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## **Q3 GDP at 7.2%: India regains status of fastest growing economy**

India regained its status as the world's fastest-growing major economy in the October-December quarter, surpassing China's growth after a gap of one year, boosted by higher government spending and a pick-up in manufacturing and services. The Gross Domestic Product (GDP) growth rate for the third quarter (October-December) of the current fiscal (2017-18) stood at 7.2 per cent, government data showed on Wednesday. The latest data signals that the economy in the reporting quarter grew at its fastest pace in five quarters. The government revised its 2017-18 GDP growth forecast to 6.6 per cent from 6.5 per cent earlier. The GDP growth rate during the period managed to beat Street expectations. A Reuters survey of 35 economists predicted the data to come at 6.9 per cent. In the latest quarter, the "government spending was stronger and private consumption demand was robust as well, as seen in strong growth in auto sales," said Abhishek Upadhyay, economist at ICICI Securities PD, ahead of the release of the data. "Recent buoyancy in indicators such as cement output also points to recovery in segments such as construction, and real estate that were hit most from demonetisation," he added.

*The Times of India - 01.03.2018*

<https://timesofindia.indiatimes.com/business/india-business/q3-gdp-grows-fastest-in-2017-18-at-7-2/articleshow/63112582.cms>

## **India to grow 7.6% in calendar year 2018: Moody's**

Moody's Investors Service today said Indian economy is starting to recover from the negative impact of demonetisation and disruption caused by GST roll out, but kept GDP growth estimates unchanged at 7.6 per cent for 2018. In its global growth forecasts for 2018 and 2019, Moody's said the Budget for fiscal year beginning April 1 (2018-19) includes some measures to stabilise rural economy that was disproportionately hit by scrapping of high denomination 500 and 1000 rupee notes. "There are some signs that the Indian economy is starting to recover from the soft

## **Indian economy to grow at 7.3% in 2018-19: HDFC Bank report**

Economic growth is on an upward move as the twin impacts of demonetisation and GST implementation wane, and will accelerate to 7.3% next fiscal from 6.5% this year, says a report. Improvement in private consumption, increase in capacity utilization and private capex cycle revival will be driving higher growth, a report by HDFC Bank's economists said. "We are optimistic about the growth outlook in FY19 as the recovery gains momentum and the effects of the note-ban shock and GST related disruptions fade... We expect GDP growth to pick up to 7.3% in FY19 from 6.5% in FY18," its chief economist Abheek Barua said today, estimating the December quarter growth print to come at 6.9%. Real GDP growth will move upward to 7.2% in the last fiscal of 2017-18, it said. It can be noted that India GDP growth rate had slipped to a three-year low of 5.7% for the first quarter and climbed up to 6.3% in the succeeding three months. The report said there will be a slowdown in the agricultural sector growth, but it will be compensated by a faster surge in industries and services sectors. As the impact of GST rollout fades, the industrial sector, especially manufacturing, will see a rebound in activity, he said.

*Mint - 28.02.2018*

<http://www.livemint.com/Industry/GI98aik7zK46C5UXSPx8VJ/Indian-economy-to-grow-at-73-in-201819-HDFC-Bank-report.html>

## **Core sector grows 6.7 per cent in January as cement, power production rises**

India's core sectors grew at a faster clip in January from a year ago than in the previous month, with an uptick in cement, electricity, coal, refinery products and steel industries, indicating a strong start to the last quarter of 2017-18. The combined index of the eight core industries rose 6.7% in January compared to 4.2% in December 2017, according to data released by the government on Wednesday. "Based on the core sector data, we expect a sequential pickup in growth of mining and

growth patch attributed to the negative impact of the demonetisation undertaken in 2016 and disruption related to last year's rollout of the Goods and Service Tax (GST)," Moody's said. It kept the growth forecast for India in the calendar year 2018 unchanged at 7.6 per cent and for 2019 at 7.5 per cent. "Among the other major emerging market countries, we have left our growth expectations for India and Indonesia unchanged." In November last year, Moody's had raised India's sovereign rating for the first time in 13 years, saying growth prospects have improved with continued progress on economic and institutional reforms.

*The Economic Times - 28.02.2018*

<https://economictimes.indiatimes.com/news/economy/indicators/india-to-grow-7-6-in-calendar-year-2018-moodys/articleshow/63106387.cms>

### **India's services industry contracts in Feb as inflation hits demand: PMI**

Activity in India's service industries contracted in February for the first time since November as rising price pressures led to a decline in new businesses orders, a private survey showed on Monday. The seasonally adjusted Nikkei India Services Business Activity Index fell from 51.7 in January to 47.8 in February, its lowest level since August. Services activity suffered for most of last year following a ban of high value currency notes in November 2016. The July 1 implementation of a national sales tax 1 was another setback, weakening demand. "Both activity and new work declined for the first time since November, with rates of contraction the strongest since August, thereby ending the recent recovery experienced by India's service sector," said Aashna Dodhia, an economist at IHS Markit. "Anecdotal evidence pointed to weak underlying demand conditions in the service economy." A sub-index tracking new business sank to a six-month low of 48.0 last month from 51.7 in January as demand continued to be affected by higher prices.

*Business Standard - 05.03.2018*

[http://www.business-standard.com/article/economy-policy/india-s-services-industry-contracts-in-feb-as-inflation-hits-demand-pmi-118030500230\\_1.html](http://www.business-standard.com/article/economy-policy/india-s-services-industry-contracts-in-feb-as-inflation-hits-demand-pmi-118030500230_1.html)

### **Oil prices to remain subdued in near term due to rising output in US**

Oil prices are expected to remain subdued in the near term, although they are likely to be at

electricity in January 2018. However, a waning of the base effect may temper manufacturing growth, in line with the trend seen in automobile production," said Aditi Nayar, principal economist, ICRA. The eight core sector industries have a weight of around 40% in Index of Industrial Production (IIP). ICRA expects IIP expansion to moderate to 6-6.5% in January from 7.1% in the previous month. Coal output grew 3% during the month, after declining 0.1% in December 2017. Cement production grew 20.7% in January while electricity output grew 8.2%.

*The Economic Times - 01.03.2018*

<https://economictimes.indiatimes.com/news/economy/indicators/core-sector-grows-at-6-7-per-cent-in-january-cement-refinery-output-zoom/articleshow/63113023.cms>

### **Challenging target: Tough year ahead for disinvestment**

While the Centre is poised to mop up a whopping Rs 1 lakh crore from disinvestment in FY18, the target of Rs 80,000 crore for the next year is challenging, as the pipeline is modest and markets have become volatile. Besides the privatisation of Air India-Air India Express (AI-AIE) combine, the second tranche of Bharat 22 ETF and listing of the entity to emerge out of the merger of three PSU general insurers and several offers for sale (OFSs) are what the government is banking on. Other routes of disinvestment, such as buybacks by PSUs, strategic sales of a clutch of relatively smaller companies and listing of several other PSUs would also be explored. Officials said the government will shortly invite expression of interest for AI-AIE, which would be offered to investors as one unit, while other non-core assets and nearly half AI's Rs 60,000 crore debt could be housed in a special purpose vehicle for monetisation separately. Though valuations are yet to be disclosed, officials reckon that receipts from the sale of AI-AIE next year could be around Rs 25,000 crore, largely for its fleet of 115-odd aircraft and the national carrier's valuable bilateral flying/landing rights and parking slots at airports across the world.

*The Financial Express - 04.03.2018*

<http://www.financialexpress.com/economy/challenging-target-tough-year-ahead-for-disinvestment/1086680/>

### **Shell sees potential LNG supply shortage as global demand surges**

The growth in demand for liquefied natural gas (LNG) can lead to a global shortage if corrective

relatively high levels during the year. The latest analysis by Natixis, a London-based investment bank, says that prices are likely to remain subdued during the second quarter of calendar 2018, but will start rising thereafter. Brent Crude touched a high of \$70 per barrel in mid-January this year, but from there it shed as much as 10 per cent and is now trading at around \$63. Natixis says, "The wind has been taken out of crude's sails somewhat in recent weeks, moving away from the highs of late January." The firm says the correction was sparked by the retracement in equity markets, though fundamental factors have acted to stop any further significant breakout. "As such, Brent has moved with the S&P 500 index and the US dollar to a lesser extent, as it seeks a stronger signal from the fundamentals. Weakness in the physical market and the continued strength of the US upstream sector are the main culprits. We expect this to last until the end of Q2. Afterwards oil prices will start firming up," the Natixis analysis says.

*Business Standard - 02.03.2018*

[http://www.business-standard.com/article/markets/oil-prices-to-remain-subdued-in-near-term-due-to-rising-output-in-us-118030200284\\_1.html](http://www.business-standard.com/article/markets/oil-prices-to-remain-subdued-in-near-term-due-to-rising-output-in-us-118030200284_1.html)

## **US will overtake Russia as top oil producer by 2019, says the International Energy Agency**

The United States will overtake Russia as the world's biggest oil producer by 2019 at the latest, the International Energy Agency (IEA) said on Tuesday, as the country's shale oil boom continues to upend global markets. IEA Executive Director Fatih Birol said at an event in Tokyo the United States would overtake Russia as the biggest crude oil producer "definitely next year", if not this year. "U.S. shale growth is very strong, the pace is very strong ... The United States will become the No.1 oil producer sometime very soon," he told Reuters separately. U.S. crude oil output rose above 10 million barrels per day (bpd) late last year for the first time since the 1970s, overtaking top oil exporter Saudi Arabia. The U.S. Energy Information Administration said early this month that U.S. output would exceed 11 million bpd by late 2018. That would take it past top producer Russia, which pumps just below that mark. Birol said he did not see U.S. oil production peaking before 2020, and that he did not expect a decline in the next four to five years.

*CNBC - 28.02.2018*

measures are not undertaken, according to Shell's annual LNG Outlook 2018. The report said: "The global LNG market has continued to defy expectations of many market observers, with demand growing by 29 million tonnes to 293 mt in 2017." "Shell sees potential for a supply shortage developing in mid-2020s, unless new LNG production project commitments are made soon," the report added. Maarten Wetselaar, Integrated Gas and New Energies Director at Shell, said: "We are still seeing significant demand from traditional importers in Asia and Europe, but we are also seeing LNG provide flexible, reliable and cleaner energy supply for other countries around the world." Things are far worse for India and China's air quality by 2035, going by Shell's expectations. According to the report, there is an incremental energy demand of more than 600 thousand tonne of oil equivalent expected in both countries from 2017-2035. Due to high dependence on coal, for more than 75 per cent of the total incremental demand, the air quality index reports extremely poor conditions for the two countries.

*The Hindu Business Line - 28.02.2018*

[https://www.thehindubusinessline.com/companies/shell-sees-potential-for-lng-supply-shortage-in-mid-2020s/article22863913.ece?utm\\_source=RSS\\_Feed&utm\\_medium=RSS&utm\\_campaign=RSS\\_Syndication](https://www.thehindubusinessline.com/companies/shell-sees-potential-for-lng-supply-shortage-in-mid-2020s/article22863913.ece?utm_source=RSS_Feed&utm_medium=RSS&utm_campaign=RSS_Syndication)

## **Steel demand pick-up positive for industry: ICRA**

Domestic steel demand has grown by 5.2 per cent during the first nine months of 2017-18 which is positive for the industry, rating agency ICRA has said. The rise in demand was aided by a buoyancy in the automobile sector and recovery in the construction and capital goods sectors, the agency said in a statement. Going forward, ICRA expects domestic consumption growth to be favourable in the backdrop of the government's thrust on infrastructure, particularly in affordable housing and power transmission segments. "A combination of favourable factors like domestic demand rise in domestic and international markets and lower growth in imports would help the sector in the days forward," ICRA said. In a sample study of 22 large and mid-sized steel companies accounting for about 60 per cent of present internal capacity of the industry, ICRA found that operating margins in the third quarter of the current fiscal had increased along with better interest cost coverage. The resolution process under IBC for five steel companies, accounting for 17 per cent of installed capacity, had also seen participation from both domestic and international entities, it said.

<https://www.cnb.com/2018/02/27/us-will-overtake-russia-as-top-oil-producer-by-2019.html>

## **India's January crude steel output at 9MT**

India's crude steel production grew 2.5% to 9.02 million tonne (MT) in January 2018 compared to 8.81MT in the year-ago month, a report by World Steel Association said. World leader China saw a marginal fall of 0.9% in crude steel production in January this year at 67MT. It had produced 67.58MT during the same month last year. Japan, the second largest steel producer, saw almost flat output of 9.03MT. India and Japan have produced almost same amount of crude steel, the figures show. India, which overtook the US to become the world's third largest steel producer, is now looking to bag the second spot from Japan. Global crude steel production of the 64 countries reporting to the World Steel Association (worldsteel) was 139.43MT in January 2018, a growth of 0.8% year-on-year. France produced 1.4MT, Spain (1.1MT), Turkey (3.2MT), the US (6.8MT), Brazil (2.9MT). "The crude steel capacity utilisation ratio of the 64 countries in January 2018 was 70 per cent. This is 0.2 percentage points lower than January 2017. Compared to December 2017, it is 0.7 percentage points.

*Mint - 28.02.2018*

<http://www.livemint.com/Industry/iNoBPxRWujQLQoIIBc5M8K/Indias-January-crude-steel-output-at-9MT.html>

## **Aviation industry soars as UDAN spreads wings**

India is rapidly expanding its aviation network beyond its biggest cities, having developed airports at 18 smaller and unserved destinations over the past year and seeking to bring commercial flights to at least five more towns over the next few months. "By March end, we aim to operationalise others such as Adampur in Jalandhar and Salem in Tamil Nadu," a senior official at the state-owned Airports Authority of India (AAI) told ET. Another 12 airports, which have been bid out for regional operations, are in various stages of development and may take more than a year to be ready. To be sure, industry sources are somewhat sceptical about the fate of all of these links, and believe that some may require complex issues to be solved before flights were to begin. Under the UDAN plan, which seeks to democratise and broaden aviation linkage in a nation where flying still remains beyond the reach

*The Hind Business Line - 03.02.2018*

<https://www.thehindubusinessline.com/economy/steel-demand-pick-up-positive-for-industry-icra/article22909696.ece>

## **India may not feel the heat of US steel tariff**

US president Donald Trump's decision to impose a 25% tariff on steel imports is a concern but will have a bigger impact on China and Europe than on India, the government said. The surprise move may not have any immediate adverse fallout but is likely to pose some problems in the long run for Indian steel companies that have been focusing on exports to expand their market base and beat sluggish demand at home. While the short to medium-term impact of the US decision will be limited, the tariffs are likely to stay for an "unlimited period," which, experts say, is more worrying in the long term. "Two percent of our (steel) exports is to the US, so the dent may not be as big on us as it will be to China or the European Union. But the logic to put tariff under 232 is weird and hence our concerns," steel secretary Aruna Sharma told ET. Citing steel imports as a threat to national security and "using that logic for tariff is stretching the issue of security. The anti-dumping duties applicable in India are WTO compliant and prevent dumping but do not curtail steel imports as international business."

*The Economic Times - 03.03.2018*

<https://epaper.timesgroup.com/Olive/ODN/Th/eEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F03%2F03&entity=Ar00101&sk=B80E2409&mode=text>

## **West Bengal eyes investment of Rs 5000 crore in Bantala complex**

With strict restrictions hitting the leather industry hard in Uttar Pradesh, the Bengal government is expecting over Rs 5,000crore investment in the restructured Calcutta Leather Complex (CLC) at Bantala in the next five years. The industrial land under CLC has almost doubled from 252 acres to 492 acres, said state finance and industries minister Amit Mitra on the side-lines of the 23rd India International Leather Fair, organised by the India Trade Promotion Organisation (ITPO). Mitra said that the state has received over 300 applications for setting up units at the restructured CLC. "We have got a very encouraging response to the new leather cluster which is coming up at Bantala. There are applications from leather industries in Kanpur and Chennai. We are doing due diligence to these applications. Besides big investments, it will translate into 2 lakh

of many citizens, the government is building airports in unserved or under-served locations, offering incentives for airlines to fly to these destinations.

*The Economic Times - 03.03.2018*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F03%2F03&entity=Ar00500&sk=D6E0AF8F&mode=text>

### **Profits from major ports to touch Rs 7,000 crore: Gadkari**

Profits from 12 major ports in the country was expected to touch Rs 7,000 crore this year, up from Rs 3,000 crore in 2014, Union Minister of Road Transport and Highways and Shipping Nitin Gadkari said here today. "The first year, when I took charge as Minister (in 2014) profits from these ports was Rs 3,000 crore. Next year, it was Rs 4,000 crore. Third year, it was Rs 5,000 crore. This year, we are expecting profits up to Rs 7,000 crore". He noted that the role of all ports was very important as it creates a lot of jobs and boosts the economy. He made the comments after unveiling a plaque commemorating the foundation stone laying ceremony of National Technology Centre for Ports, Waterways and Coasts in collaboration with IIT Madras. Gadkari said the ministry expects Rs 15 lakh crore investments under the ambitious 'Sagarmala' infrastructure development programme. "About Rs four lakh crore investment we are expecting to be made in road connectivity, port-rail connectivity, modernisation and mechanisation of ports. Already, work worth Rs 2.80 lakh crore" has commenced, he said.

*The Times of India - 05.03.2018*

<https://timesofindia.indiatimes.com/business/india-business/profits-from-major-ports-to-touch-rs-7000-crore-gadkari/articleshow/63081037.cms>

additional jobs," he added. The regional chairman (east) of the Council for Leather Exports (CLE), Ramesh Juneja, said some big names in leather like Super House, Farida Group, Florence Shoes and Model Tanners have shown interest to invest in Bengal.

*The Times of India - 27.02.2018*

<https://timesofindia.indiatimes.com/city/kolkata/west-bengal-eyes-investment-of-rs-5000-crore-in-bantala-complex/articleshow/63089275.cms>

### **Major ports to form SPVs to develop 111 rivers as NWs: Gadkari**

In a special move aimed at promoting inland water transport, India's top 12 major ports will create SPVs to develop 111 rivers across India, Union Minister Nitin Gadkari said. Parliament in 2016 had given nod to convert 111 rivers across the country into National Waterways (NWs), in addition to existing 5 NWs, a move to boost movement of goods and passengers via rivers and expectedly reduce the transportation costs substantially. "Given the vast potential of rivers for inland transport, we have decided that 12 major ports will constitute special purpose vehicles (SPVs) to develop rivers," Shipping, Road Transport, Highways, Water Resources and Ganga Rejuvenation Minister Gadkari told PTI. Gadkari said 111 rivers, which are to be developed as National Waterways, will be divided among these SPVs for development. "We have issued orders to divide rivers among ports. For example, Jawaharlal Nehru Port Trust (JNPT) will have Maharashtra and Goa rivers," the minister said. India has 12 major ports which handle approximately 61 per cent of the country's total cargo traffic.

*The Economic Times - 05.03.2018*

<https://economictimes.indiatimes.com/industry/transportation/shipping/-transport/major-ports-to-form-spvs-to-develop-111-rivers-as-nws-gadkari/articleshow/63157140.cms>