WEEKLY MEDIA UPDATE

Issue 367

15 October, 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.)

Indian economy is going to be in top three, if not the top one, says IMF chief Christine Lagarde

As the US economy improves, there will be monetary tightening. Steer the boat, do not drift because measures can be taken, shock absorbers can be prepared in order to deal with this new reality, says Christine Lagarde, IMF chief. A year ago, I said sun is shining, fix the roof. Six months ago, I said "watch out, clouds are on the horizon". There is still time to fix the roof. We are not seeing some of those clouds opening up a bit and it is not pouring down with rain but it has begun to drizzle seriously. Trade, when it works, is a win-win game and it is also a game which has to include everybody, a topic that we should have paid more attention to and that we should pay attention to now in relation to trade and technology. Because it is a win-win game, I very much hope that tensions will de-escalate because players will appreciate that it is a win-win game and will decide to sit around the table to fix the system and not destroy it. That has been my key message – de-escalate, fix, do not break.

The Economic Times - 12.10.2018
https://economictimes.indiatimes.com/markets/expert-view/indian-economy-is-going-to-be-in-top-three-if-not-the-top-one-says-imf-chief-christine-lagarde/articleshow/66159959.cms

India's debt lower than best emerging market economies: IMF

India's debt is lower than the best or emerging market economies in the world, a top IMF official has said as he cautioned that the global debt has reached a new record high of USD 182 trillion in 2017. Vitor Gasper, International Monetary Fund (IMF) Director of Fiscal Affairs Department, said India's debt was substantially less than the global debt as percentage of world Gross Domestic Product (GDP). In India, private debt in 2017 was 54.5 per cent of the GDP and the general government debt was 70.4 per cent of the GDP, a total debt of about 125 of the GDP, according to the latest IMF figures. In comparison, debt of China was 247 per cent of the GDP. "So, it (India's debt) is substantially less than the global debt as percentage of world GDP," Gasper said. India's debt is below the average of advanced economies and below the average of emerging market economies, he said. "There is a positive relation between the debt to GDP ratio and the level of GDP per capita. If you compare around the world with the best economies or emerging market economies, the level of debt in India is lower," the top IMF official said.

The Economic Times - 10.10.2018
https://economictimes.indiatimes.com/news/economy/finance/indias-debt-lower-than-best-emerging-market-economies-imf/articleshow/66147583.cms

Factory Output Slows & Retail Inflation Hardens

India's industrial growth slowed to a three-month low in August while consumer inflation inched up in September, data released on Friday showed. Both the numbers are in line with expectation and are not likely to change the outlook for economic growth or monetary policy for now. Industrial production growth was 4.3% in August, down from 6.6% in July and 4.8% in August last year, data released by the government showed. The simultaneously released Consumer Price Index (CPI) showed a hardening in retail inflation to 3.77% in September from 3.69% a month ago driven by higher food and fuel prices. The decline in industrial growth was accounted for by lower

Three Calcutta PSUs to be closed

The government on Wednesday approved the closure of three Calcutta based loss making state owned firms -- National Jute Manufactures Corporation (NJMC), its subsidiary Birds Jute and Exports Ltd (BJEL) and Biecco Lawrie Limited (BLL) -- as repeated attempts to revive them failed. While the CCEA approved the proposal to offer a voluntary retirement scheme and a voluntary separation scheme to the employees of BLL, no such offer was made to the two other firms as they had no staff or workers on its rolls. The government made a lot of effort in the past 25 years to keep these two companies NJMC and BJEL up and running. The private operators that came also left. "The growth in electricity generation (7.6%) and a contraction in the production of mining (-0.4%). Manufacturing was up 4.6%. The capital goods output growth slowed to 5% during the month from a 7.3% expansion year ago. In terms of industries, 16 out of 23 industry groups in the manufacturing sector have shown positive growth. Manufacture of computer, electronic and optical products fell 7.3% on year. Consumer durable production was up 5.2% while consumer non-durables output rose 6.3%.

The Economic Times - 13.10.2018

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F10%2F13&entity=Ar01115&sk=6A390753&mode=text

Govt to soon invite bids from merchant bankers for CPSE mergers

Kick starting the process of merger and acquisition (M&A) among CPSEs, the Finance Ministry will soon invite bids from merchant bankers and legal firms to handle consolidation, starting with two such deals. Even though the CPSEs for M&A have not been finalised yet, the Department of Investment and Public Asset Management (DIPAM) is keeping the process ready so that when a formal proposal is received from the administrative ministry, they can begin the process without losing any time. "The merchant bankers who would bid would have to handle two such deals. The names of the CPSEs selected for M&A would be provided to merchant bankers and legal advisors before or at the time of the pre-bid meeting, an official told PTI. Once the proposal comes from the administrative ministry, it would go to the Core Group of Secretaries on Disinvestment (CGD) and then to the Cabinet, the official added. With less than 6 months left for the fiscal to end, DIPAM is fast tracking the process to achieve the Rs 80,000 crore budgeted target. So far, the government has mopped up over Rs 9,200 crore from PSU stake sale through IPO, OFS and ETF.

The Times of India -12.10.2018

https://timesofindia.indiatimes.com/business/india-business/govt-to-soon-invite-bids-from-merchant-bankers-for-cpse-mergers/articleshow/66163758.cms

Excise Duty Cut on Fuel is Credit Negative for India: Moody's

Ratings agency Moody's said the recent reduction in excise duty on fuel by the government will affect

cabinet has decided to shut down these two companies," Union law minister Ravi Shankar Prasad told reporters here after a cabinet meeting. NJMC has been incurring losses for several years and was under reference to the Board for Industrial and Financial Reconstruction since 1993, said a statement from the nodal ministry of textiles. The company's primary product was hessian jute bags, used for the packaging of food grains. Over the years, the demand for hessian bags has shrunk. Therefore, it is no longer commercially viable to run NJMC.

The Telegraph - 11.10.2018

https://epaper.telegraphindia.com/textview_224861_16533595_4_1_15_11-10-2018_71_1.html

FM drafting Asset Monetisation Framework for hiving off CPSEs' non-core biz

The Finance Ministry is drafting a framework for ministries and departments which they would follow while selling non-core assets of CPSEs, an official said. The 'Asset Monetisation Framework', which is being drafted by the Department of Investment and Public Asset Management (DIPAM), will help the administrative ministries to fast track hiving off and sale of non-core assets of central public sector enterprises (CPSEs) under their administrative control. "The framework will act as broad guidelines for the ministries to identify non-core assets and proceed with their sale process in an efficient and transparent manner," the official said. To start with, DIPAM, after consulting ministries and CPSEs, has already identified huge tract of land and other assets of nine state-owned companies which will be hived off before they are put on the block for strategic sale. The sale process of these assets has to be taken forward by the concerned administrative ministries, the official said. The nine CPSEs whose non-core assets have been identified for hiving off are Pawan Hans, Scooters India, Air India, Bharat Pumps & Compressors, Project & Development India Ltd (PDIL), Hindustan Prefab, Hindustan Newsprint, Bridge and Roof Co and Hindustan Fluorocarbons.

Daily Excelsior - 09.10.2018

http://www.dailyexcelsior.com/fm-drafting-asset-monetisation-framework-hiving-off-cpses-non-core-biz/

Global growth at risk from $100 oil next year, says Bank of America Merrill Lynch

fiscal deficit and is credit negative for the country. "Overall, excise duty cuts are credit negative because they will reduce government revenue collection and increase India's fiscal deficit," Moody's said in a statement. The government had last week cut excise duty on petrol and diesel by Rs. 1.50/litre, oil marketing companies were asked to offer Rs. 1/ litre cuts and state governments urged to match the Rs. 2.5/litre relief. The government said the cuts would cost Rs. 10,500 crore in the rest of FY19. Ratings agency Moody's said the recent reduction in excise duty on fuel by the government will affect fiscal deficit and is credit negative for the country. "Overall, excise duty cuts are credit negative because they will reduce government revenue collection and increase India's fiscal deficit," Moody's said in a statement. The government had last week cut excise duty on petrol and diesel by Rs. 1.50/litre, oil marketing companies were asked to offer Rs. 1/ litre cuts and state governments urged to match the Rs. 2.5/litre relief.

The Economic Times - 10.10.2018

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F10%2F10&entity=Ar01303&sk=0BAAB19C&mode=text

If oil prices head above $100 a barrel, it could shave 0.2 percentage points from global economic growth next year -- but this hinges crucially on the dollar, according to Bank of America Merrill Lynch. Sanctions on Iran, shale bottlenecks, Venezuelan turmoil and increased demand pose an upside risk to prices, the bank said in a note. Higher prices would slow growth in the euro-area, U.K. and Japan though ramped-up energy production in the U.S., Australia and Brazil would likely cushion the blow to the world's economy, it said. The dollar is the swing factor, according to economists Ethan Harris and Aditya Bhave. A stronger greenback would "polarize outcomes further," with oil importers suffering more and producers benefiting, while a weaker U.S. currency would "play the role of equalizer," they said. "Higher oil prices seem inevitable, and in our view, $100 per barrel is easily within reach," they wrote. "We would put an oil shock in the top three of our concerns over the next year along with trade wars and the 'exit-sential' risks in Europe."

The Economic Times - 09.10.2018

https://energy.economictimes.indiatimes.com/news/oil-and-gas/global-growth-at-risk-from-100-oil-next-year-says-bank-of-america-merrill-lynch/66134067

Dividend cut from oil firms unlikely; government to meet disinvestment target, says Economic Affairs Secretary

Even as oil marketing companies (OMCs) have been asked to absorb Rs 1 per litre, the government doesn't expect a dividend cut from their side, Economic Affairs Secretary Subhash Chandra Garg said in a tweet. In addition, there is no plan to cut down subsidy, he added. "A news agency has published an item attributed to unnamed Finance Ministry official about dividend getting reduced from oil marketing companies, subsidies cut, lesser disinvestment revenue etc. This is completely fabricated. Nothing of this is true at all," Chandra Garg tweeted on Tuesday. Just after the government on Thursday announced a Rs 2.50 per litre cut in petrol and diesel prices as it cut excise duty by Rs 1.50 a litre and asked oil marketing companies (OMCs) to absorb a Rs 1 cut. "Government's move will bring down the EPS by 23 per cent-46 per cent. It also raised fears of return of subsidy regime if crude spikes further in upcoming elections. ONGC and Gail may also be impacted but these already build-in risk," CLSA had said in a note.

The Financial Express - 10.10.2018

https://www.financialexpress.com/economy/dividend-cut-from-oil-firms-unlikely-government-to-meet-disinvestment-target-says-economic-affairs-secretary/1343045/

Govt plans to end anti-competitive, complex cross-holding in oil PSUs

The government proposes to end the cross-holding structure existing in the oil sector as it looks to further consolidate operations of public sector enterprises. The Centre aims at creating two or three large entities with integrated operations across oil exploration, refining and marketing. In the process, it would also dilute its stake further in some of the oil PSUs and mobilise the much-needed resources required for additional spending towards welfare schemes ahead of 2019 general elections. Estimates suggest that if the government divests its stake by taking the entire proceeds from sale of shares cross held by oil PSUs, it could mobilise upwards of Rs 40,000-Rs 50,000 crore. Sources said that as part of the exercise, Oil and Natural Gas Corporation of India (ONGC) (which acquired entire government holding in refiner HPCL earlier this year) has already been told to exit from its investments in oil refiner and marketer Indian Oil Corporation (IOC) and gas transportation utility GAIL India, while the other two would also sell all their equity in the upstream company.

Financial Chronicle - 15.10.2018

http://www.mydigitalfc.com/plan-and-policy/govt-plans-end-anti-competitive-complex-cross-holding-oil-psus

IOC, ONGC, Oil India may buy back shares worth Rs 10,000 crore

The boards of Indian Oil, Oil and Natural Gas Corp and Oil India may soon consider buying back their shares worth Rs 10,000 crore under pressure from the government, multiple people familiar with the matter said. The government has demanded these buybacks in a couple of months to meet its divestment target, triggering protests and warnings of a dividend cut from the three oil companies, sources said. Indian Oil is expected to buy back 3% of its shareholding, currently valued at Rs 4,000 crore, while ONGC's buyback programme is slated to be about Rs 4,800 crore and Oil India's Rs 1,100 crore, they said. ONGC and Oil India will likely use their internal resources to fund the buyback while Indian Oil Corp may have to entirely depend on debt for repurchasing its shares. Indian Oil has a borrowing of about Rs 45,000 crore as at March end. ONGC has no cash reserve and a net reserve and a net debt of about Rs 14,000 crore at present. The divestment department of the finance ministry has drawn up buyback plans for oil companies to help meet this fiscal's disinvestment target of Rs 80,000 crore.

The Economic Times - 15.10.2018

https://economictimes.indiatimes.com/industry/energy/oil-gas/ioc-ongc-oil-india-may-buy-back-shares-worth-rs-10000-crore/articleshow/66208950.cms

IEA lowers its growth forecast in oil demand for 2018, 2019

The International Energy Agency on Friday revised lower its growth forecast in global oil demand for 2018 and 2019, citing high prices, trade tensions and a less favourable economic outlook. The estimated growth in global demand has been reduced by 110,000 barrels per day for each of the two years. This growth is expected to be 1.3 million bpd this year, then 1.4 million bpd in 2019. "This is due to a weaker economic outlook, trade concerns, higher oil prices and a revision to Chinese data," the IEA said in a statement in its monthly oil report. "Expensive energy is back, with oil, gas and coal trading at multi-year highs, and it poses a threat to economic growth," particularly for emerging economies, it warned. "The global economy is also at risk from trade disputes," it added. "Our revised demand outlook reflects these concerns." The IEA warned that recent peaks in supply and demand have put a strain on spare capacity. "This strain could be with us for some time and it will likely be accompanied by higher prices, however much we regret them and their potential negative impact on the global economy."

The Economic Times - 12.10.2018

https://energy.economictimes.indiatimes.com/news/oil-and-gas/iea-lowers-its-growth-forecast-in-oil-demand-for-2018-2019/66180691

Local Oil Production Declines 3%

Domestic oil production contracted this year, increasing the country's dependence on imports and making it more vulnerable to soaring crude prices. Local output declined 3.3% from a year earlier to 14.6 million metric tonnes in the April-August period this year, raising dependence on imports for 83.2% of the country's oil requirement. India's domestic crude oil output has stagnated or declined for more than seven years, because of lower production from ageing fields, suboptimal oilfield management and policy issues. A straight decline since 2011-12 has pushed up country's import dependence in six years to 83.2% from 75.6%, a trend that runs counter to Prime Minister Narendra Modi's plan of cutting import dependence by 10% to 68% by 2022. India paid $88 billion for importing crude in 2017-18. Having already spent $49 billion on oil imports in the April-August period, Indian refiners are set to fork out much more this year, with crude touching $85 a barrel. A battered rupee, past the record 74-level to a dollar on Tuesday, is making matters worse for fuel consumers. Record prices of petrol

IEA urges Opec to boost output as high oil prices threaten global economy

The International Energy Agency (IEA) made a direct appeal to Organization of the Petroleum Exporting Countries (Opec) and other major oil producers to boost output, warning that high prices are inflicting damage on the global economy. "We should all see the risky situation, the oil markets are entering the red zone," IEA executive director Fatih Birol said in an interview on Tuesday. "Expensive energy is back at a bad time, when the global economy is losing momentum. We really need more oil."
Oil prices rallied to a four-year high above $85 a barrel in London earlier this month on concern that US sanctions on Iranian crude, along with chronic supply losses in Venezuela, could lead to a shortage. Traders are also worried that Saudi Arabia, the biggest member of the Opec, isn't acting quickly enough—or may lack the capacity—to fill any shortfall. Prices were boosted further on Tuesday by storm Michael, which shut some oil fields in the Gulf of Mexico and threatened to hit the Florida panhandle as

and diesel have triggered price control and duty cut by the government.

The Economic Times - 10.10.2018

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F10%2F10&entity=Ar01707&sk=EA396585&mode=text

a major hurricane. West Texas Intermediate futures advanced 0.6% to $74.71 a barrel on the New York Mercantile exchange at 8:34am local time.

Mint - 10.10.2018

https://www.livemint.com/Money/GmpcUq4dlKjKcZGGjiWvLI/IEA-urges-Opec-to-open-taps-as-oil-markets-enter-red-zone.html

Big Oil still reluctant to open spending taps: Goldman

Energy companies and investors are focused on profits and reluctant to boost spending even after crude prices surged to four-year highs, a senior Goldman Sachs banker said on Thursday. Rattled by the recent downturn in the sector and long-term concerns over oil demand and the switch to renewables, Big Oil is facing an unprecedented challenge. "We're firmly through that survival phase and the better capitalized players are now positioned to do well on the other side of it," Andrew Fry, global head of energy at Goldman said at the Oil & Money conference in London. Companies typically seek to increase spending as they emerge from a downturn in order to capture low drilling costs and an expected supply shortage. But this time round, the barriers for investments are high, with investors seeking returns of as much as 15 to 20 percent from multi-billion dollar oil and gas projects, Fry said. "In the near term the focus is on returns as opposed to growth for the sake of growth," he said. As a result, companies are currently focusing on buying back shares and paying dividends to investors with the excess cash they generate.

The Economic Times - 12.10.2018

https://energy.economictimes.indiatimes.com/news/oil-and-gas/big-oil-still-reluctant-to-open-spending-taps-goldman/66166499

Govt's oil subsidy bill exceeds Rs 460 billion at end of September

The government's oil subsidy burden has already exceeded Rs 460 billion — almost 84 per cent higher than the budgeted estimate of Rs 250 billion for the whole financial year, Business Standard has learnt. "By the end of September, the subsidy burden on cooking gas increased to over Rs 390 billion and that of kerosene to Rs 70 billion," said a senior official. In FY18, the subsidy for cooking gas was Rs 208.8 billion and that for kerosene was Rs 46.72 billion. The government has recently cut Rs 1.5 per litre on excise duty of petrol and diesel, which will lead it to loss of Rs 10.5 billion in revenues for October-March. The government will bear around Rs 61 billion of that hit, with states bearing the rest, since 42 per cent of the proceeds from duties are passed on to them. The big subsidy bill will add to the government's fiscal deficit woes. Of the revenue and expenditure data available, while the direct tax data is encouraging, other indicators show that the government could face a shortfall of more than Rs 1 trillion in its share of goods and service tax, and could see additional expenditures of Rs 465 billion, if one includes the latest oil subsidy figures.

Business Standard - 13.10.2018

https://www.business-standard.com/article/economy-policy/govt-s-oil-subsidy-bill-exceeds-rs-460-billion-at-end-of-september-118101300039_1.html

Sky-High Fuel Prices Serve to Dampen Sept Demand

Record pump prices have begun denting fuel demand, with sales of diesel contracting and growth in petrol sales slowing in September. Diesel sales, which make up 40% of total fuel sales, contracted 0.7% year-on-year to 6.03 million tonne (mt) in September. Consumption of petrol rose 4.2% to 2.23 mt in September. In August, diesel consumption expanded 4.2% and petrol, 7.8%, on-year. Total oil demand — naphtha, cooking oil, jet fuel, pet coke and transportation fuels — expanded just 1.1% on-year in September. In August, it had grown 0.76%. Jet fuel consumption grew 8% and cooking

Global crude oil demand is cooling; don't expect prices to follow

The world's two big intergovernmental energy groups have updated their outlooks for the oil market to the end of next year – and they don't make comfortable reading. High prices, trade wars and weakening currencies are taking their toll on demand growth. That doesn't necessarily mean that prices will fall. Concern that there isn't enough spare production capacity should continue to support oil for a while yet. Both Opec and the International Energy Agency, which represents consumer countries, expect global consumption to increase by about 1.36 million barrels a day next year. That's a lot less gas 6% in September. Sales of naphtha, petcoke and kerosene fell while that of bitumen, widely used in roads, increased. Domestic rates of petrol and diesel have risen to record levels in recent months due to a rapid rise in crude oil prices and sharp fall in rupee. Higher fuel prices, along with a 5.6% drop in car sales in September, hurt demand for transportation fuel. Diesel, whose demand has contracted, is also used for power generation by factories, telecom towers, shopping malls, residential societies, and irrigation pumps. Higher availability of grid power can reduce demand for diesel-generated power. Similarly, floods can restrict mobility, cutting demand for the transportation fuel.

The Economic Times - 15.10.2018

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F10%2F15&entity=Ar01703&sk=93CD8231&mode=text

OPEC says oil market well supplied, wary of 2019 surplus

The Organization of Petroleum Exporting Countries (OPEC) sees the oil market as well supplied and is wary of creating a glut next year, the group's secretary-general said on Thursday, suggesting producers are in no rush to expand a June agreement that raises output. Oil prices have rallied this year on expectations that US sanctions on Iran will strain supplies by lowering shipments from OPEC's third-largest oil producer. Brent crude last week reached $86.74, the highest since 2014. OPEC Secretary-General Mohammad Barkindo, speaking at the Oil & Money conference in London, said there were many non-fundamental factors influencing the oil market that were beyond oil producers' control. "The market has been reacting to perceptions of a possible supply shortage. The market remains well supplied," he told a briefing. "The projections for 2019 clearly show a possible rebuild of stocks," he said of the supply and demand balance for next year. OPEC separately updated its oil supply and demand forecasts on Thursday, cutting demand estimates for next year due to economic challenges such as trade disputes and volatile emerging markets, and pointing to excess supply.

The Hindu Business Line - 12.10.2018

https://www.thehindubusinessline.com/markets/commodities/opec-says-oil-market-well-supplied-wary-of-2019-surplus/article25194559.ece

India targets oil traders for $1.5 billion emergency oil reserve

India is seeking $1.5 billion of investments from global oil producers and traders to build additional

than we have become used to since the price crash that began in 2014, and it's a more pessimistic outlook than either group had back in July. The changes may not appear big, but there could be more to come. Neil Atkinson, head of the IEA's oil industry and markets division, said after publication of the report on Friday that any changes to the 2019 demand outlook are more likely to be to the downside than the upside. Both the IEA and Organisation of Petroleum Exporting Countries have a history of being too slow to alter their demand forecasts, which can leave them trailing behind the market.

The Economic Times - 15.10.2018

https://energy.economictimes.indiatimes.com/news/oil-and-gas/global-crude-oil-demand-is-cooling-dont-expect-prices-to-follow/66205613

Natural gas here to stay beyond energy transition, Big Oil says

Energy companies are betting demand for natural gas will rise at break-neck pace for decades, undermining warnings that tackling climate change would require a rapid switch to renewable energy. Top oil companies including Royal Dutch Shell, BP and Total are adapting with growing urgency to the need to develop cleaner energy sources, investing more and more in solar and wind power, electric vehicle technology and even forestation. Still, they see oil, and specially natural gas, the least polluting fossil fuel, playing a major role throughout the decades of transition and beyond as demand for electricity and plastics grows. "Shell's core business is, and will be for the foreseeable future, very much in oil and gas and particularly in natural gas," Shell Chief Executive Officer Ben van Beurden said in a speech at the Oil & Money conference. By 2035, Shell expects global gas demand to grow annually by 2 percent, twice the pace of worldwide energy demand, van Beurden said. The United Nations said in a report earlier this week that limiting Earth's temperature rise to 1.5 degrees Celsius means making rapid, unprecedented changes in the way people use energy to eat.

CNBC - 10.10.2018

https://www.cnbc.com/2018/10/09/reuters-america-natural-gas-here-to-stay-beyond-energy-transition-big-oil-says.html

PM Narendra Modi reviews oil, gas production profile of ONGC, OIL

Prime Minister Narendra Modi on Friday reviewed the oil and gas production profile of emergency crude reserves that will act as a buffer against volatility in oil prices. The plan is to build underground caverns that can hold a combined 6.5 million tons of crude at two locations, Indian Strategic Petroleum Reserves Ltd. Chief Executive Officer H P S Ahuja said. The state-run ISPRL will collaborate with private entities, who will invest in the project, he said. Getting investors to build the storage facilities will lessen the strain on state finances and help Prime Minister Narendra Modi’s government meet its budget goals, while expanding strategic petroleum reserves to shield the economy from oil-price volatility. India, which meets almost 85 per cent of its crude needs through imports, this month cut taxes on fuel sales to lower the burden of high oil prices on consumers. “We are taking the commercial model for building and filling the caverns, which will provide opportunity to the investor to make some profits,” Ahuja said. “India will continue to reserve first right over the crude stored in these caverns.”

The Economic Times - 12.10.2018

https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-targets-oil-traders-for-1-5-billion-emergency-oil-reserve/66181134

PM to Meet Top Execs of Global, Local Oil Cos Today

Prime Minister Narendra Modi will meet top executives of Saudi Aramco, Exxon Mobil, Shell, BP, Total and other global and local oil companies on Monday to present to them the India investment opportunity and hear their views on the global oil market. This is the Prime Minister’s third such session with global oil industry executives in as many years. Top executives of as many as 38 global and Indian oil firms and think tanks will participate in Monday’s meeting, which will also be attended by Saudi oil minister Khalid Al Falih and Reliance Industries chairman Mukesh Ambani. Amid a runaway crude oil price and a battered rupee that have begun hurting the economy, the government is looking for ways to raise its local output and reduce its import dependence. The government would look for suggestions from top executives on how to deal with the current situation and, more importantly, what more India could do by way of policy reforms to attract foreign investment, people familiar with the matter said.

The Economic Times - 15.10.2018

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F10%2F15&entity=Ar01708&sk=EB1BC175&mode=text

state-owned Oil and Natural Gas Corp (ONGC) and Oil India Ltd (OIL) over the near to medium term to assess how his target to cut oil imports by 10 per cent would be met. Sources with direct knowledge of the meeting said ONGC Chairman and Managing Director (CMD) Shashi Shanker and OIL's CMD Utpal Bora gave projections of oil and gas production of their respective companies over the next five-year period. Oil Minister Dharmendra Pradhan and Petroleum Secretary M M Kutty were also present at the meeting, they said. Modi had in March 2015 called for bringing down India's import dependence on oil and gas to 67 per cent of its requirement by 2022. Prime Minister Narendra Modi on Friday reviewed the oil and gas production profile of state-owned Oil and Natural Gas Corp (ONGC) and Oil India Ltd (OIL) over the near to medium term to assess how his target to cut oil imports by 10 per cent would be met.

The Economic Times - 12.10.2018

https://energy.economictimes.indiatimes.com/news/oil-and-gas/pm-narendra-modi-reviews-oil-gas-production-profile-of-ongc-oil/66183146

BPCL refinery to make India less reliant on other countries for crude oil: Pradhan

Union Petroleum Minister Dharmendra Pradhan on Wednesday said that refinery plant under Bharat Petroleum Corporation Limited (BPCL) will make the country less reliant on other for crude oil and will also fulfil Prime Minister Narendra Modi's promise of doubling farmers' income. Earlier on Wednesday, Odisha Governor Ganeshi Lal laid the foundation of the BPCL ethanol bio-fuel refinery plant in Bargarh. "The refinery will be completed in upcoming two years. We are coming up with different strategies to fulfil the promise of Prime Minister Modi's for doubling the farmer's income," he said. "Two things will happen because of the refinery plant is that nation's self-sufficiency will increase and secondly farmers' income will be doubled," he added.

The Economic Times - 12.10.2018

https://energy.economictimes.indiatimes.com/news/oil-and-gas/bpcl-refinery-to-make-india-less-reliant-on-other-countries-for-crude-oil-pradhan/66161160

Cutting India’s dependence on middle-east oil: 60% more oil lifted from Colombia, Ecuador to increase supply too

With the India-Colombia bilateral trade $1.5 bn, India lifted oil close to $ 400 million from January to July this year– an increase of 60% in the same period of the previous year. Speaking to FE ONLINE, on condition of anonymity, a very senior diplomat said that, “As US imports of Colombian and of other origin continue to decline, impending sanctions on Iran next month, supply constraints of OPEC, India is expected to look at other markets.” “Imports of oil from Colombia and Ecuador will go up substantially in the coming months,” the senior diplomat added. With the India-Colombia bilateral trade $1.5 bn, India lifted oil close to $ 400 million from January to July this year– an increase of 60% in the same period of the previous year. Speaking to FE ONLINE, on condition of anonymity, a very senior diplomat said that, “As US imports of Colombian and of other origin continue to decline, impending sanctions on Iran next month, supply constraints of OPEC, India is expected to look at other markets.” “Imports of oil from Colombia and Ecuador will go up substantially in the coming months,” the senior diplomat added.

The Financial Express - 10.10.2018
https://www.financialexpress.com/defence/cutting-indias-dependence-on-middle-east-oil-60-more-oil-lifted-from-colombia-ecuador-to-increase-supply-too/1343014/

PetroChina plans full operations at LNG terminals this winter

China's largest oil and gas group PetroChina plans to operate its three receiving terminals at full rates and boost purchases from the spot market to meet a demand spike in winter, according to a report on an official government website on Thursday. For the first eight months of 2018, PetroChina's gas imports via central Asian pipeline, with supplies primarily sourced from Turkmenistan, reached 33.9 billion cubic metres (bcm), equivalent to 66 per cent of the annual plan, according to the report on www.sasac.gov.c http://www.sasac.gov.cn. Pipeline gas imports from Myanmar amounted to 3 bcm, or 59 per cent of the annual plan for the January to August period. Its Jiangsu terminal aims to supply 3.3 bcm gas via pipeline and Tangshan terminal 4.1 bcm during the winter period between November and March, said the report, without giving details on its third terminal in Dalian. The state energy giant has also stepped up winter drilling at domestic fields such as Tarim, Changqing and Sichuan. Its largest gas field will pump at a record 38 bcm for this year

The Economic Times - 11.10.2018
https://energy.economictimes.indiatimes.com/news/oil-and-gas/petrochina-plans-full-operations-at-lng-terminals-this-winter/66163497

Govt will not ask OMCs to further subsidise petrol, diesel prices: Official

Allaying concerns about the return of fuel subsidy regime, a top Finance Ministry official on Thursday said the government asking oil PSUs to subsidise petrol and diesel prices by Re 1 per litre was a "one-time thing" and it does not intend to ask them to do it again. While oil marketing companies (OMCs) will continue to enjoy marketing freedom, upstream oil producers like ONGC would not be asked to share fuel subsidy burden, he added. Just last week, the government had cut excise duty on petrol and diesel by Rs 1.50 per litre and asked state-owned oil marketing companies (OMCs) to subsidise the two fuels by another Re 1 a litre. But most of the Rs 2.50 per litre reduction in rates effected from October 5 has been lost in increases in selling prices on subsequent days, giving rise to the suspicion that the government may again ask OMCs to subsidise fuel. "The Re 1 absorption by OMCs in their pricing was a one-time thing," the official said. The government, he said, has no intention of asking them to do that again. Following the comments, shares of OMCs surged by as much as 19 per cent intra-day, defying the broader market trends.

Oil Prices Make PM Modi, Jaitley, Pradhan Go in a Huddle Again; OMCs to Not Subsidise Prices Further

Despite the Centre deciding to slash prices of petrol and diesel by Rs 2.50 a litre, retail rates of fuel in India have been going up. Taking cognisance of the same, Prime Minister Narendra Modi, Finance Minister Arun Jaitley and Petroleum Minister Dharmendra Pradhan met again on Friday to deliberate on possible measures to curb rates. One of the decisions that has come out of the meeting is that oil marketing companies (OMCs) will not be asked to subsidise the fuel prices any further. Despite the Centre deciding to slash prices of petrol and diesel by Rs 2.50 a litre, retail rates of fuel in India have been going up. Taking cognisance of the same, Prime Minister Narendra Modi, Finance Minister Arun Jaitley and Petroleum Minister Dharmendra Pradhan met again on Friday to deliberate on possible measures to curb rates. One of the decisions that has come out of the meeting is that oil marketing companies (OMCs) will not be asked to subsidise the fuel prices any further. The move

The Economic Times - 11.10.2018
https://energy.economictimes.indiatimes.com/news/oil-and-gas/govt-will-not-ask-omcs-to-further-subsidise-petrol-diesel-prices-official/66165969

also comes at a time when the Rabi crop season is fast approaching.

News 18 - 13.10.2018
https://www.news18.com/news/india/oil-prices-make-pm-modi-jaitley-pradhan-go-in-a-huddle-again-omcs-to-not-subsidise-prices-further-1906989.html

Fuel challenge remains, govt explores long-term solutions

With no significant let-up in retail fuel prices despite the Centre's intervention, Prime Minister Narendra Modi has called for alternative measures to curb rates in future, sources told DNA. Soaring oil prices have become a huge challenge for the Centre as oil marketing companies can't afford to repeatedly subsidise petrol and diesel. A week after slashing excise duty on fuel, PM Modi on Friday met Finance Minister Arun Jaitley, Commerce Minister Suresh Prabhu and Oil Minister Dharmendra Pradhan and discussed ways to shift the country's energy dependence towards biofuels. The PM reviewed the status of production of oil and gas in the country. The government wants domestic production of oil and gas to be increased as it feels curtailing oil consumption is not a resolution. A litre of petrol cost Rs 82.48 in Delhi, while the rate for the same quantity was Rs 87.94 in Mumbai. The high-level meeting also talked about cutting oil import by 10 per cent by 2022, said sources, requesting anonymity. "India's vulnerability is in oil imports as it meets over 82 per cent of its crude oil requirement through imports.

DNA - 13.10.2018
https://www.dnaindia.com/business/report-fuel-challenge-remains-govt-explores-long-term-solutions-2674808

Government cuts excise duty on Aviation Turbine Fuel to 11 per cent from 14 per cent

After petrol and diesel, the government Wednesday cut excise duty on jet fuel to 11 per cent to give relief to the aviation industry that has been in recent weeks hit hard by rising fuel prices and plummeting rupee. Excise duty on aviation turbine fuel (ATF) has been reduced to 11 per cent from 14 per cent with effect from October 11, a notification issued by the revenue department in the finance ministry said. Jet fuel prices this month hit their highest level since January 2014 as rising international oil prices and plummeting rupee value pushed rates. The fuel in Delhi currently costs Rs 74,567 per kilolitre (Rs 74.56 per litre) and in Mumbai, it is priced at Rs 74,177 per kl. ATF prices, which currently are cheaper than petrol and diesel in Delhi, have since July spiked up by 9.5 per cent. They have been on upswing since July last year, rising every month except in July 2018. Jet fuel was priced at Rs 47,013 per kl in July last year and has risen by 58.6 per cent since then.

The Economic Times - 11.10.2018
https://energy.economictimes.indiatimes.com/news/oil-and-gas/government-cuts-excise-duty-on-aviation-turbine-fuel-to-11-per-cent-from-14-per-cent/66157844

India will continue to buy Iranian crude in Nov

India will continue to buy Iranian crude to some extent and the quantity of imports will not be the same, India's economic affairs secretary Subhash Chandra Garg said in an interview to news channel CNBC-TV18. Garg conveyed oil minister Dharmendra Pradhan's decision to continue oil imports from Iran. Pradhan had said in a press event earlier this week that two state-owned refiners have placed orders for importing crude oil from Iran in November. Responding to a query on India's decision to buy Iranian crude post November despite US sanctions, a senior petroleum ministry official said: "We need to look at our energy needs too." The government's stand comes amid increased pressure from the US on major oil importing countries to cut their respective crude oil imports from Iran to zero from

Iran sanctions: India ups imports from Saudi

Indian refiners have sought additional four million barrel of crude oil from Saudi Arabia in November, a move that might partly compensate for any fall in their imports from Iran consequent to the US sanctions on the Persian Gulf country to be effective November 4. India's oil imports from Saudi Arabia have been to the tune of 25 million barrels per month in recent past. Saudi Arabia was India's second largest source of oil imports in FY18, accounting for 15% of the country's overall oil imports; Iraq is the top crude oil exporter to India with a 20% share in India's overseas oil purchases. While reports had said India might reduce oil imports from Iran to nearly zero due to the US sanctions, the government had said earlier this week that two state-run refiners — IOC and

4 November. Reacting to India's stand to continue imports of Iranian crude, US State Department spokesperson Heather Nauert today said: "India's decision to continue buying oil from Iran after November 4 and purchase the S-400 Triumf air defence system from Russia is "not helpful" and the US is reviewing it very carefully."

The Economic Times - 12.10.2018

https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-will-continue-to-buy-iranian-crude-in-nov-payment-mechanism-to-be-worked-out-s-c-garg/66181370

MRPL — have contracted 9 million barrel for crude from the country for November. Reliance Industries, Hindustan Petroleum, Bharat Petroleum and MRPL are the companies which are looking to procure additional one million barrel each from Saudi Arabia, according to agency reports. The development comes close on the heels of Saudi Arabia claiming it can replace Iranian oil which will be unavailable due to renewed US sanctions, a claim Iran has termed 'exaggerated'.

The Financial Express - 12.10.2018

https://www.financialexpress.com/economy/iran-sanctions-india-ups-imports-from-saudi/1344868/

Airlines Cut Festive Fares, Risk Margins

Airfares during the upcoming Dussehra and thereafter are at a five-year low, meaning a bonanza for flyers, but the soft pricing in the peak festival season could dent margins at Indian carriers that are already battling rising jet-fuel costs, stiff competition, and capacity addition beyond existing demand. "Yields will be much weaker than last year on most routes due to excessive capacity addition, and slowing economy/less willingness to spend money," said a senior executive at a leading Indian carrier. He didn't want to be named. He added that yields are the weakest "since at least 2013" and that revenue per average seat kilometre (RASK) would be down by as much as a fifth. RASK is calculated by dividing total operating income by the number of available seat kilometres or ASKs. The cost item equivalent is CASK. ASKs are calculated by multiplying the available seats for a given plane by the number of miles that plane will fly on a given flight. A spokesperson for India's biggest online travel portal MakeMyTrip said advance purchase fares for the Dussehra weekend are down 15% as compared to 2017.

The Economic Times - 12.10.2018

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F10%2F12&entity=Ar00706&sk=947195ED&mode=text

Foreign air travel subsidy drill

The Centre has invited proposals from interested air operators for the international version of its Udan (Ude Desk Ka Aam Nagrik) scheme as it seeks to enhance air connectivity from India to select overseas destinations. This is despite the domestic format of the scheme failing to yield the desired results with almost half of the routes approved in the first phase of the bidding for the scheme still to be launched. National airports operator AAI, which has been mandated to implement the international version of the Udan scheme, has invited "e-proposals (bids) from international bidders for selection of airlines under the International Air Connectivity Scheme, (IACS) Udan," according to a notice in a leading English daily. The government, in its bid to make flying more affordable for masses, had in October 2016 announced the Udan scheme with airfares capped at Rs 2,500 for a one-hour journey through subsidised ticket rates and to provide air connectivity to smaller towns. In subsequent developments, five airlines were mandated to fly on 128 regional routes in the first phase of the bidding in March 2017, and 15 airlines on 325 regional routes, including those having chopper operations, in the second phase in January this year.

The Telegraph - 15.10.2018

https://epaper.telegraphindia.com/textview_226167_16339703_4_1_9_15-10-2018_71_1.html

Tour Operators Expect Robust Business this Festive Season

Tour operators and OTAs are expecting a bumper quarter this festive season as bookings for festivals like Dussehra, Durga Puja and Diwali register a significant uptick compared to last year with cheaper deals and offers sidestepping a spike in oil prices that promised to dent air carriers'

Govt invites bids for int'l Udan flights

The Central Government has invited proposals from interested air operators for the international version of its 'Udan' (Ude Desk Ka Aam Nagrik) scheme as it seeks to enhance air connectivity from India to select overseas destinations. This is despite the domestic format of the scheme failing to yield desired results with almost half of the routes approved margins. Portals like Cleartrip, Expedia.com, BigBreaks, Yatra and train ticketing platform Confirmtkt said bookings across cities demonstrate robust travel in the upcoming festival dates. Karan Anand, head of relationships at Cox & Kings, said interest in domestic destinations is growing with people travelling mainly to witness celebrations in different parts of the country like the extravagant Dussehra celebrations at Mysore Palace, Ramlila shows in Delhi, dandiya and garba nights in Gujarat and Durga Puja, Sindur Khela and the Dhaak and Dhunuchi shows in Kolkata. "Tour operators and OTAs are expecting a bumper quarter this festive season as bookings for festivals like Dussehra, Durga Puja and Diwali register a significant uptick compared to last year with cheaper deals and offers sidestepping a spike in oil prices that promised to dent air carriers' margins.

The Economic Times - 13.10.2018

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2018%2F10%2F13&entity=Ar00607&sk=E99F04DC&mode=text

in the first phase of the bidding for the scheme still to be launched. National airports operator AAI, which has been mandated to implement the international version of the Udan scheme, has invited "e-proposals (bids) from international bidders for selection of airlines under the International Air Connectivity Scheme, IACS Udan," according to a notice in a leading English daily. The Government, in its bid to make flying more affordable for masses, had in October 2016 announced the Udan scheme with airfares capped at Rs 2,500 for a one-hour journey through subsidised ticket rates and to provide air connectivity to smaller towns. The Airports Authority of India (AAI) is also the implementing agency for the domestic format of the regional connectivity scheme.

The Pioneer - 15.10.2018

https://www.dailypioneer.com/2018/business/govt-invites-bids-for-int---l-udan-flights.html

Govt to soon come out with air cargo policy

The government will soon come out with an air cargo policy, and a vision document is being proposed to ensure "sustainable growth" of the domestic aviation sector for all times to come, Union Minister Suresh Prabhu said Wednesday. India is one of the fastest growing aviation markets in the world and has been registering double-digit growth for nearly four years. Emphasising that security, safety, convenience and affordability are the key aspects, the Civil Aviation Minister said the aviation vision for 2035 would address all the issues so that "we will have a sustainable growth in air travel in India for all times". The ministry is preparing 'Vision 2035' document for the civil aviation sector. "We are very soon bringing an air cargo policy...," Prabhu said at a seminar on international aviation security organised by the CISF. The minister also mentioned about using new technologies to protect a person and his privacy. "I think we should think about new technologies on how we should protect privacy and the person... How we are going to do that will be another interesting challenge in the future.

The Times of India - 11.10.2018

https://timesofindia.indiatimes.com/business/india-business/govt-to-soon-come-out-with-air-cargo-policy/articleshow/66153699.cms

Cargo traffic at major ports rises 5% in April-September

Major ports in the country witnessed 5.12 per cent rise in cargo traffic to 343.26 million tonne (MT) in the April-September period of the ongoing financial year. "The major ports in India have recorded a growth of 5.12 per cent and together handled 343.26 MT of cargo during April-September, 2018 as against 326.54 MT handled during the corresponding period of previous year," the shipping ministry said in a statement Thursday. Nine ports, including Paradip, Visakhapatnam and Kamarajar, registered positive growth in traffic during the reported period, the statement added. The highest growth of 19.66 per cent was registered by Kamarajar Port, followed by Cochin at 11.51 per cent, Paradip at 11.12 per cent, Haldia at 10.07 per cent and Deendayal at 10.03 per cent, it said. During the period under review, Deendayal (Kandla) Port handled the highest volume of traffic at 58.63 MT, followed by Paradip, JNPT and Visakhapatnam, among others.

Hellenic Shipping Times - 12.10.2018

https://www.hellenicshippingnews.com/india-cargo-traffic-at-major-ports-rises-5-in-april-september/

Multimodal logistics park policy on the anvil

The government is formulating a policy for the integrated development of multimodal logistics parks with a view to promoting movement of goods for domestic as well as global trade, an official said. Currently, there is no specific definition, specification and standardisation of multimodal logistics parks. Due to this, different ministries including railways, shipping and the department of industrial policy and promotion are developing these parks. "There are cases where two different departments are developing these parks at the same location. So duplication is happening on account of lack of a comprehensive policy. So, there is a need to have a common policy on this subject," the official said. As many as 35 such parks have been proposed by different ministries including railways. A 50-acre park requires Rs 200-300 crore for development. The policy would help set up one authority for the approval of these parks, setting up common standards, fixing time frames, and areas where they can be constructed. "The commerce ministry has circulated a note in this regard to take views of different stakeholders. States and union territories are also being consulted on the proposal for the multimodal logistics park policy," the official added.

The Economic Times - 14.10.2018

https://economictimes.indiatimes.com/news/economy/policy/multimodal-logistics-park-policy-on-the-anvil/articleshow/66202088.cms

A K Rath assumes charge as Bhilai Steel Plant CEO

Arun Kumar Rath, CEO of SAIL's Durgapur Steel Plant, Thursday took charge as the new CEO of Bhilai Steel plant, two days after a major fire accident at the SAIL unit which has so far claimed 13 lives. Rath has replaced M Ravi who was removed Wednesday following the accident. An explosion took place at the state-owned steel maker Steel Authority of India Limited's (SAIL) Bhilai plant in Durg district of Chhattisgarh Tuesday. "Operations have resumed and A K Rath has taken over as the new CEO of our plant in Bhilai," M C Agarwal, Executive Director (Corporate Affairs), Steel Authority of India Limited (SAIL) told PTI. Expressing anguish at the loss of lives in the blast, Union Steel Minister who reached the site Wednesday removed the plant CEO M Ravi with immediate effect and suspended General Manager (safety department) T Pandya Raja and Deputy General Manager (energy department) Naveen Kumar.

Business Standard - 12.10.2018

https://www.business-standard.com/article/pti-stories/a-k-rath-assumes-charge-as-bhial-steel-plant-ceo-118101101372_1.html

Virendra Nath Datt takes over as Director (Mktg), NFL

Virendra Nath Datt has taken over as Director (Marketing) in NFL. Prior to this, he was Executive Director (Corporate Strategy, Planning & Advocacy) with GAIL (India) Limited. He was also on the board of Mahanagar Gas Ltd., Mumbai. An MBA from Maharshi Dayanand University, Datt has a rich marketing experience of over 33 years in the Natural Gas industry in India. He started his career with ONGC in 1985 and then moved to GAIL in 1995.

Daily Hunt - 12.10.2018

https://m.dailyhunt.in/news/india/english/millennium+post-epaper-millpost/virendra+nath+datt+takes+over+as+director+mktg+nfl-newsid-99133995