

### IOCL to build \$ 602.73 million Styrene unit in Panipat refinery

- The project, with a capacity of 387 thousand metric tonne per annum (TMTPA) will be located in the company's Panipat refinery and petrochemical complex.
- IOCL said that the company's board has sanctioned the initial approval to set up India's first styrene monomer project at an estimated cost of \$ 602.73 million.
- The project aims to utilise the ethylene produced in the Panipat refinery's upcoming INDMAX unit.
- The INDMAX unit is being built at the refinery under the recently approved \$ 4.42 billion expansion programme.

### India fuel consumption picks up in June as lockdowns ease

- India's auto fuel demand picked up in June as economic activity accelerated after the easing of pandemic-related lockdowns.
- State-run refiners sold 2.12 million tonnes of gasoline last month, up 29.35per cent from May and about 5.7per cent from the year-earlier period.
- Sales of gasoil, which accounts for about two-fifths of India's overall refined fuel consumption and is directly linked to industrial activity in Asia's third-largest economy, rose 18.5per cent from May to 5.36 million tonnes, but were down 1.84percent from June 2020.
- Compared to June 2019, demand for gasoline and gasoil last month slipped 10.4percent and 18.8percent, respectively.
- Fuel demand in India would recover to pre-pandemic levels by the end of this year after being hit by a deadly second wave of coronavirus, oil minister Dharmendra Pradhan said.
- In May, local fuel consumption, a proxy for oil demand, slumped to its lowest since last August as lockdowns and travel restrictions in several states stalled mobility and muted economic activity.
- State-run Indian Oil Corp, Hindustan Petroleum Corp and Bharat Petroleum Corp Ltd own about 90 percent of India's retail fuel outlets.

### India's natural gas consumption to rise 4.5% in 2021: IEA

- India's natural gas consumption will rise 4.5% while global demand will rebound by 3.6% in 2021, as per the International Energy Agency (IEA) forecast.
- By 2024, the global gas demand is forecast to be up 7% from 2019's pre-Covid levels.
- Global demand dropped by 1.9% in 2020 due to an exceptionally mild winter in the northern hemisphere and the impact of the Covid-19 pandemic.
- India's gas demand is expected to expand by 4.5% in 2021 despite a 5% year-on-year contraction in the first quarter.
- The economic fallout from the ongoing second wave and high LNG prices present downside risks to our forecast, the IEA said.
- Consumption contracted in the first quarter as high spot LNG prices in the aftermath of the northeast Asian winter energy crisis tempered demand, especially in the refining and petrochemical sectors, where some operators reportedly switched from imported LNG to liquid fuels.
- Covid-linked lockdowns and high LNG prices hurt demand also in the second quarter.
- In Asia, LNG spot prices more than quadrupled year-on-year in Q2 to reach an average of \$9.8/MBtu—their highest Q2 average since 2014.
- Strong buying interest from China, India and Korea, together with a combination of planned and unplanned outages in liquefaction plants, provided upward support to LNG spot prices.
- Asian spot prices are set to average close to \$13/MBtu through the second half of the year, resulting in an overall annual average of over \$11/MBtu—the highest level since 2014, according to the IEA.

### United States became fourth-largest crude oil supplier to India in 2020

- The United States became the fourth-largest supplier of crude oil to India in 2020, according to BP's latest report.
- The US supplied 10.7 million tonnes of crude oil to India in 2020, behind Iraq's 47 million tonnes, Saudi Arabia's 38 million tonnes, and UAE's 22 million tonnes.
- The US supply accounted for about 5% of India's total imports of 204 million tonnes in the year, a big jump for the country which had started exporting oil to India in 2017.
- It also turned out to be the fourth-largest natural gas supplier to India in 2020.
- Indian refiners have been trying to diversify their supply base to reduce dependence on West Asia, which still accounts for the lion's share.
- West Asian countries made up 64% of India's imports while the two American continents accounted for 18%.
- India imported 8 million tonnes of crude oil from Mexico and one million tonnes from Canada. Kuwait supplied 9.9 million tonnes.
- Iraq has been India's top supplier for the past few years, staying ahead of Saudi Arabia, which has been producing less than its capacity to meet OPEC supply curb commitments.
- India imported nearly 36 billion cubic metres (bcm) of liquefied natural gas (LNG) in 2020, with Qatar (14 bcm), UAE (5), Nigeria (4), US (3) and Angola (3) being the top suppliers.

### RIL likely to produce natural gas from MJ field starting Q3FY23

- Reliance Industries Ltd (RIL) is likely to produce natural gas from the MJ field of the KG D6 block by the third quarter (October-December) of next fiscal.
- The company said that the first offshore installation campaign has been completed and the second offshore installation campaign will commence in November 2021.
- Noting that drilling and completion of wells are underway and FPSO and Subsea Production System on track, the First gas is expected by 3Q FY23.
- Regarding the performance of the oil and gas of the company, the significant turnaround in oil & gas business was witnessed with start-up of new production system in KG D6.
- The Q1FY22 domestic production (RIL share) stood at at 35.83 BCFE, almost at par with FY20 levels and the revenue was at 10-quarter high.
- It added that three rounds of bidding have been completed for KG D6 gas and 18 MMSCMD of gas have been successfully contracted in domestic market.

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