

(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.)

## Moody's keeps India GDP growth forecast at 5.6%

Moody's Investors Service reiterated India's gross domestic product growth forecast for 2019 at 5.6%, which it had lowered from 5.8% in October, on slow consumption demand. The rating company expects economic growth at 6.6% in 2020 and 6.7% in 2021. "We have lowered our 2019 GDP growth forecast for India to 5.6%, which is lower than 7.4% growth in 2018. India's economic growth has decelerated since mid-2018, with real GDP growth slipping from nearly 8% to 5% in the second quarter of 2019," the global rating company said in its auto sector update for Asia-Pacific in Q3 2019 on Friday. India's economy expanded 4.5% in the July-September quarter, the slowest pace in over six years, pulled down by manufacturing, which contracted 1% in gross value added against a 6.9% increase a year earlier. The economy grew 6.8% in FY19. Stating that demand has cooled notably with slow employment growth weighing on consumption, Moody's said the government's fiscal measures including corporate tax rate cuts, bank recapitalisation, infrastructure spending plans and support for the auto sector do not directly address the widespread weakness in consumption demand, which has been the chief driver of the economy.

*The Economic Times - 14.12.2019*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F12%2F14&entity=Ar00611&sk=3AB9EA58&mode=text>

## ADB trims India's GDP growth forecast to 5.1% in FY20

The Asian Development Bank (ADB) on Wednesday trimmed its forecast for India's economic growth in 2019-20 to 5.1 per cent saying consumption was affected by slow job growth and rural distress aggravated by poor harvest. In September, ADB forecast India's GDP to grow 6.5 per cent in 2019-20 and 7.2 per cent in the year thereafter. "India's growth is now seen at a slower 5.1 per cent in fiscal year 2019-20 as the foundering of a major non-banking financial company in 2018 led to a rise in risk aversion in the financial sector and a credit crunch. "Also,

## India's economy to grow at 4.3% in Q4 2019 : Nomura

India's economy is expected to grow at 4.3 per cent in the fourth quarter of this fiscal amid concerns over crisis in the NBFC sector, according to Nomura. The Japanese financial services major also believes that the first quarter of 2020 will see a "weak" uptick in GDP growth at 4.7 per cent. "Domestic credit conditions remain tight as market concerns in the shadow banking (NBFC banking) have persisted too long," Sonal Varma, Chief Economist, India and Asia, said on Thursday. Contrary to the market's current optimism that growth has likely bottomed, Nomura believes it will slide further. It expects 4.9 per cent GDP growth in 2019, down from an earlier estimate of 5.3 per cent, and 5.5 per cent in 2020 against an earlier projection of 6.3 per cent. In 2021, it sees India's economic growth at 6.5 per cent. "On financial year basis, we expect GDP growth of 4.7 per cent in FY20, and 5.7 per cent in FY21, suggesting a delayed recovery and below-potential growth through end 2020," Varma told a media briefing in Singapore.

*The Economic Times - 12.12.2019*

<https://economictimes.indiatimes.com/news/economy/indicators/indias-economy-to-grow-at-4-3-in-q4-2019-nomura/articleshow/72487223.cms>

## S&P to cut India's sovereign rating if economic slump persists

Standard & Poor Global Ratings has said it will downgrade India's sovereign rating if the country's economic growth does not recover, in a note released on Wednesday in form of frequently asked questions. The agency, however, has maintained a BBB- rating for India, which is its lowest investment grade rating. Anything below this grade would adversely impact India's benchmark 10-year bond yields, which are already on a performance slump. Economic affairs secretary Atanu Chakraborty had on December 3 tweeted

consumption was affected by slow job growth and rural distress aggravated by a poor harvest," it said. ADB said growth should pick up to 6.5 per cent in the next fiscal year with supportive policies.

*Mint - 12.12.2019*

<https://www.livemint.com/news/india/adb-trims-india-s-gdp-growth-forecast-to-5-1-in-fy20-11576041567005.html>

## **Exports see 4th straight fall, but trade gap narrows**

India's exports contracted for the fourth month in a row in November, dipping 0.34% to \$25.98 billion, mainly on account of poor shipments of petroleum, gems & jewellery and leather products. Imports, too, declined by 12.71% to \$38.11 billion in November, narrowing the trade deficit to \$12.12 billion, according to government data released on Friday. Gold imports increased by 6.59% to \$2.94 billion in the month. The trade deficit stood at \$17.58 billion in November 2018. Out of the 30 key sectors, as many as 17 segments showed contraction in exports during the month under review. Shipments of petroleum products, gems and jewellery, fruits and vegetables, leather and leather products and ready-made garments of all textiles contracted by 13.12%, 8.14%, 15.10%, 5.29% and 6.52%, respectively. In November, oil imports declined by 18.17% to \$11.06 billion, while nonoil imports contracted 10.26% to \$27.04 billion. Cumulatively, during April-November 2019, exports were down 1.99% to \$211.93 billion while imports contracted by 8.91% to \$318.78 billion.

*The Economic Times - 14.12.2019*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F12%2F14&entity=Ar01102&sk=F D2BDE29&mode=text>

## **India may switch to chain base method for estimating GDP**

In a radical change, the government is considering the possibility of moving to the chain base method of calculating India's gross domestic product from the current practice of a fixed base year to better reflect changes in the economy and prevent controversies. The Ministry of Statistics and Programme Implementation is exploring the idea of a chain base index, where national account statistics or GDP estimates are compared with those of the previous period instead of a fixed base year, which is revised every five years. The chain base method will capture structural changes in the economy faster by allowing new activity and items

that S&P has reaffirmed sovereign rating at BBB- with stable outlook. "They have stated that India's economy continues to achieve impressive long-term growth rates despite a recent deceleration," Chakraborty had said in his tweet.

*The Economic Times - 12.12.2019*

<https://economictimes.indiatimes.com/news/economy/indicators/sp-to-cut-indias-sovereign-rating-if-economic-slump-persists/articleshow/72481095.cms?from=mdr>

## **Inflation begins to hurt, factory output shrinks**

India's industrial output shrank while inflation swelled, official data released on Thursday showed, highlighting challenges for policymakers battling an economic slowdown amid surging food prices. Factory output contracted 3.8% in October after shrinking 4.3% in September, in sharp contrast with an 8.4% expansion in October last year. Retail inflation continued to surge in November, fuelled by soaring food prices, as prolonged rains dampened vegetable supplies. Experts said that if economic growth does not show signs of an uptick in the December quarter, the Reserve Bank of India (RBI) may come under pressure to give further monetary stimulus to support the economy, given the fact that retail inflation is driven by food prices and is not across the board. Vegetable prices surged 36% in November from a year ago, data released by the National Statistics Office showed. Retail inflation surged 5.54% in November as food price inflation measured by the Consumer Food Price Index rose 10% in November from 7.89% in October.

*Mint - 13.12.2019*

<https://www.livemint.com/news/india/retail-inflation-rises-to-5-54-iiip-down-to-3-4-11576151470534.html>

## **Only 4 strategic sales out of 24 PSUs, CAG slams govt**

The national auditor has slammed the government for its inability to wrap up strategic sale in nearly two dozen companies and has also pointed flaws in SUUTI stake sale using the ETF (exchange traded fund) route. The report of the Comptroller and Auditor General (CAG), which was tabled in Parliament, said audit revealed that out of the 24 state-run public sector undertakings approved by the Cabinet for strategic stake sale, only one HPCL-ONGC deal was finalised in 2017-18. "The reply of DIPAM (Department of Investment and Public Asset management) indicated that out of the 24

to be added every year. Current GDP estimates are based on data for 2011-12 and are due for an update. "This is the international practice – first reduce your timeline from a 10-year revision to a five year revision, which we shifted to but the ideal is every year. This improves the indicator," said an official aware of the development. "The advantage is that new items and factories which are producing can be introduced.

*The Economic Times - 12.12.2019*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F12%2F12&entity=Ar01320&sk=40AC2A84&mode=text>

## **PSU divestment not on the basis of profit or loss: Govt**

Amid questions raised over stake sale in profit-making PSUs, the government on Tuesday said in Rajya Sabha that the criteria for disinvestment were not profit or loss. In oral reply to a question from Shiv Sena MP Sanjay Raut, Minister of State for Finance, Anurag Thakur said that the criteria for disinvestment have been fixed by Niti Aayog and it is not on the basis of profit or loss. The Minister said that the criteria have been decided on the basis of national security, sovereign functions, market imperfections and public purpose. "The government follows the policy of disinvestment, strategic disinvestment of CPSEs, which are not in priority sector," Thakur said in the Upper House. The Modi government has given in-principle approval for disinvestment of about 28 central public sector enterprises (CPSEs) which include profit-making companies like fuel refiner and retailer BPCL and Container Corporation of India Ltd (CONCOR). As per the disinvestment plan, the government has decided to sell majority stake along with management control in various companies.

*The Economic Times - 11.12.2019*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/psu-divestment-not-on-the-basis-of-profit-or-loss-govt/72455080>

## **Centre likely to sell 28 per cent stake in BEML through strategic disinvestment**

The Centre is likely to sell 28 per cent of its stake in BEML Ltd through strategic disinvestment and retain 26 per cent after the dilution of its shareholding in the public sector undertaking, a senior company official said. The government currently holds 54.03 per cent stake in the diversified engineering company. The Cabinet Committee on Economic Affairs in October, 2016 had given an in-principal approval for strategic disinvestment of 26 per cent equity shares in BEML Ltd. "The government will divest 28 per cent

CPSEs approved for strategic sale, only four CPSEs had been divested up to 2018-19. The target of 24 CPSEs was not even closely achieved. Further efforts on part of DIPAM and concerned administrative ministries as well as effective co-ordination between them to complete the strategic disinvestment of the remaining CPSEs, were required," the CAG said in its report.

*The Times of India - 11.12.2019*

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2019%2F12%2F11&entity=Ar02112&sk=ECC659CE&mode=text>

## **Coal India stake sale plan**

The government is expected to step on the gas for stake sales in about half-a-dozen public sector enterprises (CPSEs), including Coal India and Cochin Shipyard, through the offer for sale (OFS) route to make up for the shortfall in tax receipts this fiscal. Finance ministry officials said the other state-owned units whose stakes could be sold include Hindustan Aeronautics (HAL), Bharat Dynamics, Mishra Dhatu Nigam (MDNL) and Garden Reach & Shipbuilders Engineers (GRSEL). Officials said the exact size of the stake sales and the timing would be decided keeping in mind the market appetite. The stake sale in CIL might be 3-5 per cent, which is worth Rs 3,800-6,400 crore at current prices. In smaller CPSEs, it could divest up to 10 per cent through OFS. While the Centre holds 69.05 per cent in CIL, it owns 89.97 per cent in HAL, 87.75 per cent in Bharat Dynamics, 75.21 per cent in Cochin Shipyard, 74.5 per cent in GRSEL and 74 per cent in MDNL. Besides stake dilutions through exchange-traded funds (CPSE ETF and Bharat 22 ETF), the Centre had sold a 3.19 per cent stake in the coal miner via an OFS to raise Rs 5,218 crore in 2018-19.

*The Telegraph - 16.12.2019*

<https://www.telegraphindia.com/business/coal-india-stake-sale-plan/cid/1727327>

## **Bharat Bond ETF opens for subscription**

India's first corporate bond exchange-traded fund (ETF) -- the Bharat Bond ETF, which is also the country's largest new fund offer (NFO) ever, opened for subscription on Thursday. The ETF is a government initiative and Edelweiss AMC was given the mandate to design and manage the product. Edelweiss AMC proposes to raise a total of up to Rs 15,000 crore through the offer. It plans to raise an initial amount of Rs 3,000 crore with a greenshoe option of Rs 2,000 crore in the 3-year maturity period and Rs 4,000

of its stake in the company through strategic disinvestment and there is no plan to demerge the business verticals," a senior company official told. The Centre has already "initiated preparatory work" for the disinvestment, he said. BEML, a mining equipment maker, has diversified into manufacturing of rail coaches and defence production that already accounts for almost half of its current topline, the official said.

*The Economic Times - 16.12.2019*

<https://economictimes.indiatimes.com/news/economy/policy/centre-likely-to-sell-28-per-cent-stake-in-beml-through-strategic-disinvestment/articleshow/72683557.cms>

### **Domestic oil output down 6.1% in Nov; gas production falls 6.2%**

Domestic crude oil production fell 6.1% year-on-year (y-o-y) to 2.6 million metric tonne (MMT) in November. Also, the 2,566 million metric standard cubic metre (MMSCM) of natural gas produced in the country in the month was 6.2% lower than the production from a year-ago period. The fall in output is in line with the trend observed in the ongoing fiscal, with domestic crude oil production falling 5.9% to 19.1 MMT in April-October and natural gas output dropping 4.3% to 18,180 MMSCM in the same period. The development comes at a time when total consumption of petroleum products in India inched up only 1.4% y-o-y to 105.7 MMT in the April-September period. Consumption of natural gas increased 2.8% to 31,815 MMSCM. Analysts at Axis Capital have attributed the moderation in consumption to "transient factors including extended monsoon, weak industrial activity and Diwali holidays".

*The Financial Express - 12.12.2019*

<https://www.financialexpress.com/market/commodities/domestic-oil-output-down-6-1-in-nov-gas-production-falls-6-2/1790278/>

### **India's petroleum consumption rebounds to 10.51 per cent in November**

India's petroleum consumption grew 10.51 per cent to 18,767 Thousand Tonne (TMT) in November as compared to the same month last year, rebounding after a contraction observed in the previous month, October 2019, fresh data sourced from the oil ministry showed. However, cumulative demand growth of petroleum products slowed to 2.24 per cent to 1,41,998 TMT during the April-November period of the current financial

crore with a greenshoe option of Rs 6,000 crore in the 10-year maturity bracket. "The expense ratio of this ETF is the lowest in India and also the lowest for any debt fund in the world at 0.0005 per cent," Nitin Jain, CEO at Edelweiss Global Investment Advisors said at the press briefing. The fund house plans to launch more tranches in times to come. "We hope to come back to the market with another tranche... We will do some fresh issuance. Maybe we will inject it with Rs 500 crore – Rs 1,000 crore of liquidity.

*The Economic Times - 13.12.2019*

<https://economictimes.indiatimes.com/market/s/bonds/bharat-bond-etf-opens-for-subscription/articleshow/72487166.cms>

### **India's petroleum products demand to stay below 3 per cent: ICRA**

India's petroleum products demand growth is expected to stay between 1 per cent and 3 per cent in the current financial year ending March 2020 and is likely to stay at the same level next fiscal 2020-2021, research and ratings agency ICRA has said. In its year end outlook, the agency also maintained a stable stance for the oil and gas sector. "The domestic demand for petroleum products grew at a tepid rate of 1 per cent in the seven months of FY2020 as against the same period in FY2019 due to economic slump and erratic rainfall patterns. Given the weak outlook for several end users, the demand growth is expected to remain in the range of 1-3 per cent in FY2020 and FY2021," ICRA said in a statement. The country's crude oil production fell 6 per cent in the first six months of the current financial year and is expected to rise next fiscal due to commercialisation of some of Oil and Natural Gas Corporation (ONGC) fields as well as increase in production from Vedanta's Rajasthan asset.

*The Economic Times - 13.12.2019*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-petroleum-products-demand-to-stay-below-3-per-cent-icra/72500411>

### **Can produce fuel from household waste, says Pradhan**

Consumers can produce their own fuel from household waste and supply a part of it to the local gas grid in a model similar to the rooftop solar power system that helps residents meet their own energy requirements and sell surplus electricity to the grid. "Today, this is possible with the help of the industry," petroleum minister Dharmendra Pradhan said at the India Gas Infrastructure Conference 2019 organised

year (2019-2020), the lowest recorded growth during the period since financial year 2013-2014. The heads of Indian Oil Corporation (IOC) and Hindustan Petroleum (HPCL) had recently said petroleum consumption growth in 2019-20 may be lower as compared to previous years as demand took a hit during the first half of the current fiscal. "The domestic demand for petroleum products grew at a tepid rate of 1.0% in 7M FY2020 vis-à-vis 7M FY2019 due to economic slump and erratic rainfall patterns. Given the weak outlook for several end users, the demand growth is expected to remain in the range of 1.0-3.0% in FY2020 and FY2021," research and rating agency ICRA said in a recent report.

*The Economic Times - 13.12.2019*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-petroleum-consumption-rebounds-to-10-51-per-cent-in-november/72500299>

### **OPEC sees small 2020 oil deficit even before latest supply cut**

OPEC on Wednesday pointed to a small deficit in the oil market next year due to restraint by Saudi Arabia even before the latest supply pact with other producers takes effect, suggesting a tighter market than previously thought. In a monthly report, OPEC said demand for its crude will average 29.58 million barrels per day (bpd) next year. OPEC pumped less oil in November than the average 2020 requirement, having in previous months supplied more. The report retreats further from OPEC's initial projection of a 2020 supply glut as output from rival producers such as U.S. shale has grown more slowly than expected. This will give a tailwind to efforts by OPEC and partners led by Russia to support the market next year. OPEC kept its 2020 economic and oil demand growth forecasts steady and was more upbeat about the outlook. "On the positive side, the global trade slowdown has likely bottomed out, and now the negative trend in industrial production seen in 2019 is expected to reverse in 2020," the report said.

*The Economic Times - 13.12.2019*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/opec-sees-small-2020-oil-deficit-even-before-latest-supply-cut/72486960>

### **Crude oil market still unbalanced despite OPEC output cuts: IEA**

Additional cuts by the powerful OPEC group of oil producers and its allies may not be enough to eliminate a glut of crude on the global market, the

by the Federation of Indian Chambers of Commerce and Industry (FICCI). He said industry should visualise this as an opportunity wherein people would produce methane from household waste and monetise it. Oil and gas sector experts said this is technically possible through a cluster-based approach with efficient collection centres. "It would require two things; segregation of wet and dry household waste materials and reasonable volume. Unlike the model rooftop solar system, production of methane from garbage would be successful at large housing societies," said AK Purwaha, former chairman and managing director of Engineers India Ltd. He was also director-business development at state-run gas company GAIL India Ltd.

*The Hindustan Times - 12.12.2019*

<https://www.hindustantimes.com/india-news/can-produce-fuel-from-household-waste-says-pradhan/story-5xBLoTDrpZOM9ZwC500jSL.html>

### **Global oil prices set to be relatively low in 2020: IATA**

Oil prices have a massive effect on Indian airlines, as Aviation Turbine Fuel (ATF) takes around 40 per cent of the total revenues of an air carrier in India. "Oil prices look set to stay relatively low over the next 12 months. Supply, particularly non-OPEC, is plentiful and demand is weak," said an economic outlook presented here by Brian Pearce, Chief Economist, International Air Transport Association (IATA). "Analysts expect oil inventories to rise early next year as a result. This is likely to keep oil prices stable and our assumption for 2020 is an average price for Brent Crude of USD 63 per barrel," the economic outlook added. As per the IATA forecast released on Wednesday here, the airlines fuel bill will decline in 2020 to USD 182 billion, which will represent 22.1 per cent of average operating costs. In 2019, the fuel spend of the world airline industry was USD 180 billion, which was 23.5 per cent of average operating costs. In 2020, the world airline industry would consume 371 billion litres of fuel, up from 359 billion litres that was used in 2019.

*The Economic Times - 12.12.2019*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/global-oil-prices-set-to-be-relatively-low-in-2020-iata/72483994>

### **Goldman raises oil forecast on Opec output cuts**

Goldman Sachs raised its oil price forecasts for 2020, citing tighter-than-expected inventories after the Organization of the Petroleum

IEA warned on Thursday. Meanwhile, energy consumption by China is bounding higher -- a signal that the country's economy may be in better shape than widely thought as its trade war with the United States rumbles on. Last Friday, OPEC and its allies reached a deal to cut production by 500,000 barrels per day in a bid to support prices which have been under pressure from abundant reserves and weak global economic growth. While Saudi Arabia, OPEC's largest producer, agreed a further voluntary reduction of 400,000 barrels per day, the International Energy Agency said that most of that cut had already been implemented already. In its latest monthly report, the IEA estimated that the net impact of the pledges would be a reduction of 530,000 barrels per day from November levels. "Even if they adhere strictly to the cut, there is still likely to be a strong build in inventories during the first half of next year," said the Paris-based organisation, which advises oil consuming nations.

*Millennium Post - 16.12.2019*

<http://www.millenniumpost.in/business/crude-oil-market-still-unbalanced-despite-opec-output-cuts-iaea-390754>

## **US replaces Kuwait as India's 6th biggest oil supplier; Iraq remains on top**

The United States has surpassed Kuwait to become India's sixth largest oil supplier as it supplied 70 per cent more crude to the world's third largest energy consumer during April-September. According to data furnished by the oil ministry to parliamentary committee, the US supplied 5.4 million tonnes of crude oil during the first six months of 2019-20. This compared to about 3.1 million tonnes of oil sourced from the US in the same period a year back. India began importing crude oil from the US in 2017 as it looked to diversify its import basket beyond the OPEC nations. It bought 1.9 million tonnes of crude oil from the US in 2017-18 and another 6.2 million tonnes in 2018-19, the data showed. Iraq continues to be India's top crude oil supplier, meeting close to one-fourth of the country's oil needs. Iraq sold 26 million tonnes of crude oil to India during April to September. India, which is 83 per cent dependent on imports to meet its oil needs, bought 111.4 million tonnes of crude oil from overseas during April-September.

*Business Standard - 12.12.2019*

[https://www.business-standard.com/article/pti-stories/us-replaces-kuwait-as-india-s-6th-biggest-oil-supplier-119121100897\\_1.html](https://www.business-standard.com/article/pti-stories/us-replaces-kuwait-as-india-s-6th-biggest-oil-supplier-119121100897_1.html)

Exporting Countries (OPEC) and its allies agreed to deepen oil output cuts through the first quarter of next year. "We are increasing our forecast for backwardation in 2020 although our long-term marginal cost forecast remains unchanged," Goldman analysts wrote in a note dated Dec. 6. The bank revised its Brent spot price forecast to \$63 per barrel for 2020, up from a previous estimate of \$60, while it also increased West Texas Intermediate (WTI) spot price outlook to \$58.5 per barrel from \$55.5. Brent futures were down 0.3 per cent at \$64.19 per barrel, as of 0632 GMT, having risen sharply last week after OPEC and its allies agreed to deepen output cuts. Oil producers led by Saudi Arabia and Russia, agreed on Thursday to cut output by an extra 500,000 barrels per day (bpd) in the first quarter of 2020 but stopped short of pledging action beyond March.

The bank revised its supply-demand forecast, reflecting lower OPEC+ production path in the first half of 2020.

*The Economic Times - 10.12.2019*

<https://economictimes.indiatimes.com/markets/commodities/news/goldman-raises-2020-oil-price-view-on-opec-led-inventory-tightness/articleshow/72440875.cms>

## **IOC, OIL in race for Bharat Petroleum's Numaligarh unit**

Indian Oil Corporation Ltd. (IOCL) and Oil India Limited (OIL) are in the race to buy Bharat Petroleum Corporation Limited's (BPCL's) 61.65% stake in Numaligarh Refinery Limited (NRL), according to sources in the know of the development. The strategic sale of the government's 53.39% stake in BPCL would be done without NRL, Finance Minister Nirmala Sitharaman had said last month. Hence, the government has to first demerge NRL from BPCL. NRL owns and operates a 3-million-tonne per annum (MTPA) refinery in Numaligarh in Golaghat district of Assam and has plans for a threefold growth in its refining capacity to 9 MTPA at an investment of Rs.22,500 crore to meet the rising fuel demand in the North East. According to Moody's Investors Service, the sale will reduce BPCL's capital spending as it is one of the largest projects that the firm is working on. "The valuation of the stake and the use of proceeds from such sale is yet to be determined," it said.

*The Hindu - 12.12.2019*

<https://www.thehindu.com/business/Industry/ioc-oil-in-race-for-bharat-petroleum-numaligarh-unit/article30289715.ece>

## **Pradhan meets Japanese counterpart Hiroshi Kajiyama, seeks investments in energy, steel**

Union Minister for Petroleum and Natural Gas Dharmendra Pradhan on Tuesday met his Japanese counterpart Hiroshi Kajiyama and the two sides agreed to enhance engagements in energy and steel sectors. Pradhan while inviting enhanced investments from Japan, said, "We appreciate Japanese work culture and spirit of innovation and entrepreneurship. I invite more Japanese companies, their technology and investments in India." Terming India as the "hotspot for global growth", Pradhan added that the country jumped 67 ranks in just three years to take the 63rd position in the World Bank's Ease of Doing Business Ranking in 2019. "India is one of the most attractive investments and business destinations of the world," he stressed. The oil minister said, "Our steel demand is expected to grow exponentially as we embark on becoming a USD five trillion economy by 2024. An investment of USD 1.4 trillion will take place in infrastructure development in the next five years." Meanwhile, speaking about extensive co-operation in the steel sector, Pradhan mentioned about Japan importing iron ore under a long term agreement and India importing high-grade steel from Japan.

*The Economic Times - 11.12.2019*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/pradhan-meets-japanese-counterpart-hiroshi-kajiyama-seeks-investments-in-energy-steel/72466032>

## **At 11.2%, air passenger growth returns to double-digits in Nov**

Domestic air passenger traffic has finally grown in double-digits, clipping at 11.2 percent in November to 12.94 million after growing in single-digit till October, while April saw a degrowth, show the latest DGCA data released on Thursday. The 12 domestic carriers, including full-service carriers Air India and Vistara and budget carriers Indigo, Spicejet, Goair and AirAsia India together have flown 11.6 million passengers in November. The sectoral regulator attribute attributed the increase in the reporting month to the onset of the tourist season. The cumulative domestic passenger traffic in the January-November period of 2019 stood at 131.11 million up from 126.28 million in 2018, registering a growth of 3.86 percent, the DGCA said. "The double-digits month-on-month growth in passenger traffic in November is a relief for the industry which was experiencing a slow growth since the past few months," said Sabina Chopra of Yatra.com.

*The Economic Times - 13.12.2019*

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/air-passenger->

## **Steel demand down 1.8 per cent in October-November**

Steel demand in the first two months of this quarter had declined 1.8 per cent to 15.4 million tonnes against 15.7 mt logged in same period last year, with no hope of a meaningful recovery expected in December. Notwithstanding the weak demand, domestic steel producers have announced moderate price hikes in November and December, taking a cue from rising international steel prices, said ICRA on Tuesday. In the agency's opinion, domestic steel prices are likely to remain sensitive to international steel prices in the absence of a meaningful pick-up in domestic demand in the seasonally strong fourth quarter. In fact, steel demand has been falling in line with the GDP growth trend this fiscal, with growth declining from 6.9 per cent in the June quarter, to 3.1 per cent in the September quarter. Jayanta Roy, Senior Vice-President, ICRA, said, given the continuing macroeconomic headwinds, domestic steel demand is likely to be less than 5 per cent in the current fiscal, against 5-6 per cent guided in August.

*The Hindu Business Line - 11.12.2019*

<https://www.thehindubusinessline.com/economy/steel-demand-down-18-per-cent-in-oct-nov/article30266728.ece>

## **Online travel cos waive cancellation charges as tourists postpone trips**

Online travel agencies and operators are waiving cancellation charges as customers cancel and postpone trips to the Northeast following unrest and protests in the region over the Citizenship (Amendment) Act. It comes even as a number of countries including the US, UK, Singapore and Canada issued updated travel advisories over the weekend, advising their citizens to act with caution if travelling to the region. "We are working closely with our local partners to ensure safety of our customers who are in the affected cities at this point," said Sabina Chopra, co-founder, Yatra.com. "Also, in light of a few airlines temporarily suspending services, we are advising our customers to check the status of their flights before heading to the airport. We have waived Yatra cancellation and rescheduling fee for our customers." Rival ixigo has seen a 23% month on-month fall in bookings for the Northeast during December 9-14 while search trends for the coming month for the region fell 27% on its portal.

[traffic-rises-close-to-4-in-november/articleshow/72494286.cms](https://www.economicstimes.indiatimes.com/traffic-rises-close-to-4-in-november/articleshow/72494286.cms)

## **Domestic tourism boosts as international ticket prices see a significant hike**

Good news for domestic tourism. Given a significant hike in international airfares this December, Indians tourists are giving preference to domestic destinations along with the short-haul overseas destinations. Also, Jet Airways shut down largely affected the international destinations airfares. Air tickets for places such as London and other major Europe cities along with the US have gone up by more than 100 per cent (compared to last year). Because of this, the domestic destinations such as Goa, Udaipur and Jaipur have seen a surge of 15-20 per cent (in advance bookings) while advance bookings for Singapore, Colombo, Bangkok, Dubai, Mauritius and Malaysia have gone up by 10-12 per cent, as per reports. A co-founder of a well-known online travel portal said that with Christmas and New Year vacations, they have noticed a 15-20 per cent jump in advance bookings for domestic destinations. He also mentioned that an increase in capacity for the winter schedule has resulted in a 20 per cent decline in domestic airfares.

*The Times of India - 16.12.2019*

<https://timesofindia.indiatimes.com/travel/destinations/domestic-tourism-boosts-as-international-ticket-prices-see-a-significant-hike/as72474648.cms>

## **Shrikant Vaidya to be the next chairman of IOC**

Shrikant Madhav Vaidya is slated to be the new chairman of state-run Indian Oil Corporation, after marathon interviews held by the Public Enterprise Selection Board on Thursday. Vaidya is currently director finance at IOC. He would be taking over from the current Chairman Sanjiv Singh, who will retire from the position in June 2020. Others interviewed for the post were Director Finance Sandeep Kumar Gupta, Director Human Resources Ranjan Kumar Mohapatra, Director Research Development SSV Ramakumar, Executive Director Rahul Bhardwaj, according to the minutes of the PSEB meeting. Vaidya, aged 56, according to IOC website, has three decades of experience in all the facets of refinery and petrochemicals operations, which includes the commissioning of the largest Cracker Plant in India viz. Panipat Naphtha Cracker Complex. He is also a Director on the board of Chennai Petroleum Corporation (a subsidiary of IOC) and Ratnagiri Refinery & Petrochemicals (a joint venture company).

*The Economic Times - 13.12.2019*

<https://energy.economicstimes.indiatimes.com/news/oil-and-gas/shrikant-vaidya-to-be-the-next-chairman-of-ioc/72499970>

*The Economic Times - 15.12.2019*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F12%2F16&entity=Ar01704&sk=65E95DAD&mode=text>

## **India aims to bring down logistics cost to below 10% of GDP, says Union Minister Som Prakash**

India aims to bring down logistics cost to below 10 per cent of the GDP from about 14 per cent at present to increase the competitiveness of the manufacturing sector, Som Prakash, Minister of State for Commerce and Industry has said. "Currently, the logistics cost in India is 30-40 per cent higher than the global benchmarked logistics cost. Therefore, it is a big challenge for the government to reduce it. The aim is to reduce it to 10 per cent of the GDP or less," the Minister said inaugurating the 3-day Logix India 2019 meet jointly organised by exporters body FIEO and Commerce & Industry Ministry on Thursday. The government is also planning to invest around ₹100 lakh crore in logistics infrastructure in the next five years, the Minister added. "We are also in the process of coming out with a new National Logistics Policy and creating data bank by getting feedback from different stakeholders," he said.

*The Hindu Business Line - 14.12.2019*

<https://www.thehindubusinessline.com/economy/logistics/india-aims-to-bring-down-logistics-cost-to-below-10-of-gdp-says-union-minister-som-prakash/article30297895.ece>