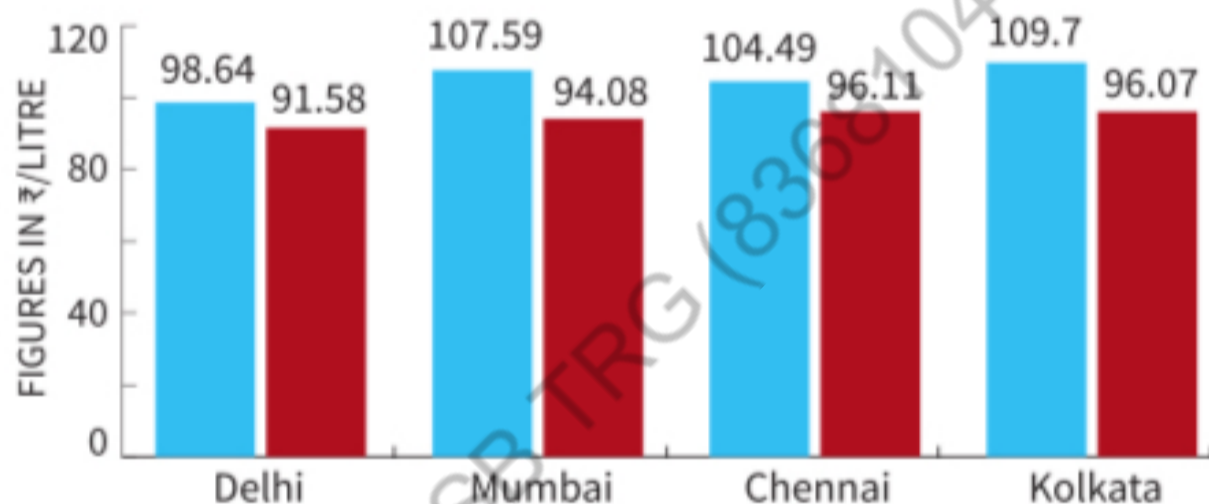


Petrol, diesel prices up 90 paise; second hike within a week

Rising trends

The chart shows the revised retail selling price of petrol and diesel as on May 19



SOURCE: PPAC

Saptaparno Ghosh

NEW DELHI

Government-owned oil marketing companies (OMCs) raised the prices of petrol and diesel on Tuesday by about 90 paise a litre across the country and across all variants. This was the second increase in five days following an increase by ₹3 a litre on May 15 after four years.

On Monday, the government had said that losses

being incurred by oil marketing companies from liquefied petroleum gas, petrol and diesel combined have come down by ₹250 crore to ₹750 crore following the ₹3 increase.

The government said it was not considering a bailout package for companies. Brent crude futures continue to soar amid tensions in West Asia.

CONTINUED ON

» **PAGE 14**

Petrol and diesel prices up 90 paise a litre

According to government data, India's crude oil basket until May 15, since the start of the month, has averaged \$106.69 per barrel. Further, in the morning hours of Tuesday, Brent crude futures (July) were trading 0.15% higher at \$109.34 per barrel.

Sourav Mitra, partner for oil & gas at Grant Thornton Bharat, said while the latest increase provides "incremental relief" to the country's oil-marketing companies, it may not be sufficient to fully cushion the existing stress.

"With crude sustaining above \$100 per barrel and the Indian rupee weakening, both of which increase the landed cost of imports, OMCs continue to operate under materially significant cost pressure, with currency depreciation alone potentially offsetting a substantial amount of gains from the price revisions," Mr. Mitra said.

India's crude oil basket until May 18, since the start of the month, has averaged \$107.3 per barrel, according to government data. Further, in the early evening hours of Tuesday, Brent crude futures (July) were trading 1.06% lower over their previous close at \$110.9 per barrel.

Speaking to *The Hindu*, Prashant Vashisht, senior vice-president and co-group head, Corporate Ratings at ICRA Ltd., held that should benchmark Brent crude futures oscillate between \$105 and \$110 for every barrel, based on a 10-year average between the price of crude oil and the refined petroleum products, the latest price increase would help curtail the existing losses of OMCs from domestic LPG, petrol and diesel to ₹450 crore per day.

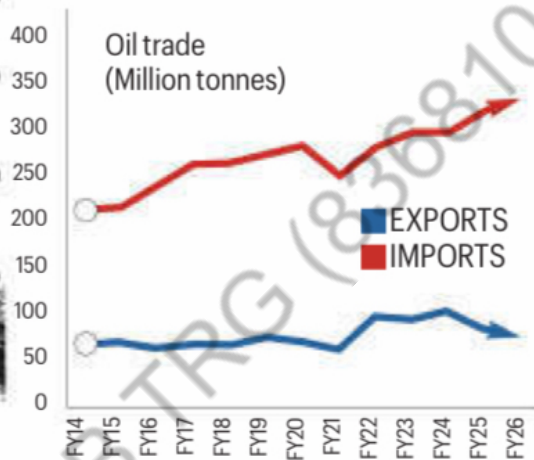
Further, responding to a query about adjusting for OMC losses and fears about inflation, Mr. Vashisht held, "The losses being made at present are unsustainable. The OMCs are opting for graded increases so that there is no shock," he said.

INDIA'S OIL TRADE DEFICIT SET TO BALLOON

The country's oil trade deficit is set to expand in the backdrop of the West Asia conflict, that has led to a surge in global Brent crude prices. According to a report by Crisil, Brent oil prices may average \$90-95 per barrel in FY27.



Volume effect



While import volumes have trended up, refined petroleum product exports remained flattish barring the post-covid surge

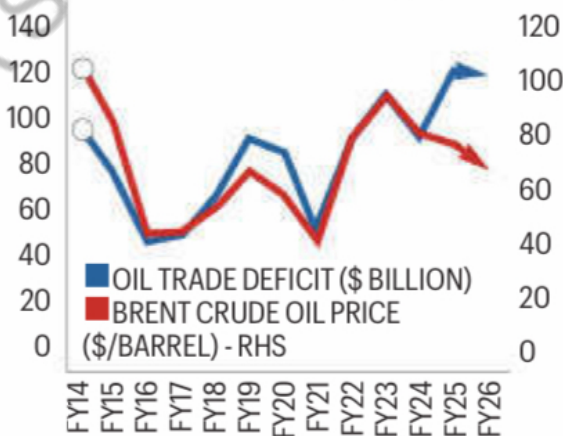
2.2% OF GDP

EXPECTED CURRENT account deficit in FY27 from an estimated 0.8% last fiscal

~~85%~~ 89%

OF INDIA'S annual crude oil requirement is met through imports

Price effect



In FY25 and FY26, the oil trade deficit rose, even though prices cooled as exports of refined petroleum products fell

Rupee plunges for 8th straight session; down 6.1% since war

Mumbai: The Indian rupee fell to a record low for a sixth consecutive day, ending lower for eight sessions in a row on Tuesday, weighed down by mounting external pressures as the prolonged US-Iran conflict drives a sustained rise in crude oil prices and pushes US Treasury yields higher.

The rupee slumped to a record closing low of 96.5325 per dollar, compared to the 96.3450 level it settled at on Monday.

The currency touched a record intraday low of 96.6150 and has fallen 6.1% since the Iran war broke out in late February.

“The market’s biggest challenge right now is not just direction, but confidence. Until there is visible cooling in global tensions and stability in foreign flows, the rupee may continue trading under pressure,” Amit Pabari, managing director at FX advisory firm CR Forex said.

“With no meaningful signs of easing in global risk factors, the pair now appears to be gradually shifting its focus toward the 97 mark.”

Economists expect India’s current account deficit to widen significantly, hit by higher crude oil prices and lower remittances due to the war in the West Asia.

The benchmark Brent crude has jumped over 50% since the start of the war, a major challenge for India’s economy. **REUTERS**

Focus on defence ties, maritime security: Rajnath meets Vietnamese counterpart

Amrita Nayak Dutta
New Delhi, May 19

DEFENCE MINISTER Rajnath Singh on Tuesday met his Vietnamese counterpart, General Phan Văn Giang, in Hanoi, where they reviewed the growing partnership between the two countries and discussed ways to deepen cooperation in maritime security, defence industry, training and regional stability.

According to a statement issued by the Ministry of Defence, the two sides exchanged views on regional and global security developments of mutual interest, and emphasised the importance of maintaining peace, stability, security, safety and freedom of navigation in the Indo-Pacific region.

They also discussed avenues to expand cooperation in areas including military training, defence industry collaboration, maritime security, capacity building, United Nations peacekeeping, cyber security and high-level exchanges, the statement read, adding that they have agreed to enhance cooperation between the defence forces through regular dialogues, joint exercises and exchange programmes.

The bilateral defence engagements have expanded over the years, and include wide-ranging contacts between the two countries, such as defence policy dialogues, military-to-military exchanges, high-level visits, capacity-building and training programmes, cooper-



Defence Minister Rajnath Singh receives a ceremonial Guard of Honour at the headquarters of the Ministry of National Defence, in Hanoi on Tuesday. Minister of National Defence of Vietnam, Senior Lieutenant General Phan Văn Giang, is also present. ANI

ation in UN peacekeeping, ship visits and bilateral exercises.

In June 2022, when Singh last visited Hanoi, both countries signed the 'Joint Vision Statement on India-Vietnam Defence Partnership Towards 2030', as well as inked a memorandum of understanding (MoU) on mutual logistics support to strengthen bilateral defence cooperation.

India had handed over 12 high-speed guard boats to Vietnam at the time, and also announced gifting two simulators

and a monetary grant towards setting up a Language and IT laboratory at the Air Force Officers' Training School in Vietnam's Nha Trang.

In July 2023, India gifted the INS Kirpan to Vietnam, complete with its weapon complement, after decommissioning it following 32 years of service. This marked the first instance where India gifted an indigenously built missile corvette to Vietnam.

The development was significant amid a growing Chi-

nese influence in the South China Sea, which had led to territorial disputes with Vietnam. Vietnam, among others, have been looking at buying BrahMos supersonic missiles from India.

According to the statement, Singh reaffirmed the commitment to strengthening India's enhanced comprehensive strategic partnership with Vietnam, while reiterating India's resolve to support the country's defence modernisation and capacity enhancement initiatives.

US clears Apache, howitzer support services for India

Amrita Nayak Dutta
New Delhi, May 19

THE US has approved the proposed sale of support services and related equipment for Apache helicopters to India at an estimated cost of \$198.2 million, noting that this will improve Delhi's "capability to meet current and future threats, strengthen its homeland defence, and deter regional threats".

In a statement, the US Department of State said it also approved a possible sale of sustainment support for M777A2 Ultra-Light Howitzers for an estimated cost of \$230 million.

The developments come at a time when the US and India are in the final stages of negotiating a comprehensive bilateral trade agreement, after having established a framework for an interim trade pact.

In November last year, the US approved the sale of Excalibur projectiles, the Javelin missile system, and other related equipment to India for over \$90 million. Around the same time, India signed Letters of Offer and

E. EXPLAINED

Rubio visit on May 23

Defence ties between India and the US have not just survived but deepened despite the strain in relations following the Trump administration's imposition of tariffs last year. US Secretary of State Marco Rubio will visit India from May 23-26 for a meeting of Foreign Ministers of the Quad countries. During his visit, he will travel to New Delhi, Kolkata, Agra and Jaipur. He will hold talks on energy security, trade and defence with senior officials.

Acceptance (LOAs) with the US for sustainment support of the Indian Navy's fleet of MH60R helicopters through Follow on Support and Follow on Supply Support for a period of five years worth Rs 7,995 crore.

Additionally, the Indian Defence Acquisition Committee, earlier this year, cleared the acquisition of six P-8I maritime

surveillance and anti-submarine warfare aircraft from the US for the Indian Navy.

According to a statement from the Department of State, India had requested to buy AH-64E Apache sustainment support services; US government and contractor engineering, technical, and logistics support services; technical data and publications; personnel training; and other related elements of logistics and programme support.

It said the proposed sale will improve "India's capability to meet current and future threats, strengthen its homeland defence, and deter regional threats. India will have no difficulty absorbing these articles and services into its armed forces."

It noted that the principal contractor will be Boeing and Lockheed Martin.

In a separate statement, it said India had requested to buy long-term sustainment support for M777A2 Ultra-Light Howitzers, which includes ancillary items; spares; repair and return; training; technical assistance; field service representative; depot capability; and

other related elements of logistics and program support. The principal contractor for this will be BAE Systems.

"This proposed sale will support the foreign policy and national security objectives of the United States by helping to strengthen the US-Indian strategic relationship and to improve the security of a major defense partner which continues to be an important force for political stability, peace, and economic progress in the Indo-Pacific and South Asia regions," the statement said about both the sales.

"The proposed sale of this equipment and support will not alter the basic military balance in the region," it said.

In October last year, the two countries signed the 'framework for the US-India major defence partnership', signalling stable ties in the defence sector. The vision for bilateral defence cooperation was encapsulated in the September 2013 Joint US-India Declaration on Defence Cooperation and the 2015 Framework for the US-India Defence Relationship.

Democracy, rule of law make Nordic nations, India natural partners: Modi

Suhasini Haidar

OSLO

India and the Nordic countries are committed to “democracy, rule of law and multilateralism”, Prime Minister Narendra Modi said here on Tuesday, speaking after the Third India-Nordic Summit.

The summit, where Mr. Modi met leaders of Denmark, Finland, Iceland, Norway, and Sweden, ended with a decision to upgrade ties between India and the five northern-most European countries to a ‘Green Technology and Innovation Strategic Partnership’.



Prime Minister Narendra Modi with leaders of Nordic countries at the India-Nordic Summit at Oslo City Hall, Norway, on Tuesday. AFP

In particular, they will work on initiatives for sustainable energy, maritime cooperation and polar research in the arctic region, the leaders said.

“Our shared commitment to democracy, the rule of law, and multilateralism makes us natural partners. And our shared priorities in technology

and sustainability make our relationship full of opportunities,” said Mr. Modi, standing with Prime Ministers of Norway (Jonas Gahr Støre), Finland (Petteri Orpo), Iceland (Kristrún Mjöll Frostadóttir), and Sweden (Ulf Kristersson) and Denmark’s Acting Prime Minister Mette Frederiksen.

Mr. Modi held bilateral meetings with all the leaders in the past few days.

During the press statements, each of the leaders spoke about their vision for India-Nordic ties.

CONTINUED ON
» PAGE 14

Nordic nations, India natural partners: Modi

His meeting with Ms. Frostadóttir, one of the world's youngest leaders, was a first since she was elected in 2024, and Mr. Modi is understood to have invited the Icelandic leader to visit India next year.

“The world needs more close *sambandh* (relations),” Ms. Frostadóttir said during the press meet, referring to the word that holds the same meaning in Hindi and Icelandic.

Warning that geopolitical uncertainty would continue for the foreseeable future, Mr. Orpo said that India and the Nordic countries must continue the conversation on global turbulence and announced that the next India-Nordic Summit would be hosted by Finland. Increasing trade – given that Denmark, Sweden, and Finland are part of the India-European Union Free Trade Agreement announced in January 2026, and Norway and Iceland are part of the India-European Free Trade Agreement – was also part of the discussions. India at present does a combined trade of \$19 billion with the five Nordic countries combined, a relatively low figure compared to other European countries and regions.

The summit was Mr. Modi's last engagement before leaving for Italy for the last leg of his six-day, five-nation tour to the UAE and Europe.

A joint statement issued by all the leaders noted that India and the Nordic countries need to deepen their engagement to address global challenges, and all five Nordic leaders backed India's bid for a permanent seat in a reformed UN Security Council, and welcomed India's application for Nuclear Suppliers Group membership.

“As leaders of vibrant democracies and large open market economies, they underscored their shared interest in fostering a robust and resilient global order based on international law that promotes peace, stability, inclusive economic growth and sustainable development,” the joint statement issued after the summit said. It committed to upholding international law including the United Nations Charter, and shared values including “democracy, freedom, human rights, gender equality”.

Modi skips questions from press; Store says 'different traditions'

Suhasini Haidar

OSLO

The External Affairs Ministry defended India's record on democracy on Monday, for the second time during Prime Minister Narendra Modi's European tour, over Mr. Modi's decision not to take questions from the press. Norwegian Prime Minister Jonas Gahr Store called the practice a "different tradition" from Nordic countries that he had to "respect".

During the joint press appearance with his counterpart, Mr. Modi was confronted by a Norwegian journalist who asked him to respond to media questions, as was the norm in the European country. Later in the day, after the same journalist confronted the External Affairs Ministry on the issue, as well as on human rights during a briefing, a senior Ministry official said India was a "civilisational country".

"We hear a lot of people asking why this, why that, but let me tell you this. We are one-sixth of the total population of the world, but not one-sixth of the problems of the world," said Secretary (West) Sibi George. "We have a Constitution which guarantees the fundamental rights of the people. We have equal rights for the women of our country, which is very important," he said.

Earlier in the day, Helle Lyng Svends, a correspondent for the *Dagsavisen*, stood up after the press statements made by Mr. Modi and Mr. Store in Oslo. "Prime Minister Modi, why don't you take questions from the freest press in the world," she said, then following him out of the room, adding, "Do you deserve the trust of our... [government]?"

On Tuesday, leaders of Nordic states and Mr. Modi also addressed the press at the end of the India-Nordic Summit, but did not take questions. Speaking to *The Hindu*, Mr. Store said he had to respect the wishes of other leaders from countries of "different traditions". "All my Nordic colleagues have talked to journalists from different news [media] outlets, but I have to respect that India may have different traditions. That's for [Indians] to resolve," he said.

During the PM's visit to the Netherlands on Saturday, Dutch journalists had similarly raised objections to the practice of no questions with Mr. George during a press briefing.

"We face these kind of questions basically because of the lack of understanding of the person who asks the question," Mr. George had replied, citing India's historic democratic freedoms and human rights record.

GROUPING TO MEET SEPTEMBER 12-13

Xi and Putin likely to be in Delhi for BRICS meet



Russian President Vladimir Putin with Chinese Foreign Minister Wang Yi after arriving in Beijing, Tuesday. REUTERS [THE WORLD, P 18](#)

China President's last visit to India was in Oct 2019, months before LAC standoff

Shubhajit Roy
New Delhi, May 19

RUSSIAN PRESIDENT Vladimir Putin and Chinese President Xi Jinping are likely to attend the New Delhi summit of BRICS leaders on September 12 and 13, sources told *The Indian Express* Tuesday.

It is learnt that the Russian and the Chinese sides have conveyed to New Delhi that their leaders are likely to come for

the summit.

Putin's presence at the summit was confirmed by Russian officials, according to Russian news agency TASS. He will also be attending the Shanghai Cooperation Organization summit in Bishkek, Kyrgyzstan on August 31 and September 1. Prime Minister Narendra Modi too is likely to attend the SCO summit.

Sources said Xi's participation in the BRICS Summit is the most anticipated visit. It will be his first visit to India after October 2019 when he was at Mamballapuram near Chennai for the second informal summit of India-China leaders.

Bilateral ties between India and China dived after a border standoff began in April-May 2020. The process of stabilisation of ties began after Modi

»CONTINUED ON PAGE 2

BRICS

and Xi met on the sidelines of the BRICS summit in Kazan, Russia in October 2024. That was when the two sides decided to complete disengagement of troops at the Line of Actual Control in eastern Ladakh.

In the last year-and-half, India and China have made significant progress in stabilising relations with direct flights, resumption of visas, easing of

curbs on Chinese firms and the revival of the pilgrimage to Kailash Mansarovar.

However, more than 50,000 troops remain deployed along the LAC and the process of de-escalation and de-induction of troops have not yet taken place.

Barring any unforeseen developments, participation at the highest level has been conveyed to New Delhi. The venue has not yet been announced, but the Bharat Mandapam in New Delhi, sources said, is to be the likely choice of place for the summit.

Sources said the meeting of BRICS Foreign Ministers in New Delhi last week discussed the agenda for the summit of the leaders, and there was agreement on a range of issues for discussion.

While Russian Foreign Minister Sergey Lavrov participated in the meeting, Chinese Foreign Minister Wang Yi could not attend since he had to be in Beijing for the high-stakes meeting between Xi and US President Donald Trump. China's Ambassador to India, Xu Feihong, attended

the meeting on Wang's behalf.

Sources said the Indian government is also keen that the BRICS countries, which have been divided on the issue of the war in West Asia, should find common ground by the time the summit takes place.

With no consensus at the BRICS meeting last week on the diplomatic language for the West Asia war, India issued a chair statement, trying to balance the divergence between Iran and UAE, both members of the grouping.

A China-U.S. summit that drew global attention

After a nine-year hiatus, United States President Donald Trump once again set foot on Chinese soil, and the “Beijing Moment” immediately went viral around the world. Why did this historic meeting draw such widespread attention? What were the important outcomes achieved? And what does it mean for the future development of China-India relations? I would like to share my observations and thoughts with our Indian friends.

First, why has the China-U.S. Summit captured the world's attention? The world today is fraught with turmoil and instability. The more complex and grave the global situation becomes, the greater the need for a stable and constructive China-U.S. relationship.

Just as Robert Kuhn, President of the Kuhn Foundation of the U.S. said, “In an uncertain world, a handshake between Chinese and American leaders is the ‘hard currency’ the global market needs most.” This statement captures the shared aspirations of the international community. As noted by some Indian media outlets, this leaders’ meeting could be the most significant encounter between Chinese and American leaders since Chairman Mao Zedong met President Richard Nixon in 1972.

Support for a new vision

Second, what are the outcomes of the China-U.S. handshake? A key outcome of this summit is that the two leaders agreed on a new vision of building a constructive China-U.S. relationship of strategic stability, providing strategic guidance for bilateral relations over the next three years and beyond. Both sides will support this new vision with tangible cooperation.

Economic and trade cooperation is the “ballast stone”. Among those accompanying Mr. Trump on his visit to China were 17 American business titans, including Tesla CEO Elon Musk, Apple CEO Tim Cook and Citi Chair and CEO, Jane Fraser. During the interviews with the media at the Great Hall of the People in Beijing, they stated that the successful meeting between the two leaders has injected new impetus into U.S.-China economic and trade cooperation and provided certainty for the global economy.

After multiple consultations, the two economic and trade teams produced generally balanced and positive outcomes, including establishing a



Xu Feihong

Chinese Ambassador to India

Global turmoil has heightened the need for stable China-U.S. ties

board of trade and a board of investment, addressing each other's concerns regarding market access for agricultural products, and expanding two-way trade within the framework of reciprocal tariff reductions. These efforts have stabilised economic and trade ties as well as market expectations.

Sci-tech cooperation is the “bellwether”. During this visit, the news that “NVIDIA founder and CEO Jensen Huang made a dramatic, last-minute entry into Beijing aboard Air Force One” spread far and wide. This intriguing detail precisely illustrates that “decoupling and severing of supply chains” is unworkable, mutual support and common progress are the right way forward.

The *New York Times* columnist Thomas Friedman also wrote an article calling on China and the U.S. to work together to address the first era in human history in which common development and prosperity can only be achieved through global governance, innovation, and cooperation. Coordination between China and the U.S. on Artificial Intelligence (AI) is crucial to the future of both countries and the destiny of humanity. It is hoped that the U.S. will work in the same direction with China, making AI a new frontier for China-U.S. cooperation and a new ladder for human progress.

People-to-people exchanges are the “lubricant” of bilateral relations. During the summit, both leaders emphasised the importance of promoting such exchanges. This reflects not only the consensus between the two leaders, but also the shared aspirations of the two societies. President Xi Jinping had announced an important initiative in 2023 to invite 50,000 young Americans to China over a five-year period. Over the past three years, more than 40,000 American youths have participated in exchange and study programmes, significantly boosting interactions between the two peoples, especially among young people. A poll by the Chicago Council on Global Affairs showed that 53% of Americans favour friendly cooperation and engagement with China.

The Taiwan question

Sensitive issues are the “red line”. The Taiwan question was an important topic taken up at the summit. President Xi emphasised that the Taiwan question is the most important issue between China and the U.S. If it is handled properly, the

overall relationship will be stable. Otherwise, the two countries will have clashes and even conflicts, and the entire relationship will be in great jeopardy. “Taiwan independence” and cross-Strait peace are as irreconcilable as fire and water. China and the U.S. both agree on the vital importance of safeguarding cross-Strait peace and stability. The U.S. must exercise the utmost prudence in handling the Taiwan issue. In an exclusive interview with Fox News, Mr. Trump made it clear that “we are not looking at somebody say ‘let’s go independent because the United States is backing us’. I’m not looking to have somebody go independent and we’re supposed to travel 9,500 miles to fight a war.” This demonstrates that the U.S. has understood China’s position and responded to China’s concerns.

China-U.S. stability supports Asia

Third, what does the China-U.S. rapprochement mean for China-India relations?

Some people worry that the rapprochement between China and the U.S. may compress India’s diplomatic and strategic space. Such concerns are unwarranted. The remarkable achievements of China and India are built on the hard work and wisdom of their own peoples, and are by no means the result of others’ generosity, much less subject to the ups and downs of any single bilateral relationship.

The strategic stability of China-U.S. relations provides positive and stable expectations for the world, which will benefit India, Asia, and the world as a whole.

China deeply understands India’s aspiration for national rejuvenation and sincerely supports India’s foreign policy of strategic autonomy. We stand ready to work with the Indian side to strengthen high-level exchanges, deepen mutually beneficial cooperation, enhance people-to-people exchanges and promote multilateral coordination within mechanisms such as BRICS, so as to achieve the sustained, healthy and stable development of bilateral relations.

The way for major countries to get along well lies in seeking common ground while reserving differences and coexisting peacefully. The path to regional prosperity lies in common progress and shared flourishing. Perhaps this is the very lesson drawn from this China-U.S. summit.

RELATIONS HAVE REACHED A TRULY UNPRECEDENTED LEVEL, SAYS RUSSIAN PRESIDENT

Putin lands in China for talks with Xi

Press Trust of India

Beijing, May 19

RUSSIAN PRESIDENT Vladimir Putin arrived in Beijing on Tuesday night on a two-day state visit for talks with his Chinese counterpart Xi Jinping, days after US leader Donald Trump travelled to China.

Putin was received by Chinese Foreign Minister Wang Yi at the airport. Ahead of his arrival, Putin said Russia-China relations have reached "a truly unprecedented level."

In a video address on Tuesday delivered before his state visit to China, Putin noted that regular mutual visits and Russia-China top-level talks are an important and integral part of joint efforts to promote the entire range of relations between our two countries and unlock their truly limitless potential."

The special nature of Russia-China relations is reflected in the atmosphere of mutual understanding and trust, a commitment to pursuing win-win and equitable cooperation, conducting respectful dialogue, and supporting each



Chinese Foreign Minister Wang Yi welcomes Russian President Vladimir Putin in Beijing on Tuesday. REUTERS

other on matters affecting the core interests of both countries, including protection of sovereignty and state unity, he said.

The Chinese Foreign Minister said Xi and Putin will exchange views on bilateral ties, cooperation in various fields, as well as international and regional issues of mutual interest.

This is Putin's 25th visit to

China, foreign ministry spokesperson Guo Jiakun told a media briefing here on Monday, emphasising close strategic ties between Russia and China as well as strong friendship and rapport between the two leaders.

"The two sides will take this visit as an opportunity to continue to promote the development of China-Russia relations

to a higher level, which will inject greater stability and positive energy into the world," Guo said.

Since Xi took power in 2012, the two leaders have met dozens of times, frequently referring to each other as "dear friend" and emphasising mutual trust.

Their ties have strengthened through cooperation in trade, energy, security,

E. EXPLAINED

The 'dear friend' bilateral ties

RUSSIA-CHINA relations today are marked by unprecedented closeness, with Vladimir Putin's 25th visit underscoring mutual trust, strategic alignment, and shared opposition to Western pressure. Xi and Putin emphasize "dear friend" ties, deep cooperation in energy, trade, and security, and coordinated support for allies like Iran.

and efforts to counter Western influence and observers view the Xi-Putin relationship as one of the most significant political partnerships in contemporary global affairs.

Significantly, Putin is visiting Beijing days after Trump's three-day trip here from May 14 to 16, during which he held close-door talks with Xi on a host of global and bilateral issues.

Russia holds nuclear drills amid Ukrainian drone attacks

Moscow: Russia on Tuesday began massive maneuvers of its nuclear forces featuring practice launches of nuclear-capable ballistic and cruise missiles in drills that come amid surge in Ukrainian drone strikes.

The three-day exercise will involve 64,000 troops, over 200 missile launchers, more than 140 aircraft, 73 surface warships and 13 submarines, including eight armed with nuclear-tipped intercontinental ballistic missiles, the Defence Ministry said. The maneuvers will focus on the "preparation and use of nuclear forces under the threat of aggression," the ministry said.

The drills will also practice cooperation with Belarus. Russian arsenals in Belarus include its latest intermediate range nuclear-capable Oreshnik missile system.

● ECONOMICS

US extends sanctions waiver for Russian crude: What it means

Sukalp Sharma

New Delhi, May 19

THE US has extended by another month its sanctions waiver on the purchase of Russian crude oil already loaded on tankers. The move is aimed at allowing more oil to reach the international market and exerting downward pressure on elevated oil prices due to the effective closure of the Strait of Hormuz, through which about a fifth of global crude oil used to pass.

Washington had earlier allowed the sanctions waiver on importing Russian oil already at sea to expire on May 16, with no clarity on whether the waiver would be extended. However, late Monday, US Treasury Secretary Scott Bessent announced that it was being extended by another month. This is the second extension of the waiver,

which was first issued in March as the West Asia war squeezed global oil supply.

Notably, earlier on Monday, India — a top destination for Russian crude — had said that it had been buying Moscow's crude irrespective of the US waiver, and would continue to import it with commercial viability and energy security being the primary considerations.

Stabilising the market

This waiver has now been extended till June 17 through a revised General License by the US's Office of Foreign Assets Control. The initial waiver had expired on April 11, but the US then extended it to mid-May after a few days, that too after initially announcing that it won't be renewed. According to industry experts, the decision likely came after pressure from countries buying Rus-

Critical chokepoint

● Around 2.5-2.7 million barrels per day of India's crude imports — accounting for around half of its total oil imports — have transited the Strait of Hormuz in recent months.

● Most of that supply is effectively offline as vessel movements have reduced to a trickle due to the West Asia war.

sian crude to partly offset the loss of Gulf barrels due to the Strait of Hormuz closure. It could have been the case this time too.

Experts see such waivers as part of the Donald Trump administration's effort to prevent a sustained spike in international oil prices — and the consequent rise in domestic fuel prices in the US — given the mid-term elections later this year.

But this has attracted criticism from various sections in the US, who argue that it is leading to a windfall for Moscow, which would fund its war effort in Ukraine. Such arguments were also made against the similar waiver for the purchase of Iranian oil and fuel, after which the US didn't renew that.

India's Russian oil imports

While government officials consistently maintained that India didn't require a US

waiver to buy Russian oil, industry experts said that the waiver actually helped. It enabled Indian refiners to be able to take deliveries of Russian oil even on tankers sanctioned or blocked by the US, and they could deal directly with sanctioned Russian companies like Rosneft and Lukoil. Moreover, it temporarily removed the friction between Washington and New Delhi over the latter's hefty purchases of Moscow's crude.

Although India was buying significant volumes of Russian crude even before the West Asia war began, the quantity had reduced notably in the months that preceded the war, evidently due to the US imposing sanctions on Rosneft and Lukoil, and amid India-US trade negotiations. Washington made a meaningful reduction in New Delhi's Russian oil imports a prerequisite for scrapping its 25% additional penal tariff.

U.S. may need to attack Iran again if no deal is reached, says Trump

'I'm saying two or three days, maybe Friday, Saturday, Sunday, maybe early next week, a limited period of time, because we can't let them have a new nuclear weapon,' says U.S. President; Iran state media call Trump's pause a 'retreat' based on 'fear'

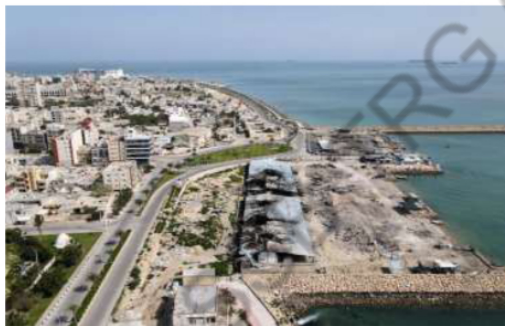
Associated Press

WASHINGTON

President Donald Trump said on Tuesday that the U.S. may need to hit Iran again and he was only an hour away from deciding on a strike before he postponed the attack.

"I was an hour away from making the decision to go today," Mr. Trump told reporters at the White House.

He said Iran's leaders are "begging" to make a deal, but a new U.S. attack would happen in the coming days if a deal is not reached. "Well, I mean, I'm saying two or three



Locked and loaded: Damage at a fishing pier, reportedly due to the U.S.-Israeli air strikes, in the port of Qeshm island in Iran. AP

days, maybe Friday, Saturday, Sunday, something, maybe early next week, a limited period of time, because we can't let them have a new nuclear wea-

pon." "There seems to be a very good chance that they can work something out. If we can do that without bombing the hell out of them, I'd be very happy,"

Mr. Trump said at the White House on Monday evening, after first making the announcement in a social media post.

He said America's allies in the Persian Gulf asked him to wait for two to three days because they feel they are close to a deal with Iran. Mr. Trump has been threatening for weeks that the ceasefire reached in mid-April could end if Iran did not make a deal, with shifting parameters for striking such an agreement. Over the weekend he warned, "For Iran, the Clock is Ticking, and they better get moving, FAST, or there won't be anything left of them."

Shortly after Mr. Trump's post, Iranian state TV called it a "retreat" based on "fear" in its broadcast ticker and on its X account.

It reported earlier that defence systems were activated late Monday on Qeshm island in the Strait of Hormuz. It added the situation was "under control" there, the largest Iranian island in the Persian Gulf, home to about 150,000 people and a water desalination plant.

Iran has effectively closed the Strait of Hormuz, a vital waterway for the shipment of oil, gas, fertilizer and other petroleum products.

LPG: Ship scarcity hits U.S. imports

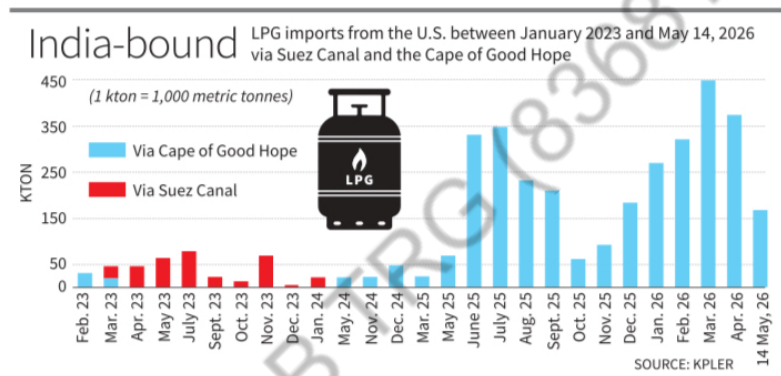
In March, 4.5 lakh LPG shipments left the U.S. for India, up from 3.2 lakh and 2.7 lakh tonnes in previous months, as per data from Kpler; subsequent months saw shipments drop to 3.72 lakh tonnes and 1.67 lakh tonnes due to less carrier availability

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With the Persian Gulf, from where 60% of India's LPG consumption came shut, the U.S. has emerged as a major LPG supplier. In March, 4.5 lakh LPG shipments left the U.S. for India, up from 3.2 lakh and 2.7 lakh tonnes in previous months, as per data from Kpler, a source of global trade intelligence. India imported nearly 10 lakh tonnes in March.

In April, however, shipments that left the U.S. for India dropped to 3.72 lakh tonnes and for the half-month in May, it was 1.67 lakh tonnes, as per Kpler.

The reason for less lifting in subsequent months, shipping experts say, is less gas carrier availability due in-part to ships taking the Cape of Good Hope route around Africa rather than the shorter Suez Canal



route. "U.S-India voyages via Suez Canal have been absent since January 2024, dropping in the aftermath of the increase in Houthi attacks on commercial shipping in the Red Sea waterway since end of 2023.

The preference for the Cape of Good Hope route is more likely driven by risk management, avoiding any elevated risk insurance premiums and the potential for renewed security threats in the Red Sea/Bab

el-Mandeb area, where commercial shipping has previously faced disruptions," says a Kpler statement mailed to *The Hindu*.

LPG ships are being re-routed to the U.S. which is much farther away from Persian Gulf for major markets such as India, Japan and China. "Around 40% of US-Asia LPG cargoes are now being re-routed via the Cape of Good Hope. This has materially increased tonne-mile de-

mand, adding 20 days or more to voyage durations, effectively tightening vessel availability and pushing freight rates sharply higher across all major routes," says Manish Sejwal, senior vice president for commodity markets at Rystad Energy.

'More priority for LNG'

Mr. Sejwal talks of Panama Canal congestion as well. The reason for that is increased Liquefied Natural

Gas ship crossings. LNG ships have more priority than LPG ships at the canal, resulting in LPG carrier congestion.

India had built a conveyor belt of ships serving the Persian Gulf with some 20 Indian-flagged ships it could command at will.

This number was sufficient for round-trips from Qatar to Mumbai that would take some 10 days, and 20 days for Kolkata. But for 90-day U.S. voyage round trips, India needs several times more Indian-flagged LPG carriers to serve Indian needs smoothly.

While India has sent four of its Very Large Gas Carriers (VLGC) that returned from Persian Gulf after the war started to the U.S., it has had to ramp up its command of foreign-flagged ships, too. India is picking up more spot cargoes and hence the drop in arrivals from United States Gulf Coast, say experts.