WEEKLY MEDIA UPDATE

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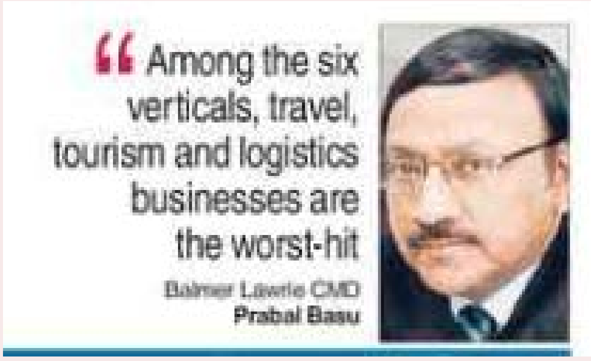
Monday

(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.)

Balmer Lawrie in News



The Telegraph – 20.04.2020

Balmer Lawrie's travel, logistics businesses hit by lockdown

The prolonged lockdown has badly hit the travel, tourism and logistics verticals of diversified PSU Balmer Lawrie and Co Ltd and the company is bracing itself for a drop in profit this fiscal, an official said. Travel, tourism and logistics are the strategic business units (SBUs), which contribute about 40 per cent of overall annual revenue of the city-headquartered company and 60 per cent of its profit, he said. "Among the six verticals of the company, travel, tourism and logistics businesses are the worst-hit," Balmer Lawrie CMD Prabal Basu told PTI. All travel and tourism related bookings have been cancelled since March 14, and people are scared of the coronavirus pandemic, he said. "Confidence is low and nobody wants to come out," he said. In case of logistics, there is a global problem, and imports from China, US and Europe countries came to a standstill as these nations are in crisis due to the coronavirus outbreak, he said. "The logistics services has been badly affected," Basu said, adding that its lubricant manufacturing factories are also closed due to the lockdown. Only the industrial packaging division of the company is now working but in a small scale with restrictions on manpower, and all norms relating to health safety and social distancing are followed, he said.

Outlook – 20.04.2020

https://www.outlookindia.com/newsscroll/balmer-lawries-travel-logistics-businesses-hit-by-lockdown/1807508

India's economy may see first contraction in 40 years on lockdown extension

India's economy may be heading for its first full-year contraction in more than four decades after the government extended the lockdown to contain the coronavirus. The lengthening of the mandatory stay-at-home period to 40 days from 21 days will result in a direct output loss of more than 8 per cent over that time, according to Sonal Varma of Nomura Holdings. Varma and Kunal Kundu of Societe Generale GSC now predict a decline in GDP for the year to March 2021 of 0.4 per cent and 0.1 per cent, respectively. The economy had last contracted in 1980, when GDP shrank 5.2 per cent. "There will be indirect effects such as the persistence of the public fear factor

Outlook for India's economy bleak, say IMF and Barclays

The International Monetary Fund (IMF) on Tuesday slashed its FY21 growth projection for India to 1.9% from 5.8% projected in January, holding that the 'Great Lockdown' to combat the covid-19 outbreak will throw the world economy into the worst recession since the Great Depression in 1930s. The coronavirus pandemic came at a time when India's economy was already slowing, due to persistent financial sector weaknesses. The severe disruption of economic activities caused by covid-19, both through demand and supply shocks, has overtaken the incipient recovery in the Indian economy leading to massive job losses. IMF even expects FY20 growth at 4.2% as against even after the lockdown ends," said Varma, head of Asia economics ex-Japan at Nomura. Besides, there will be an "impact on livelihoods of the unorganised workforce, and a sharp increase in corporate and banking sector stress, which are likely to further weigh on growth." Bloomberg India economist Abhishek Gupta said, A precipitous recession in India is inevitable.

Business Standard - 16.04.2020

https://www.business-standard.com/article/economy-policy/india-s-economy-may-see-first-contraction-in-40-years-on-lockdown-extension-120041600074_1.html

No GDP growth for India in 2020; economic worry deepens as Modi extends India lockdown to May

After Prime Minister Narendra Modi extended the nationwide lockdown to May 3, India's economic concerns have deepened, with Barclays now predicting no GDP growth for the country this year. Barclays today further cut India's GDP growth forecast for the calendar year 2020 to 0.0 per cent, and FY21 to a mere 0.8 per cent. It said that the economic impact appears to be worse than expected as India has headed into a longer complete shutdown to combat the rising number of COVID-19 cases. After the lockdown was announced three weeks ago, Barclays had cut the country's GDP growth forecast for CY 2020 to 2.5 per cent from 4.5 per cent, due to a varied level of disruption across India. The adverse effects of the lockdown are not only visible on the non-essential products, but on the essential goods as well. From mining, to agriculture, manufacturing and utility sectors, all of them are struggling and combined with the disruption in several service sectors, it has been estimated that the economic loss will be close to USD 234.4bn, which is 8.1 per cent of GDP. Earlier, it was estimated that the economic loss would be around USD 120 billion.

The Financial Express - 14.04.2020

https://www.financialexpress.com/economy/no-gdp-growth-for-india-in-2020-economic-worry-deepens-as-modi-extends-india-lockdown-to-may/1927896/

China's Q1 GDP shrinks for first time on record

China's economy contracted for the first time on record in the first quarter as the coronavirus shut down factories and shopping malls and put millions out of work. GDP fell 6.8% in January-March year-on-year, official data showed on Friday, a slightly larger decline than the 6.5% forecast by analysts and reversing a 6% expansion in the fourth quarter of 2019. It was the first

5% estimated by India's statistics department. Assuming a baseline scenario, in which the pandemic fades in the second half of 2020 and containment efforts are gradually unwound, the IMF in its biannual World Economic Outlook projected the global economy to contract sharply by 3% in 2020, much worse than during the 2008-09 financial crisis. For India, it estimated a sharp economic recovery in FY22 at 7.4%.

Mint - 15.04.2020

https://www.livemint.com/news/india/imf-cuts-india-fy21-growth-projection-to-1-9-11586866511986.html

India could use 3-5% of GDP stabilising economy: World Bank economists

The World Bank recently came out with a report on south Asia in which it cut its projections for India's economic growth to 1.5-2.8 per cent from earlier 6.1 per cent for the current financial year. World Bank chief economist, south Asia region, Hans Timmer and country director for India Junaid Ahmad. Although the outlook has worsened significantly, it is not easy to determine the magnitude of that deterioration. As South Asia is entering unchartered territory, history provides little guidance. The lockdown of economies around the world causes a much sharper decline in economic activity than in normal recessions, and the timing and pace of the subsequent rebound will likely be different from normal cycles as well. In addition to the usual uncertainty surrounding GDP growth forecasts, the economic impact of fighting Covid-19 this year will depend on the time period for which stringent containment measures need to be in place, both in India's main export markets as well as in India itself.

Business Standard - 19.04.2020

https://www.business-standard.com/article/economy-policy/india-could-use-3-5-of-gdp-stabilising-economy-world-bank-economists-120041900434_1.html

Exports dive 35%, biggest monthly drop since 1991

India's exports witnessed the steepest monthly decline since at least economic liberalisation in 1991, slumping almost 35% in March as the coronavirus pandemic took a toll on global trade. Latest data released by the commerce department on Wednesday estimated exports at $21.4 billion in March, a decline of 34.6%. It eclipsed the 34.1% crash seen in May 2009, contraction in the world's second-largest economy since at least 1992, when official quarterly GDP records were first published. Providing a silver lining was a much smaller-than-expected fall in factory production in March, suggesting tax and credit relief for virus-hit firms was helping restart parts of the economy shut down since February. However, analysts say Beijing faces an uphill battle to revive growth and stop massive job losses as the global spread of the virus devastates demand from major trading partners and as local consumption slumps. "First-quarter GDP data is still largely within expectations, reflecting the toll from the economic standstill when the whole society was on lockdown," said Lu Zhengwei, Shanghai-based chief economist at Industrial Bank. "Over the next phase, the lack of overall demand is of concern.

The Economic Times - 18.04.2020

https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2020%2F04%2F18&entity=Ar01102&sk=820E4A23&mode=text

Retail inflation eases to 4-month low in Mar on lower food prices

A sharp fall in vegetable prices has led India's retail inflation to ease from 6.58% in February to a four-month low of 5.91% in March. However, supply shortages due to the 21-day lockdown could push up inflation in the short run, said analysts. Food inflation declined from 10.81% in February to 8.76% in March because of falling onion prices, shows data released by the National Statistical Office (NSO) on Monday. This was reflected in vegetable inflation softening from 31.61% to 18.63% in the two-month period. The number gives a false sense of improvement in inflation, given that the real impact of the lockdown will be felt in April as prices of food items have increased quite sharply, said Madan Sabnavis, chief economist at CARE Ratings. "With the lockdown and limited movement of goods because of the absence of labour, trucks, and activity in wholesale markets, there has been a sharp decline in supplies of food grain, horticulture, and sugar, which is reflected in high prices in the market. This can push food inflation towards the 10% mark," said Sabnavis.

Mint - 14.04.2020

https://www.livemint.com/news/india/retail-inflation-eases-to-below-6-in-march-11586779208538.html

which was the biggest monthly collapse since April 1991. Imports too fell 28.7% to $31.2 billion, indicating that there was a severe demand contraction, as 29 of the 30 major categories, barring transport equipment, saw lower value of shipments into the country. Of the $12.5-billion decrease in March, a large chunk was on account of oil imports, which fell 15% to $10 billion, partly due to lower quantities coming into India and a fall in the price of crude due to the lockdown in several parts of the world. Pearls, precious & semi-precious stones, electronic goods, machinery and chemicals reported a sharp decline too. On the export front too, 29 of the 30 product categories witnessed a contraction — with iron ore being the sole exception. Engineering goods were the biggest loser, as shipments fell 42% from $9.4 billion in March 2019 to $5.4 billion.

The Times of India - 16.04.2020

https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2020%2F04%2F16&entity=Ar01102&sk=1DF9ECF3&mode=text

India's current account may turn surplus in FY21: SBI

State Bank of India has forecast the economy to grow a meagre 1.1% for the fiscal year as businesses are thrown into disarray due to the lockdown which has been extended till May 3. But a positive fallout could be India's mostly fragile external balance could turn stronger with a current account surplus due to a plunge in oil prices. "The lockdown is going to have a significant impact on our macro parameters,'' said State Bank of India economist SK Ghosh, in a research note. "With the lockdown now being extended till May 3 and simultaneously government providing some relaxations...we estimate the overall loss for FY21 around ₹12.1 lakh crore.'' With Covid-19 crippling economic activities across the globe leading to a collapse in crude prices, India could benefit on the current account. India always had this in deficit, where it imported more than it exported. That could change this year. "Taking oil and non-oil imports together, we can also see 25% dip in merchandise imports,'' said Ghosh who forecasts a current account surplus of 0.7% of the gross domestic product at $19 billion this fiscal.

The Economic Times - 17.04.2020

https://economictimes.indiatimes.com/news/economy/finance/indias-current-account-may-turn-surplus-in-fy21-sbi/articleshow/75188065.cms

Fitch Solution cuts India's FY21 GDP growth forecast to 1.8%

Fitch Solutions on Monday cut India's economic growth forecast for the financial year 2020-21 to 1.8 per cent saying private consumption is likely to contract due to large-scale loss of income in the face of worsening domestic outbreak of COVID-19. "Over the past week, we have continued to adjust down our country-specific real GDP growth forecasts on the back of persistent low oil prices and the widening spread of COVID-19. Our forecasts remain fluid and, even despite the recent downward revisions, we believe that the risks remain skewed to the downside," the rating agency said. For India, it said the real GDP growth rate for 2020-21 (April 2020 to March 2021) has been revised down to 1.8 per cent from 4.6 per cent, previously. "We now expect private consumption to contract, versus a weak expansion previously, due to large scale loss of income across the economy in the face of a worsening domestic outbreak of COVID-19," it said. Fitch Solutions also anticipated a deeper contraction in fixed investments as businesses choose to cut back on capital expenditure to conserve cash amid elevated economic uncertainty.

The Economic Times - 20.04.2020

https://economictimes.indiatimes.com/news/economy/indicators/fitch-solution-cuts-indias-fy21-gdp-growth-forecast-to-1-8/articleshow/75244834.cms

Pandemic to bring Asia's 2020 growth to halt for 1st time in 60 years: IMF

Asia's economic growth this year will grind to a halt for the first time in 60 years, as the coronavirus crisis takes an "unprecedented" toll on the region's service sector and major export destinations, the International Monetary Fund said on Thursday. Policymakers must offer targeted support to households and firms hardest-hit by travel bans, social distancing policies and other measures aimed at containing the pandemic, said Changyong Rhee, director of the IMF's Asia and Pacific Department. "These are highly uncertain and challenging times for the global economy. The Asia-Pacific region is no exception. The impact of the coronavirus on the region will be severe, across the board, and unprecedented," he told a virtual news briefing conducted with live webcast. "This is not a time for business as usual. Asian countries need to use all policy instruments in their toolkits." Asia's economy is likely to suffer zero growth this year for the first time in 60 years, the IMF said in a report on the Asia-Pacific region released on Thursday.

The Economic Times - 16.04.2020

https://economictimes.indiatimes.com/news/economy/indicators/pandemic-to-bring-asias-2020-growth-to-halt-for-1st-time-in-60-years-imf/articleshow/75172896.cms

India to restart industry engine from April 20

The Narendra Modi administration on Wednesday took an important step towards resumption of normal economic activity by partially lifting restrictions on manufacturing and construction, and further eased movement of goods traffic from April 20. Nearly 80% of India's export units located in special economic zones, export oriented units (EOUs) and industrial townships and clusters could resume work in some form by April 20. Government officials say around 1,000 units in special economic zones (SEZs) could become operational. The ministry of home affairs (MHA) on Wednesday set out detailed guidelines for partial resumption of economic activity with the nation divided into hotspot and non-hotspot districts. The ministry of health and family affairs has identified 170 hotspot districts — called red zones — with highest incidence of Covid-19, 207 yellow zone districts with some cases and 359 green zone districts with no cases in last 28 days. The new permitted activities can begin in these green zones, subject to permission from state or district administration.

The Economic Times - 16.04.2020

Factories enforce strict hygiene, distancing norms

Compulsory passage through disinfectant tunnels, mandated quarantine zones, limited workforce, wearing of masks and gloves at all times, strict social distancing norms and comprehensive sanitation and hygiene schedules at work, and even within homes for all family members. The beleaguered manufacturing industry has started formulating the dos and don'ts as they prepare to restart production. With the government paving the way for limited manufacturing within the safer industrial clusters, special economic zones and export oriented units from April 20, companies have started preparing precautionary and hygiene dossiers, some based on the officially-mandated norms, while others worked out internally, to make the processes free from the coronavirus and its spread. "Our precautions start right from the time a worker leaves home, and till the time s/he leaves the factory back. All the areas would be covered through strict and well documented instructions with clearly defined dos and don'ts," Maruti chairman R C Bhargava told TOI.

The Times of India - 16.04.2020

https://economictimes.indiatimes.com/news/politics-and-nation/india-to-restart-industry-engine-from-april-20/articleshow/75169485.cms?from=mdr

https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2020%2F04%2F16&entity=Ar01101&sk=12E55B1E&mode=text

From staffing to transport, govt details SOP for firms

Factories and offices in several parts of the country may open from April 20 but it will be far from business-as-usual with the government prescribing a string protocol for them to stay open. The standard operating procedure for workplaces goes far beyond thermal screening, mandatory wearing masks and placing hand sanitisers, which have become the norm in any case. There are detailed guidelines on disinfecting the premises — with action beginning at the entrance and extending into meeting rooms, cafeterias, toilets and even walls and sinks – and providing medical insurance to workers. The SOP, notified by the home ministry on Wednesday, are in line with what industry bodies such as Ficci and CII had proposed. Employers have been asked to “encourage” those over 65, or with co-morbidities, to work from whom. In case of sectors such as IT and IT-enabled services, the idea is to let in only half the workforce and when it comes to transporting workers BPOs and factories, companies have been asked to use only 30-40% of the seating capacity in buses or cabs.

The Times of India - 16.04.2020

https://timesofindia.indiatimes.com/business/india-business/from-staffing-to-transport-govt-details-sop-for-firms/articleshow/75171682.cms

Change in ownership status of GSTN to 100% Govt-owned delayed

The transition of Goods and Services Tax Network (GSTN) to a government-owned entity could face a delay as some states remain lukewarm to purchasing shares owing to the additional expenditure on account of Covid-19. The GST Council had approved the change in ownership in its last meeting held on March 14. While the changeover was to take effect from April 1, some states have yet to buy shares of the company as they have refocused their resources to fight the spread of coronavirus, said people aware of the matter. “The proposal to make GSTN a fully government-owned company from April 1 was approved in the 39th GST Council meeting. Five-six states that were yet to buy shares by March 14 were supposed to have taken their shares by March 31, but they haven’t bought them till date,” said a senior government official, who did not wish to be identified. The Cabinet had approved the decision to convert GSTN, incorporated on March 28, 2013, into a fully government-owned entity in September 2018.

The Economic Times - 18.04.2020

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F04%2F18&entity=Ar00700&sk=A86F3E21&mode=text

PE funds Blackstone, Warburg join race to buy 30% in Concor

Global investors Blackstone, Warburg Pincus and India’s sovereign fund National Investment and Infrastructure Fund (NIIF) have joined the race to buy 30% stake in Container Corporation of India (Concor), multiple people aware of the development said. Strategic investors including Adani Ports & SEZ and PSA International, which is wholly-owned by Temasek Holdings, were already in the fray. The bidding process, however, may get extended to the second quarter of the fiscal due to the Covid-19-triggered economic shutdown, said a person aware of the development. Under its divestment programme, the central government had announced its plan to sell minority stake in the state-run entity along with management control. The government’s shareholding in Concor is 54.8%. The government has appointed L&L Partners as the legal adviser for partial divestment of Concor, while Deloitte has been roped in as transaction adviser and RBSA Valuation Advisors

Government may take up PF for companies with 100+ staff

The government, keen to prevent job cuts, may soon pay both the employer and employee’s share of provident fund contributions at more companies. An announcement on this could be part of an economic package that is in the works, a top government official told ET. As part of a ₹1.7 lakh crore package announced by finance minister Nirmala Sitharaman on March 26, the government had said it would pay the entire provident fund contribution of those who earn less than ₹15,000 per month. This was for three months and entailed a total estimated cost of ₹4,800 crore. The Employees’ Provident Fund Organisation has six crore subscribers. The current proposal will seek to relax the 100 workers’ limit and the stipulation that 90% of workers should have drawn a salary of ₹15,000 per month, the official said. "...this cap of 100 employees may go altogether or substantially raised to cover more and more establishments," as the asset valuer. The private equity funds, Blackstone and Warburg, plan to acquire stake in Concor directly though they have portfolios in logistics space.

The Economic Times - 17.04.2020

https://economictimes.indiatimes.com/markets/stocks/news/pe-funds-blackstone-warburg-join-race-to-buy-30-in-concor/articleshow/75194044.cms

the official, aware of the deliberations, told ET. The usual PF contribution is 24% of a worker's basic pay, of which 12% comes from the employee and the rest from the employer.

The Economic Times - 20.04.2020

https://economictimes.indiatimes.com/news/economy/policy/government-may-take-up-pf-for-companies-with-100-staff/articleshow/75239160.cms

Petrol, diesel sales slump 60%, LPG up 21% in Apr 1-15

Petrol and diesel sales fell over 60%, and jet fuel demand almost disappeared in the first half of April, but cooking gas sales rose 21%. The fall in sales because of lockdown restrictions has squeezed the income of fuel retailers and forced refiners to halve run rates. Sale of diesel, which accounts for 40% of India's oil demand, fell by 61% in the first half of April from a year ago because of restricted movement of vehicles, industry executives said. Sale of petrol, which makes up 14% of total oil consumption, has slid 64%. The data represent sales by state-run oil companies, which control about 90% of the domestic market. Sale of aviation turbine fuel plummeted 94%, the worst among all fuels, as normal commercial flights have been suspended. Cargo planes and defence forces consumed some jet fuel. Only essential services are permitted, keeping most passenger cars and goods carriers off the roads. However, demand for liquefied petroleum gas (LPG), mainly used for cooking rose an annual 21% in the first two weeks of April because of new customers, panic buying, and the government's offer of free refills to the poor, executives said. Most petrol pumps are deserted and manned by skeletal staff.

The Economic Times - 18.04.2020

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F04%2F18&entity=Ar00706&sk=AFD26F70&mode=text

India's annual fuel demand to decline 5.6 per cent in 2020, IEA says

International Energy Agency (IEA) estimates India's annual fuel consumption - a proxy for oil demand - will decline 5.6 per cent in 2020 to 4.73 million barrels per day (bpd), compared with growth of 2.4 per cent forecast in its March report. India's gasoline demand will decline 9 per cent to 667,000 bpd this year, while diesel will drop 6.1 per cent to 1.65 million bpd, the IEA said in a report on Wednesday. Fuel demand and refinery utilisation rates are being impacted by a nation-wide lockdown to stem the spread of coronavirus. IEA sees April refinery runs to be 1.8 million bpd lower than recent monthly average levels, with capacity use rising in third quarter on demand recovery. India's oil demand will decline by 18.7 per cent and 2.7 per cent in the second and third quarters, before rising by about 1.4 per cent in the fourth quarter, IEA says. The country's 2020 crude and condensate production will fall by around 50,000 bpd to 750,000 bpd, of which 630,000 bpd is crude, the report says.

The Economic Times - 15.04.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-annual-fuel-demand-to-decline-5-6-per-cent-in-2020-iea-says/75158155

India records lowest crude oil production in at least 18 years

Despite efforts by the government to increase crude oil production and reduce the country's oil import bill, India's domestic crude oil output fell to 32,173 Thousand Tonne (TMT) in 2019-2020, the lowest level of production in at least 18 years for which data is publicly available. The last fiscal year's production was down six per cent as compared to 34,203 TMT of oil produced in 2018-19. In March, domestic oil production declined 5.36 per cent to 2,701 TMT. The declining trend in production had pushed the country's crude oil

India dips in to weakened crude market to fill up its strategic oil reserves

India in a concerted effort to step up its energy security and taking advantage of prevailing very low crude oil prices in the international market is playing an active role through coastal Karnataka based Mangalore Refinery and Petrochemicals Limited in filling Indian Strategic Petroleum Reserve Limited (ISPRL) underground crude oil caverns in Mangaluru and Padur. The other strategic reserve of ISPRL is located at Vishakhapatnam. Ministry of import dependence to an all-time high of 86.7 per cent in the April-February period of 2019-2020. The oil ministry is yet to publish data on crude oil import dependence for the full financial year 2019-2020 and March 2020. Prime Minister Narendra Modi had in March 2015 set a target for the government to decrease oil import dependence by 10 per cent by 2022. India's oil import dependence stood at 78.6 per cent in 2014-2015. The government remains optimistic on meeting the target set in 2015.

The Economic Times - 18.04.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-records-lowest-crude-oil-production-in-at-least-18-years/75214578

petroleum and natural gas has mandated ISPRL to work closely with public sector oil companies including MRPL to achieve the target of filling up Mangaluru and Padur caverns. India has built 5.33 million tonnes of emergency storage that is enough to meet its oil needs for 9.5 days it these three strategic reserves and also has allowed foreign oil companies to store oil there on condition that it can use this stockpile in case of an emergency.

The Economic Times - 18.04.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-dips-in-to-weakened-crude-market-to-fill-up-its-strategic-oil-reserves/75214296

India plans to fill strategic oil storage by the third week of May

India plans to completely fill its strategic petroleum reserve (SPR) by the third week of May by moving about 19 million barrels into the sites by then, the managing director of the country's SPR said on Tuesday. India is moving the oil to the SPR to help the country's refineries reduce their excess crude as the lockdown to contain the outbreak of COVID-19, the respiratory disease caused by the new coronavirus, has dented transportation and industrial fuel consumption in Asia's third-largest economy. India's fuel demand in March declined by 17.8%, the lowest in over two decades. India will be diverting cargoes for loading in April already bought by refiners Indian Oil Corp, Bharat Petroleum , Hindustan Petroleum and Mangalore Refinery and Petrochemicals Ltd. The refiners cut their crude processing after local fuel demand collapsed and are unable to store the excess oil themselves. "As of now the plan is to fill the caverns by (the third week of May), before the arrival monsoon rains. We are buying oil from state refiners," H.P.S. Ahuja, the managing director of the Indian Strategic Petroleum Reserves Ltd (ISPRL) said. ISPRL is responsible for building and filling of SPR sites.

The Economic Times - 14.04.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-plans-to-fill-strategic-oil-storage-by-the-third-week-of-may/75138776

Covid-19 to wipe out 10 million barrels per day of oil demand in 2020

The ongoing Covid-19 pandemic is expected to wipe out 9.6 million barrels per day (bpd) of oil demand in 2020, Oslo-based energy consultancy firm Rystad Energy has said. Global oil demand is expected to fall 10 per cent to 90.3 million bpd in 2020, as compared to 99.9 million bpd in 2019, Rystad said in its weekly oil demand update report. "At the moment we expect the month of April to take the biggest hit, with demand for oil estimated at 72.5 million bpd, falling by 27.6 million bpd year on year, a 27.6% drop. Similarly, May's demand is expected to fall by 19.5%, or 19.3 million bpd to 79.7 million bpd," the report said. Among the fuels, demand for aviation turbine fuel is expected to be severely impacted, declining 31 per cent in 2020 as compared to 2019. "Among the various fuel sectors, we expect jet fuel to be hit the hardest. We expect global commercial air traffic will fall by at least 23 per cent this year versus the levels seen in 2019, which we estimate stood at around 99,700 flights per day. This number will be revised as operators continue to cut routes," the report said.

The Economic Times - 16.04.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/covid-19-to-wipe-out-10-million-barrels-per-day-of-oil-demand-in-2020/75182512

Oil price strikes 2002 low, as demand set to crash

Oil prices extended their slump Wednesday, with WTI hitting the lowest level since 2002 as planned output cuts were deemed insufficient to offset a coronavirus-fuelled slump in demand. The benchmark WTI contract tumbled to $19.20 per barrel, the lowest level in 18 years. Shortly after, around 0920 GMT, WTI was down 2.3 percent at $19.66 per barrel and Brent showed a 3.6-percent

April may prove worst ever month for oil industry: IEA's Birol

International Energy Agency (IEA) Executive Director Fatih Birol said on Wednesday this month could prove the worst ever experienced by the oil industry. "In a few years' time, when we look back on 2020 we may well see that it was the worst year in the history of global oil markets," Birol told a reporters on a conference call after the IEA energy watchdog released its loss at $28.54. "Crude oil has been hit hard... as a massive drop in demand highlights the shortcomings of the OPEC+ production cut," noted Joshua Mahony, senior market analyst at IG trading group. "Whether today's slump in oil prices serves to rally OPEC+ into another cut remains to be seen." OPEC kingpin Saudi Arabia and Russia on Sunday thrashed out a deal to slash production by 9.7 million barrels per day from May.

The Economic Times - 15.04.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-price-strikes-2002-low-as-demand-set-to-crash/75158091

World oil demand forecast to suffer biggest drop ever

Global demand for oil will fall this year by the most ever due to the economic lockdowns enforced around the world to contain the coronavirus pandemic, the International Energy Agency said Wednesday. An estimated drop in demand of 9.3 million barrels a day this year is equivalent to a decade's worth of growth. The agency, which advises nations on energy use, expects the slide in demand to be the most intense this month, calling it a "Black April" for the energy market. "We may see it was the worst year in the history of global markets," said Fatih Birol, head of the IEA. The price of crude has fallen about 60 per cent since the start of the year due to a pricing war between Saudi Arabia and Russia and then the economic devastation wrought by the virus outbreak. While the cheaper energy can be helpful for consumers and energy-hungry businesses, it is below the cost of production. That is eating away at the state finances of oil-producing countries, many of whom are relatively poor economies, and pushing companies to bankruptcy. With broad limits on travel and business, many consumers are unable to take advantage of the low prices anyway.

The Economic Times - 15.04.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/world-oil-demand-forecast-to-suffer-biggest-drop-ever/75157130

Output cut may not sustain oil price: Analysts

A historic pact by key producers to cut global output by a tenth couldn’t lift oil prices on Monday on concerns the move lacked the necessary firepower to reverse the impact of an estimated 30 per cent demand decline caused by the Covid-19 pandemic. Lower prices can help revive the Indian economy, although motorists have barely benefited from it recently, partly due to the lockdown that has kept most of them off the roads

monthly report. "During that terrible year, the second quarter may well have been the worst of the lot. During that quarter, April may well have been the worst month - it may go down as Black April in the history of the oil industry."

The Economic Times - 15.04.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/april-may-prove-worst-ever-month-for-oil-industry-ieas-birol/75157367

Non OPEC+ crude oil supply cuts

The Organization of the Petroleum Exporting Countries and its allies, known as OPEC+, agreed on Sunday to reduce output by 9.7 million barrels per day (bpd) for May and June in an effort to prop up oil prices as the coronavirus outbreak slashes fuel demand. But they are not alone. Numerous other nations have committed to bringing down worldwide supply, even though some are mostly talking about cuts that come in response to falling prices. In total, output cuts could total 19.5 million bpd, including G20 nations and oil purchases for reserves.US Secretary of Energy Dan Brouillette said last week he expected US production to fall by roughly 2 million bpd by the end of 2020. The department's forecasts suggest the declines will take more time. The US Energy Information Administration (EIA) said in April that output should average roughly 11.1 million bpd at the end of 2021, down from 12.8 million bpd in the fourth quarter of 2019. Numerous US shale companies have detailed plans to reduce output, along with oil majors. In late March, Chevron Corp reduced its expectations for the Permian Basin, the largest US shale formation, to 475,000 bpd by the end of the year, from 600,000 bpd.

The Economic Times - 17.04.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/non-opec-crude-oil-supply-cuts/75193594

Crude oil held in sea storage hits new record at 160 mln bbls: sources

Traders are storing an estimated record 160 million barrels of oil on ships - double the level from two weeks ago as they seek to tackle a glut of stocks created by a slide in global demand from the coronavirus, shipping sources say. Organization of the Petroleum Exporting Countries (OPEC) and other producers including Russia have agreed a record cut in output from May of 9.7 million barrels per day, or almost 10 and partly due to the reluctance of the government and oil companies to pass on the benefits to consumers. Crude oil traded around $31 a barrel on Monday, about 2 per cent lower. Twenty-four countries, led by Saudi Arabia and Russia, commonly referred to as Opec+, agreed on Sunday to cut output by 9.7 million barrels per day, or about 10 per cent, for May-June and by lower amounts until April 2022. The deal was brokered by US President Donald Trump after a combination of the pandemic and Saudi-Russia rivalry sent prices to the lowest in about two decades, threatening to bankrupt several shale producers in the US. Analysts say an estimated 30 per cent drop in global oil demand, much bigger than the 10 per cent cut pledged by producers, and an already large inventory build-up will not permit oil prices to rise.

The Economic Times - 14.04.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/output-cut-may-not-sustain-oil-price-analysts/75132945

Saudi Arabia, Russia hint at further action to stem oil rout

Saudi Arabia and Russia signalled they may be open to further output cuts after the latest Opec+ deal to curb global oil supplies failed to stem crude's downward spiral. The two nations will "continue to closely monitor the oil market and are prepared to take further measures jointly with Opec+ and other producers if these are deemed necessary," Russian Energy Minister Alexander Novak and his Saudi counterpart Prince Abdulaziz bin Salman said in a joint statement published after a phone call. Oil has plunged about 20 per cent in New York since the group on Sunday agreed to trim worldwide production by an unprecedented 9.7 million barrels a day, as lockdowns aimed at containing the coronavirus cause the biggest demand slump in history. Prices hit a fresh 18-year low below $19 a barrel on Friday. The Organization of Petroleum Exporting Countries projected on Thursday that even full implementation of the cuts won't prevent a surplus in the second quarter, when demand for its crude will fall to the lowest in three decades.

The Economic Times - 18.04.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/saudi-arabia-russia-hint-at-further-action-to-stem-oil-rout/75214265

US trade body awards grant to accelerate India's use of natural gas, improve energy access

per cent of global supply, to help support prices and curb oversupply. At the same time traders have rushed to find storage on land and at sea in what is believed to be the biggest oil glut in history. Shipping sources said oil held in floating storage on tankers had reached at least 160 million barrels including 60 supertankers, known as very large crude carriers (VLCCs), which can each hold 2 million barrels. This compared with 25 to 40 VLCCs already chartered with storage options at the start of April and fewer than 10 VLCCs in February, the sources said.

The Economic Times - 18.04.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/crude-oil-held-in-sea-storage-hits-new-record-at-160-mln-bbls-sources/75214221

Saudi Aramco's oil allocations to Asia down by about 2 million bpd in May

Saudi Aramco has allocated around 4 million barrels per day of crude oil to its Asian customers, which is lower than its full contractual volumes to Asia by about 2 million bpd, a Saudi oil source familiar with the company's plans told Reuters on Friday. The Saudi source was clarifying a Reuters report earlier on Friday, which cited four source saying Aramco has notified some refiners in Asia that it would supply full contractual volumes of crude in May. "The full contractual volumes to Asia are about 6 million bpd. What Aramco has allocated is what was nominated, which is around 4 million bpd," the Saudi source said on condition of anonymity. Aramco said on Friday that it would supply its customers inside the kingdom and abroad with around 8.5 million bpd of crude, in line with a supply cut pact agreed by Organization of the Petroleum Exporting Countries and other leading oil producers. Saudi Arabia's oil output quota under the OPEC+ agreement, which was reached on Sunday, is 8.492 million bpd.

The Economic Times - 17.04.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/saudi-aramcos-oil-allocations-to-asia-down-by-about-2-million-bpd-in-may/75199655

Steel Demand Seen Plummeting 25%

The nationwide lockdown triggered by the coronavirus pandemic is taking a toll on steel companies, with experts estimating a demand

A federal US trade body on Thursday announced to award a grant to an Indian company to accelerate its use of natural gas and improve energy access to support economic growth. Under the grant, the US Trade and Development Agency (USTDA) will fund a feasibility study to evaluate the development of a virtual pipeline that will distribute natural gas via truck, rail or ship to areas unserved by traditional gas pipeline infrastructure. The grant, which was not specified, has been awarded to Arush Gas Technology Services LLP, the USTDA said in a press release. According to Thomas Hardy, USTDA's Acting Director the project will improve the resilience of India's energy network, making it better able to meet increased energy demand from industry and its citizens. It will make a critical difference in achieving a cleaner and more resilient energy supply system in India, while creating significant opportunities for U.S. industry and American workers, he said. AGTS has selected Houston-bases Galway Group to conduct the study.

The Economic Times - 17.04.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/us-trade-body-awards-grant-to-accelerate-indias-use-of-natural-gas-improve-energy-access/75203008

slump of up to 25% this year. Moody's Investors Service has placed Tata Steel and JSW, India's two largest private steel companies, under review for a rating downgrade. "The economy is grappling with lockdown, factory shutdowns, reduced discretionary spending, and delayed capex cycle alongside external factors such as weak global demand, supply disruptions, and worldwide financial shocks. We expect this perfect storm to affect construction activities and automobile production, and thereby, steel demand," Crisil said in its latest sector report. Crisil expects steel demand in India to contract by 14-17% this financial year. Extended vulnerability will widen the demand contraction to 22-25%, it said. Research estimates show weak steel demand in the first quarter. While demand will contract in the second quarter as well, pent-up demand release, especially in construction and infrastructure, would aid growth in the second half, Crisil said. "Demand is non-existent right now.

The Economic Times - 20.04.2020

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F04%2F20&entity=Ar00716&sk=AD9645EA&mode=text

Over 20 lakh jobs In aviation, allied sectors at risk: IATA

More than 20 lakh jobs are at risk in India's aviation space and dependent sectors in the wake of the coronavirus pandemic, according to global airlines' grouping IATA. Commercial flight services have been suspended till May 3 as the government has extended the nation lockdown in continuing efforts to curb spreading of coronavirus infection, which has already affected more than 11,000 people in the country. Faced with challenging business conditions, some domestic airlines have resorted to leave without pay and layoff of expat pilots. Against the backdrop of the current situation that has also resulted in substantial economic disruptions, the IATA said airlines in India are also not spared. The International Air Transport Association (IATA) on Wednesday said that airlines globally are now facing an existential crisis as a result of the Covid-19 outbreak. "Airlines in India are not spared. Passenger revenue is expected to fall by more than USD 8.8 billion and passenger demand decline by 36 per cent This puts over 2 million (over 20 lakh) jobs at risk, including sectors that are dependent on aviation," Albert Tjoeng, Assistant Director for Corporate Communications (Asia Pacific) at IATA, said.

Business World - 16.04.2020

http://www.businessworld.in/article/Over-20-Lakh-Jobs-In-Aviation-Allied-Sectors-At-Risk-IATA/16-04-2020-189313

Airlines told to give full refund for tickets booked during lockdown till May 3

The Centre on Thursday ordered domestic and foreign airlines to refund passengers in full for bookings on flights that have been suspended during the extended coronavirus disease (Covid-19) lockdown until May 3. An advisory by the government sent to the airlines said the refunds were for meant for passengers who had booked flights until May 3 during the first phase of the lockdown, from March 25 until April 14. Senior civil aviation ministry officials said the order does not apply to passengers who had booked flights prior to the lockdown. "There were several distress cases that we got {to know} of passengers who had booked flights from April 15 onward thinking the lockdown would be lifted and our priority was to address those cases. The second issue was of passengers who had booked in the first lockdown during the same period," a senior ministry official said requesting anonymity. The advisory issued by the ministry of civil aviation (MOCA) said airlines have to refund the full amount collected from passengers without levying any cancellation charge.

The Hindustan Times - 17.04.2020

https://www.hindustantimes.com/india-news/airlines-told-to-give-full-refund-for-tickets/story-Tskj5gqx1MGQ7X77YXjXrN.html

DGCA: Don't sell tickets for post-lockdown flights

The DGCA has directed all airlines to immediately stop selling tickets for flights scheduled after the lockdown, which for now ends on May 3, and start taking bookings only after a final decision on resumption of commercial operations is taken. DGCA's Sunday circular said: "It has been noted airlines have started booking tickets for journeys from May 4… no decision to commence operation of domestic/international flights from May 4, 2020, has been taken yet. In view of this, all airlines are hereby directed to refrain from booking tickets as described above. Airlines shall be given sufficient notice and time for restarting of operations." The order came as private airlines continued bookings despite aviation minister H S Puri "advising" them in a tweet to take bookings after the Centre decides on re-opening of flights.

The Times of India - 20.04.2020

https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2020%2F04%2F20&entity=Ar00611&sk=CCDA01CF&mode=text

Logistics costs set to rise as freighters hike transport rates

Truckers and transporters are increasing prices by as much as 80% and freighter operators are adding surcharges for transportation of goods as they grapple with regulatory challenges, shortage of manpower and a huge slump in supply. This will increase logistics costs for companies and likely in products as well, industry executives said. Truckers have increased tariffs by up to 80%, said people aware of the matter. Blue Dart has implemented a 25% emergency situation surcharge (ESS). Air India said it will increase freight charges by 90% per kilo if it doesn't have sufficient cargo to ferry. "Truck rentals have shot up for essential items such as fruits and vegetables despite a waiver of toll fee, motor vehicle taxes and some other incentives such as deferment of EMIs on truck loans," said SP Singh, a senior fellow at the Indian Foundation of Transport Research and Training. Ashok Walunj, a director at the Agriculture Produce Market Committee in Maharashtra, said most truckers get to ferry cargo only one way and return with empty trucks.

The Economic Times - 14.04.2020

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F04%2F14&entity=Ar00406&sk=97F83BE5&mode=text