the department, LPG distributors, gas company representatives, and officers from the Fire Department, all working towards ensuring the safety of devotees and Kalpvasis.

During the session, detailed guidelines were issued to prevent accidents caused by LPG leakage. Among the key directives, cylinder testing was made mandatory, and strict restrictions were imposed on the sale of unauthorized cylinders. Officials emphasized that ensuring safety would be a top priority throughout the event. To ensure safe handling of LPG, technical assistants will inspect all cylinders before distribution, and any found to be leaking will not be supplied. Additionally, consumer equipment such as gas pipes and regulators will be scrutinized, with faulty or unsafe equipment being

replaced immediately. Special technical teams have been deployed in the fair area to respond to emergencies promptly. In a bid to further strengthen



safety measures, the storage of gas within the fair area has been limited to 100 kilograms, and complete details of each supply vehicle must be submitted to the

designated office. This measure aims to maintain tight control over the supply and prevent misuse. The meeting also addressed the rampant misuse of

domestic LPG cylinders. It was resolved that strict action would be taken against those found using domestic gas cylinders for unauthorized purposes or selling unapproved cylinders. Violators will face punitive action to ensure compliance with the safety protocols. Pramod Sharma, Chief Fire Officer of Kumbh, said, "The safety of devotees is of utmost importance. We are committed to implementing these guidelines effectively to ensure a secure environment for all."

Sunil Kumar, the Food and Logistics Officer, urged distributors to conduct regular checks and remain vigilant. "We aim to make this Maha Kumbh a 'Surakshit Mahakumbh'. Any violation of the rules will be dealt with strictly," he stated.

These measures reflect the administration's commitment to ensuring the safety and well-being of the millions attending the Maha Kumbh. The collaborative efforts of various departments aim to make this grand spiritual gathering a safe and memorable event for all.

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# Muted Natural Gas Output Likely in FY25 on Cautious RIL KG D6 Outlook

Average output at RIL block in Oct-Dec quarter was down 5.3% from last year

**Sanjeev Choudhary**

**New Delhi:** India's natural gas output is headed for a muted show in FY25 after three straight years of rise, as the production outlook is rather circumspect at Reliance Industries' KG Basin fields that were at the vanguard of the industry's growth in recent years.

India produced 27.3 billion cubic meters in April-December 2024, compared with 27.2 billion cubic meters in the same period a year earlier. In the second and third quarters of the current fiscal year, output was lower than in the previous year.

The growth over the past three fiscal years was primarily fuelled by Reliance Industries' new fields in the KG basin, as output from state-run ONGC's fields had been declining for several years.

Domestic gas production had

## Falling Output

Natural gas output growth over the last 3 fiscal years was primarily fuelled by RIL's fields in KG basin

### DOMESTIC GAS PRODUCTION:

2020-21: **Down 40%\***

2021-22: **Up 19%**

2022-23: **Up 1%**

2023-24: **Up 6%**

\*in 9 nine years

Falling domestic output has boosted gas imports to help meet rising consumption

LPG imports up 24% this fiscal year

slumped 40% in nine years to 2020-21 but surged 19% year-on-year in 2021-22 after Reliance Industries brought to production some new fields in the KG D6 block. In 2022-23, domestic production rose 1% while in 2023-24, it increased 6%.

The circumspect KG D6 production outlook is now weighing on national gas output. Average gas production at the KG D6 block was 28 million metric standard cubic meters a day (mmscmd) in October-December quarter, down 5.3% from a year earlier, according to RIL's earnings presentation. KG D6 output was 28.5 mmscmd in the second quarter and 28.7

mmscmd in the first.

Output at state-run ONGC, which produces about half of domestic gas, has fallen 2.5% year-on-year in Oct-Dec. Production from fields operated by the private sector, including Reliance, Vedanta and other smaller players, has risen by 4% in Oct-Dec.

Explorers have been putting to production minor gas discoveries or using enhanced oil recovery techniques to boost output from matured fields. But for national output to rise significantly, companies must be able to find major discoveries and monetise them fast, an industry executive said.

## BPCL Q3 net Surges 37% to ₹4,649 crore

**New Delhi:** Bharat Petroleum Corporation Ltd (BPCL) on Wednesday reported a 37% year-on-year increase in third-quarter profit to ₹4,649 crore on improved marketing margins. Revenue from operations marginally declined to ₹127,520 crore in the December quarter from ₹129,947 crore a year earlier. The company recorded a GRM of \$5.6 per barrel during this period, up from \$4.41 in the July-September quarter. The refining margin for April-December was \$5.95, down from \$14.72 a year ago. BPCL declared a dividend of ₹5 per share. —Our Bureau





MANISH VAID

“He who holds the oil, holds the power.” This maxim underscores the centrality of energy resources in shaping geopolitical strategies. Under the Trump administration, the US will recalibrate its energy policy to align with national interests, leveraging its vast oil and gas reserves to assert dominance on the global stage.

Trump’s rhetoric exemplifies this perspective, emphasising the strategic importance of energy dominance in US policymaking.

His statement as President-elect captures this vision: “We have more energy than anybody else. We’re going to use it. We don’t have to buy energy from Venezuela when we have 50 times more than they do. It’s just insane what we’re doing.” This wasn’t just a statement, it was a reflection of a larger strategy rooted in the Wolfowitz Doctrine.

The Wolfowitz Doctrine, crafted in the early 1990s by Paul Wolfowitz and Scooter Libby, emphasised unilateralism, pre-emptive action, and preventing rival superpowers, calling for US supremacy in key regions and stronger defence ties with democratic allies. This doctrine shaped US foreign policy, including the wars in Afghanistan and Iraq, by prioritising dominance over resources and critical supply routes.

Trump’s policies echoed these principles, albeit with an energy-centric focus. His “energy dominance” agenda during his first term (2017–2021) sought to position the US as a leading energy producer and exporter, leveraging energy as a geopolitical tool to diminish rivals’ leverage.

Deregulation expanded production on federal lands, and prioritisation of energy security reflected the doctrine’s core tenets of unilateralism and resource control.

Trump’s energy policies further materialised these principles through targeted actions against US rivals, reshaping global energy markets to align with the doctrine’s objectives, particularly through its ramped up liquefied natural gas exports.

Trump’s second term could see a continuation of these policies, with further roll-backs of environmental regulations and federal climate initiatives. He has already announced withdrawal from the Paris Agreement. Reports suggest an intensified focus on

# Trump’s energy power-play



**FUELLING SUPREMACY.** Rooted in Wolfowitz Doctrine, Donald Trump will seek to dominate energy markets to weaken adversaries and bolster US’ geopolitical standing

economic growth, even at the expense of ecological sustainability.

## ACTIONS ON RIVALS

The Wolfowitz Doctrine has been used to target US rivals like Russia, Venezuela, Iran, and Iraq. Through sanctions and energy policy shifts, the US has pursued a consistent strategy to weaken adversaries and bolster US geopolitical standing.

In Russia, sanctions targeted energy projects, notably companies involved in constructing the Nord Stream 2 pipeline. These measures sought to weaken Russia’s export capabilities while reducing Europe’s energy dependence on Moscow.

Trump’s policies have also expanded US LNG exports, providing alternatives for Europe and reinforcing the doctrine’s goal of countering regional hegemons. In his second term, Trump might intensify sanctions on Russia’s LNG sector, including Arctic 2 LNG

**The Russia-Ukraine gas transit deal expired on December 31, 2024. The US stands to gain significantly by boosting its LNG exports to Europe.**

project, to optimise US energy exports further, while leveraging LNG as a bargaining chip in trade negotiations.

Moreover, the Russia-Ukraine gas transit deal expired on December 31, 2024. As a result, the US stands to gain significantly by boosting its LNG exports to Europe, thereby strengthening both economic ties and geopolitical influence.

Trump’s energy policies could reshape LNG markets, focusing on deregulation, expedited permits, and expanded federal land leases. These measures aim to boost US LNG export capacity from 11.3 billion cubic feet per day (Bcf/d) in 2023 to 22.4 Bcf/d by 2030. Key projects like Texas LNG and Calcasieu Pass (CP2) are set to advance despite environmental concerns.

In Venezuela, sanctions on state-owned PDVSA aimed to cut off revenue for Nicolás Maduro’s regime and support opposition efforts for a transitional government.

Trump’s administration earlier took a hardline approach, and under a second term, it is expected to reinstate comprehensive sanctions on Venezuela’s oil sector and state-owned enterprises.

Iran faced the “maximum pressure” campaign, reinstating sanctions after the US withdrew from the JCPOA in 2018. These measures crippled Iran’s oil

revenue, curtailing its regional influence and nuclear ambitions.

Trump would likely renew these sanctions and potentially support Israeli strikes on Iranian nuclear and energy facilities.

Although Iraq’s oil sector was not directly targeted, Trump’s administration earlier pressured Baghdad to reduce energy ties with Iran, promoting energy independence. A second term could see Iraq brought under similar “maximum pressure” tactics, revoking waivers for importing Iranian gas and electricity, further straining Iraq’s energy sector.

The creation of the National Energy Council and Trump’s cabinet picks and advisory appointments signal a renewed focus on fossil fuel expansion and policy revision. Chris Wright, CEO of Liberty Energy and a staunch advocate for hydraulic fracturing, was named Energy Secretary. North Dakota Governor Doug Burgum, appointed as Interior Secretary and head of the newly formed National Energy Council, would oversee energy production on federal lands, promoting increased oil and gas drilling.

These steps have set the stage for energy being used for geopolitical leverage.

The writer is Junior Fellow with Observer Research Foundation. Views are personal

# 'US sanctions won't see oil price surge, shipping to be hit'

Rituraj Baruah  
rituraj.baruah@livemint.com  
NEW DELHI



G. Krishnakumar, chairman and managing director, BPCL.

With the US announcing fresh sanctions on two Russian oil producers and several vessels, shipping crude oil could be an issue in international energy markets. However with the US planning to produce more oil under Donald Trump's presidency, there is unlikely to be a significant impact on the availability and prices of oil, said G. Krishnakumar, chairman and managing director of Bharat Petroleum Corp. Ltd (BPCL).

In an interview with *Mint*, Krishnakumar said oil price is not projected to rise and may remain tepid at \$70-75 a barrel but shipping will be an issue in the near term due to the sanctions, and the situation should ease within a few months.

"It's a bit early, and we are assessing our situation. But it's going to have an impact. We are waiting for how the Opec+ will react to it, whether they will wind down and increase production. But one good sign is, that since the US has said they will increase production, there won't be a shortage of products... Shipping will be an issue due to the sanctions. I think they should reassess and come back quickly," he added.

"We will not have to worry about high crude price, I think it will be somewhere at \$70-75 (per barrel). We will watch till March. Then we will see how the sanctions play out."

Noting that crude availability is not a problem, the CMD of the state-run OMC also said

**Oil price is not projected to rise, may stay at \$70-75 a barrel, and the situation will ease in a few months: BPCL CMD**

that supplies from West Asia are making up for the shortage of cargoes from Russia.

"There may be a shortage of 2-3 cargoes from Russian, but anyhow we are arranging from the Gulf and Middle East, and taking the crude. Our outlook for the crude supply from Russia is that it's a matter of time. At some point, the supply and demand for Russian cargoes will rebalance. In the next one or two months, there may be a shortage of cargoes, but definitely, the market will rebalance."

The firm is also looking at other options besides Gulf countries. Recently, BPCL received oil from Argentina, and it is a regular buyer of crude from the US. He said BPCL is looking for crude from Brazil, but talks are at an initial stage. Last June, *Mint* had reported that state-run oil marketing companies were in talks with Petroleo Brasileiro SA (Petrobras) to secure guaranteed crude oil supplies over the long term.

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