

Important Vocab For the Editorial

1. **brace (for)** (verb) – prepare oneself for something difficult/unpleasant that is imminent.
2. **drone** (noun) – unmanned aircraft /missile.
3. **spike** (noun) – a sharp rise/increase of something.
4. **Brent crude** (noun) – a classification of crude oil produced from the oil platform in the North Sea.
5. **strategic reserve** (noun) – the reserve of a commodity or items that is held back from normal use by governments, organisations, or businesses in pursuance of a particular strategy or to cope with unexpected events.
6. **militia** (noun) – armed forces, military unit, soldiery (from the civil population to support main forces).
7. **belligerent** (adjective) – hostile, aggressive, threatening.
8. **lock and load** (phrase) – a command/order to prepare a weapon for battle.
9. **alleged** (adjective) – supposed, so-called, purported,
10. **provocation** (noun) – prompting, inducement, incitement.
11. **allegation** (noun) – charge, accusation, indictment.
12. **accompany** (verb) – coincide with, coexist with, go with.
13. **bluster** (noun) – threats, domineering, aggressive talk (with little effect).
14. **erratic** (adjective) – irregular, unsteady, unreliable.
15. **sought** past and past participle of **seek** (verb) – try, attempt, aim.
16. **opening** (noun) – opportunity, chance, favourable moment.
17. **de-escalation** (noun) – reduction, lessening, decrease.
18. **diplomacy** (noun) – international politics, foreign affairs, foreign policy.
19. **broker** (verb) – arrange, organize, negotiate (an agreement).
20. **battered** (adjective) – attacked, thrashed, pummeled/beaten up.
21. **buttress** (verb) – support, uphold, defend/back up.
22. **logistic** (adjective) – relating to the commercial activity of transporting goods.
23. **stalemate** (noun) – deadlock, impasse, standstill/stand-off.
24. **escalate** (verb) – heighten, intensify, magnify.
25. **unintended** (adjective) – not planned; ill-advised, ill-considered.
26. **unravel** (verb) – resolve, solve, uncover/unfold.
27. **painstakingly** (adverb) – with great care & thoroughness.
28. **reckless** (adjective) – careless, thoughtless, incautious/heedless.
29. **empowerment** (noun) – accreditation, authorization, validation.
30. **proxy** (noun) – representative, substitute, delegate, agent; **proxy war** (noun) – a conflict/war between two countries instigated by opposing powers (powerful countries) who do not fight against each other directly.
31. **bound to** (adjective) – certain/sure, very likely, guaranteed.
32. **allay** (verb) – reduce, decrease, lessen.
33. **relay** (verb) – transmit, broadcast, impart.
34. **surge** (noun) – sudden increase, rise, growth.
35. **depreciation** (noun) – devaluation, decrease in value, reduction.
36. **inflation** (noun) – simply meaning “cost of living”; increase of price level of goods & services and vice versa decrease of currency value.
37. **slowdown** (noun) – economic decline, recession, slump/depression.

38. **fallout** (noun) – adverse results; after-effects, repercussions.

Fire to fuel: On attacks against Saudi oil facilities

India must brace for the impact of oil supply cuts after the drone attacks in Saudi Arabia

The immediate impact of last week's drone attacks on the Saudi Aramco-owned Khurais oilfield and Abqaiq oil processing facility has been the suspension of more than half of Saudi Arabia's daily crude oil output, thereby affecting contribution to global supply. While the Saudis have restored a portion of the supply that was hit, the sudden disruption resulted in the highest spike (nearly 20%) in Brent crude prices in more than a decade before the U.S. President's statement that America would release some of its strategic reserves resulted in the price easing back to \$66 per barrel (a 10% increase over the day). While the Houthi militia fighting Yemen's Saudi Arabia-backed government in a four-year-long civil war claimed responsibility for the attacks, the U.S. has suggested that **Iran** was responsible for them. After a belligerent statement that the U.S. was "locked and loaded" to respond to this alleged provocation from Iran, Mr. Trump suggested that he was still trying to draw the Iranians to make a deal over their nuclear programme. Iran's response has been to dismiss the allegations accompanied by a refusal to talk on the U.S.'s terms. Yet, for all his bluster and erratic policy decisions, Mr. Trump has sought to avoid conflict or to engage in new military adventures — an opening Iran must seize and work toward de-escalation through diplomacy. Meanwhile, the Saudis must halt their Yemen intervention and leave it to the UN to broker peace in a battered country. The Saudi-led military campaign, buttressed with logistics support from the U.S. and the U.K., has only brought a stalemate in Yemen, while escalating the conflict to include energy supply targets that the world had imagined to be secure.

The sudden disruption of global crude oil supply is the unintended consequence of the unravelling of the painstakingly crafted P5+1+EU-Iran nuclear deal, the Saudis' reckless adventure in **Yemen** and the Iranian empowerment of its proxies in West Asia as a response. This development is bound to affect several emerging economies, including India's. The Union Petroleum Ministry has sought to allay fears of a supply cut by relaying

messages of assurance from Aramco officials, but there is already an indication that crude prices would rise further due to an increase in the risk premium, leading to increased fuel pump costs. With India importing more than two-thirds of its oil from West Asia, a price surge is expected to impact the current account, and will result in further currency depreciation as was the case on Monday. Higher fuel costs and the imported inflation could also hurt the consumer at a time of a slowdown in the economy. The government should be prepared to handle the fallout with steps such as re-evaluating the excise duties on petroleum products.