

Fall in freight to keep Russian oil in demand

MANISH GUPTA
New Delhi, July 19

NARROWING DISCOUNTS AND concerns over rupee payments notwithstanding, Russia will likely retain its newly acquired tag of India's top oil supplier because of a sharp fall in freight, according to analysts and sources from oil marketing companies.

The lower freight costs will largely offset the impact of the plunge in discounts, retaining the attractiveness of Russian oil for Indian buyers, they said. Freight rates for delivery of Russian oil to western India from Baltic ports had shot up to around \$18 per barrel in early 2023 following western sanctions last December.

Continued on Page 14



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They began moderating after March and are now down to less than \$10 a barrel. "The cost of transportation of Russian oil to western India from Novorossiysk currently stands at \$6.8-7 per barrel, and \$9.5-10 per barrel from Baltic ports," head of economic department at Russia's Institute for Energy and Finance Sergey Kondratyev said in an article for InfoTEK analytical centre.

Kondratyev expects the freight cost to continue falling as there is high supply of tankers with stable demand for Russian Urals.

"In early 2022, almost no one expected Indian refineries to swiftly adjust to refining Urals, whose content differs from that of commodities from Iraq and Saudi Arabia.

However, now the share of Russian oil in India's imports surpasses 45%," he said.

As the market for freight rates quickly adjusted to new conditions, Russian oil suppliers started lowering discount rates. The Russian government has decided to narrow down the Urals oil discount to Brent to \$20 per barrel now from \$25 from September.

For Indian refiners, the \$25 discount translated for several weeks to an actual advantage of only \$10-17 due to higher freight costs, insurance and expenses related to third party traders. This discount on landed basis has come down to \$4 in July, but is set to inch up now, as freights are falling.

"Russia is also doing its calculation. They want their crude to be attractive enough. They will see that if freight rates are easing they can lower the discounts so that on a landed basis it still remains attractive for India," said Prashant Vasisht, vice president and co-head, corporate ratings, Icra. Russian share in Indian oil import, which was below 2% before the West imposed a cap of \$60 a barrel on Russian oil after it invaded Ukraine in February 2022, shot up to about 30% by the end of FY23. It kept on rising

and was above 40% in May.

According to Reuters, India's imports of Russian oil edged up to an all-time high in June, with the country's oil refiners taking nearly 2 million barrels/day of Russia oil in the month. "In terms of market share, Russia supplied about 42% of India's crude oil imports in April-June, the first quarter of India's fiscal year, the data showed, while the Middle East share rose to about 41% after slipping in the previous three months," the agency reported.

Analysts believe Russia will continue to have a lion's share of Indian oil imports in the near future. It became India's top supplier in October 2022 with a 22% share, surpassing traditional sellers Iraq (20.5%) and Saudi Arabia (16%). "Discount of \$4 per barrel is still sizeable. On a per dollar basis also it will make a lot difference in millions," said Vasisht.

The Indian government wants to increase the share of long-term oil deals from the current 70% to protect from price volatility seen in the spot market, said an oil ministry official recently. India's largest refiner Indian Oil signed a term deal in March to raise oil imports from Russia's Rosneft.

ONE YEAR OF FTA

India's fuel exports to UAE grow faster than non-fuel exports

SHREYA NANDI

New Delhi, 19 July

A year after the free trade agreement (FTA) with the United Arab Emirates (UAE) kicked in, India's non-petroleum exports grew at a relatively slower pace than exports of refined petroleum products to the West Asian nation.

Commerce and industry ministry data showed that non-oil exports witnessed a 3 per cent jump at \$22.95 billion, while the overall shipments to the UAE grew 9.5 per cent at \$30.98 billion during May 2022-April 2023.

Export of refined petroleum products to UAE grew at 17.8 per cent to \$7.52 billion during the same period.

The rise in exports was led by demand for items such as gold jewellery, electrical machinery and equipment.

In comparison, India's global non-oil exports witnessed a 3.37 per cent contraction at \$346.26 billion during the same time period, commerce and industry ministry data showed.

Refiners may ramp up crude oil purchases from UAE soon

Higher discounts on crude oil offered by the United Arab Emirates (UAE) to wean India away from Russian crude may soon see Indian refiners ramping up purchases from the Gulf nation, officials at multiple refiners said. They also pointed to the recent agreement on trade settlement in national currencies signed between India and the UAE as a reason for this.

SUBHAYAN CHAKRABORTY

This means that the outbound shipments to UAE fared well as compared to India's exports globally, amid waning external demand due to slowdown in regions such as North America and Europe.

However, there is still no clarity on the share of trade being done by both nations using the CEPA route, which will be an indication of the utilisation as well as the real gains from the trade deal.

The Comprehensive Economic Partnership Agreement (CEPA) between

India and the UAE began in May 2022.

The trade deal is expected to benefit almost 90 per cent of India's exports, in terms of value.

The UAE has overall duty elimination on over 97 per cent of its tariff lines corresponding to 99 per cent of India's exports in terms of value. The UAE is also India's second-largest export market.

Indian exporters got immediate zero duty market access in labour intensive sectors such as leather, footwear,

textile, gems and jewellery, furniture, among others. Barring gems and jewellery segments, other sectors are yet to see substantial gains.

Widening deficit

Overall imports from the UAE saw a 17.4 per cent increase to \$52 billion during the one-year period. This resulted in the widening of the trade deficit to \$21 billion to \$17 billion a year ago.

The widening of the deficit is mainly due to India's substantial dependence on crude oil imports from the West Asian nation. A third of total imports from UAE is crude oil. Besides, last year, UAE was also India's fourth largest crude oil import partner, with a share of over 10 per cent.

Under the trade agreement, crude oil has been completely eliminated, although basic customs duty of the commodity was anyway negligible at ₹1 per metric tonne.



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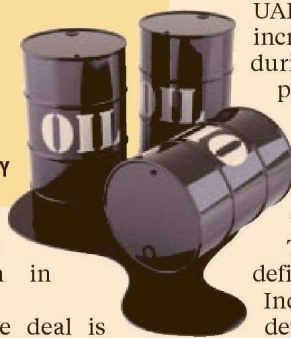
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IOC signs \$7-9 bn LNG import deal with UAE's ADNOC Gas

NEW DELHI: India's top oil firm IOC has signed a \$7-9 billion deal to import liquefied natural gas (LNG) from the UAE's ADNOC Gas plc for 14 years beginning 2026, the UAE company said.

Indian Oil Corporation (IOC) signed the deal as also a similar pact with TotalEnergies of France during Prime Minister Narendra Modi's visit to France and the UAE last week.

ADNOC Gas said the agreement with IOC for the export of up to 1.2 million tonne per annum (mmtpa) of LNG is "valued in the range of \$7 billion to \$9 billion over its 14-year term, signifies a major step forward in the partnership between the two industry leaders."

The deal with TotalEnergies Gas and Power Ltd (TotalEnergies) is for the import of 0.8 million tonne a year of LNG for 10 years starting 2026.

This is the first long-term deal TotalEnergies has signed with an Indian company. AGENCIES

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The deal with TotalEnergies Gas and Power (TotalEnergies) is for the import of 0.8 million tonne a year of LNG for 10 years starting 2026.

This is the first long-term deal TotalEnergies has signed with an Indian company. Also, this is the first time an Indian company has signed a long-term LNG import deal with Adnoc.

TotalEnergies is the third largest LNG supplier in the world and would



be supplying LNG to IOC from their diversified portfolio across the world.

"The landmark deal marks another significant milestone for ADNOC Gas as it expands its global reach, reinforcing its position as a global LNG export partner of choice,

and reaffirming IOC as its key strategic partner in the LNG market," the statement said.

Commenting on the agreement, Ahmed Alebri, chief executive officer of ADNOC Gas, said the long-term LNG sale deal further strengthens the longstanding partnership with IOC.

"We look forward to expanding our collaboration and take pride in the knowledge that ADNOC Gas' LNG exports will further support the development of IOC and contribute to India's growth story."

—PTI

LNG deal with IOC valued at \$7-9 bn, says ADNOC Gas

ENS ECONOMIC BUREAU
New Delhi, July 19

INDIAN OIL CORPORATION Ltd's (IOC) recently-signed long-term liquefied natural gas (LNG) purchase deal with Abu Dhabi's ADNOC Gas is valued at \$7-9 billion, the United Arab Emirates (UAE)-based gas major said.

Under the agreement, which was inked during Prime Minister Narendra Modi's recent visit to France and the UAE, ADNOC Gas will supply up to 1.2 million tonnes per annum (mtpa) of LNG to IOC for 14 years starting 2026. During Modi's visit, IOC inked another agreement with France's TotalEnergies for purchase of 0.8 mtpa of LNG for 10 years starting 2026. IOC and the government, however, had not disclosed the value of the deals. These are the first-ever LNG



term deals that an Indian company has signed with ADNOC Gas and TotalEnergies. India's oil and gas companies, public sector players in particular, are scouting for long-term LNG purchase agreements with global suppliers to secure reliable supplies of super-cooled gas.

"The landmark deal marks

another significant milestone for ADNOC Gas as it expands its global reach, reinforcing its position as a global LNG export partner of choice, and reaffirming IOCL as its key strategic partner in the LNG market," ADNOC Gas said in a statement. LNG, as the name suggests, is natural gas that is liquefied by cooling it at ultra-low temperatures for shipping it globally using specialised vessels.

India depends on imports to meet about half of its natural gas requirement. India, like many other countries, views natural gas as a key transition fuel as it makes efforts to accelerate its move to green energy. The central government has set an aim to increase the share of natural gas in India's primary energy mix to 15 per cent by 2030 from a little over 6 per cent at present.

Long-term LNG supply deal with IOC valued at \$7-9 bn, says ADNOC Gas

ENSECONOMIC BUREAU

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www.indianexpress.com





LPG CYLINDER CARRIER VESSEL WAS CEREMONIALLY LAUNCHED AT GOA SHIPYARD LIMITED (GSL)

LPG Cylinder Carrier Vessel being built for Port Shipping & Aviation, Administration Union Territory (U.T) of Lakshadweep, Second in a series of two vessels, was ceremonially launched on 14th July 2023 at Goa Shipyard Limited(GSL), Mrs Bindu Abraham, AGM performed the honors for launching the vessel in distinguished presence of Shri B K Upadhyay, CMD, GSL, Capt Jagmohan, Director (CPP&BD), Shri Sunil Bagi, Director (Finance) & Senior Officials of GSL and dignitaries. Goa Shipyard Limited has signed a contract with Port Shipping & Aviation, Administration Union Territory (U.T) of Lakshadweep for building Two LPG Cylinder Carrier Vessels. The vessel launched is intended to transport LPG Cylinders or 60 tons of packed petroleum products from mainland to Lakshadweep Islands. The vessel is capable to operate at speed of 11Knots with an endurance of 10 days and can carry a complement of 18 personnel onboard. This commercial vessel is designed and built under IRS Class meeting Merchant Shipping rules and regulations. The vessel is in advanced stage of outfitting. The contract was won through competitive bidding.

Natural gas futures: Go long

Akhil Nallamuthu

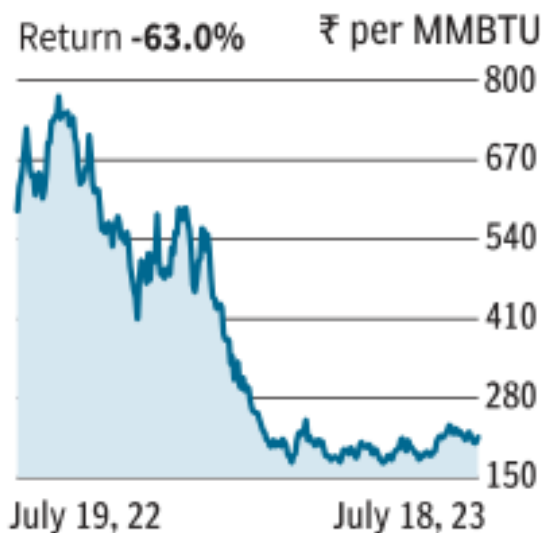
bl. research bureau

Natural gas futures on the (MCX) saw a decline since the beginning of July. After facing resistance at ₹240, the contract softened and is now trading around ₹215.

COMMODITY CALL.

On Tuesday, it saw considerable rally, showing that the bulls are now attempting to come back. We expect natural gas futures to rally to at least ₹240 in the near term. That said, a breach of ₹232 can turn the trend positive, possibly lifting the contract to ₹250 quickly. The upside could even extend to ₹275.

On the other hand, if the



contract slips below the support at ₹205, the short-term trend is likely to become bearish, where the price could fall to ₹190. Since there is a good chance for natural gas futures to see a rally, consider going long now at around ₹215. Add more longs in case the price declines to ₹208. Place stop-loss at ₹200. When the contract goes past ₹225, tighten the stop-loss to ₹215. Book profits at ₹232.

आईओसी का एडनॉक के साथ एलएनजी आपूर्ति करार



नई दिल्ली। देश की प्रमुख पेट्रोलियम कंपनी इंडियन ऑयल कॉरपोरेशनने संयुक्त अरब अमीरात की एडनॉक गैस कंपनी से तरलीकृत प्राकृतिक गैस का आयात करने के लिए सात-नौ अरब डॉलर का एक समझौता किया है। 14 साल की अवधि वाले इस समझौते के तहत आईओसी को सालाना 12 लाख टन एलएनजी का निर्यात किया जाएगा।

आईओसी का यूई की कंपनी एडनॉक के साथ एलएनजी आपूर्ति करार

वैभव न्यूज ■ नई दिल्ली

देश की प्रमुख पेट्रोलियम कंपनी इंडियन ऑयल कॉर्पोरेशन (आईओसी) ने संयुक्त अरब अमीरात (यूई) की एडनॉक गैस कंपनी से तरलीकृत प्राकृतिक गैस (एलएनजी) का आयात करने के लिए सात-नौ अरब डॉलर का एक समझौता किया है। एडनॉक गैस ने बुधवार को बयान में कहा कि 14 साल की अवधि वाले इस समझौते के तहत इंडियन ऑयल कॉर्पोरेशन को सालाना 12 लाख टन एलएनजी का निर्यात किया जाएगा। इस समझौते के तहत आईओसी को गैस की आपूर्ति वर्ष 2026 से शुरू होगी परे



समझौता काल में निर्यात की जाने वाली गैस का मूल्य सात अरब डॉलर से लेकर नौ अरब डॉलर तक रह सकता है। उन्होंने बताया कि इंडियन ऑयल कॉर्पोरेशन ने पिछले हफ्ते प्रधानमंत्री नरेन्द्र मोदी की फ्रांस यात्रा के दौरान भी फ्रांसीसी कंपनी टोटलएनर्जीज के साथ इसी तरह का

एक समझौता किया था। टोटलएनर्जीज गैस एंड पावर लिमिटेड के साथ सौदा वर्ष 2026 से अगले 10 वर्षों के लिए सालाना आठ लाख टन एलएनजी के आयात का हुआ है। टोटलएनर्जीज ने पहली बार किसी भारतीय कंपनी के साथ दीर्घकालिक करार किया है।



एलएनजी आपूर्ति का करार

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महानगर गैस का डिजिटाइजेशन की दिशा में एक और कदम

मुंबई। भारत की विशालतम शहरी गैस वितरण कंपनियों में एक, महानगर गैस लिमिटेड ने अपने सीएनजी और पीएनजी ग्राहकों के लिए उपयोग में आसान और पहुँच योग्य डिजिटल विकल्पों तथा पर्यायों को पेश करने के साथ अपनी डिजिटल मौजूदगी को अधिक सशक्त बनाया है. उपयोग करने में आसान नई वेबसाइट के अलावा, एमजीएल ने अपने नवीनीकृत 'एमजीएल कनेक्ट' ऐप पर सेल्फ मीटर रीडिंग विकल्प और तत्काल ग्राहक सेवा के लिए 'व्हाट्सऐप' चैटबोट लॉन्च किया है. हाल ही में, कंपनी ने बेस्ट के साथ साझेदारी में 'एमजीएल तेज' भी लॉन्च किया था, जो फोर-व्हीलर सीएनजी वाहनों के उपयोगकर्ताओं को चुनिंदा बस डेपो में अपने वाहनों में ईंधन भरने के लिए टाइम स्लॉट्स बुक करने में मदद करता है।

रूस से क्रूड की खरीद में आएगी कमी

भारतीय कंपनियों के लिए अब फायदे का सौदा नहीं रहा कच्चा तेल खरीदना

जयप्रकाश रंजन • नई दिल्ली

पिछले वित्त वर्ष में भारत ने रूस से कच्चे तेल की खरीद को बढ़ाने का जो सिलसिला शुरू किया था वह अभी तक जारी है। हालांकि निकट भविष्य में भारत की खरीद में खासी कमी आने की संभावना है। इसके विपरीत अमेरिका से हो रहे क्रूड की खरीद ज्यादा तेजी से बढ़ सकती है।

मंगलवार को नई दिल्ली में पेट्रोलियम और प्राकृतिक गैस मंत्री हरदीप पुरी और अमेरिका के ऊर्जा सचिव जेनिफर एम ग्रानहोल्म के बीच हुई बैठक में ऊर्जा सहयोग के सभी आयामों पर बात हुई है। इसमें नवीकरणीय ऊर्जा में किस तरह से साझा तौर पर आगे बढ़ा जाए, इसकी भावी रूपरेखा पर बात तो हुई लेकिन अमेरिका की तरफ से भारत को ज्यादा कच्चे तेल और एलएनजी का प्रस्ताव भी रखा गया है। इन दोनों उत्पादों में अमेरिका पहले ही भारत के लिए एक अहम आपूर्तिकर्ता देश है और अब यह सिलसिला अधिक तेजी से बढ़ेगा।

21 अरब डालर का कच्चा तेल रूस से खरीदा पिछले वित्त वर्ष में

11.9 अरब डालर का कच्चा तेल अमेरिका से खरीदा 2022-23 में



अमेरिका से कच्चे तेल की खरीद में आएगी तेजी, पेट्रोलियम मंत्री हरदीप सिंह पुरी के साथ बैठक में बनी सहमति

खाड़ी देशों को नहीं कर सकते नजरअंदाज

एक वजह भू-राजनीतिक तनाव है। यानी खाड़ी के पारंपरिक क्रूड आपूर्तिकर्ता देशों को भारत बहुत ज्यादा नजरअंदाज नहीं कर सकता। कुछ वर्ष पहले तक भारत की कुल क्रूड आपूर्ति का 60 प्रतिशत खाड़ी के देशों से आयात होता था जो घटकर 40 प्रतिशत रह गया है। भारत अब रूस से 40 प्रतिशत क्रूड खरीदता है। तीसरी वजह यह है कि भारत के आग्रह के बावजूद रूस क्रूड का भुगतान भारतीय मुद्रा में स्वीकार करने की स्थिति में नहीं है।

यूक्रेन युद्ध के बाद कच्चे तेल की कीमतों में जो उछाल आया था, उसकी वजह से भारत ने रूस से ज्यादा तेल खरीदने की शुरुआत की थी। हालांकि अब माहौल बदल रहा है। इसके पीछे कई वजहें हैं। पहली बड़ी वजह यह है कि रूस से कच्चे तेल की आपूर्ति भारतीय कंपनियों के लिए अब उतनी आकर्षक नहीं रही। रूस से क्रूड की कीमतों में

जितनी छूट पहले मिलती थी, उतनी अब नहीं मिल रही। फरवरी, 2022 (यूक्रेन युद्ध की शुरुआत) के बाद जब क्रूड 120 डालर प्रति बैरल तक चला गया था तब भारत को रूस से क्रूड खरीद पर 15-20 डालर तक की छूट मिला करती थी। अब क्रूड की कीमत 70-80 डालर प्रति बैरल है और रूस से मिलने वाली छूट पांच डालर के करीब रह गई है।

भारत अपने हितों को देगा प्राथमिकता : सूत्रों का कहना है कि अमेरिका और भारत के मंत्रियों के बीच एक दिन पहले हुई बैठक में रूस से ऊर्जा खरीद पर बात हुई। भारत रूस से क्रूड खरीद को लेकर हमेशा पारदर्शी रहा है। पेट्रोलियम मंत्री पुरी अमेरिका के समक्ष भी यह स्पष्ट कर चुके हैं कि भारत अपनी ऊर्जा हितों को सर्वोच्च प्राथमिकता देगा।