High Carbon Emitters may Get Sops to Curb Footprint

Niti Aayog working on policy for carbon capture & utilisation of Co2

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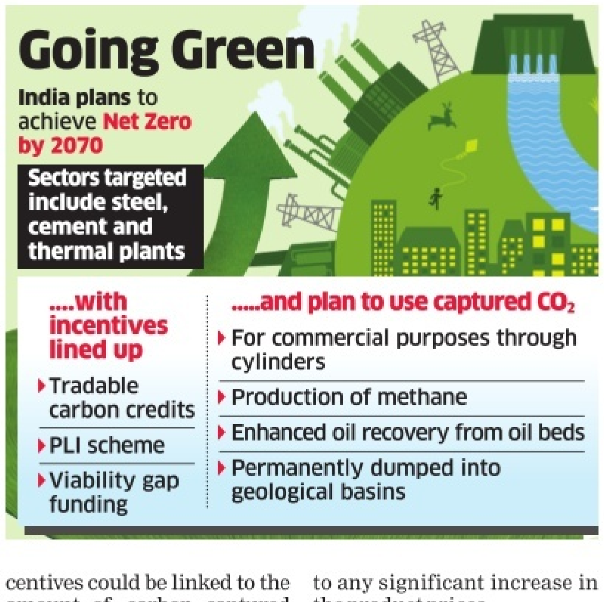

New Delhi: India is considering several measures to incentivise high carbon emitting industries such as steel, cement and thermal plants to set up carbon capture facilities. Incentives could be provided through production-linked incentive schemes, viability gap funding or carbon credits.

Niti Aayog, the country's policy think-tank, will soon come out with a policy prescription for carbon capture and utilisation of carbon dioxide emitted by industries as part of the plan to achieve Net Zero by 2070, an official said requesting anonymity.

These industries constitute 6-10% of the total carbon dioxide emitted.

"Various options are being considered to incentivise the polluting industries to set up carbon capture plants to capture, utilise and store carbon from the carbon dioxide emitted by them so that it can be used for various industrial purposes," the official said.

According to the official, while research and development support will be given by the government to these sectors to set up carbon capture plants, options for a fiscal support are also being considered.

"The government may issue carbon credits, which can be traded at carbon exchanges, or a PLI scheme under which incentives could be linked to the amount of carbon captured and utilised," the official said.

The NITI Aayog, along with other central ministries, had held a stakeholder consultation with the industry on March 30 on the viability of setting up such plants to help India significantly reduce its industrial carbon emissions.

Industries will have to incur an additional 10-15% cost in setting up carbon capture plants

According to the estimates, such industries will have to incur an additional 10-15% cost in setting up plants. This can be compensated by the government and hence not lead to any significant increase in the product prices.

Some of the options that are being explored for carbon storage and utilisation include commercial use of carbon dioxide, using it for methanol production and using it for extended oil recovery from the oil basins

Finally, the excess can be subjected to sequestration, which is the process of storing carbon dioxide in underground geologic formations. Under this, the carbon dioxide is usually pressurised until it becomes a liquid and then it is injected into porous rock formations in geologic basins. This process helps to remove excess carbon dioxide from the atmosphere permanently.

OMCs Lost ₹10-12/Litre on Sale of Petrol, Diesel in Q1

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New Delhi: Oil marketing companies (OMCs) have lost an estimated ₹10-12 on the sale of a litre of petrol and diesel in the current quarter, which can be only partly offset by increased refining margins, brokerage ICICI Securities said in a note on Thursday.

"Despite the strength seen in refining, overall earnings for OMCs will continue to remain under pressure, given the steady expansion in marketing losses over the last three months," the brokerage said.

With international prices expanding sharply over the last 2-3 months and the continuing freeze on domestic retail prices, estimated losses on petrol and diesel have risen to ₹10.5 and ₹12.5 per litre respectively in the current quarter till the week of June 17, as per the brokerage. In the January-March period, the losses were ₹1.5 and ₹1.6 per litre for petrol and diesel.

ICICI Securities estimates that every \$1 per barrel increase in gross refining margin can compensate for ₹3-4 per litre of retail fuel loss for OMCs.

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Crude oil prices have been elevated and highly volatile since the beginning of the Russia-Ukraine war on February 24. Refined fuel prices have risen even faster than crude oil in the international market. Benchmark Asian refining margins have risen to \$24 per barrel compared to the past decade's average of \$5.7 per barrel. The margins on diesel have risen to \$60 per barrel and on petrol to \$40.

Fix Long-term Export Goals: PM to Industry

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Higher Targets

Encouraged by this success of the past years, we have now increased our export targets and have doubled our efforts to achieve them

NARENDRA MODI
Prime Minister

New Delhi: Prime Minister Narendra Modi on Thursday asked exporters and industry to fix long-term export targets for themselves and suggest ways to the government to achieve those goals.

Inaugurating the new Vanijya Bhawan, which will house the Ministry of Commerce and Industry, Modi said exports play a critical role in the transition of a country from the developing to the developed status. India's merchandise exports rose to a record \$418 billion in fiscal 2022. "Encouraged by this success of the past years, we have now increased our export targets and have doubled our efforts to achieve them," Modi said.

Emphasising on all stakeholders' collective effort to achieve these new goals, he said: "Industry, exporters and export promotion councils are here ... I will urge them to set not only short-term but also long-term export targets for themselves."

Modi said in the last fiscal, despite the historic global disruptions, India's total exports of goods and services were \$670 billion (₹50 lakh crore) and that merchandise exports crossed \$418 billion (₹31 lakh crore), as against the target of \$400 billion (₹30 lakh crore).

The Prime Minister said the new Vanijya Bhawan will significantly benefit people associated with trade, commerce and the micro, small and medium enterprises sector.

Transparency in Shipping Bills Needed, says Goyal

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Ambiguities Remain

I am not satisfied with the shipping rates, which are not announced transparently. There are ambiguities and opaqueness in the shipping bills. You need to work on that

PIYUSH GOYAL
Commerce and Industry Minister

New Delhi: Commerce and industry minister Piyush Goyal on Thursday expressed concerns over shipping rates and opaqueness in shipping bills and hoped that government wouldn't need to take strict decisions going ahead.

At the National Logistics Excellence Awards event, he said there were certain issues in the logistics sectors such as the announcement of shipping rates and opaqueness in shipping bills, and urged the industry to work on these areas.

"Still, I am not satisfied with the shipping rates, which are not announced transparently. There are ambiguities and opaqueness in the shipping bills. You need to work on that," Goyal said.

Certain sections of the industry, including exporters, have raised issues with regard to shipping rates, which impact the cost of products.

"Logistics has several leakages. Several meetings we have held...I was benevolent because of Covid....(I hope) I do not have to take some tough decisions in the meetings later," the minister cautioned and asked the industry to make top to bottom changes in the sector. He said the industry and government will have to work together to reduce the logistics cost, which is estimated at 13-14% of the GDP against 7-8% in the developed nations.

OVL Makes Oil Discovery in Colombia

New Delhi: ONGC Videsh (OVL) has made an oil discovery in Colombia in South America. The discovery was made in the Urraca-IX well in the CPO-5 block in Colombia, which was spudded on April 20 and drilled to a target depth of 10,956 feet, encountering 17 feet thick oil-bearing sands at a depth from 10,201 feet-10,218 feet, the company said.

During initial testing with an electrical submersible pump, fluid flowed at approximately 600 barrels per day. The discovery "opens up new areas for further exploration in the northern part of the block," the company said.

OVL had discovered commercial oil in Mariposa and Indico fields in the block in 2017 and 2018, respectively, which are currently commercially producing 20,000 barrels of oil per day.—Our Bureau