MILLENNIUM POST, Delhi, 24.11.2017
Page No. 13, Size:(12.89)cms X (15.73)cms.

Govt exempts oil & gas PSU mergers from CCI approval

NEW DELHI: Merger and acquisition deals involving public sector oil and gas companies have been exempted from seeking the Competition Commission approval, says a notification.

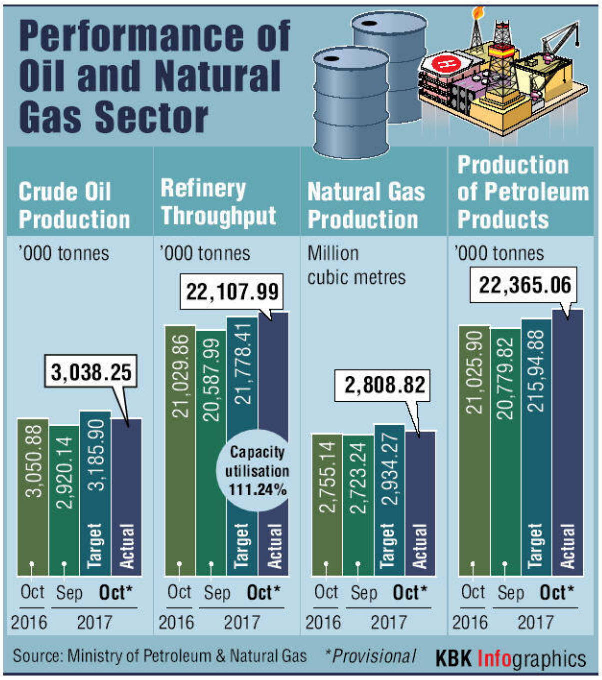
The corporate affairs ministry's decision to exempt such deals from the ambit of the Competition Commission of India (CCI) comes against the backdrop of the proposed consolidation and stake purchases among state-owned oil and gas companies. In July, the Cabinet Committee on Economic Affairs (CCEA) approved sale of the government's 51.11 per cent stake in oil refiner HPCL to the country's largest oil producer ONGC.

The ministry has said all cases of combinations involving the central public sector enterprises (CPSEs) operating in oil and gas sectors under the Petroleum Act, 1934, have been exempted from the CCI approval requirement for five years. The exemption will also be applicable to their "wholly- or partly-owned subsidiaries operating in the oil and gas sectors, from the application of the provisions of sections 5 and 6 of the (Competition) Act, for a period of five years", the notification issued on November 22 said.

Sections 5 and 6 pertain to combinations. Under the norms, combinations or deals beyond a certain threshold compulsorily require approval from the CCI.

Earlier this year, the ministry exempted mergers of nationalised banks from seeking CCI's approval.

The regulator keeps a tab on anti-competitive ways across sectors to ensure fair practices are followed. PTI



BUSINESS LINE, Delhi, 24.11.2017

Page No. 1, Size:(18.86)cms X (13.74)cms.

Oil and gas PSU mergers to be exempt from CCI purview

Directive comes ahead of HPCL-ONGC deal; experts warn of monopoly dangers

OUR BUREAU

New Delhi, November 23

To ensure that the transfer of State-owned oil major HPCL's promoter stake to ONGC does not breach any norms on anti-competitive practices, the government has exempted the merger of oil and gas PSUs from the purview of competition watchdog CCI.

Sources indicated that the Centre intends to complete the transfer of HPCL's stake to oil giant ONGC early next year.

Earlier, Neeraj Kumar Gupta, Secretary, Department of Investment and Public Asset Management, had said that the deal, which is part of the disinvestment line-up, is on track.

"The Central Government exempts all cases of combinations under Section 5 of the Act involving the Central Public Sector Enterprises (CPSEs) operating in the Oil and Gas Sectors under the Petroleum Act, 1934 ... along with their wholly or partly owned subsidiaries operating in the Oil and Gas Sectors, from the application of the provisions of sections 5 and 6 of the Act, for a period of five years," according to a notification by the Ministry of Corporate Affairs.

The relaxation will be available for a period of five years. A similar mechanism has been adopted for public sector banks, for a period of 10 years.

Originally proposed by Finance Minister Arun Jaitley in Budget 2017-18, the HPCL-ONGC deal was approved by the Cabinet in July.

According to the plan, ONGC will acquire a 51.11 per cent stake in HPCL, in line with the government's objective to create an integrated energy major with businesses spread across the hydrocarbon value chain.

Market distortion fears

However, experts have questioned the exemption and said it can lead to market distortions.

Noting that Section 54(a) is an exceptional power vested with the Executive and is intended to be used sparingly, Manas Kumar Chaudhuri, Partner, Khaitan & Co, said: "Big-ticket mergers such as those of PSU banks and PSU OMCs have been exempted from the CCI ... Statutory problems, which may arise out of these exemptions, cannot be ruled out."

R Prasad, former Member of CCI, concurred and said mergers such as this create monopolies. "Any monopoly, whether in the public or private sector, is not good," he stressed.

FINANCIAL CHRONICLE, Delhi, 24.11.2017
Page No. 4, Size:(18.65)cms X (23.72)cms.

M&A among oil & gas PSUs exempted from CCI approval

Move to expedite ONGC-HPCL deal and help IOC-GAIL, BPCL-OIL plans

FC BUREAU
New Delhi

THE government has exempted public sector oil & gas companies from seeking the Competition Commission of India's approval for mergers and acquisitions, paving the way for Oil and Natural Gas Corporation (ONGC) to complete its proposed acquisition of the government's entire 51.11 per cent stake in Hindustan Petroleum Corporation (HPCL).

The relaxation comes within months of the government clarifying that the HPCL deal would also not require ONGC to make an open offer for the remaining equity under the Securities and Exchange Board of India's (Sebi's) takeover code.

"This clarity would help the company proceed further in completing the acquisition that is already progressing at a fast pace," said an official of ONGC not willing to be named.

A notification issued by the ministry of corporate affairs said all cases of combinations involving the central public sector enterprises (CPSEs) operating in oil and gas sectors under the Petroleum Act, 1934 have been exempted from the CCI approval requirement for five years.

This comes within months of the govt clarifying the HPCL deal would not require ONGC to make open offer

The exemption will also be applicable to their "wholly- or partly-owned subsidiaries operating in the oil and gas sectors, from the application of the provisions of sections 5 and 6 of the (Competition) Act, for a period of five years", the notification said.

Sections 5 and 6 pertain to combinations. Under the Act, combinations or deals beyond a certain threshold compulsorily require the CCI's approval.

Besides the ONGC-HPCL deal, the government notification would help a clutch of other M&As that oil companies are looking at as part of their efforts to consolidate operations. Among the prominent ones could be Indian Oil Corporation's (IOC) expected acquisition of government stake in gas utility GAIL, and Bharat Petroleum Corporation (BPCL) exploring a similar deal with Oil India (OIL).

In July, the cabinet committee on economic affairs (CCEA) approved sale of the government's 51.11 per cent stake in oil refiner HPCL to the country's largest oil producer, ONGC. While the upstream company said it would conclude the deal by December, the government hopes that this could be completed before the end of current fiscal.

The exemption from CCI approval granted to the public sector oil companies follows similar exemption given in mergers of nationalised banks earlier this year.

ECONOMIC TIMES, Delhi, 24.11.2017
Page No. 7, Size:(9.95)cms X (12.58)cms.

Oilfields' Privatisation Aimed at Raising Domestic Output: DGH

Sanjeev.Choudhary@timesgroup.com

New Delhi: The chief of the Directorate General of Hydrocarbons has said the government is following a transparent method to pick state firms' oilfields for privatisation with a single aim of raising local output, rebutting ONGC executives' charge that the government is not being fair in proposing to take away its fields.

"The entire effort is to raise production from the mature and declining fields of ONGC and Oil India," Atanu Chakraborty, director general of DGH, told **ET**.

"The government will follow transparent and objective criteria to pick fields. The extent of reserve, extraction and rate of recovery will be the key criteria," he said.

DGH is the technical arm of the oil ministry and is leading the government's efforts in preparing a policy that would give private firms control over some of the key producing fields of ONGC and Oil India. The government has drawn a list of 11 fields of ONGC and four of Oil India, in which 60% participating interest would be auctioned to private players.

The plan has met with resistance from ONGC. "The government was trying to justify everything in the name of raising oil production," said an ONGC executive, who did not wish to be identified.

The company's chairman has written to the oil secretary, arguing against taking away key fields. An association of the company's executives has sought Prime Minister's intervention in the proposed policy, which it said "lacked transparency and objectivity".

Company executives said the government had only recently found ONGC competent enough to handle the Gujarat State Petroleum Corporation's challenging field in the KG Basin but is now citing company's incompetence to take away producing fields.

Oil ministry officials said that the deal with GSPC was a matter between the two companies and the government played no role in it. Fields considered for private investment are among the better performing and are receiving substantial funds for enhancing production, ONGC executives said, adding that losing them would mean giving up on about 15% of annual output.

Oil, gas PSU mergers exempt from CCI nod

PRESS TRUST OF INDIA
NEW DELHI, 23 NOVEMBER

Merger and acquisition deals involving public sector oil and gas companies have been exempted from seeking the Competition Commission approval, says a notification.

The corporate affairs ministry's decision to exempt such deals from the ambit of the Competition Commission of India (CCI) comes against the backdrop of the proposed consolidation and stake purchases among state-owned oil and gas companies.

In July, the Cabinet Committee on Economic Affairs (CCEA) approved sale of the government's 51.11 per cent stake in oil refiner HPCL to the country's largest oil producer ONGC. The ministry has said all cases of combinations involving the central public sector enterprises (CPSEs) operating in oil and gas sectors under the Petroleum Act, 1934, have been exempted from the CCI approval requirement for five years. The exemption will also be applicable to their "wholly or partly-owned subsidiaries operating in the oil and gas sector, from the application of the provisions of sections 5 and 6 of the (Competition) Act, for a period of five years," the notification issued on 22 November said. Sections 5 and 6 pertain to combinations.

PIONEER, Delhi, 24.11.2017
Page No. 10, Size:(8.76)cms X (11.02)cms.

Oil, gas PSU mergers exempt from CCI nod

NEW DELHI: Merger and acquisition deals involving public sector oil and gas companies have been exempted from seeking the Competition Commission of India (CCI) approval, says a notification. The corporate affairs ministry's decision to exempt such deals from the ambit of the CCI comes against the backdrop of the proposed consolidation and stake purchases among state-owned oil and gas companies.

In July, the Cabinet Committee on Economic Affairs (CCEA) approved sale of the Government's 51.11 per cent stake in oil refiner HPCL to the country's largest oil producer ONGC. The ministry has said all cases of combinations involving the central public sector enterprises (CPSEs) operating in oil and gas sectors under the Petroleum Act, 1934, have been exempted from the CCI approval requirement for five years.

The exemption will also be applicable to their "wholly- or partly-owned subsidiaries operating in the oil and gas sectors, from the application of the provisions of sections 5 and 6 of the (Competition) Act, for a period of five years", the notification issued on November 22 said. Sections 5 and 6 pertain to combinations.

Under the norms, combinations or deals beyond a certain threshold compulsorily require approval from the CCI. Earlier this year, the ministry exempted mergers of nationalised banks from seeking CCI's approval. The regulator keeps a tab on anti-competitive ways across sectors to ensure fair practices are followed. **PTI**

FINANCIAL EXPRESS, Delhi, 24.11.2017
Page No. 1, Size:(4.79)cms X (10.28)cms.

Oil, gas PSU mergers exempt from CCI nod

MERGER AND acquisition deals involving public sector oil and gas companies have been exempted from seeking the Competition Commission of India (CCI) approval, says a notification, reports **PTI**.

The corporate affairs ministry's decision to exempt such deals from the ambit of CCI comes against the backdrop of the proposed consolidation and stake purchases among state-owned oil and gas companies.

In July, the Cabinet Committee on Economic Affairs approved sale of the government's 51.11% stake in oil refiner HPCL to ONGC.

VEER ARJUN, Delhi, 24.11.2017
Page No. 11, Size:(13.11)cms X (16.67)cms.

तेल, गैस कंपनियों से जुड़े विलय को सीसीआई की मंजूरी से छूट

नई दिल्ली, (भाषा)। सार्वजनिक क्षेत्र की तेल और गैस कंपनियों से जुड़े विलय और अधिग्रहण सौदों को प्रतिस्पर्धा आयोग की मंजूरी प्राप्त करने से छूट दी गई है। एक अधिसूचना में इसकी जानकारी दी गई। सरकारी स्वामित्व वाली तेल और गैस कंपनियों के बीच प्रस्तावित एकीकरण और हिस्सेदारी खरीद के बाद कारपोरेट कार्य मंत्रालय की ओर से इस तरह की छूट दी गई है। जुलाई में मंत्रिमंडल की आर्थिक कार्य समिति ासीसीईएा ने हिंदुस्तान पेट्रोलियम कॉरपोरेशन लिमिटेड ाएचपीसीएला में सरकार की पूरी 51.11 प्रतिशत हिस्सेदारी तेल एवं प्राकृतिक गैस निगम ाओएनजीसीा को बेचने को मंजूरी दी थी। मंत्रालय ने कहा कि पेट्रोलियम अधिनियम 1934 के तहत तेल और गैस क्षेत्रों में परिचालन करने वाले सार्वजनिक क्षेत्र के उद्यमों से संबंधित संयोजनों के सभी मामलों को सीसीआई की मूंजरी से पांच साल के लिए छूट दी गई है। इस महीने 22 तारीख को जारी अधिसूचना में कहा गया है कि तेल और गैस क्षेत्रों में परिचालन करने वाली ै्पूर्ण-या आंशिक स्वामित्व वाली सहायक कंपनियों पर भी यह छूट लागू होगी। नियमों के तहत, एक निश्चित सीमा से परे संयोजन या सौदों के लिए सीसीआई से अनुमोदन लेने की जरुरत होती है। इस साल की शुरुआत में मंत्रालय ने राष्ट्रीयकृत बैंकों के विलय को सीसीआई की अनुमति लेने से छूट दी थी।

ओएनजीसी
ONGC

JANSATTA, Delhi, 24.11.2017
Page No. 15, Size:(5.36)cms X (12.33)cms.

तेल, गैस कंपनियों से जुड़े विलय को सीसीआइ की मंजूरी से छूट

नई दिल्ली, 23 नवंबर (भाषा)।

सार्वजनिक क्षेत्र की तेल और गैस कंपनियों से जुड़े विलय और अधिग्रहण सौदों को प्रतिस्पर्धा आयोग की मंजूरी प्राप्त करने से छूट दी गई है। एक अधिसूचना में इसकी जानकारी दी गई। सरकारी स्वामित्व वाली तेल और गैस कंपनियों के बीच प्रस्तावित एकीकरण और हिस्सेदारी खरीद के बाद कारपोरेट कार्य मंत्रालय की ओर से इस तरह की छूट दी गई है। जुलाई में मंत्रिमंडल की आर्थिक कार्य समिति (सीसीईए) ने हिंदुस्तान पेट्रोलियम कॉरपोरेशन लिमिटेड (एचपीसीएल) में सरकार की पूरी 51.11 फीसद हिस्सेदारी तेल एवं प्राकृतिक गैस निगम (ओएनजीसी) को बेचने को मंजूरी दी थी।

HINDUSTAN, Delhi, 24.11.2017
Page No. 13, Size:(8.24)cms X (4.41)cms.

तेल-गैस कंपनी के विलय को सीसीआई मंजूरी से छूट

नई दिल्ली। सार्वजनिक क्षेत्र की तेल और गैस कंपनियों से जुड़े विलय और अधिग्रहण सौदों को प्रतिस्पर्धा आयोग की मंजूरी प्राप्त करने से छूट दी गई है। एक अधिसूचना में इसकी जानकारी दी गई। सरकारी स्वामित्व वाली तेल और गैस कंपनियों के बीच प्रस्तावित एकीकरण और हिस्सेदारी खरीद के बाद कॉरपोरेट कार्य मंत्रालय की ओर से इस तरह की छूट दी गई है। जुलाई में मंत्रिमंडल की आर्थिक कार्य समिति (सीसीईए) ने हिन्दुस्तान पेट्रोलियम कॉरपोरेशन लिमिटेड (एचपीसीएल) में सरकार की पूरी 51.11 प्रतिशत हिस्सेदारी तेल एवं प्राकृतिक गैस निगम (ओएनजीसी) को बेचने को मंजूरी दी थी।

VIRAT VAIBHAV, Delhi, 24.11.2017
Page No. 15, Size:(8.53)cms X (16.99)cms.

विलय-अधिग्रहण तेज होंगे

तेल, गैस कंपनियों के विलय को सीसीआई की मंजूरी से छूट

एजेंसी ■ नई दिल्ली

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नियमों के तहत, एक निश्चित सीमा से परे संयोजन या सौदों के लिए सीसीआई से अनुमोदन लेने की जरूरत होती है। इस साल की शुरुआत में मंत्रालय ने राष्ट्रीयकृत बैंकों के विलय को सीसीआई की अनुमति लेने से छूट दी थी।

RASHTRIYA SAHARA, Delhi, 24.11.2017
Page No. 15, Size:(4.50)cms X (6.69)cms.

तेल कंपनियों को छूट

नई दिल्ली। सार्वजनिक क्षेत्र की तेल और गैस कंपनियों से जुड़े विलय और अधिग्रहण सौदों को प्रतिस्पर्धा आयोग की मंजूरी प्राप्त करने से छूट दी गई है। यहां जारी एक अधिसूचना में बताया गया है कि सरकारी स्वामित्व वाली तेल और गैस कंपनियों के बीच प्रस्तावित एकीकरण और हिस्सेदारी खरीद के बाद कारपोरेट कार्य मंत्रालय की ओर से इस तरह की छूट दी गई है। जुलाई में मंत्रिमंडल की आर्थिक कार्य समिति (सीसीईए) ने एचपीसीएल में सरकार की पूरी 51.11 प्रतिशत हिस्सेदारी ओएनजीसी को बेचने को मंजूरी दी थी।

HINDU, Delhi, 24.11.2017
Page No. 13, Size:(17.21)cms X (13.41)cms.

PSU oil M&As exempt from CCI nod

'Move in public interest is part of key reforms by government to fuel growth'

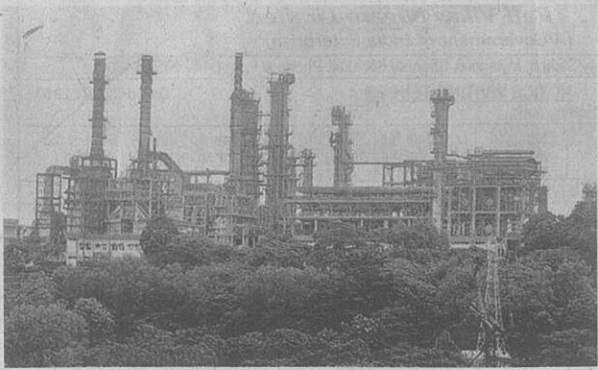
SPECIAL CORRESPONDENT
NEW DELHI

Combinations including mergers, acquisitions and amalgamations involving Central Public Sector Enterprises (CPSEs) operating in the oil and gas sector, have been exempted from seeking the nod of the Competition Commission of India (CCI) for five years from now.

The move, being carried out in "public interest", comes even as the government had said in a statement on November 14 that it was undertaking a number of key economic reforms to fuel growth and that these included "consolidation of government-run oil companies."

Clearing the decks

According to a Ministry of Corporate Affairs (MCA) notification dated November 22, "the Central Government in the public interest hereby exempts all cases of combinations ... involving the CPSEs operating in the Oil and Gas Sectors under the Petroleum Act... and the rules made thereunder or under the Oilfields (Regulation and Development) Act, 1948 ... and the rules made thereunder, along with their wholly or partly owned subsidiaries operating in the Oil and Gas Sectors, from the application of the provisions of sections 5 and 6 of the (Competition) Act (pertaining to combination and their regulation), for a period of five years from the date of publication of this notification in the Official Gazette."



Stamp of approval: As per the Competition Act, combinations over and above a certain threshold, need the CCI's nod.

As per the Competition Act, combinations over and above a certain threshold need the CCI's nod. Similarly, in August the MCA had notified "the Central Government in the public interest exempts, all cases of reconstitution, transfer of the whole or any part thereof and amalgamation of nationalised banks... from the application of provisions of Sections 5 and 6 of the Competition Act, 2002, for a period of 10 years from the date of publication of this notification."

In July, the then Minister of State (Independent Charge) of the Petroleum and Natural Gas Ministry, Dharmendra Pradhan, had in a statement to the Lok Sabha said that the "Cabinet Committee on Economic Affairs in its meeting held on July 19 has given 'in principle' approval for strategic sale of the Government of India's existing 51.11% of total paid up equity shareholding in HPCLto ONGC along with transfer of management control."

INDIAN EXPRESS, Delhi, 24.11.2017
Page No. 22, Size:(4.34)cms X (15.41)cms.

Oil, gas PSU mergers exempt from CCI approval

PRESS TRUST OF INDIA
NEW DELHI, NOVEMBER 23

MERGER AND acquisition deals involving public sector oil and gas companies have been exempted from seeking the Competition Commission approval, says a notification.

The corporate affairs ministry's decision to exempt such deals from the ambit of the Competition Commission of India (CCI) comes against the backdrop of the proposed consolidation and stake purchases among state-owned oil and gas companies.

In July, the Cabinet Committee on Economic Affairs (CCEA) approved sale of the government's 51.11 per cent stake in oil refiner HPCL to the country's largest oil producer ONGC.

The ministry has said all cases of combinations involving the central public sector enterprises (CPSEs) operating in oil and gas sectors under the Petroleum Act, 1934, have been exempted from the CCI approval requirement for five years.

DNA - MONEY, Delhi, 24.11.2017
Page No. 2, Size:(8.43)cms X (13.57)cms.

'Metals, oil & gas to drive commodities'

Abhirup Roy

Mumbai: SBI Life Insurance Co Ltd has increased investments in the metals, oil and gas sectors as a rise in energy and metals prices is set to drive growth in commodity stocks, the insurer's chief investment officer said.

Strong refining margins at oil and gas companies, the Indian government's push to encourage use of gas as a cleaner fuel and a rise in steel and base metals prices are expected to drive earnings in the sectors, **Gopikrishna Shenoy** said.

"That is why we are overweight on these sectors on select portfolios," said Shenoy, who oversees the management of more than $16 billion of investments in debt and equity.

Base metal prices like aluminium and zinc have been on the rise in India as a clampdown on pollution in China has hit production in and in turn boosted demand India.

HOPES HINGED

- Refining margins, rising prices, among others to drive earnings
- **Sector to benefit also on government's thrust on gas usage**

Steel prices have also surged as India imposed anti-dumping duties on some flat steel products mainly from China to curb the influx of cheaper imports and help local producers.

Refining margins at oil companies including Reliance Industries and government-run Indian Oil Corp and Bharat Petroleum Corp have increased. **—Reuters**

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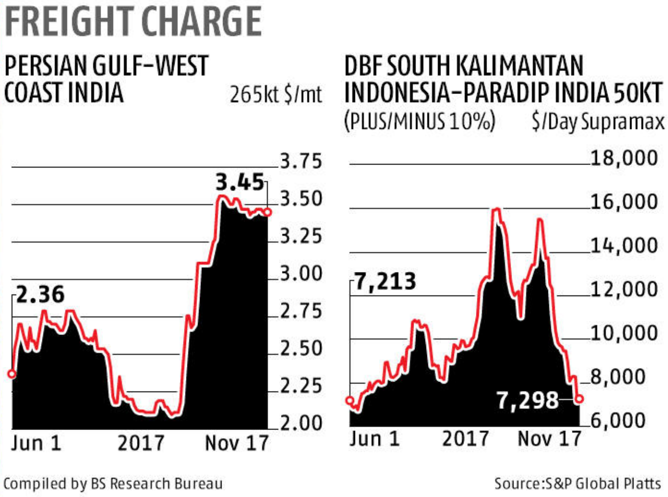
Freight rates surge on commodity boom



RAJESH BHAYANI & ADITI DIVEKAR
Mumbai, 23 November

Shipping freight rates are rising on the back of the commodity boom. The Baltic dry bulk, tanker segment, and other freight indices are rising fast for the past few months, following good demand in India, China, the Atlantic market, and the Gulf coast. The Baltic dry bulk index is up 45.3 per cent this year even after a small correction in the past few weeks, and has achieved more than a three-year-high level.

The Baltic dirty tanker index, reflecting movements in crude oil, in the past three months went up 33 per cent after a surge in Brent oil on expectations of production cuts by the Organisation of Petroleum Exporting Countries (OPECs), and geopolitical uncertainties in the region.

Similar movements have been seen in the S&P Platts shipping freight indices, which hold good for routes on which Indian ports fall. The past two weeks have seen some correction from higher levels but the consensus of freight agents, analysts, and shipping companies is that that trends in the shipping freight market are expected to remain firm.

Will it help shipping companies to revive their fortunes? That depends upon how many companies are in a position to cash in on high freights.

An executive of Shipping Corporation of India said, "Many companies have seen margins improving but it's not significant and shipping companies are still not breaking even." He said there was a lot of instability and volatility in the market. The past two weeks' small correction shows while overall trends will remain firm in the case of freight, movements will not be one-sided.

Pradeep Rajan, senior managing editor, Asia Pacific Shipping & Freight, S&P Global Platts, said: "The dry bulk freight rates had registered a spike during September and October after steadily rising since the beginning of the second half of 2017 in the Asia-Pacific mainly due to the demand for coal in China and India."

A CARE Ratings report on power plants says: "Rajasthan, Maharashtra, Karnataka and Andhra Pradesh have been highly affected by the coal-shortage."

The tanker market, another important segment, has also seen demand despite the production cuts by OPEC and reports of the cuts being extended. "The rates from the start of the second half of the year have found support mainly due to the increase in the movement of crude oil from the Atlantic basin to Asia," said Rajan.

Due to a wide gap in prices of Brent and WTI oil, some imports coming from Gulf nations have been replaced by US shale oil because prices of WTI oil are lower by 10-12 per cent. Rising imports from the US are keeping very large crude carriers employed for longer durations.

Internationally, even a strong Atlantic market, mainly due to a very robust grain market on the east coast of South America and the US Gulf Coast, drew vessels from the Asia-Pacific into the Western hemisphere, which tightened ship availability in the Asia-Pacific region. So while on the one hand vessels in the dry bulk segment were in demand, the slow entry of newly-built vessels into the market is curtailing the addition of more tonnage. The past two weeks' correction from the peak has been attributed to a slow grain market in the Atlantic.

Apart from the coal demand in India, Rajan said, "The burgeoning Indian exports of steel, iron ore, pellets etc have provided ample demand for the Supramax class vessels." A Shipping Corporation official said, "China is under watch as coal and ore import demand is expected to go up."

PSUs roped in to help boost Island tourism

ANIMESH SINGH
NEW DELHI, NOV. 23

ECONOMY BOOST

Centre plans to develop several inhabited islands under the administration of Andaman & Nicobar (A&N) and Lakshadweep as tourism hubs which will enable them to become centres of maritime economy

Aiming to develop several inhabited islands under the administration of Andaman & Nicobar (A&N) and Lakshadweep as tourism hubs which will enable them to become centres of robust maritime economy, the Niti Aayog will soon finalise guidelines to allow public sector undertakings (PSUs) to participate in the process of developing these islands. The government think tank is learnt to have prepared preliminary rules to facilitate entry of private entities also in the process. In addition to this, the Centre even wants to cover uninhabited islands for development.

Highly placed sources informed this newspaper that the Island Development Agency (IDA) headed by home minister Rajnath Singh, is overseeing the entire process of developing these islands into eco-tourism hubs. During recent consultations held by the IDA with Niti Aayog officials, it was decided that PSUs as well as private sector should be allowed to participate in the entire plan and they can do so through a transparent bidding process.

It is reliably learnt that while nine inhabited islands under A&N and Lakshadweep administration have been identified by IDA for development, the Centre is keen that even uninhabited islands should also be brought under the purview of the scheme. There are plans to develop several islands in Little Andaman also as tourist hubs and maritime economic centres in future, sources further informed. Once the guidelines for participation of PSUs and private entities are finalised by the IDA, it will be facilitated through a bidding process, they added. The detailed master plans for these identified islands are also said to have been prepared with the help of Niti Aayog.

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OPEC chatroom dead as Qatar crisis hurts Gulf oil cooperation

REUTERS
Dubai/London November 23

OPEC'S MOST POWERFUL internal alliance, bringing together the oil producer group's Gulf members, is disintegrating fast.

As a six-month-old spat between Saudi Arabia and Qatar deepens, the organisation's Gulf ministers will have to scrap their tradition of meeting behind closed doors to agree policy before OPEC holds its twice-yearly talks, OPEC sources say.

"We used to have a WhatsApp group for all ministers and delegates from the Gulf. It used to be a very busy chatroom. Now it's dead," said a senior source in the Organisation of the Petroleum Exporting Countries.

Four other sources said there had been no official contact on oil policy between the Gulf Arab nations, in a grouping known as the Gulf Cooperation Council (GCC).

The GCC includes OPEC members Saudi Arabia, the United Arab Emirates, Kuwait and Qatar and non-OPEC Oman and Bahrain. OPEC meets on November 30 in Vienna to decide whether to extend global output cuts beyond March.

OPEC kingpin Saudi Arabia and the UAE cut ties with Doha in June, saying Qatar backed terrorism and was cosying up to rival Iran. Qatar rejected the accusation.

"The ministers can't meet," another OPEC source said. "They may relay the message through the Kuwaiti or the Omani oil ministers, but Saudi and the UAE cannot meet publicly with the Qataris."

Kuwait and Oman have refrained from taking sides in the dispute, over which Kuwait's Emir Sheikh Sabah has led regional mediation. To be sure, OPEC has survived worse crises and operated under even greater strain, including the Iran-Iraq war in the 1980s, Iraq's invasion of Kuwait in 1990 and proxy wars fought by Saudi Arabia and Iran over the past decade.

None of the OPEC sources suggested the Qatar crisis would derail a widely expected decision by OPEC to extend price-boosting output cuts until the end of 2018, as almost all producers agree on the need to maintain policy. But dialogue within OPEC is likely to be complicated as the stand-off strikes at the heart of OPEC's efforts to form a united front to stabilise a fragile oil market.

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China's LNG imports rise to second highest on record

REUTERS
Beijing, November 23

CHINA'S IMPORTS OF liquefied natural gas (LNG) in October nearly doubled from the same month a year ago to the second highest on record, according to customs data, as companies boosted imports of the fuel ahead of the winter heating season.

LNG imports rose 95.7% from a year earlier to 3.57 million tonne, second only to a record 3.73 million tonne in December, data from the General Administration of Customs showed on Thursday.

The Chinese government's aggressive campaign to heat millions of homes in the Beijing-Tianjin-Hebei region with natural gas instead of coal this winter has spurred the demand for the fuel and may cause a supply shortage.

Wen Wang, a natural gas consultant with Wood Mackenzie, estimated China's LNG imports to rise 40% year-on-year to 20 million tonne this winter, as companies bring in more spot cargoes on top of supplies under term contracts. The surge in demand is luring spot cargoes from places such as Norway and Nigeria that are not traditional LNG sources for China.

Shipping data on *Thomson Reuters* Eikon shows a 151,000-cubic-metre cargo from Nigeria is due to arrive in China early December, the third from the West African exporter this year.

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"The higher-than-usual demand throughout 2017 resulted in higher offtake in contracted volumes through September... This means lower contracted offtake is left for the winter, and higher demand for spot," said Wang. The customs data showed that China's imports for the first 10 months of the year climbed 47.9% from the same time a year ago to 29.09 million tonne.

In the trade of refined oil products, China exported 1.21 million tonne of diesel last month, down 10.8% from a year earlier and higher than September's 1.18 million tonne.

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Oil dips after US crude hits near 2-yr high on pipeline shutdown

REUTERS
Singapore, November 23

OIL PRICES EASED on Thursday, with US crude falling away from two-year highs reached the day before, but the shutdown of the Keystone pipeline and a drawdown in fuel inventories continued to bolster markets despite worries over rising output.

US West Texas Intermediate (WTI) crude futures were at $57.89 a barrel at 0749 GMT, down 13 cents, or 0.2%, from their last settlement, but still close to 2015-highs of $58.15 a barrel reached on Wednesday.

Brent crude futures were at $63.14 per barrel, 18 cents, or 0.3%, below their last close.

WTI has been buoyed by the shutdown of the 590,000 barrel-per-day (bpd) Keystone pipeline, one of the largest crude pipelines from Canada to the United States, as well as by another drawdown in commercial fuel inventories that came despite record US oil production.

"Lower supplies into the US from the north and robust exports from the south are likely to support a further reduction in US inventories," said Ole Hansen, head of commodity strategy at Saxo Bank.

US crude inventories fell 1.9 million barrels in the week to November 17, to 457.14 million barrels. Stocks have dropped by 15% from their records in March, to below 2016 levels.

The inventory drop came as the Keystone pipeline connecting Canada's oilfields to the United States was shut last week after an oil spill in South Dakota. Operator TransCanada is cutting deliveries at least until the end of November.

In a sign of a tightening market, the WTI forward curve has moved from contango, when prices for future delivery are more expensive than those for immediate dispatch, into backwardation, where spot prices are higher than those for later delivery.

Markets are also tightening globally due to an effort led by the Organisation of the Petroleum Exporting Countries (OPEC) and a group of non-OPEC producers, including Russia, to withhold output.

The deal to curb production is due to expire next March, but OPEC will meet on Nov. 30 to discuss the the policy, and top exporter and de-facto OPEC leader Saudi Arabia is lobbying for extended cuts.

Threatening to undermine OPEC's efforts, however, is US production, which has risen by 15% since mid-2016 to a record 9.66 million bpd.

This has turned the United States from the world's biggest importer of crude oil into a significant exporter, with production now second only to Russia and Saudi Arabia.

"The US will, without question of doubt, be the biggest oil producer in the world in the next 5 years. They are producing... at half the cost than they were just two years ago," said Matt Stanley, fuel broker at Freight Investor Services in Dubai.

SBI Life bets on metals, oil and gas sectors for investment growth

REUTERS
Mumbai, November 23

SBI LIFE INSURANCE Co has increased investments in the metals, oil and gas sectors as a rise in energy and metals prices is set to drive growth in commodity stocks, the insurer's chief investment officer told Reuters.

Strong refining margins at oil and gas companies, the Indian government's push to encourage use of gas as a cleaner fuel and a rise in steel and base metals prices are expected to drive earnings in the sectors, Gopikrishna Shenoy said.

"That is why we are overweight on these sectors on select portfolios," said Shenoy, who oversees the management of more than $16 billion of investments in debt and equity.

"This year the allocation has been more into commodities, oil and gas."

Prices of base metals such as aluminium and zinc have been on the rise in India as a clampdown on pollution in China has hit production in the country and in turn boosted demand in Asia's third-largest economy. Steel prices have also surged as India imposed anti-dumping duties on some flat steel products mainly from China to curb the influx of cheaper imports and help local producers.

Refining margins at oil companies including Reliance Industries and government-run Indian Oil Corp and Bharat Petroleum Corp have increased as higher demand for gasoline and diesel caused a surge in retail prices.

Marketing margins at fuel retailers have also been boosted after the earlier practice of state-controlled prices was ended. "The strong refining margins, apart from oil marketing reforms that the government has taken, makes us feel that we should be holding to our bets in oil and gas," Shenoy said. He was also positive on infrastructure and defence-related companies such as state-run Engineers India and Bharat Electronics.

> Prices of base metals such as aluminium and zinc have been on the rise in India as a clampdown on pollution in China has hit production

A spurt in orders in the companies coupled with the government's emphasis on boosting local manufacturing through its 'Make in India' initiative would help the companies, he said.

SBI Life is a joint venture between top Indian lender State Bank of India and BNP Paribas Cardif, and went public last month after a $1.3 billion initial public offering.

It has more than three quarters of its assets invested in the debt markets.

This year, the insurer has cut the average maturity of the bonds it holds under investments from its unit-linked plans over concerns about inflation and hawkish monetary policy, Shenoy said.

However, Shenoy was confident that inflation would be under control over the longer term and that he was not worried about the government missing its fiscal deficit target.

"Even if there is a marginal miss, the market will understand this."