WEEKLY MEDIA UPDATE

Issue 354

16 July, 2018
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.)

India replaces France as world's 6th biggest economy

India has become the world's sixth-biggest economy, pushing France into seventh place, according to updated World Bank figures for 2017. India's gross domestic product (GDP) amounted to $2.597 trillion at the end of last year, against $2.582 trillion for France. India's economy rebounded strongly from July 2017, after several quarters of slowdown blamed on economic policies pursued by Prime Minister Narendra Modi's government. India, with around 1.34 billion inhabitants, is poised to become the world's most populous nation, whereas the French population stands at 67 million. This means that India's per capita GDP continues to amount to just a fraction of that of France which is still roughly 20 times higher, according to World Bank figures. Manufacturing and consumer spending were the main drivers of the Indian economy last year, after a slowdown blamed on the demonetisation of large banknotes that Modi imposed at the end of 2016, as well as a chaotic implementation of a new harmonised goods and service tax regime. India has doubled its GDP within a decade and is expected to power ahead as a key economic engine in Asia, even as China slows down.

Mint - 12.07.2018

https://www.livemint.com/Politics/xHmKR9JBEzahuw38wtA5SL/India-replaces-France-as-worlds-6th-biggest-economy.html

OECD: India to grow over 7%, China to moderate

India's economic growth is poised to rise to 7.4% in 2018 and 7.5% in 2019 as the economy has been able to navigate through growth obstacles due to demonetisation and impact of GST rollout, a report from the Organisation for Economic Cooperation and Development (OECD) showed on Friday. China's GDP growth is projected to moderate to 6.7% in 2018 and to 6.4% in 2019, the report said. The forecast for China and India is in line with other multilateral agencies such as the International Monetary Fund (IMF), the World Bank and the Asian Development Bank (ADB), which see a growth pick-up for the Asia's third largest economy. "China's growth rate surpassed the government's target, while India managed to navigate quite well the growth obstacles tied to lagged demonetisation effects and the sales tax reforms," OECD's update to the economic outlook for Southeast Asia, China and India 2018 said. It said private spending should benefit from rising credit growth. Improvements in revenue intake should also help the government expand spending coverage.

The Times of India - 14.07.2018

https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2018%2F07%2F14&entity=Ar02002&sk=35B96464&mode=text

India Inc to post 12.8% revenue growth in Q1; highest in three years

India Inc will deliver the highest quarterly revenue growth in three years at 12.8 per cent in the April-June period, but high oil prices will narrow profit margins by 0.20 per cent, a report said on Monday. This would be the third consecutive quarter of double digit growth, but the jump in performance in the earlier two quarters could have been attributed to a low base on account of demonetisation and GST implementation slump, the research arm of domestic rating agency Crisil said. The estimates are based on an analysis of 350 companies excluding those in the banking, finance, insurance and oil sectors, which comprise over 50 per cent of the NSE, it said. Major listed

Twin blow for economy: Industrial growth slows, retail inflation soars

India's industrial growth slowed to a seven-month low in May while consumer inflation breached the central bank's forecast for the first half of the fiscal year, marking twin setbacks for an economy that's otherwise seen picking up pace this year. To be sure, experts see factory output recovering from here and inflation having peaked. Nevertheless, the key policy rate will likely be raised next month, they said. Industrial production growth was 3.2% in May, down from 4.7% in the previous month, data released by the government showed. The simultaneously released Consumer Price Index (CPI) showed a hardening in retail inflation to companies will start reporting their results starting tomorrow. Crisil Research's senior director Prasad Koparkar said 15 of the 21 key sectors will report a double-digit growth for Q1FY19 and volume pick-ups are expected both from both the consumption and commodity-linked sectors. On the profitability side, the pre-tax margins will crimp by 0.20 per cent, but the slide will be narrower than the 1-2.50 per cent contraction seen in the past quarters.

Business Standard - 09.07.2018

https://www.business-standard.com/article/companies/india-inc-to-post-12-8-revenue-growth-in-q1-highest-in-three-years-118070900617_1.html

Trade deficit was $12.96 billion in June 2017

Growth in 22 out of 30 sectors, including petroleum products, cereals, organic and inorganic chemicals, and drugs and pharmaceuticals helped exports grow to $27.7 billion in June, while a 56.6% increase in oil imports drove the country's total imports to $44.3 billion. Imports growth was driven by inputs such as machinery, coal, chemicals, fertilizers, iron and steel, and non-ferrous metals, as well as electronic goods. The country's exports growth in June was faster than China's 11.3% growth. "MSME sectors of exports are still feeling the pinch of liquidity crunch as banks and lending agencies have continuously been tightening their lending norms," said Ganesh Kumar Gupta, president at Federation of Indian Export Organisations. Major commodity groups of export showing positive growth over the corresponding month of last year included petroleum products (52.53%), gems & jewellery (2.72%), organic and inorganic chemicals (30.26%), drugs and pharmaceuticals (14.72%), and engineering goods (14.19%), as per data released by commerce and industry ministry on Friday. Aditi Nayar, principal economist at credit rating agency ICRA, said, "Looking ahead, the monthly merchandise trade deficit is likely to print at an uncomfortably high average of $15.5-16 billion over the remainder of FY19."

The Economic Times - 14.07.2018

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F07%2F14&entity=Ar00416&sk=82B84167&mode=text

Government sets up task force to suggest ways on reducing import dependence

The government has set up a high-level task force under the chairmanship of Cabinet Secretary P K Sinha to identify various items and policy

5% in June from 4.87% in the previous month, on the back of buoyant oil and housing prices. This suggests the Reserve Bank of India may raise interest rates in the policy review next month even though experts feel inflation may have peaked. "June inflation number is the likely peak we have seen in this fiscal year. Subsequent prints are expected to average below 4.5%," said Shubhada Rao, group president and chief economist, Yes Bank.

The Economic Times -13.07.2018

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F07%2F13&entity=Ar00318&sk=EBDDACE1&mode=text

Selloff drill gathers pace

The government's divestment programme is set to pick up pace as two rail state-owned firms -- IRFC and Ircon -- are likely to come out with their initial public offerings in the next two months, which could together fetch about Rs 1,500 crore to the exchequer. The Air India stake sale, which did not receive a single bid, was seen as a setback for the government. However, it plans to go ahead with the merger of three public sector insurance companies -- Oriental Insurance Co Ltd, National Insurance Co Ltd and United India Insurance Co Ltd-- followed by listing despite opposition from the unions. "We are planning to float IPOs of Ircon and IRFC during August-September after the companies finalise their audit reports by the middle of this month," a senior finance ministry official. Analysts said the merger of the three state-run insurers will be a key part of the government's divestment target for financial year 2018-19. Higher divestment revenue remains crucial for managing fiscal deficit amid concerns over lower-than-expected GST collection. Officials said the strategic sale in the state-owned firms would have to be completed before January because of the general elections next year.

The Telegraph - 16.07.2018

https://epaper.telegraphindia.com/textview_202918_17616958_4_1_8_16-07-2018_71_1.html

Andhra is best state to do business, again

Second year in a row, Andhra Pradesh outperformed 28 other states and seven union territories (UTs) to be the best state in India to do business in, rankings released by the interventions to reduce dependence on import, an official said. The task force includes secretaries from departments of commerce, industrial policy and promotion, skill development, revenue, defence production, steel, petroleum, electronics and telecommunications. It would suggest ways to cut import of those items which can be manufactured or explored in the country, the official added. The move assumes significance as India is heavily dependent on imports of several items such as oil, electronic hardware, machinery, ingredients for pharmaceuticals, gold and chemicals. On an average, India's imports stand at around USD 450 billion per year. In 2017-18, the inbound shipments grew about 20 per cent to USD 460 billion. Oil imports during the last fiscal rose 25.47 per cent to USD 109.11 billion. Although increase in imports of intermediates and raw materials reflects boost in economic activities, inbound shipments of final goods impact domestic manufacturers. Trade experts have raised concerns over high dependence on pharmaceutical ingredients or APIs from China. At present, over 60 per cent of APIs are imported from China.

The Economic Times - 13.07.2018

https://economictimes.indiatimes.com/news/economy/policy/government-sets-up-task-force-to-suggest-ways-on-reducing-import-dependence/articleshow/64962444.cms

government on Tuesday showed. The third edition of the annual ranking of all states and UTs under the Business Reform Action Plan (BRAP) conducted by the industry department and the World Bank showed Telangana and Haryana in second and third spots, respectively while Meghalaya was ranked last at 36th position. The ranking is based on 372 action points or reforms undertaken to ease regulation and systems in construction permit, labour regulation, environmental registration, access to information, land availability, and single window system. It is aimed at triggering competition among states to attract investments and improve business climate. This year, only two states - Jharkhand and Telengana - have been able to implement the full 100% of reforms. However, 17 states have scored above 90%. Moreover, Telangana and West Bengal handheld Tripura and Nagaland, respectively to help them perform better.

The Economic Times - 11.07.2018

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F07%2F11&entity=Ar01309&sk=698C1457&mode=text

One Tax, Many Changes

India has proposed a slew of changes to the year-old goods and services tax law, including an amendment to deny credit in lieu of accumulated balances of education cess, secondary and higher education cess, Krishi Kalyan cess, and additional excise duties levied on textile and textile articles. The GST Council, the apex decision-making body for the tax, on Monday unveiled the draft of changes proposed to the GST law before they are introduced in the upcoming monsoon session of parliament. India Inc.’s key demand on transfer of cess credits has been turned down, but substantial changes have been proposed to provide relief to businesses. In a significant easing of compliance norms, businesses have been allowed to amend GST returns. “It appears that the feedback from businesses on the need to simplify the compliance processes and streamline the input tax credit provisions is being acted upon and once these amendments are approved, there would be a considerable degree of comfort for all businesses,” said MS Mani, a partner at Deloitte India. Aimed at benefitting smaller businesses, the turnover threshold for composition dealers is proposed to be raised to Rs 1.5 crore from Rs 1 crore now.

The Economic Times - 10.07.2018

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F07%2F10&entity=Ar01306&sk=A1324B78&mode=text

GST law tweak likely to help resolve many lawsuits

New amendments proposed to the goods and services tax framework may help resolve a number of issues that companies and industry associations have raised, and result in the withdrawal of several writ petitions they have filed in various high courts. The amendments are targeted at the problems raised by the industry, said experts who closely track the new tax system introduced about a year ago. In fact, a group of research and development centres, comprising mainly pharmaceutical, biotech and manufacturing companies, has already withdrawn its petition, taking note of the amendments that the government is bringing. These centres had approached the Delhi High Court last year saying that under GST, the government had reneged on a tax sop promise by removing exemption on locally sourced raw materials. To encourage R&D (research and development) companies to set up units in India, the government had exempted procurement of raw materials — whether imported or sourced domestically — from taxation for three years under the erstwhile tax regime.

The Economic Times - 11.07.2018

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc

=ETKM%2F2018%2F07%2F11&entity=Ar01701&sk=E03765FE&mode=text

Global Index ranks India the 57th most innovative nation

The Global Innovation Index (GII) has ranked India as the 57th most innovative nation in the world. The country has improved its ranking from 60th position last year. India has been improving steadily since it was ranked 81st in 2015. Meanwhile, China improved its ranking from 22 in 2017 to 17 this year. GII is being developed by jointly Cornell University, the Paris-based business school Insead and the World Intellectual Property Organisation (WIPO) in Geneva. GII ranks 126 economies based on 80 indicators. It is now in its 11th edition, and has become a major input for policy-makers on innovation around the world. After a precipitous drop in 2014 and 2015, India has been steadily improving its GII ranking in the last four years. "It is surprising that India is not ranked higher," says Francis Gurry, director general of WIPO. "But there is a consistent trend now, and I expect the trend to continue." Although ranked at 57, India is a top performer in the lower middle income group, where it is ranked at 5th position. It is the most innovative country in its region of central and southern Asia.

The Economic Times - 11.07.2018

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F07%2F11&entity=Ar01703&sk=BA3D208F&mode=text

Directors need to give KYC details to remain on board

The 30-35 lakh "active directors" on company boards will have to submit PAN-authenticated digital signatures and a certificate from a chartered accountant or a company secretary to remain on boards as part of a massive KYC exercise undertaken by the government to ensure that only genuine individuals are responsible for running the affairs of companies. The ministry of corporate affairs has ordered that it will be conducting the KYC exercise with all the 50 lakh individuals holding DINs, or director identification numbers, being asked to fill up an electronic form by August 31. Those who do not submit the form will see their DINs deactivated. The exercise covers all DINs issued up to March 31, 2018. The details of KYC, such as digital signature and certification by a chartered accountant or a company secretary, will be specified shortly as the government is invoking a legal provision to ask two professional institutes — ICAI and ICSI — to help in the "national cause" to clean up businesses. The plan for KYC is part of the government's drive to the corporate sector of shell companies and bogus directors as it has seen that rogue businessmen often designate their household helps, drivers or gardeners as board members.

The Times of India - 13.07.2018

https://timesofindia.indiatimes.com/business/india-business/directors-need-to-give-kyc-details-to-remain-on-board/articleshow/64954289.cms

Iran oil: Demand will be the deciding factor, says Pradhan

The country's crude oil demand, not global pressures, will decide on whether its domestic refiners will continue to buy the fuel from Iran. Talking to BusinessLine, Dharmendra Pradhan, Minister for Petroleum & Natural Gas, said, "There is no contradiction in our thinking on any issues. We will first ensure that our energy demands are met. Priority will be given to national interest." Iran is the third largest crude oil supplier to India after Iraq and Saudi Arabia. The global energy market is looking at how New Delhi will deal with the US President Donald Trump's threat to impose economic sanctions on Iran. "We will first look at our national interest. India's energy basket has multiple sources now. Our focus will be to see that our requirement is not affected, and to ensure this, we will do what we have to do. But, we will

Iranian oil imports dip 25 per cent in June

India's oil imports from Iran showed a decline of over 25 per cent in June, but some shipments loaded last month are expected to arrive this month, government and industry officials said today. After scaling imports to around 770,000 barrels per day in May, imports from Iran were down to 570,000 bpd in June as India considers acquiescing to US President Donald Trump's demands for ending oil imports from Iran by November 4. Officials said actual shipment reaching Indian shores has shown a decline but some of the oil that was loaded in June arrived this month and has not been accounted for in the June numbers. While New Delhi says it does not recognise unilateral restrictions imposed by the US on any country and instead follows UN sanctions, oil firms have been asked to be also keep a watch on global geo-politics," Pradhan said. Pradhan's confidence comes from the fact that in the global energy space where oil producers were agenda setters, large consumers like India have now gained voice as equals.

The Hindu Business Line - 10.07.2018

https://www.thehindubusinessline.com/economy/iran-oil-demand-will-be-the-deciding-factor-says-pradhan/article24366432.ece

prepared for channels to pay for Iranian oil getting blocked by November, following sanctions against the Persian Gulf nation, they said. Russia's Rosneft-based Nayara Energy and private sector Reliance Industries as well as state-owned Indian Oil Corp showed lesser Iranian purchases, but Mangalore Refinery and Petrochemicals Ltd (MPRL) sourced more oil.

The Economic Times - 12.07.2018

https://economictimes.indiatimes.com/industry/energy/oil-gas/iranian-oil-imports-dip-25-per-cent-in-june/articleshow/64949372.cms

Iran threat to pull out oil cushion

Iran on Tuesday indicated withdrawal of all privileges extended to India in bilateral trade, including payments in rupee and long-term credit, if New Delhi cuts back on oil imports from Tehran in the wake of US sanctions on oil trade that will kick in on November 4. This was stated in as many words by Iran's deputy ambassador to India, Massoud Rezvanian Rahaghi, while speaking at a seminar on Emerging Challenges and Opportunities in Global Diplomacy and its Impact on Bilateral Relations with India, organised by the All India Minorities Front. Rahaghi pointed out that certain privileges extended to India by Iran between 2012 and 2015 had helped New Delhi to continue importing oil from Tehran through the sanctions before the Iran Nuclear Deal (Joint Comprehensive Place of Action) was signed. He said these measures helped the Indian government minimise its current account deficit (CAD) considerably because of rupee-denominated oil imports from Iran and curtailing of foreign exchange outflow. Empathetic to the difficulties being faced by India because of US sanctions on Iran and Venezuela, Rahaghi, however, said: "If India were to replace Iran with countries like Saudi Arabia, Russia, Iraq, US and others for the 10 per cent of its oil demand then it may have to revert to dollar-denominated imports which mean higher CAD and deprivation of all other privileges Iran has offered to India."

The Telegraph - 11.07.2018

https://www.telegraphindia.com/india/iran-threat-to-pull-out-oil-cushion-244082

Iran says will strive to ensure oil supplies to India

Iran will do its best to ensure security of oil supply to India by offering "flexible measures" to boost bilateral trade, a statement from Tehran's embassy in New Delhi said. Iran is the third-biggest oil supplier to India and has offered refiners incentives including almost-free shipping and an enhanced credit period on oil sales. Imports from Iran could take a hit as the United States reintroduces sanctions on Tehran after withdrawing from a nuclear deal with world powers. India, Iran n's top oil client after China, asked refiners last month to prepare for drastic reductions or even zero Iranian oil imports. "Iran understands the difficulties of India in dealing with (an) unstable energy market and it has done and will do its best to ensure security of oil supply to India," the statement said. India's oil imports from Iran fell about 16 percent in June compared to May, tanker arrival data showed. "Iran has always been a reliable energy partner for India and others, seeking a balanced oil market and regional prices of oil which ensure the interest of both countries as consumer and supplier," the statement said.

The Economic Times - 13.07.2018

https://economictimes.indiatimes.com/industry/energy/oil-gas/iran-says-will-strive-to-ensure-oil-supplies-to-india/articleshow/64964627.cms

Iraq topples Saudi Arabia to become India's top crude oil supplier

In a historic development, Iraq toppled Saudi Arabia to become the largest crude oil supplier for India, the world's fastest-growing oil consumer, last financial year (2017-18). Iraq's rise in supply -- with crucial ramifications for India's crude mix -- is mainly attributed to Indian refiners' growing hunger for heavier grades of crude and Saudi

World's fastest growing oil user India bucks trend of fuel price cuts

India, the world's fastest growing oil consumer, is bucking an emerging market trend of populist measures to curb surging oil prices. While governments in Indonesia, Brazil and elsewhere are cutting or freezing prices, India is standing its ground on gasoline and diesel costs even after they rose as much as 16 percent this year.

Arabia's decision to over-confirm on output cuts decided in the January 2017 OPEC meet. Fresh data sourced from Director General of Commercial Intelligence and Statistics (DGCIS), an arm of the commerce ministry, showed India imported 220 million tonne (MT) crude oil last financial year, 3 per cent more than 214 MT imported in the previous fiscal (2016-17). In value terms, the country's crude oil imports rose 25 per cent to $87.8 bn in 2017-18. Oil imports from Iraq jumped 21 per cent to 45.74 MT in 2017-2018 from 37.75 MT imported in 2016-17. In value terms, India imported $17,544 million worth of crude oil from Iraq last financial year, a huge 51 per cent increase over $11,617 million worth of crude imported from that nation in the previous fiscal.

The Economic Times - 13.07.2018

https://energy.economictimes.indiatimes.com/news/oil-and-gas/iraq-topples-saudi-arabia-to-become-indias-top-crude-oil-supplier/64960838

India has, so far, resisted the temptation to give relief to consumers and keeping a close watch on fiscal deficit goal, a move that helped Prime Minister Narendra Modi win a credit-rating upgrade from Moody's Investors Service last year. The upshot is an acceleration in inflation that would worry an already-hawkish central bank. Authorities "have been very firm" on sticking to reform measures to allow domestic prices to be market determined, said Vikas Halan, a senior vice president at Moody's in Singapore. "It doesn't look like the government is thinking about bringing back some kind of price regulations." Inflation has picked up sharply this year on the back of higher fuel prices, prompting the central bank to raise interest rates last month

The Economic Times - 13.07.2018

https://energy.economictimes.indiatimes.com/news/oil-and-gas/worlds-fastest-growing-oil-user-india-bucks-trend-of-fuel-price-cuts/64964907

Reduce prices or expect demand to sink, oil guzzler warns OPEC

The world's fastest growing crude consumer has a warning for OPEC: Start reducing prices, or waning demand will mean a curb in purchases from the crude cartel. At least that's the suggestion from Sanjiv Singh, chairman of Indian Oil Corp, the country's biggest refiner. If prices continue rising at the pace they've been gaining in the past month and a half, the South Asia nation's consumers will likely see alternatives such as electric vehicles and gas as more cost effective, replacing 1 million barrels of the country's daily oil use by 2025, he said. "Demand cannot be seen in isolation to prices, especially for a price sensitive market like India," Singh said. "You may not see an impact on demand in the short term, but in the long term, definitely it will have implications." Fears of a global supply crunch following outages from Libya and Venezuela to Canada have led to an almost 5 percent jump in oil since April. While the Organization of Petroleum Exporting Countries and its allies have agreed to boost curbs to alleviate tightness, concerns remain that the additional barrels won't be enough to meet growing demand, spurring U.S. President Donald Trump to tweet a series of tirades against the cartel.

The Economic Times - 12.07.2018

https://economictimes.indiatimes.com/industry/energy/oil-gas/reduce-prices-or-expect-demand-to-sink-oil-guzzler-warns-opec/articleshow/64949655.cms

June fuel demand jumps 8.6%

India's fuel demand jumped 8.6 per cent in June as falling rates led to rise in consumption. Fuel consumption in June totalled 17.99 million tonne (MT) as compared to 16.56 MT in the same month last year, data from the Petroleum Planning and Analysis Cell (PPAC) of the oil ministry showed. The rise was more than double of 3.8 per cent growth seen in May when demand totalled 18.1 MT. During June, petrol sales were up 14.9 per cent at 2.37 MT while diesel consumption was up 7.75 per cent to 7.32 MT. In May, petrol was up by a meagre 2 per cent and diesel consumption was flat as high oil prices dented demand. While Rs 3.8 a litre hike in petrol and Rs 3.38 in diesel propelled rates to hit an all-time high of Rs 78.43 a litre and Rs 69.31, respectively, on May 29 in Delhi, prices cooled off in June. Petrol price was down to Rs 75.55 by the end of the month and diesel to Rs 67.38. Rates have since gone up marginally. Petrol costs Rs 76.53 a litre and diesel Rs 68.23. In April, petrol sales had risen 9.2 per cent while diesel, which makes up for roughly 40 per cent of all the petroleum product consumed in the country, posted a 2.6 per cent growth in consumption.

Millennium Post - 13.07.2018

http://www.millenniumpost.in/business/june-fuel-demand-jumps-86-309081

LNG imports jump 20% in the first six months of 2018: S&P Global Platts

The country's liquefied natural gas (LNG) imports jumped 20 per cent year-on-year in the first half of this year on strong growth in demand, S&P Global Platts said on Thursday. It expects imports from the US market to increase in coming years to meet the increasing demand. "India's LNG imports jumped by 20 per cent in the first six months of 2018 as compared to same period last year due to strong growth in demand," S&P Global Platts' director, LNG market development, Marc Howson, told reporters here. With the government taking proactive steps to ease infrastructure bottlenecks and push for gas as penetration in energy mix, Howson said LNG is the only option in boosting the country's gas demand in the next few years. The country imports nearly 60 per cent of LNG from the Middle East and the rest from Australia, West Africa and the US, the global energy, metals and commodities information provider said. In the world market, China, ranked second, witnessed 50 per cent growth in LNG imports, while India was ranked as the fourth largest importer of LNG, Howson said. "We see higher imports from the US market in coming years. The LNG imports from US market is relatively small at 5 per cent at present, which could well grow as US projects ramp-up in the coming years.

Business Standard - 16.07.2018

https://www.business-standard.com/article/economy-policy/lng-imports-jump-20-in-first-half-of-2018-s-p-global-platts-118071201121_1.html

US oil supply to India soars ahead of Iran sanctions

US crude oil exports to India hit a record in June and so far this year are almost double last year's total as the Asian nation's refiners move to replace supplies from Iran and Venezuela in a win for the Trump administration. US President Donald Trump's administration has been pressuring its allies to cut imports of Iranian goods to zero by November and India's shift advances the US administration efforts to use energy to further its political goals. The United States has become a major crude exporter, sending 1.76 million barrels per day (bpd) abroad in April, according to the latest government figures. All told, producers and traders in the United States will send more than 15 million barrels of US crude to India this year through July, compared with 8 million barrels in all of 2017. The exports to India could go higher if China imposes levies on its US oil imports over the latest round of US tariffs, which could damp Chinese purchases and lead US crude prices lower. A. K. Sharma, head of finance at Indian Oil Corp (IOC.NS), the country's top refiner, said US crude is gaining appeal because of its lower cost, and could expand further if China cuts its imports of US energy. "If China levies a tariff on US oil then US imports to India will probably rise," he said.

The Financial Express - 13.07.2018

http://www.today.thefinancialexpress.com.bd/print/us-oil-supply-to-india-soars-ahead-of-iran-sanctions-1531419804

Total closes $1.5-billion deal for Engie's upstream LNG business

French oil and gas major Total said on Friday that it has completed a $1.5-billion deal to acquire Engie's upstream liquefied natural gas (LNG) business to become the second-largest player in the global LNG market. Under the deal, Total said it would make additional payments of up to $550 million to Engie if there was an improvement in the oil markets in the coming year. Total Chief Executive Patrick Pouyanne said in a statement that the deal will give the company a worldwide market share of 10 percent. The deal will see the group manage an overall LNG portfolio of around 40 million tonnes per year by 2020 and increase its share in the U.S. market, with a 16.6 percent stake in Engie's Cameron LNG project, he said.

The Economic Times - 14.07.2018

https://energy.economictimes.indiatimes.com/news/oil-and-gas/total-closes-1-5-billion-deal-for-engies-upstream-lng-business/64975413

World's oil cushion could be stretched to the limit, IEA warns

The world’s oil supply cushion could be stretched to the limit due to prolonged outages, supporting prices and threatening demand growth, the International Energy Agency said on Thursday. The expected drop in Iranian crude exports this year due to renewed U.S. sanctions, coupled with a decline in Venezuela’s production and outages in Libya, Canada and the North Sea have driven oil prices to their highest since 2014 in recent weeks. OPEC and other key producers including Russia responded to the tightness by easing a supply-cut agreement, with Saudi Arabia vowing to support the market as U.S. President Donald Trump accused the group of pushing prices higher. The Paris-based IEA said in its monthly Oil Markets Report that there were already “very welcome” signs that output from leading producers had been boosted and may reach a record.

Reuters - 13.07.2018

https://in.reuters.com/article/oil-iea/worlds-oil-cushion-could-be-stretched-to-the-limit-iea-warns-idINKBN1K20WR

Kerosene, LPG prices see sharp hike in 2 years, subsidies keep pace

The administered prices of subsidised household fuels has risen sharply, with kerosene up 65% and cooking gas up 17% in the past two years, but the subsidy on both products, which the government tried to cut with regular price hikes, has also risen sharply because of soaring oil prices. Kerosene, a cooking and lighting fuel which the rural poor purchase from the public distribution system, rose to Rs 25.03 a litre on June 1 in Mumbai from Rs 15.02 a litre on July 1, 2016 as state oil firms are increasing the price by 25 paise every fortnight. However, the under-recovery or the discount to market rates on the subsidised fuel has increased 54% to Rs 18 per litre from Rs 11.7 per litre in the past two years because of higher oil prices. In the same period, price of subsidised cooking gas rose Rs 72.39 a cylinder, or about 17%. On June 1, a 14-kg cylinder was priced at Rs 493.55. Subsidy on cooking gas has increased 59% to Rs 205 per cylinder from Rs 129. The government controls the price of cooking gas and kerosene but has freed up the sale of all other petroleum products over the years. The government wants households to shift from the polluting kerosene to cleaner cooking gas and electricity.

The Economic Times - 11.07.2018

https://economictimes.indiatimes.com/industry/energy/oil-gas/kerosene-lpg-prices-see-sharp-hike-in-2-years-subsidies-keep-pace/articleshow/64925744.cms

Cooking gas subsidy rises

The spike in global LPG prices has resulted in an over 60 per cent increase in the subsidy for cooking gas. Officials said the subsidy per cylinder has increased to Rs 257.74 in July from Rs 159.29 in May. A subsidised cylinder in Calcutta is sold at Rs 499.48. The government subsidises 12 cylinders of 14.2-kg each per household a year and transfers the sum to the bank accounts of users. A non-subsidised cylinder costs Rs 781. International rates of LPG, used as a benchmark for the pricing of domestic fuel, have surged since June. Oil firms revise LPG prices on the first of every month based on the average benchmark rate and foreign exchange rate in the previous month. The government has budgeted for petroleum subsidy of Rs 24,933 crore for the current financial year, a mere 2 per cent increase over the revised estimate of Rs 24,460 crore allocated last fiscal. As oil prices increase, upstream firms Oil and Natural Gas Corporation (ONGC) and OIL India (OIL) face increasing risk of the government asking them to share the fuel subsidy burden. According to estimates, fuel subsidy would shoot up to Rs 34,000 crore to Rs 53,000 crore in this fiscal, the highest since 2014-15, assuming Brent crude oil prices average $60-$80 per barrel.

The Telegraph - 13.07.2018

https://www.telegraphindia.com/business/cooking-gas-subsidy-rises-244534

Steel Ministry fears US tariff on imports will result in cross dumping

The Steel Ministry has suggested two options to the Commerce Ministry for the latter’s meeting with the United States Trade Representative (USTR) for resolving the issue of 25 per cent import tariff on steel imposed by the US. Stating that the US move could lead to cross dumping into the country, the Ministry as well as domestic industry representatives said there are two options before the USTR — the first is to have a 25 per cent duty levied on all imported steel, and the second is to cap the quantity of steel that the US administration will allow to be imported into the country. Domestic steel manufacturers are pinning hopes on the meeting between representatives of the Commerce Ministry and the USTR which is scheduled to be held in less than a fortnight in the US. There has already been one round of meeting with the American representatives in June-end. The approach to put a cap on imports is being preferred by the

Including fuel cost in cancellation fee illegal

A body of travel agents in the country, in a representation to the government, demanded a review of the air passenger’s draft citizen charter, contending that inclusion of fuel charges in the cancellation fee was “illegal” and in “violation of law”. The IATA Agents Association of India suggested that the fuel charges should not be clubbed with the base fare for deciding cancellation charges as there was no “fuel burn-off” when the passenger was not travelling in the first place. According to the draft charter released on May 22, the cancellation charges should be printed prominently on ticket and airline and their agents together should not, under any circumstances, levy cancellation charge more than the basic fare plus fuel surcharge. “Charging cancellation fee more than the base fare is quite illogical. When a passenger is not travelling, there is no fuel consumption domestic industry as it allows 75 per cent of the subject steel to be consumed in the US and just 25 per cent to be left for a possible dumping into other countries. Effectively, the USTR could consider the annual steel imports as a reference point and could put a cap on allowing imports up to 75 per cent of the reference quantity for the time period the duty is enforced.

The Hindu Business Line – 10.07. 2018
https://www.thehindubusinessline.com/economy/steel-ministry-fears-us-tariff-on-imports-will-result-in-cross-dumping/article24382156.ece

Govt may extend sops to make the MICE space vibrant

The government is working on providing incentives to the MICE (meetings, incentives, conferences and exhibitions) sector, where revenues have been crimped following policy changes like the introduction of the goods and services tax (GST). Besides relaxing visa norms and conducting MICE promotions through roadshows in markets like Europe this year, the tourism ministry has appointed an agency to study the size of the market and revenue generation potential through MICE activities. According to officials, on the advice of corporate bodies, and the India Convention Promotion Bureau (ICPB), the ministry may look at easing regulations for MICE businesses, besides inviting greater participation from private entities and state governments. "The ministry is working on easing the process, wherein the conference visa doesn't need multiple clearances. They are moving towards a process where they will bring the conference visa under e-visa," said Chander Mansharamani, vice-chairman of ICPB, which markets India as a convention destination and works directly with the tourism ministry. "Earlier, a person coming on a conference visa had to get multiple clearances from the ministry of home affairs, external affairs and the ministry of their nodal agency.

The Economic Times - 10.07.2018
https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F07%2F10&entity=Ar00508&sk=1E82C4E9&mode=text

India: Cargo traffic at major ports rises 4% in Apr-June

The major ports in the country witnessed 3.91 per cent rise in cargo traffic to 174.02 million tonnes in the April-June quarter this fiscal. "The major ports in India have recorded a growth of 3.91 per cent and together handled 174.02 million tonnes (MT) of cargo during the period April to June, 2018

required. Hence, when the carrier is not consuming any fuel or gasoline on account of that passenger, the airline cannot retain such and the unused fuel charge portion should be refunded.

The Economic Times - 12.07.2018
https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F07%2F12&entity=Ar00903&sk=F406B75E&mode=text

Indian logistics sector to grow at 8-10 per cent over medium term, says domestic ratings agency ICRA

The Indian logistics sector is expected to grow at 8-10 per cent over the medium term, domestic ratings agency ICRA said today. "ICRA maintains a stable outlook for the Indian logistics industry, expecting it to grow at 8-10 per cent over the medium term," the ratings agency said in a statement. The demand growth would continue to be buoyed by pick up in industrial activity and consumption-led sectors, while increasing preference for outsourcing logistics activities would provide further impetus to organised players," it added. Additionally, supply side factors like improvement in logistics infrastructure and emergence of logistics start-ups would offer further impetus to growth, it said. Prevalence of trends like rise in integrated logistics, e-commerce logistics, investments in warehousing and penetration of technology in the sector, in tandem with the ongoing shift towards organised logistics players, would also induce a structural shift in the industry over the longer term, it added. With industrial output and consumption-driven sectors recovering in the second half of FY18 from the initial lull post GST implementation, the freight demand in India has also reported healthy pickup during the said period, it said.

The Financial Express - 16.07.2018
https://www.financialexpress.com/industry/indian-logistics-sector-to-grow-at-8-10-per-cent-over-medium-term-says-domestic-ratings-agency-icra/1240941/

No question of closure of Dredging Corporation; 3 ports to pick up government stake: Nitin Gadkari

There is no question of closure of state-owned Dredging Corporation of India (DCI) as three major ports, including Visakhapatnam Port, plan to pick up government stake in the company, Shipping Minister Nitin Gadkari said.

as against 167.48 million tonnes handled during the corresponding period of previous year," the shipping ministry said in a statement. Nine ports – Kolkata including Haldia, Paradip, Visakhapatnam, Kamarajar, Chennai, Cochin, New Mangalore, JNPT and Deendayal (Kandla) Port – have registered positive growth in traffic during the April-June period, it said. The highest growth of 11.93 per cent was registered by Kamarajar Port. "Kamarajar Port growth was mainly due to increase in other liquids by 29.63 per cent, other misc cargo by 15.06 per cent…and thermal and steam coal by 4.93 per cent," the statement said. Kolkata Port registered overall growth of 10.21 per cent.

Hellenic Shipping News - 15.07.2018

https://www.hellenicshippingnews.com/india-cargo-traffic-at-major-ports-rises-4-in-apr-june/

"At the department level, we have taken a decision. The three major ports are now ready to acquire DCI. We have already submitted cabinet note for approval of the cabinet," he said. Besides Visakhapatnam, he said Paradeep Port and New Mangalore Port will buy stakes in the company. There is also plan to restructure the company so that professionally it becomes strong, so that it can take up good jobs not only in India but abroad also, the minister said. "So, the question does not arise about the closure of Dredging Corporation of India," he outlined. Currently, the government holds 73 per cent stake in the company. The sale could bring around Rs 1,400 crore to the exchequer. The company is under the administrative control of the Shipping Ministry.

The Economic Times - 14.07.2018

https://economictimes.indiatimes.com/industry/transportation/shipping-/-transport/no-question-of-closure-of-dredging-corporation-3-ports-to-pick-up-government-stake-nitin-gadkari/articleshow/64976243.cms

Allcargo in talks to raise ₹1,000 crore for logistics park

Logistics services provider Allcargo Logistics Ltd is seeking to set up a warehousing/logistics park platform and is in talks with investors to raise ₹1,000 crore for it, two people aware of the development said. Allcargo provides services for exporters and importers, e-commerce logistics, contract logistics for companies as well as coastal shipping. "Allcargo is planning a major foray into logistics parks and warehousing space and they are in advanced talks with a global strategic investor for a tie-up. They are looking to raise ₹1,000 crore in the warehousing tie-up. The discussions are at an advanced stage and the transaction is expected to be closed in another two to three months," said a person aware of the development, requesting anonymity as he is not authorized to speak with the media. Allcargo has appointed investment bank Avendus Capital to advise it on the fundraise, he added. For the quarter ended 31 March, Allcargo Logistics reported a consolidated revenue of ₹1,536.33 crore, as against a revenue of ₹1,362.81 in the previous year.

Mint - 16.07.2018

https://www.livemint.com/Companies/MEqO4MCMwUZA44a6E6eP1I/Allcargo-in-talks-to-raise-1000-crore-for-logistics-park.html