

(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.)

## **Brighter growth prospects for India by FY20 and beyond: HSBC**

India's growth prospect is likely to see a slowdown in the next two years followed by recovery in the medium term, with 2019-20 GDP expected at around 7.6 per cent, says a report by HSBC. According to the global financial services major, India's growth story has a two-part narrative. The first is a slowdown and gradual recovery in the short run, likely over 2017-18 and 2018-19 as key sectors revive from disruptions related to the implementation of the goods and services tax (GST). The subsequent narrative is of brighter growth prospects in the medium term (2019-20 and beyond), HSBC said in the report adding that "we forecast growth at 6.5 per cent, 7 per cent and 7.6 per cent over 2017-18, 2018-19 and 2019-20 respectively". In the medium term, GST alone may add 40 bps to GDP growth through productivity gains, it noted. The report further said "if the other side of India's twin balance sheet problem - overleveraged companies- lingers for longer, the pace of the investment revival and GDP recovery could suffer".

*The Economic Times - 19.12.2017*

<https://economictimes.indiatimes.com/news/economy/indicators/brighter-growth-prospects-for-india-by-fy20-and-beyond-hsbc/articleshow/62121299.cms>

## **Indian economy likely to be \$6.5-7 trillion by 2030: Bibek Debroy**

India is expected to be a \$6.5-7 trillion economy by 2030, and at the current exchange rate it would touch \$10 trillion by 2035-40, chairman of the Economic Advisory Council to the Prime Minister Bibek Debroy said on Thursday. The per capita income in India by 2030 will however be just \$4,000, still less than many other countries, he said. "In the year 2030, India's national income will be around USD 6.5-7 trillion. If exchange rate remains what it is today then by 2035-40, India will be USD 10 trillion economy. "And if exchange rate appreciates then India will be USD 10 trillion economy before 2035," Debroy said at Skoch summit in New Delhi. India will be remarkably different country as the size of its economy will enhance the country's role in global affairs, he said. He also said that people are not seeking

## **Economy may reach 7% growth in 2018: ASSOCHAM**

The Indian economy may reach a 7 percent growth in 2018 with government policies tilting towards the stress-ridden rural landscape, the recently released ASSOCHAM Year-Ahead Outlook (AYAO) pointed out. The AYAO forecast also pointed out that after disruptions like demonetisation effect and GST roll-out, the economic expansion may reach the crucial 7 percent mark by the end of September 2018 quarter. "Inflation may range between 4-5.5 percent towards the second half of the next calendar year with the monsoon being a key imponderable", AYAO said. "Our projections for 7 percent GDP growth are based on the assumption of stability in the government policies, a good monsoon, pick-up in industrial activity and credit growth as also stability in the foreign exchange rates. The worries on account of crude oil shooting up are likely to abate if there are no fresh geo-political shockers," said ASSOCHAM President Sandeep Jajodia.

*AIN News - 24.12.2017*

<https://www.aninews.in/news/business/business/economy-may-reach-7-growth-in-2018-assochem201712241914030002/>

## **Demonetisation, GST will bring long-term benefits: IMF**

The disruptive impact of demonetisation announced last year is a temporary phenomenon and the scrapping of the high-value currency would bring "permanent and substantial benefits", according to the International Monetary Fund (IMF). In an interview to CNBC TV18, IMF Economic Counsellor and Director of Research Maurice Obstfeld said that although demonetisation, as well as implementation of the Goods and Services tax (GST) caused short-term disruptions, both measures would bring long-term benefits. "The costs of demonetisation are largely temporary and we see permanent and substantial benefits accruing from the move," Obstfeld said. "Both demonetisation and the GST introduction will bring long-term benefits,

government jobs on Thursday, instead more and more people are providing jobs to others. Talking about the issues related to land, Debroy said it is a contentious issue and it is very inefficiently used in India. "We don't have clear system of land titling."

*Mint - 21.12.2017*

<http://www.livemint.com/Politics/LMTLZNRHHuHgOp3CtXnTHO/Indian-economy-likely-to-be-657-trillion-by-2030-Bibek-D.html>

## **Govt set to spend more**

The government plans to spend an additional sum of Rs 66,113 crore during the current financial year to roll out schemes to provide electricity connections to the poor and pay for urea subsidies among others. Finance minister Arun Jaitley has moved the second batch of Supplementary Demands for Grants for 2017- 18 in the Lok Sabha. "Of this, the proposals involving net cash outgo aggregates Rs 33,379.99 crore and gross additional expenditure, matched by savings of the ministries/ departments or by enhanced receipts/ recoveries aggregates Rs 32,732.05 crore, "it said. Major spending heads include Rs 1,033.8 crore towards grants for the creation of capital assets, subsidies and other charges for the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya). Another Rs 3,594.57 crore was provided to the Mahatma Gandhi National Rural Employment Guarantee Scheme. As much as Rs 20,532.5 crore was provided for urea freight subsidy, while another Rs 15,908 crore was provided for national highways.

*The Telegraph - 19.12.2017*

<https://epaper.telegraphindia.com/detail/299245-161713162.html>

## **Divestment: Some profitable PSUs too may be put on the block**

The government may include some profitable Central Public Sector Enterprises (CPSEs) -- which are not of much strategic importance -- in the list of entities targeted for disinvestment in 2018, along with sick and loss-making units, a top official has said. The government was so far focussed on strategic sale of sick and loss-making CPSEs. "This (privatisation) process will continue because Niti Aayog has been mandated to see how we can get rid of loss- making CPSEs." This (privatisation) process will continue because Niti Aayog has been mandated to see how we can get rid of loss-making CPSEs, and may be even some profit-making CPSEs where we can find a very good

though these caused short-term disruption," he said. The IMF chief economist described GST as a "work in progress" to which the Indian economy is "gradually adjusting". Breaking a five-quarter slump, however, a rise in manufacturing sector output pushed the growth rate higher to 6.3 per cent during the second quarter (July-September) of 2017-18.

*The Economic Times - 22.12.2017*

<https://economictimes.indiatimes.com/news/economy/indicators/demonetisation-gst-will-bring-long-term-benefits-imf/articleshow/62208387.cms>

## **Centre Plans Additional Spending of Rs.66,113 Cr, Fiscal Deficit to Take a Hit**

The government has planned an additional expenditure of Rs. 66,113 crore with a net cash outgo of Rs.33,380 crore, which could have some adverse impact on the fiscal deficit target for the current financial year. The government has presented the second supplementary demand for grants seeking nod for additional spending in the current fiscal. The major chunk of allocation has gone to the department of food and public distribution (Rs.3,480 crore) for food subsidy related spending, the Mahatma Gandhi Rural Employment Guarantee Scheme (Rs. 3,595 crore) and Rs. 5,905 crore for meeting additional requirement for pensions following implementation of the Seventh Pay Commission. Finance minister Arun Jaitley moved the second batch of Supplementary Demands for Grants for 2017-18 in the Lok Sabha. The government has also set aside Rs.960 crore for the Goods and Services Tax Network (GSTN).

*The Economic Times - 19.12.2017*

<http://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/#>

## **Govt forms panel to examine complaints against PSU top bosses**

The government has constituted a committee to take a view on the complaints filed against CMDs, chief executives, functional directors and non-official directors of state-owned enterprises, public sector banks, financial institutions and insurance companies. The panel will be chaired by the Secretary (Coordination) in the Cabinet Secretariat. Its other members will comprise Department of Public Enterprises secretary, Department of Financial Services secretary and Central Vigilance Commission (CVC) secretary. In the case of public sector banks, the panel will be empowered to take a view on the complaints against workmen

buyer or government's interest is not so relevant," the official told PTI. The Niti Aayog, the official said, has already recommended a list of 23 PSUs for privatisation which are being looked at by the Department of Investment and Public Asset Management (DIPAM). "I think they will go to the markets very soon," he said.

*The Economic Times - 25.12.2017*

<https://economictimes.indiatimes.com/news/economy/policy/divestment-some-profitable-psus-too-may-be-put-on-the-block/articleshow/62242001.cms>

### **Petro Goods Under GST After States' Nod: FM**

Finance minister Arun Jaitley said the Centre supports the inclusion of petroleum products within the ambit of the Goods and Services Tax, but only after the states unanimously agree on the matter. "As far as the Central government is concerned, we are in favour of bringing petroleum products under the GST, let me categorically put it. But we will wait for the consensus of the states. And, I do hope that at some stage – sooner than later – the states would agree to it," Jaitley told the Rajya Sabha in reply to a question. Senior Congress leader and former finance minister P Chidambaram started a heated discussion in the Upper House, questioning the Centre over its decision to delay implementation of GST on petroleum products. "The law allows petroleum products to be brought under GST. The question really is, when will the GST Council decide? When will the GST Council take up the subject? And what is the position of the Central government which has virtually a veto on the decision of the GST Council?" Chidambaram asked. He also sought to know why prices of petrol and diesel did not decline with the fall in global crude prices

*The Economic Times - 20.12.2017*

<https://economictimes.indiatimes.com/news/economy/policy/including-petro-products-in-gst-ambit-after-consensus-arun-jaitley/articleshow/62133830.cms>

### **Iraq replaces Saudi Arabia as India's lead oil supplier**

Iraq has overtaken Saudi Arabia for the first time to become India's top crude oil supplier in the current fiscal, helped by sales of discounted heavy crude, Oil Minister Dharmendra Pradhan said today. Saudi Arabia traditionally has been India's top oil source but in the April-October period of 2017-18, Iraq dethroned it, supplying 25.8 million

directors, officers' directors and chartered accountant directors (excluding government nominee directors, RBI nominee directors, shareholder directors). "If there is no substance in the complaint or the complaint is frivolous in nature, the group would close the complaint and inform the relevant office from where the complaint was received," the Department of Public Enterprises said in an office memorandum.

*The Times of India - 21.12.2017*

<https://timesofindia.indiatimes.com/business/india-business/govt-forms-panel-to-examine-complaints-against-psu-top-bosses/articleshow/62196498.cms>

### **IOC, BPCL Keen on Acquisition But GAIL Sees ONGC as Buyer**

Indian Oil Corp (IOC) and Bharat Petroleum Corp Ltd (BPCL) are both keen to acquire gas utility GAIL India Ltd to become fully integrated energy companies. IOC and BPCL have separately indicated to the petroleum ministry their interest in taking over GAIL to help add natural gas transportation and marketing business to their kitty, official sources said. GAIL, on the other hand, feels a merger with oil and gas producer ONGC would be more appropriate. The merger options were indicated following Finance Minister Arun Jaitley's announcement in the 2017-18 Budget speech on the government's plan to create integrated public sector oil majors that will be "able to match the performance of international and domestic private sector oil and gas companies". ONGC, India's largest oil and gas producer, proposed to acquire oil refiner and fuel marketing company HPCL, which was approved by the Cabinet. Oil and Natural Gas Corp (ONGC) is currently in the process of acquiring the government's 51.11% stake in HPCL, which at current prices is worth over ₹33,000 crore.

*The Economic Times - 26.12.2017*

<http://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/#>

### **November saw strong rebound in oil demand**

India's oil product demand rose 6.2% y-o-y (256kbpd) in November despite a stiff base. The year has been erratic but with petcoke demand revised up by 15% for prior months, demand has risen +90kbpd in 11MCY17 with stronger growth likely in 2018. This helps India's oil marketing firms but margins are more

tonnes (MT) of oil. In a written reply to a question in the Lok Sabha, Pradhan said Saudi Arabia supplied 21.9 MT of crude oil in the first seven months of 2017-18. For the second year in a row, Iran continues to be the third largest supplier to India by selling 12.5 MT oil during the period. Iran was India's second biggest supplier of crude oil after Saudi Arabia till 2010-11 but western sanctions over its suspected nuclear programme relegated it to the 7th spot in the subsequent years. In 2013-14 and 2014-15, India bought 11 MT and 10.95 MT respectively from it. Sourcing from Iran increased to 12.7 MT in 2015-16, giving it the sixth spot. In the following year, the Iranian supplies jumped to 27.2 MT to catapult it to the third spot, Pradhan said.

*The Economic Times - 19.12.2017*

<https://economictimes.indiatimes.com/news/economy/foreign-trade/iraq-replaces-saudi-arabia-as-indias-lead-oil-supplier/articleshow/62120071.cms>

### **Including petro-products in GST ambit after consensus: Arun Jaitley**

Finance minister Arun Jaitley said the Centre supports the inclusion of petroleum products within the ambit of the Goods and Services Tax, but only after the states unanimously agree on the matter. "As far as the Central government is concerned, we are in favour of bringing petroleum products under the GST, let me categorically put it. But we will wait for the consensus of the states. And, I do hope that at some stage - sooner than later - the states would agree to it," Jaitley told the Rajya Sabha in reply to a question. Senior Congress leader and former finance minister P Chidambaram started a heated discussion in the Upper House, questioning the Centre over its decision to delay implementation of GST on petroleum products. "The law allows petroleum products to be brought under GST. The question really is, when will the GST Council decide? When will the GST Council take up the subject? And what is the position of the Central government which has virtually a veto on the decision of the GST Council?" Chidambaram asked.

*The Economic Times - 20.12.2017*

<https://economictimes.indiatimes.com/news/economy/policy/including-petro-products-in-gst-ambit-after-consensus-arun-jaitley/articleshow/62133830.cms>

### **Government to promote methanol as alternative fuel**

In a bid to lower crude oil import bill, the government will promote coal gasification to convert high ash coal into methanol that can be

important. Here, auto fuel marketing margins may rebound in 2H-Dec after a poor November but refining may be soft in 2018. We prefer the more resilient IOCL to HPCL, BPCL. November: India's oil product demand growth surged past 250kbpd in Nov17 rising 6.2% y-o-y despite a stiff base spurred by demonetisation. Indeed, diesel demand rose an impressive 7.5% y-o-y with petrol (+4.8%), LPG (+6.7%) and ATF (+8.4%) also robust while bitumen rebounded strongly. Naphtha demand fell while lubes and FO were flattish. Revisions: The government also revised up petcoke demand for Apr-Sep by 15% by incorporating actual import data taking 11M 2017 demand growth past 90kbpd - similar to IEA/EIA assumptions (100kbpd) but higher than what OPEC currently assumes (80kbpd).

*The Financial Express - 20.12.2017*

<http://www.financialexpress.com/market/refining-and-marketing-november-saw-strong-rebound-in-oil-demand/980539/>

### **Call to lower oil cess**

The spike in the global crude price and projections of it likely to touch a high of \$70 per barrel in the next fiscal has made the upstream industry jittery and they have sought a reduction in oil cess in the forthcoming budget to boost production. "The oil cess should be reduced to 8-10 per cent from the current 20 per cent to boost the petroleum sector," the industry has sought in their memorandum to finance minister Arun Jaitley. In Budget 2016-17, Jaitley had converted a fixed cess on crude oil of Rs 4,500 per tonne to 20 per cent ad valorem duty. Oil industry officials said the switchover from the fixed to ad valorem rates had made things from bad to worse. They said reducing the cess rate would help to quickly increase oil production. Cairn Oil of the Vedanta group has said the cess should be reduced to 8 per cent of the realized price. "While lower cess rate will entail loss of revenue for the government of India lower production tax shall spur investments leading to additional production and overall increase in taxes to the government in the form of royalty, profit petroleum and corporate taxes," it has said.

*The Telegraph - 25.12.2017*

<https://www.telegraphindia.com/business/call-to-lower-oil-cess-196070>

### **'Methanol to cut 30% crude oil imports by 2030'**

India is planning to reduce its crude oil imports worth Rs 6 lakh crore every year by 30-40 per cent by 2030 by use of methanol produced from

used as cooking gas and transportation fuels, Niti Aayog member V K Saraswat said today. He also said that methanol is a good substitute for transportation fuels and cooking fuel and there is a merit in India also looking at methanol economy. "We can reduce high crude oil import bill, which is pegged at Rs 6 lakh crore per annum by producing methanol from high ash coal." ...In the rural areas, there are a number of people who still use cow dung, so we want to give methanol stove to them. Methanol gas is always cheap, safe and pollution free," he told reporters here. The former Defence Research and Development Organisation (DRDO) chief said the government has proposed using methanol fuels powered boats in inland waterways. Saraswat also pitched for setting up of Rs 5,000 crore Methanol Economy Fund. "We are evaluating Rs 4,000-5,000 crore fund for developing methanol as a fuel in India. We want to set up 3 to 4 methanol processing plants, out of which we expect at least one plant running in the next 3 years.

*The Economic Times - 20.12.2017*

<https://economictimes.indiatimes.com/industry/energy/oil-gas/government-to-promote-methanol-as-alternative-fuel/articleshow/62140269.cms>

### **PMO asks government departments to stick to policy on procurement**

The Prime Minister's Office (PMO) has stepped in to ensure all government departments stick to official policy on procurement of locally produced steel for key infra projects. The move follows objection by domestic steel producers against Railways decision to buy rails through a global tender on December 18 for the first time. This move led to the rail and steel ministries locking horns over the issue. The latter felt decision to float a global tender went against the "Make in India" policy of Prime Minister Narendra Modi. Incidentally, the Domestic ally Manufactured Iron & Steel Products (DMI&SP) policy and Public Procurement Order 2017 were notified by the government earlier this year with a larger objective to facilitate domestic manufacturing. In a recent letter to heads of various departments, Nripendra Misra, principal secretary to the PM said: "It is very disturbing that the broad message has not been appreciated by various departments. It should be the responsibility at the highest level in each department to ensure that the tender conditions are strictly in sync with the public procurement order and each tender must be examined from the point of view of the interest of Indian manufacturers."

*The Economic Times - 23.12.2017*

<https://economictimes.indiatimes.com/industry/transportation/railways/pm-modis-office-urges-use-of-indian-products-after-rails-controversy/articleshow/62210822.cms>

coal and stranded gas, NITI Aayog Member V K Saraswat said on Thursday. "By 2030, we want to reduce crude oil import bill by 30 to 40 per cent because of (use of) methanol. It is around Rs 6 lakh crore (per annum) today," Saraswat told reporters after a meeting of a task force on methanol here. Talking about the benefits of the fuel, he said that it appears to be good solution in view of huge reserves of high ash content coal in the country. He further said, "We are also working converting biomass into methanol. We have decided to sanction 2-3 projects in this area. We also want to use stranded or flared gas to produce methanol. This will reduce our cost." He informed that the technology to produce methanol from coal is available abroad. There are couple of plants being set up in India based on foreign technology. But those plants are not suitable for high ash content coal. India has high ash content coal. Therefore India is developing indigenous technology, he added.

*Millennium Post - 21.12.2017*

<http://www.millenniumpost.in/business/methanol-to-cut-30-crude-oil-imports-by-2030-276081>

### **Huge potential for steel exports to grow in coming years**

It is a good news that India's current account deficit at \$7.2 bn has come down to 1.2% of GDP by Q2 of the current fiscal compared to 2.4% in Q1. However, the total deficit is almost double than what it was in Q2 of last FY. One of the major contributors of lowering of the CAD was lower merchandise trade deficit and here growing net steel exports played a supporting role. During the first 8 months of the current fiscal, total steel exports at 7.84 mt valued at Rs 36,339 crore was 1.67 mt more than total steel imports valued at Rs 29,616 crore. In addition to saleable steel, the total steel exports and imports data also include fittings, miscellaneous steel items pig iron, sponge iron, HB iron and ferro alloys. It is seen that during April-November'17 period, while total value of steel exports including those above related items comes to Rs 54,795 crore, the value of corresponding steel imports comes to Rs 53,160 crore, yielding a surplus of Rs 1,635 crore, which would add to the merchandise trade surplus of the country.

*The Financial Express - 19.12.2017*

<http://www.financialexpress.com/market/huge-potential-for-steel-exports-to-grow-in-coming-years/980533/>

## **Steel production surges to 69 mn tonnes, consumption rises 4% in April-Nov**

India's production of finished steel from April to November rose by 5.1 per cent to 69.604 million tonnes while consumption grew by 4.2 per cent to 56.788 million tonnes during the period, a Steel Ministry report said. "Production of finished steel at 69.604 million tonnes registered a growth of 5.1 per cent during April-November 2017 over the same period last year. India's consumption of total finished steel saw a growth of 4.2 per cent in April-November 2017 (to 56.788 million tonnes) over the same period last year, under the influence of rising production for sale and imports," the Ministry's Joint Parliamentary Committee (JPC) report said. SAIL, Rashtriya Ispat Nigam Ltd, TSL, Essar, JSW Steel Ltd and Jindal Steel and Power Limited together produced 40.224 million tonnes of finished steel for sale during the first eight months of the current fiscal, which was a growth of nine per cent over the same period last year. The report said overall production for sale of total finished steel at 8.342 million tonnes in November only was down by 9.7 percent over October 2017 but grew by 6.4 per cent over the corresponding month last year.

*Business Standard - 25.12.2017*

[http://www.business-standard.com/article/markets/steel-production-surges-to-69-mn-tonnes-consumption-rises-4-in-april-nov-117122500479\\_1.html](http://www.business-standard.com/article/markets/steel-production-surges-to-69-mn-tonnes-consumption-rises-4-in-april-nov-117122500479_1.html)

## **India ranks fifth most vacation deprived country globally in 2017: Survey**

India has become the fifth most vacation deprived country globally, just after South Korea, Malaysia, Hong Kong and France, says an annual survey conducted by online travel agency Expedia. Expedia released the results of the 2017 Vacation Deprivation study, an annual survey of vacation habits across multiple countries and continents and the survey ranks India as the fifth most vacation deprived country globally. Also 67 per cent Indians have cancelled or postponed vacation plans because of work; on the other hand, 74 per cent Indians would prefer an unlimited vacation policy. According to findings, 55 per cent Indians take fewer days of the vacation days they get and 28 per cent don't take leave as the work schedule does not allow for vacation or there are not enough staff to cover. "It is very important to inculcate an organisational culture that promotes healthy work-life balance through timely vacations. While technology helps us leave the office in time, it doesn't necessarily mean that we are disconnected from work," said Manmeet Ahluwalia, Marketing Head, Expedia in India.

## **Domestic air traffic up 17% in Nov; IndiGo slips to No2 in OTP**

Domestic air travel demand surged nearly 17 per cent in November to 10.48 million passengers over the year-ago period on the back of festive season demand and addition of new flights and routes, the DGCA data shows. Domestic carriers flew a total of 10.48 million passengers in November, compared to 8.96 million in November 2016, thereby registering a growth of 16.99 per cent, according to the DGCA monthly traffic data released today. The passenger load factor, which is a measure of how full the plane flies, has shown an increasing trend in November compared to previous month primarily due to the ongoing tourist season, the DGCA said. November is also the month when airlines' winter schedule comes into full effect, during which carriers announce new flights and routes besides adding frequencies. Significantly, market leader IndiGo, which accounted for a little over 39 per cent (4.13 million) of the total domestic traffic in November, slipped to second position in on-time performance (OTP) with rival SpiceJet delivering the highest OTP at 81.9 per cent from four major metro airports, as per the data.

*The Times of India - 20.12.2017*

<https://timesofindia.indiatimes.com/business/india-business/domestic-air-traffic-up-17-in-nov-indigo-slips-to-no2-in-otp/articleshow/62135991.cms>

## **'Poor Infra, Rising Fuel Prices Main Headwinds for Airlines'**

Despite several policy decisions by the government, India's airlines are flying into two major headwinds - crippling infrastructure constraints at major airports, and an uptick in fuel prices - which could mean growth in domestic air passenger traffic may have peaked out for the medium term, according to a report by Crisil Research. The report estimates "growth decelerating ~800 basis points (bps) to 13-15% annually in the five fiscals through 2022, compared with a blistering 22% seen in fiscals 2016 and 2017. This fiscal, its seen slowing 300-500 bps to 17-19%." Passenger traffic took off in the past two fiscals as fares fell, following a decline in crude oil prices to an average \$48 per barrel in 2016 compared with \$108 in 2014. That also brought down the operating cost - aviation turbine fuel accounts for ~30-35% of the cost - of carriers. Crisil expects the average price of crude oil to be \$50-\$55 per barrel over the next five fiscals, so fares would nose up and moderate passenger traffic growth. "The bigger problem, however, is

*Business Standard - 23.12.2017*

[http://www.business-standard.com/article/current-affairs/india-ranks-fifth-most-vacation-deprived-country-globally-in-2017-survey-117122000387\\_1.html](http://www.business-standard.com/article/current-affairs/india-ranks-fifth-most-vacation-deprived-country-globally-in-2017-survey-117122000387_1.html)

### **More flights to smaller cities must for development: Air Deccan chief**

Pitching for more flights to non-metro and smaller cities from major airports in the country, Air Deccan chief Capt. G R Gopinath has said that such connectivity will lead to faster economic development of backward areas in the country. He also said that there is need to connect cities with a state's capital to tap the daily traffic that takes place on account of business and official work. "Regional towns are the backbone of India's economy and are going to be the engines of growth going forward. However, it can't happen unless there is connectivity of all sorts, including air connectivity," Capt. Gopinath said. Citing the example of Mumbai, Capt. Gopinath said more than 60 per cent of the flights from Mumbai airport are to Delhi, Chennai, Bengaluru, Kolkata and other big cities and international destinations and this need needs to be balanced. "Major airport operators across the country should allocate at least 25 per cent of their slots for regional routes as this will support the government's all-round development programme," he said.

*The Economic Times - 23.12.2017*

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/more-flights-to-smaller-cities-must-for-development-air-deccan-chief/articleshow/62232093.cms>

### **Morgan Stanley, Allianz to enter Indian logistics**

Buoyed by changes such as the goods and services tax (GST) and the growing e-commerce space, global investors such as Morgan Stanley and German investor Allianz, are looking at getting into the Indian logistics sector, with new ventures, say sources. Morgan Stanley, which had almost exited Indian real estate, is now looking at setting up warehouses and logistics centres on the outskirts of main cities, the sources said. "They (Morgan Stanley) will tie up with a local land owner or developer and invest in the project," said one. It has already bought a land parcel in Pune for \$20 million (nearly Rs 130 crore) and the total investment could be around \$100 million, sources said. For the US-based investor, it is a comeback in real estate PE, after having put off a plan to float

the severe congestion at airports metastasizing into structural gridlocks.

*The Economic Times - 22.12.2017*

<http://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/#>

### **Logistics players in a fix over February 1 deadline for e-way bill**

The government's weekend decision to enforce February 1 as the deadline for the e-way bill — a new complex digital document and tracker for cargo transportation by road — has left the logistics and transportation industry in the lurch. The bill will be introduced on a trial basis in the middle of January, which means companies will get less than two weeks to adapt to it before its implementation in the beginning of Feb. It is part of the compliance procedure to the goods and services tax. The decision was taken last Saturday at a meeting of the GST Council. The February 1 deadline is for interstate transportation of goods, and the deadline for implementing the bill on intra-state transportation is June 1. "The time given to adapt to it is definitely less. There are several aspects that are not clear and several issues that need to be resolved," said Naresh Sharma, managing director at Avvashya CCI Logistics, part of the group that also holds Allcargo Logistics. Majority of these activities are carried out by some data entry operators sitting in the warehouse and expecting him/her to train on new systems and be error-free in only 15 days will be a major challenge.

*The Economic Times - 25.12.2017*

<https://economictimes.indiatimes.com/industry/transportation/shipping/-transport/logistics-players-in-a-fix-over-february-1-deadline-for-e-way-bill/articleshow/62235759.cms>

### **CMA CGM to get into cold chain, warehousing**

With logistics being granted formal infrastructure status, French shipping line CMA CGM (already present in India) plans to enter the warehousing and cold chain segment in the country. "We are in discussion with multiple players for investment in warehousing, cold chain and green supply chain (electric vehicles/renewable packaging materials)," Audrey Dolhen, managing director of CMA CGM Agencies (India) told Business Standard. The company has six container freight stations in India, mostly around port terminals. With the new move, CMA CGM is the second global terminal operator in the country that is looking to enhance presence in the logistics sector, after DP World. "The size of the investment depends

a \$500-million India-focused property fund. When asked, Morgan Stanley did not offer any comment for this report. Morgan Stanley had shifted all its Indian real estate investment to Proprium Capital, set up by former Morgan Stanley employees in 2013. Now, Proprium manages its investments in Bengaluru-based Mantri Developers and Pune-based Panchshil, among others.

*Business Standard - 21.12.2017*

[http://www.business-standard.com/article/specials/morgan-stanley-allianz-to-enter-indian-logistics-117122100016\\_1.html](http://www.business-standard.com/article/specials/morgan-stanley-allianz-to-enter-indian-logistics-117122100016_1.html)

on the project requirement. No timeline has been set," Dolhen added. Dubai-based DP World plans to invest \$1 billion (around Rs 6,500 crore) in India. It will have logistics as the main focus, followed by their shipping business in the container segment.

*Business Standard - 25.12.2017*

[http://www.business-standard.com/article/companies/cma-cgm-to-get-into-cold-chain-warehousing-117122500010\\_1.html](http://www.business-standard.com/article/companies/cma-cgm-to-get-into-cold-chain-warehousing-117122500010_1.html)