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Narendra Taneja India's Leading Energy Expert

How serious is this new Covid variant for India?

On the ground, everything is normal. We don't have a single case and the economy is doing very well, growing at 8.4%. The government is worried though - we were about to open our airports for international traffic but that decision is now being reviewed.

Is there a case for a greater SPR release if OPEC doesn't increase supplies this week?

Oil prices are now in a comfortable zone but anything higher would not be good. Our inflation is high and about 80% of Indian consumers would exit the oil and gas economy at the higher price range. Is that what Saudi Arabia would want? \$70 is win-win for all, based on cold numbers and serious scientific research. From New Delhi's perspective, the SPR was symbolic but also historically very important. It was the first time India, China, South Korea, Japan, and the US have come on one platform and sent a powerful message to OPEC that anything more than \$70-72 is not going to be acceptable and politically too hot to handle.

Has that message landed?

It has in Moscow, in Kuwait and in Abu Dhabi. We're not too sure if it has landed in Riyadh, but eventually they have to realize that big consumers like India and China and the US need to be listened to. The SPR move could be institutionalized if need be. President Biden has made it clear he's not going to accept higher oil prices in an election year.

What if OPEC+ chooses to stop its program of increasing supply monthly?

I think we should wait for another five or six days until the scientists are clear about this new variant. Russia for one has conveyed to India that it is not very comfortable when it comes to hiking the price further and that it would be happy with \$70.

Where do you see the talks between Iran and the P5 plus Germany headed?

As long as Iran is prepared to give up its nuclear weapons program, I think things will move forward. That landscape would be acceptable to the US and even India does not want Iran to go nuclear because it will completely change geopolitics in the region. The exit of the US from Afghanistan has already changed the geopolitical economic landscape across the region, from Central Asia to South Asia and to Morocco. Lifting Iranian sanctions would be very good news because countries like ours are very uncomfortable with the growing presence of China in Iran and it may also not be the best news for the Western world, for the EU and even for Russia. We feel that the US wants to normalize relations with Iran. In a way, they may even want Iran to become a little bit more powerful, to play an important counterbalancing role in the Middle East to extremist Sunni elements, and within Central Asia to China. ■

**Paraphrased comments*

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