

(This document comprises news clips from various media in which Balmer Lawrie is mentioned, news related to GOI and PSEs, and news from the verticals that we do business in. This will be uploaded on intranet and website every Monday.)

## India's GDP growth rate 'much weaker' than expected: IMF

India's economic growth is "much weaker" than expected, according to the IMF, which attributed it to the corporate and environmental regulatory uncertainty and lingering weaknesses in some non-bank financial companies. India's GDP growth rate slipped to 5 per cent in the first quarter of 2019-20, the lowest in over six years, according to latest official data. The International Monetary Fund (IMF) in July projected a slower growth rate for India in 2019 and 2020, a downward revision of 0.3 per cent for both the years, saying its Gross Domestic Product (GDP) will now grow respectively at the rate of 7 per cent and 7.2 per cent, reflecting a weaker-than expected outlook for domestic demand. However, India will still be the fastest growing major economy of the world and much ahead of China, the Washington-based global financial institution had said. "We will have a fresh set of numbers coming up but the recent economic growth in India is much weaker than expected, mainly due to corporate and environmental regulatory uncertainty and lingering weakness in some non-bank financial companies," IMF spokesman Gerry Rice told reporters at a news conference here on Thursday.

*The Economic Times - 13.09.2019*

<https://economictimes.indiatimes.com/news/economy/indicators/indias-economic-growth-is-much-weaker-than-expected-imf/articleshow/71107623.cms>

## Factory output grows 4.3% in July

Industrial growth picked up pace in July, providing some relief to a government battling to revive the slowing economy and deteriorating consumer sentiment, but experts cautioned that the uptick may not last. Industrial production, as measured by the index of industrial production (IIP), rose 4.3% in July, much improved from that for June, which has been revised down to 1.2% from 2% estimated earlier, data released by the statistics office on Friday showed. It was 6.5% in July last year. Cumulative April-July growth was 3.3%, well below 5.4% for the same period in the last fiscal. Separately released data showed consumer inflation rising marginally to 3.21% in August from 3.15% in July, but remained well below the

## India's august retail inflation rises to 3.21% as food items get costlier

Retail inflation inched up to a 10-month high of 3.21 percent in August mainly due to higher prices of food items like meat and fish, vegetables and pulses, government data showed on Thursday. However, retail inflation is still within the Reserve Bank's target range, thus keeping hopes of another rate cut alive. Inflation based on the Consumer Price Index (CPI) stood at 3.15 percent in July and 3.69 percent in August 2018. The previous high was 3.38 percent in October 2018. Inflation in the food basket was 2.99 percent, up from 2.36 percent in July. The August data released by the National Statistics Office in the Ministry of Statistics and Programme Implementation also provided details of inflation in segments like 'health', 'recreation and amusement' and 'personal care and effects'. The retail inflation in health was 7.84 percent, recreation and amusement 5.54 percent and personal care and effects 6.38 percent. Price rise in the 'education' segment was recorded at 6.10 percent in August. Inflation in meat and fish basket was 8.51 percent, pulses and products 6.94 percent and vegetables 6.9 percent.

*News18 - 13.09.2019*

<https://www.news18.com/news/business/india-s-august-retail-inflation-rises-to-3-21-as-food-items-get-costlier-2306635.html>

## August exports decline 6% to \$26 bn; trade deficit narrows to \$13.4 bn

India's merchandise exports in August declined for the second time in the current financial year, which began in April, while imports dropped for the third consecutive month, signaling that rising protectionism and trade tensions between the US and China are impacting India's trade prospects as well. Data released by the commerce ministry showed India's merchandise exports declined 6.05% in August while merchandise imports dropped 13.45% leading to the narrowing of trade deficit to \$13.45 billion during the same month. Comparatively, China's exports in August fell 1%, while imports shrank 5.6%, amidst intensifying trade war with the

Reserve Bank of India (RBI) target rate of 4%. Experts cautioned against reading too much into one month's numbers. "Given the disappointing trends revealed by the high-frequency data available for August 2019, we should not conclude that a recovery is underway based on the pickup in industrial growth in July 2019," said Aditi Nayar, principal economist, ICRA, adding that the trend is likely to be short-lived.

*The Economic Times* 13.09.2019

<https://economictimes.indiatimes.com/news/economy/indicators/factory-output-grows-4-3-in-july/articleshow/71104931.cms?from=mdr>

## Switch to new export scheme in January

The January date for the new scheme announced by the government to replace the existing Merchandise Export Incentive Scheme (MEIS) will help exporters gradually move to the new system. The existing incentives under MEIS as well as the old ROSL will continue till December 31, 2019. Textiles and all other sectors, which currently enjoy incentives up to 2 per cent over MEIS, will transit into the new scheme — Remission of Duties or Taxes on Export Product (RoDTEP) — from January 1, 2020. In effect, RODTEP will more than adequately incentivise exporters than the existing schemes put together. The government anticipates foregoing a revenue amount of Rs 50,000 crore. The MEIS scheme that offers incentives of 2-5 per cent has come under scrutiny as it is not WTO-compliant. The US has already filed a complaint with the WTO against MEIS and similar export promotion schemes offered by India. The WTO does not allow any country, which has attained a per capita gross national product (GNP) of more than \$1,000 for three consecutive years, to give export sops. India had breached the threshold in 2015.

*The Telegraph* - 15.09.2019

<https://www.telegraphindia.com/business/switch-to-new-export-scheme-in-january/cid/1704970>

## NITI Aayog finalises new list for strategic selloff

Government think tank NITI Aayog has finalised a fresh list of 11 state-run companies for strategic disinvestment as the Centre steps up its asset sale programme as part of its reform drive to counter the economic slowdown and raise cash. This is the latest list prepared by NITI Aayog. It had earlier identified over three dozen companies for the strategic sale, but the progress was limited. Now, the government wants to send out a strong signal about its resolve to push ahead with strategic disinvestment. Strategic sale refers to transfer of

US. Export sectors that recorded positive growth in the last month include iron ore, electronic goods, spices, and marine products. Shipments of gems and jewellery, engineering goods, petroleum products recorded negative growth, according to the data. Aditi Nayar, Principal economist, ICRA Ltd said a sharp contraction in gold as well as non-oil non-gold merchandise imports led to the considerable shrinking of the merchandise trade deficit in August.

*Mint* - 14.09.2019

<https://www.livemint.com/news/india/august-exports-decline-6-to-26-13-bn-trade-deficit-narrows-to-13-45-bn-1568382160788.html>

## FinMin puts strategic asset sale on fast track, disinvestment candidate list soon

The Finance Ministry has sent a proposal to PMO seeking urgent approval for certain strategic disinvestments. Government sources said barring Air India, some 3-4 candidates have been identified for strategic sale. They include special purpose vehicles (SPVs) of PSUs holding land and non-core assets. The strategic disinvestment policy and a list of possible candidates will be sent to the Union Cabinet by September end, the sources said. Meanwhile, the government is about to kick off its regular disinvestment programme. The Union Cabinet is expected to soon approve a list of PSUs in which the government would bring down its stake below 51 per cent. Banks are unlikely to be a part of the disinvestment programme this year. The government has put on hold any fresh tranche of PSU ETF this year. All fresh ETF issuances will be on hold, barring one more tranche of Bharat 22, government sources said.

*The Economic Times* - 11.09.2019

<https://economictimes.indiatimes.com/markets/stocks/news/psu-stake-sale-via-etf-on-hold-till-govt-fixes-public-float-limit/articleshow/71078865.cms>

## PSU Disinvestment: IOC, NTPC, BPCL, GAIL may go into private hands this fiscal

With its tepid revenue growth resulting in higher reliance on non-tax revenue, the Centre has drawn up a plan to bring down its stakes in a clutch of large central public sector undertakings (CPSEs) to below 51% in FY20. Stake sales in the Maharatna firms — namely IOC, NTPC, BPCL and GAIL — could happen either through the OFS or ETF route; strategic sale of at least one of them is also on the radar. In all these CPSEs, the Centre's stake is now

management control and ownership. "The list includes notable names and we hope that there will be significant progress this time," said a source. While the source did not elaborate on the names of the companies, it is learnt that steel firm Rashtriya Ispat Nigam (RINL), container company Concor and Shipping Corporation of India (SCI) could be part of the strategic disinvestment list. The view within the government is to complete at least some major strategic sales in the remaining six months of the financial year. The Centre is confident of wrapping up the transaction in national carrier Air India in the current fiscal.

*The Times of India* - 14.09.2019

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2019%2F09%2F14&entity=Ar01715&sk=6D2A7D08&mode=text>

### **Government mulling selling BPCL stake to MNC**

The government is exploring the option of privatising the country's second-largest public sector refiner Bharat Petroleum Corp Ltd and is open to selling it to a global oil and gas major. If the government decides to privatise BPCL, it would help meet a significant chunk of the 1.05-trln-rupee disinvestment target for the current financial year (Apr-Mar). It would also lead to more competition in the fuel retail sector as currently over 90% of the fuel retail market is controlled by the three public sector refiners-- Indian Oil, BPCL, and Hindustan Petroleum Corp Ltd. So far, the Narendra Modi government has relied on offloading small percentage of its shares in various public sector undertakings on the stock exchanges and acquisitions among PSUs to meet divestment targets. If this proposal fructifies, it would be the first big-ticket privatisation under this government. But the Modi government may not find such a decision a cakewalk: An earlier attempt to sell state refiner Hindustan Petroleum to a single investor and Bharat Petroleum to the public was stalled by a Supreme Court order in 2003 following protests by labour unions and political groups.

*Free Press Journal* - 14.09.2019

<https://www.freepressjournal.in/business/government-mulling-selling-bpcl-stake-to-mnc>

### **OPEC cuts 2020 oil demand forecast, urges effort to avert new glut**

OPEC on Wednesday cut its forecast for growth in world oil demand in 2020 due to an economic slowdown, an outlook the producer group said

below 55%. Other CPSEs in which the government might reduce stakes as per the policy laid out in the Budget FY20 are Engineers India, Container Corporation (ConCor) and Nalco. The Centre's disinvestment target for the current fiscal is Rs 1.05 lakh crore. So far, it has raised only Rs 12,357 crore or 12% of the annual target. Faced with a lack of headroom to garner non-tax revenues from stake sales in listed CPSEs, the Centre announced in the Budget to bring down its direct holding in non-financial firms to below 51%. In many of these firms, the Centre can still retain a majority stake, inclusive of the stakes held by government-controlled institutions such as LIC in them and CPSE cross holdings.

*The Financial Express* - 16.09.2019

<https://www.financialexpress.com/economy/psu-disinvestment-ioc-ntpc-bpcl-gail-may-go-into-private-hands-this-fiscal/1706927/>

### **IEA says oil demand subdued on economic uncertainty**

Global oil demand growth is expected to remain subdued, with the economy weakening and buffeted by US-China trade tensions, the International Energy Agency (IEA) said Thursday. "International trade relations have further deteriorated in the past few weeks but US and Chinese officials announced that they would resume trade negotiations in early October," the Paris-based IEA said in its latest monthly report. "Trade disputes and rising uncertainty about the impact of the UK's possible exit from the European Union are reducing global growth through lower business and consumer confidence, supply chain re-assessments, declining investment and direct reduction of trade," added. Against this uncertain backdrop, the IEA left its oil demand growth forecasts for 2019 and 2020, lowered in its previous monthly report, unchanged at 1.1 million barrels per day and 1.3 mbd. Demand growth in the first six months of this year came in at just 0.5 mbd and touched a low of 0.2 mbd in June, it noted. "For second half 2019, we assume no further deterioration in the economic climate and in trade disputes," it said.

*The Economic Times* - 13.09.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/iea-says-oil-demand-subdued-on-economic-uncertainty/71105132>

### **Goldman Sachs cuts 2019 oil demand growth forecast to 1 million bpd**

Goldman Sachs has lowered its forecast on 2019 oil demand growth, citing reduced demand from India, Japan, other non-OECD

highlighted the need for ongoing efforts to prevent a new glut of crude. In a monthly report, the Organization of the Petroleum Exporting Countries said oil demand worldwide would expand by 1.08 million barrels per day, 60,000 bpd less than previously estimated, and indicated the market would be in surplus. The weaker outlook amid a U.S.-China trade war and Brexit could press the case for OPEC and its allies to maintain or adjust their policy of cutting output. Iraq said ministers would on Thursday discuss whether deeper cuts were needed. OPEC, in the report, lowered its forecast for world economic growth in 2020 to 3.1% from 3.2% and said next year's increase in oil demand would be outpaced by "strong growth" in supply from rival producers such as the United States. OPEC, Russia and other producers have since Jan. 1 implemented a deal to cut output by 1.2 million bpd.

*The Economic Times - 11.09.2019*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/opec-cuts-2020-oil-demand-forecast-urges-effort-to-avert-new-glut/71081492>

## **Oil producers pledge to respect cuts as market sags**

Oil producers pledged Thursday to comply with output cuts aimed at rebalancing the sagging market, but offered no further reductions in a sign they are short on options in a market depressed by US-China tensions. OPEC kingpin Saudi Arabia led calls to abide by promises on production curbs that the cartel hopes will drive up prices -- with some including Nigeria and Iraq accused of exceeding their quotas. "Every country should live up to its commitments," new Saudi Energy Minister Prince Abdulaziz bin Salman said as a committee of producers charged with monitoring the cuts and assessing the oil market held talks in Abu Dhabi. Prince Abdulaziz said the wider OPEC+ alliance which includes Russia is prepared to act to protect the market if sanctions-hit Iran, also a member of the group, returns to the market. He told the Joint Ministerial Monitoring Committee (JMMC) meeting that it was imperative to restore stability in the oil market, where prices have slumped to below \$60 a barrel.

*Times Now - 13.09.2019*

<https://www.timesnownews.com/business-economy/world-news/article/oil-producers-pledge-to-respect-cuts-as-market-sags/487691>

Asian regions, the Middle East and Latin America. The Wall Street bank revised its forecast down to 1 million barrels per day (bpd), from 1.1 million bpd but left its 2020 demand growth estimate broadly unchanged at 1.4 million bpd. However, it stuck to its 2020 price forecast for Brent crude at \$60 a barrel, flagging the willingness of the Organization of the Petroleum Exporting Countries (OPEC) to sacrifice market share. "Our oil supply-demand outlook for 2020 calls for additional OPEC production cuts to keep inventories near normal," Goldman analysts wrote in a note dated Sept. 9. "We continue to expect OPEC will sacrifice market share in line with leadership commentary at its June meeting, which we believe will lead to Brent prices of around \$60/bbl." Crude oil prices have shed nearly 20% from 2019 highs hit in April, partly because of an escalating trade war between the United States and China, which is expected to hurt the global economy and, in turn, demand for oil.

*The Economic Times - 10.09.2019*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/goldman-sachs-cuts-2019-oil-demand-growth-forecast-to-1-million-bpd/71065206>

## **India's oil demand to rise at fastest pace in world: OPEC**

India's oil demand will rise by the fastest pace globally this year and the next even as its economic expansion has slowed down, oil producers cartel OPEC said on Wednesday. In its monthly World Oil Demand report, OPEC said India's oil demand is projected to rise by 3.21 per cent to 4.88 million barrels per day (mb/d) in 2019 from 4.73 mb/d in the previous year. In 2020, it will further rise by 3.36 per cent to 5.05 mb/d. This outpaces China's oil demand growth of 2.73 per cent in 2019 and 2.37 per cent in 2020. China, however, is the world's second-biggest oil consumer at 13.06 mb/d in 2019, behind only the US whose consumption is projected at 20.94 mb/d. World oil demand in 2019 is expected to grow by 1.02 mb/d, which is 0.08 mb/d lower than the previous projection, OPEC said. "The drop can be attributed to weaker-than-expected data in 1H19 from various global demand centres and slower economic growth projections for the remainder of the year," it said. "In 2020, world oil demand is projected to increase by 1.08 mb/d.

*Millennium Post - 12.09.2019*

<http://www.millenniumpost.in/business/indias-oil-demand-to-rise-at-fastest-pace-in-world-opec-373793>

## **India's energy demand to grow by 4.2%: Dharmendra Pradhan**

India's energy demand is projected to grow by 4.2 per cent through 2035, an expansion faster than all major economies of the world, Oil Minister Dharmendra Pradhan said Tuesday as he sought investments in the country's energy chain. Speaking at the eighth Asian Ministerial Energy Roundtable in Abu Dhabi, he said the share of world's third-largest energy consumer in total global primary energy demand is set to double to 11 per cent by 2040. "The projected energy demand growth is 4.2 per cent per annum up to 2035. This makes India's energy demand growing faster than all major economies of the world," he said. "We are preparing for such a growth path of energy demand in the country." Pradhan said the per capita energy consumption of the country with 1.3 billion people is lower than the global average.

*The Economic Times - 10.09.2019*

<https://economictimes.indiatimes.com/industry/energy/indias-energy-demand-to-grow-by-4-2-dharmendra-pradhan/articleshow/71067521.cms?from=mdr>

## **India's diesel demand in August falls to a 10-month low**

A broad decline in automobile sales coupled with excess rainfall and floods in some parts of the country may have finally caught up with diesel demand in India, which fell to its lowest level in 10 months to 6,116 Thousand Metric Tonne (TMT) in August, data published by the oil ministry's statistical arm Petroleum Planning and Analysis Cell (PPAC) showed. Demand for the fuel in August 2019 declined 1.13 per cent to 6,116 TMT. "Diesel demand fell 1.1 per cent year-on-year for the first time since Nov 2018 and may remain sluggish. Industrial production is soft as are foreign trade and port traffic with poor freight economics unlikely to lift CV sales too even if GST falls," research and equity firm Jefferies said in a note. While India's overall petroleum consumption during the month increased 2.78 per cent to 17,044 TMT, the consumption recorded in the month was the lowest in the last eight months, historical data analysed by ETEnergyWorld showed. The fall in automobile sales seems to have not impacted the country's demand for petrol, which registered a growth for two years in a row. Petrol demand in August rose 9 per cent to 2,574 TMT.

*The Economic Times - 12.09.2019*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-diesel-demand-in-august-falls-to-a-10-month-low/71097609>

## **India's fuel demand rose 2.8 percent year-on-year in August**

India's fuel demand rose 2.8 percent in August compared with the same month last year. Consumption of fuel, a proxy for oil demand, totalled 17.04 million tonnes, data from the Petroleum Planning and Analysis Cell (PPAC) of the oil ministry showed. Sales of gasoline, or petrol, were 8.9 percent higher from a year earlier at 2.57 million tonnes. Cooking gas or liquefied petroleum gas (LPG) sales increased 13.0 percent to 2.40 million tonnes, while naphtha sales surged 3.7 percent to 1.15 million tonnes. Sales of bitumen, used for making roads, were 23.8 percent up, while fuel oil use edged lower 15.9 percent in August.

*The Economic Times - 11.09.2019*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-fuel-demand-rose-2-8-percent-year-on-year-in-august/71080366>

## **India, Nepal open S Asia's 1st cross-border oil pipeline**

India and Nepal on Tuesday opened South Asia's first cross-border oil product pipeline, helping Kathmandu to cut fuel prices by Rs 2 per litre on account of reduced transportation cost. PM Narendra Modi and his Nepalese counterpart K P Sharma Oli jointly inaugurated through video-conference the 69km pipeline from IndianOil's terminal in Bihar's Motihari to Nepal Oil Corporation's Amlekhgunj depot in Narayani zone of southern Nepal. "Sharing the fruits of progress with friendly nations. Motihari-Amlekhgunj pipeline will provide cleaner petroleum products at affordable costs to the people of Nepal. I am glad that India and Nepal cooperation is scaling new heights," Modi tweeted. KP Sharma Oli called the pipeline the "best example of connectivity in the field of trade and transit... between Nepal and India" and invited PM Narendra Modi to visit Nepal, which Modi accepted. He noted the pipeline was completed 15 months ahead of schedule, which counters the perception in Nepal about lethargic pace of India-funded projects. Modi and Oli had conducted ground-breaking ceremony for the pipeline in April 2017.

*The Times of India - 11.09.2019*

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2019%2F09%2F11&entity=Ar00508&k=108A6009&mode=text>

## **Saudi says will remain a reliable supplier of oil to India: Dharmendra Pradhan**

Saudi Arabia's new energy minister Prince Abdulaziz bin Salman has assured India that his country will remain a reliable supplier to the world's third-largest energy consumer and is committed to investing in the country. Oil Minister Dharmendra Pradhan on a three-nation visit courted the new Saudi Arabian minister in Jeddah. "Met the newly appointed Saudi Minister of Energy HRH Prince Abdulaziz bin Salman in Jeddah and renewed my earlier acquaintance with him during his previous assignments with Saudi Ministry of Energy," Pradhan tweeted. Saudi Arabia's King Salman over the weekend dismissed Khalid Al-Falih as the energy minister of the OPEC and replaced him with one of his sons. Prince Abdulaziz bin Salman, a long-time top energy ministry official, is an older half-brother to the Crown Prince Mohammed bin Salman. "Saudi Minister reiterated Saudi Arabia's commitment to remain a reliable and sustainable partner in hydrocarbon supplies and also on Saudi investments in India," Pradhan said in another tweet.

*Moneycontrol - 10.09.2019*

<https://www.moneycontrol.com/news/business/saudi-says-will-remain-a-reliable-supplier-of-oil-to-india-dharmendra-pradhan-4417721.html>

## **Aramco keen to partner in Modi's mega refinery project**

If all goes well, the world's leading oil company Saudi Aramco would soon be India's key strategic partner in Narendra Modi government's mega project, the West Coast Refinery, worth over Rs 4 lakh crore. The refinery is to be set up at Raigad in Maharashtra where the state government has initiated a move for the acquisition of around 600 acres of land. The project, expected to be completed within five years, will not only fulfil the country's future oil requirements, but also make India one of the top global players in the refinery sector. A senior official in the Petroleum Ministry told IANS that the top management of Saudi Aramco has shown keen interest in forging a strategic alliance with India for the West Coast Refinery, to be built as world's most advanced oil refinery. "Union Petroleum Minister Dharmendra Pradhan on September 8 had a fruitful meeting with Prince Abdul Aziz bin Salman, the new Saudi Minister for Energy, in Jeddah in this connection.

*The Economic Times - 13.09.2019*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/aramco-keen-to-partner-in-modis-mega-refinery-project/71110839>

## **UAE can play major role in India's transition to gas-based economy: Pradhan**

The United Arab Emirates can play a major role in India's ambitious transition from a hydrocarbon economy to a gas-based economy as the two countries are "enjoying an excellent relationship, said Union Minister Dharmendra Pradhan, in an interview to Emirates news agency, WAM. "Although the UAE is not a primary supplier of gas, the country can be a big investment partner in some of India's gas projects such as putting up the pipelines, Liquefied Natural Gas (LNG), terminals and city gas distribution networks," Union Minister of Petroleum and Natural Gas, Pradhan added. "We have a very ambitious vision to develop all areas related to gas," said Pradhan who was on a three-day official visit to the UAE. The current share of gas in India's energy mix is 6.2 percent, in comparison to the global average of 24 percent. The Indian Government aims to increase it to 15 per cent by 2030. He said that pre-construction activities would start soon on the project site of US\$44 billion Ratnagiri Refinery in the western Indian state of Maharashtra, with the participation of the UAE.

*The Economic Times - 13.09.2019*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/uae-can-play-major-role-in-indias-transition-to-gas-based-economy-pradhan/71107810>

## **Storm in the desert may hit Indian equities, too**

A substantial cut in Saudi Arabia's oil output due to the drone attacks on its refineries could weigh on Indian equities in the near-term, potentially hurting emerging market stocks. Historically, crude oil prices have been negatively correlated with Indian equities. Many foreign portfolio investors (FPI) may, therefore, raise their exposure to commodity producers instead of consumers, likely affecting FPI flows into Indian equities. Saudi Arabia's oil production has been halved overnight after the drone strikes on the Abqaiq processing facility and Khurais oil field. The Abqaiq plant that has been attacked handles crude from Ghawar, the largest oil field in the world. Given the sheer size of the facility, a prolonged outage could add significant risk premium to the oil market and potentially jolt energy markets in the near term. The current outage is equivalent to about 5 per cent of the total world supply, thus analysts expect a 10 per cent surge in global crude oil prices when markets open Monday.

*The Economic Times - 16.09.2019*

<https://economictimes.indiatimes.com/markets/stocks/news/storm-in-the-desert-may-hit-indian-equities-too/articleshow/71142919.cms?from=mdr>

## **Saudi drone strikes: No crude blow to India yet**

Indian refiners do not see an immediate disruption in crude supplies after the drone strikes on Saudi Arabia's oil processing facilities on Saturday, though prices may witness a short-term spike. A delayed restoration of the damaged facilities may, however, trigger a search for alternative supplies. The drone attacks by West Asian rebel groups have hit 5.7 million barrels per day of production, which represents nearly half of the kingdom's output and 6% of global crude supplies. This has raised supply risk as well as price risk for refineries across the world, including India, which imported about 19% of its crude from Saudi Arabia last fiscal. Indian Oil, India's largest refiner, is watching the situation closely. It will take a call once more clarity emerges on the supply situation over the next few days, a company executive said. Hindustan Petroleum too is on a wait-and-watch mode. "As per the news, we are hearing that Saudis have not declared force majeure and plan to meet supply commitments to their clients from their stock. But we will have to see how long it takes them to restore the facilities. We are waiting for more clarity to emerge," HPCL chairman MK Surana told ET.

*The Economic Times - 16.09.2019*

<https://economictimes.indiatimes.com/industry/energy/oil-gas/saudi-drone-strikes-no-crude-blow-to-india-yet/articleshow/71142822.cms>

## **RIL-BP to kick off India's 1st gas e-auction next month**

India's natural gas market will witness its first e-auction next month when Mukesh Ambani-led Reliance Industries Ltd and its partner, UK energy major BP plc, kicks off bidding for gas from their \$5-billion offshore project in the east coast. This will be the first time that gas produced from a domestic field will be e-auctioned, a practice the Narendra Modi government had introduced for giving out telecom spectrum and coal blocks after the Supreme Court struck down the allocation methods followed earlier. "We expect the independent agency appointed for conducting the auction will be able to conduct the auction on October 10 once the pre-requisites are completed," a senior BP executive told TOI. Crisil Risk and Infrastructure Solutions Ltd (CRIS) will conduct the auction online on a web-based platform and the kick-off price will be benchmarked to 9% slope of Brent. RIL-BP is

## **South Korea will consider release of oil reserves if Saudi situation worsens: energy min**

South Korea said on Monday that it would consider releasing oil from its strategic oil reserves if circumstances around crude oil imports worsen in the wake of Saturday's attack on Saudi Arabia's oil facilities. The comments came as oil prices surged to four-month highs on Monday after weekend attacks on crude facilities in Saudi Arabia sparked supply fears. South Korea's energy ministry said in a statement it anticipated no short-term impact on securing crude oil supplies from Saudi Arabia. But if the situation drags on it might disrupt crude oil supplies, the ministry added. U.S. President Donald Trump also authorized the use of the U.S. emergency oil stockpile to ensure stable supplies after the attack, which shut 5% of world production. South Korea, the world's fifth-largest crude oil importer, currently has about 96 million barrels of crude oil and refined products as strategic stockpiles. Of the total 96 million barrels, the country holds 82 million barrels of crude oil and the rest is refined products such as gasoline, diesel and naphtha.

*The Economic Times - 16.09.2019*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/south-korea-will-consider-release-of-oil-reserves-if-saudi-situation-worsens-energy-min/71146184>

## **Govt may sell stake in BPCL to overseas oil firm**

India is considering a plan to sell the nation's second-largest state refiner and fuel retailer to a global oil company as it explores options to give up its controlling stake in Bharat Petroleum Corp., people with knowledge of the matter said. The government is keen to lure multinational companies in the domestic fuel retailing to boost competition and shake up a sector that's long been dominated by state-run firms, the people said, asking not to be identified as the plan is not public. The Business Standard newspaper reported on Sept. 2 government's plan to sell a majority stake in the company. It holds 53.3% in BPCL. Prime Minister Narendra Modi's government has set a record target of raising 1.05 trillion rupees (\$14.8 billion) in the current fiscal year from sale of state firms. The government's budget gap goal of 3.3% of GDP is at risk due to

holding the sale under the policy provision of giving producers marketing and pricing freedom for gas from geographically difficult fields.

*The Times of India - 13.09.2019*

<https://timesofindia.indiatimes.com/business/india-business/ril-bp-to-kick-off-indias-first-gas-auction-next-month/articleshow/71101986.cms>

## **The U.S. exports more oil than Saudi Arabia**

The U.S. briefly became the world's No. 1 oil exporter as record shale production found its way to global customers, and there are prospects for more. Surging output from shale helped America ship almost 9 million barrels a day of crude and oil products in June, surpassing Saudi Arabia, the International Energy Agency said in a report, citing gross export figures. There's room to send even more supply overseas as companies add infrastructure to transport the burgeoning production from fields in Texas and New Mexico to the coast. Gains in U.S. supply are undermining efforts by the Organization of Petroleum Exporting Countries and its allies, whose production cuts are in their third year in a bid to drain stockpiles. The swelling American output, as well as deepening concerns over global demand fuelled by a prolonged U.S.-China trade war, have prompted a drop of almost 20% in benchmark Brent crude from an April high. The expansion in America's exports in June was helped by a surge in crude-oil shipments to more than 3 million barrels a day, the IEA said.

*Bloomberg - 13.09.2019*

<https://www.bloomberg.com/news/articles/2019-09-12/u-s-beats-saudi-arabia-to-become-top-oil-exporter-on-shale-boom>

## **Steel import tabs opposed**

Engineering exporters have opposed a recent government notification on mandatory registration for steel imports as this would raise the price of steel, which is a critical raw material. The Engineering Export Promotion Council of India (EEPC) has approached the commerce ministry seeking a modification of the notification. In a letter to commerce and industry minister Piyush Goyal, EEPC India chairman Ravi Sehgal, has flagged concerns regarding the DGFT notification, dated September 5, which mandated compulsory registration for the import of most of the steel products under Chapter 72 and few products under Chapter 73 and 86 of ITC (HS) in the name of the Steel Import Monitoring System.

sluggish revenue collections on the back a growth slowdown, limiting the government's ability to spend on infrastructure and welfare programs.

*The Economic Times - 13.09.2019*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/govt-may-sell-stake-in-bpcl-to-overseas-oil-firm/71112180>

## **Steel Minister urges industry to be competitive, improve quality of products**

Union Steel Minister Dharmendra Pradhan on Friday urged industry players to improve the quality of their products in order to become more competitive in the global markets. In a meeting with the CEOs of steel industry, Pradhan also said the domestic industry has come a long way in terms of capacity building, quality assurance and technology upgradation, according a statement issued by the Ministry of Steel. "The industry has to mark its place in the world, by being more competitive, improving the quality, and undertaking more exports," the statement quoted the minister as saying. The minister -- who recently led a delegation to Russia to discuss bilateral cooperation in the areas of oil and gas, steel and coal -- informed the industry players that there is large scope and demand for Indian products in the international markets. The industry must do more value addition and fulfil the requirements of the niche sector, he said, adding that the industry also needs to diversify its sources of raw material procurement so as to bring down the costs.

*The Economic Times - 14.09.2019*

<https://auto.economictimes.indiatimes.com/news/auto-components/steel-minister-urges-industry-to-be-competitive-improve-quality-of-products/71128370>

## **Domestic air passenger traffic slips to 1.8% in July: Report**

India's domestic air passenger demand plummet to 1.8 per cent in July following the end of tourist season while the cumulative growth in traffic in the first four months stood at a mere 1.6 per cent, the report said. According to rating agency Icra, the international traffic catered by the domestic airlines de-grew 14.7 per cent in July over 0.6 per cent of the industry with the local carriers continuing to underperform the industry on international routes and their market share declining by 528 basis points to 32.1 per cent in July over the year-ago period on account of the under-performance. The growth in the industry

"Engineering goods exporters, battling under global slowdown and rising domestic costs, have approached commerce and industry minister Piyush Goyal, under the aegis of EEPC India, seeking modification of a recent DGFT notification that would result in restrictions on import and increase in price of steel, a crucial raw material for the engineering export goods," he said in the letter. The government has made it mandatory for traders to register themselves with the Steel Import Monitoring System to import 215 iron and steel products.

*The Telegraph* - 12.09.2019

<https://www.telegraphindia.com/business/steel-import-tabs-opposed/cid/1703995>

### **Now, slowdown bug bites tourism sector**

India's tourism sector is the latest to be hit by the global economic slowdown headwinds. Foreign tourist arrivals grew a mere 2.12 per cent in the first half of calendar 2019 — the lowest for the comparable period in the last four years. India received around 6.08 million foreign tourists between January and July this year. In 2018, the country received around 5.96 million foreigners during the same period, a growth of 7.07 per cent. "Brexit in the UK and recession fears in large parts of Europe and the US have created nervousness among people and they are not willing to spend money on travel," said Dipak Deva, Managing Director, Travel Corporation of India. Bangladesh, the US, the UK, China, Sri Lanka, France and Canada are among the top 15 source markets for foreign tourist arrivals (FTAs) in India. These countries account for over 75 per cent of the total FTAs. Many of these economies are either impacted by the economic slowdown or are facing geopolitical issues. "India is a long-haul destination for Europe and the US and leisure holiday bookings are made 3-6 months in advance, which adversely impacted the numbers for the April-June quarter as well," he added.

*The Hindu Business Line* - 14.09.2019

<https://www.thehindubusinessline.com/economy/now-slowdown-bug-bites-tourism-sector/article29411118.ece>

### **Railways scheme to woo short-distance container traffic**

The Railway Ministry will flag off a round trip-based rate scheme for ultra-short lead (up to 50 km ) container traffic - both export/import and domestic- from September 15 in a bid to wean away this segment from roads. The Railway Ministry has decided to levy round-trip haulage charges for a loaded 20- foot container (TEU) for up to 50 km by billing such to and fro movements at rates applicable for a single trip in the next slab - 51 to 100 km - effectively translating into a discount of 35 per cent, a ministry official said. Currently, container traffic moves in five weight slabs - 0-10 tonnes, 10-20 tonnes, 20-26 tonnes, 26-31 tonnes, 31 tonnes and above - at haulage charges set by the Ministry

capacity (measured in available seat kilometres ASKMs) continued to be muted in July at 3.5 percent, primarily due to the grounding of Jet Airways. "Furthermore, the Indian airlines have been increasing focus on international operations as witnessed in increasing capacity deployment, due to higher opportunities in overseas markets from India. The same is evident from increasing capacity deployment by some of the carriers on international routes," said Kinjal Shah of Ica.

*The Economic Times* - 13.09.2019

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/domestic-air-passenger-traffic-slips-to-1-8-in-july-report/articleshow/71100545.cms?from=mdr>

### **Aviation woes abroad may keep Indians grounded**

Indian travel operators and portals expect the British Airways strike and protests and shutdown of the Hong Kong airport last month to further put the brakes on outbound travel in the current quarter. They said India is likely to register a negative growth in outbound travel this year as the sector is yet to recover from the repercussions of the Jet Airways closure with fares remaining high for West-bound flights. An executive at the national carrier Air India said fares for markets such as the UK, US, and the Gulf had started picking up soon after the closure of Jet Airways and have stayed the same since then. "Flight fares to the UK have been up by 30%, and the US by 16%. Overall, Europe has been up by 12-15%, while the Gulf has been up by 20%. Fares have stayed the same way after picking up after the shutdown," he said. Even fares to Australia have gone up by up to 10%, he said. An airline executive said all airlines were registering a double digit decline in bookings from India to Hong Kong. The UN World Tourism Organisation had predicted India will account for 50 million outbound tourists by 2020, up from 20 million by 2017.

*The Economic Times* - 12.09.2019

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/aviation-woes-abroad-may-keep-indians-grounded/articleshow/71073393.cms>

depending on the distance. The haulage charge for a single trip 26-31 tonnes container for up to 50 km is ₹ 2,340 and an up and down trip would cost ₹ 4,680 per container. The single trip haulage charge for a 26-31 tonnes weight slab container for 51 to 100 km is ₹ 3,038 – a difference of ₹ 698 (single trip) for the additional 50 km. A ministry survey revealed that the 20-26 tonnes and the 26-31 tonnes weight slabs accounted for 80 per cent of the container traffic in this segment.

*The Hindu Business Line - 14.09.2019*

<https://www.thehindubusinessline.com/economy/logistics/railways-to-flag-off-round-trip-based-rate-scheme-for-short-haul-container-movements-from-sept-15/article29408297.ece>