WEEKLY MEDIA UPDATE

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(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 among world's fastest growing large economies: IMF

India has been one of the fastest growing large economies in the world, the International Monetary Fund (IMF) has said, asserting that the country has carried out several key reforms in the last five years, but more needs to be done. Responding to a question on India's economic development in the last five years at a fortnightly news conference here, IMF communications director Gerry Rice Thursday said, "India has of course been one of the world's fastest growing large economies of late, with growth averaging about seven per cent over the past five years. "Important reforms have been implemented and we feel more reforms are needed to sustain this high growth, including to harness the demographic dividend opportunity, which India has," he said. Details about the Indian economy would be revealed in the upcoming World Economic Outlook (WEO) survey report to be released by the IMF ahead of the annual spring meeting with the World Bank next month, he said. This report would be the first under Indian American economist Gita Gopinath, who is now IMF's chief economist.

NDTV - 22.03.2019

https://www.ndtv.com/india-news/india-among-worlds-fastest-growing-large-economies-imf-2011105

Fitch cuts India GDP growth forecast for FY20 to 6.8%

Fitch Ratings Friday cut India's economic growth forecast for the next financial year starting April 1, to 6.8 per cent from its previous estimate of 7 per cent, on weaker than expected momentum in the economy. "While we have cut our growth forecasts for the next fiscal year (FY20, ending in March 2020) on weaker-than-expected momentum, we still see Indian GDP growth to hold up reasonably well, at 6.8 per cent, followed by 7.1 per cent in FY21," Fitch said in its Global Economic Outlook. Fitch Ratings cut India's FY19 GDP growth forecast to 7.2 per cent from 7.8 per cent on December 6. The rating agency has also cut growth forecasts for FY20 and FY21 to 7 per cent from 7.3 per cent and 7.1 per cent from 7.3 per cent, respectively. According to Fitch, the RBI, has adopted a more dovish monetary policy stance and cut interest rates by 0.25 percentage at its February 2019 meeting, a move supported by steadily decelerating headline inflation. "We have changed our rate outlook and we now expect another 25 bp cut in 2019, amid protracted below target inflation and easier global monetary conditions than previously envisaged," it said. "On the fiscal side, the budget for FY20 plans to increase cash transfers for farmers," it added.

Business Today - 22.03.2019

https://www.businesstoday.in/current/economy-politics/fitch-cuts-india-gdp-growth-forecast-for-fy20-to-68/story/329932.html

Govt exceeds ₹₹80,000 crore FY19 disinvestment target

For the second year in a row, the government on Friday exceeded the disinvestment target of Rs 80,000 crore set for the current financial year, which ends in March, with completion of the acquisition of Rural Electrification Corporation (REC) by Power Finance Corporation (PFC) for Rs 14,500 crore. The public sector ETF was oversubscribed by about eight times on Friday against the base issue size of Rs 3,500 crore and the government decided to retain Rs 10,000 crore. The two transactions helped the government to exceed the target, which included 26 other deals.

Sale of ‘Enemy Shares’, buybacks by CPSEs yield ₹11,300 cr in FY19

Sale of 'enemy shares' and buyback of stocks by CPSEs have together yielded the government over Rs 11,300 crore, thus helping the exchequer mop up Rs 85,000 crore from disinvestment in the current fiscal -- the second highest receipt ever. The government has garnered Rs 700 crore through the first ever sale of 'enemy shares' after the Cabinet in November 2018 gave its go-ahead to the Department of Investment and Public Asset Management (DIPAM) to sell such shares held in companies. Enemy property refers to the

"As against a target of Rs 80,000 crore for disinvestment for the current year, the divestment receipts have touched Rs 85,000 crore today," finance minister Arun Jaitley said on Twitter. In December, the Union Cabinet had approved the strategic sale of REC's 52.6% holding to PFC, along with the transfer of management control. The government had set a target of raising Rs 80,000 crore from stake sales in state run companies for the current financial, lower than the Rs 1 lakh crore set for the previous year. The target has been achieved using a number of methods, including the PFC-REC transaction. Earlier, officials had raised concerns about the ability to meet the target, given that the process slowed down in the middle of the financial year and the volatility in the stock market also had an impact on the planned follow-on offer.

The Times of India - 23.03.2019

https://epaper.timesgroup.com/olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2019%2F03%2F23&entity=Ar01700&sk=3E2E6C20&mode=text

assets left behind by people who migrated to Pakistan or China and are no longer citizens of India. Besides, over Rs 10,600 crore has come in from buyback of government shares by Central Public Sector Enterprises (CPSEs). In 2018-19, the government for the second time in a row exceeded the disinvestment target by mopping up Rs 85,000 crore as against the budget estimate of Rs 80,000 crore. In 2017-18, the government mopped up a record over Rs 1 lakh crore, against the target of Rs 72,500 crore. During the current fiscal, share sale through Exchange Traded Funds (ETFs) has yielded the highest amount of Rs 45,729 crore, followed by Rs 14,500 crore from acquisition of the government's 52.63 per cent stake in REC by state-owned Power Finance Corporation (PFC).

The Economic Times - 25.03.2019

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F03%2F25&entity=Ar01115&sk=0C93451C&mode=text

Niti suggests raising monthly training stipend to Rs.5,000

Niti Aayog has suggested more than threefold increase in the cap on reimbursement of the cost of training candidates under a revamped version of the government's National Apprenticeship Promotion Scheme (NAPS), a measure which will bring down the liability of companies and give a fillip to the programme which has not found many takers so far. The Aayog has proposed that the government reimburse the companies up to Rs 5,000 or 50% of the cost per candidate per month as stipend for apprenticeship training under NAPS instead of a maximum of Rs 1,500 or 25%, whichever is higher, at present, a senior government official told ET. "The proposal is under consideration of the finance ministry and may get the green signal after the general election when Skill India Mission 2.0 gets rolled out," the official said on condition of anonymity. Officials in the skill development and entrepreneurship ministry confirmed that a proposal in this regard has been sent to the finance ministry for approval. "The government has to decide on its priorities and money can be found," said the senior official. "Apprenticeship training is a must, but with the current rate of reimbursement not too many employers are coming forward to provide apprenticeship training as it calls for additional financial burden on them."

The Economic Times - 19.03.2019

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F03%2F19&entity=Ar01304&sk=A7B0205A&mode=text

India's fuel demand rises 3.8 per cent in February

India's fuel demand rose 3.8 per cent in February as free cooking gas connections spurred LPG consumption while petrol and diesel use continued to rise. Fuel consumption in February totalled 17.41 million tonnes as compared to 16.77 million tonnes in the same month last year, data from the Petroleum Planning and Analysis Cell (PPAC) of the Oil Ministry showed. Consumption rose for the third month in a row as ensuing general elections are likely to spike demand further. With retail prices moderating, petrol consumption soared 8 per cent to 2.25 million tonnes while the government push to give every household a cooking gas connection led to LPG demand spiking by 14.2 per cent to 2.2 million tonnes. Diesel, the most consumed fuel in the country, saw consumption rise by 2.7 per cent to 6.7 million tonnes. Hectic campaigning is likely as India goes to poll over the next two months, which will boost the use of transportation fuel as political parties traverse the country courting voters. General elections will be held in seven phases starting on April 11. During February, aviation turbine fuel (ATF) sales were up 10.5 per cent to 6,80,000 tonnes.

The Economic Times - 29.03.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-fuel-demand-rises-3-8-per-cent-in-february/68480756

Venezuela curbs: India may raise oil imports from Brazil, Mexico

India may increase oil imports from Brazil and Mexico to offset the loss of Venezuelan oil in the wake of US sanctions on that country. Venezuela is the fourth largest oil supplier to India after Saudi Arabia, Iraq and Iran. It accounted for about 11 per cent of India's oil supplies in 2017-18, supplying close to 18 million tonnes (mt). But the oil imports from Venezuela have come under threat following the US sanctions, forcing Indian companies to scout for alternate markets. Diplomatic sources said that both Brazil and Mexico have expressed their desire to strengthen energy sector cooperation and India is evaluating the option and will take a call once it gets reports from its public and private sector oil marketing companies. India shares good trade relation with both Mexico and Brazil. Both countries are also leading producers of oil, with Brazil at the 10th largest oil producer globally with a production of about 150 million tonnes (mt) of crude and Mexico at 11th position (production 110 mt). "The two countries can be useful alternate to Venezuelan oil but a decision to enhance imports would depend only after accessing the quality of oil and terms of supply that should be comparable with of Venezuela," said the source.

The Economic Times - 25.03.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/us-sanctions-india-may-step-up-oil-imports-from-brazil-mexico/68549835

Oil prices pressured by economic slowdown, but OPEC cuts support

Oil prices were on Wednesday weighed down by economic growth concerns that dampened the outlook for fuel consumption, but supported by voluntary supply cuts led by producer club OPEC and by U.S. sanctions against Iran and Venezuela. International Brent crude oil futures were at $67.55 a barrel at 0432 GMT, down 6 cents, or 0.1 percent, from their last close. Brent on Tuesday touched its highest since Nov. 16 at $68.20 a barrel. U.S. West Texas Intermediate (WTI) crude futures were at $58.92 per barrel, down 11 cents, or 0.2 percent, from their previous settlement. WTI on Tuesday reached its strongest level since Nov. 12 at $59.57 a barrel. Analysts said an economic slowdown could soon dent fuel consumption. "Global growth concerns and ongoing oversupply fears (are) creating headwinds for the commodity," said Lukman Otunuga, analyst at futures brokerage FXTM. Asian business confidence held near three-year lows in the first quarter as a U.S.-China trade dispute dragged on, pulling down a global economy that is already on a downward path, a Thomson Reuters/INSEAD survey found on

Petro export dip to hit rupee

Exports of petroleum products have fallen because of a higher domestic demand, which could have an impact on the country's trade deficit and rupee value. Petroleum products account for over a tenth of the gross value of outbound shipments, analysts said. The exports had decreased 24.3 per cent during January 2019 and 8.6 per cent during April 2018-January 2019 over the corresponding period of the previous year, latest government data showed. Analysts said if the current trend continued, it would further weaken the rupee as oil product exports act as a natural hedge against dollar-denominated oil imports. "The export of petroleum products provide a natural hedge against imports of oil and the forex spent on imports of oil. Therefore, if exports slow down, then the natural hedge to that extent is lower. It will have an impact on our trade deficit, plus there will be pressures on our currency because your dollar demand will be more," analysts said. The recent strengthening of the rupee, they said, should be seen in the overall context. The Indian currency generally gains in March and this time it is due to the inflow by foreign portfolio investors into the stock market which has pushed the currency to a nine-month high.

The Telegraph - 22.03.2019

https://www.telegraphindia.com/business/petro-export-dip-to-hit-rupee/cid/1687281

Oil prices to reach $75 per barrel by end of third quarter of 2019: Morgan Stanley

Average global crude oil prices are likely to reach a level of around $75 per barrel by the end of the third quarter this year from around $60 per barrel currently on the back of a host of factors, Morgan Stanley said. The investment banking and financial services firm said based on its estimates, the oil market is likely to be undersupplied by 0.5 million barrel per day (mbpd) in second quarter, increasing to 0.8 mbpd by third quarter. This should drive OECD inventories 6-7 per cent below the 3-year moving average. "If history is any guide, this supports a more deeply backwardated forward curve. We expect the 1-12 month Brent time spread to rally to $4.5 from $1.8 per barrel at the moment. Under these conditions, we see the front month Brent contract rising to $75 per barrel by end 3Q," Morgan Stanley said in its latest oil report. After an oversupplied fourth quarter, the oil market has largely come into balance in the first quarter of 2019. Inventories built in January but well below historical norms and higher-frequency data point to global draws

Wednesday. The dips come after crude prices rose by more than a quarter this year, pushed up by a pledge led by the Organization of the Petroleum Exporting Countries (OPEC) to withhold around 1.2 million barrels per day (bpd) of supply as well as by U.S. sanctions against oil exporters Iran and Venezuela.

The Economic Times - 20.03.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-prices-pressured-by-economic-slowdown-but-opec-cuts-support/68492870

since then. Also, the recent rally has been accompanied by deeper backwardation and refining margins that have been maintained within normal ranges - all positive signs.

The Economic Times - 21.03.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-prices-to-reach-75-per-barrel-by-end-of-third-quarter-of-2019-morgan-stanley/68509458

Opec affirms commitment to oil cuts, defers plan to extend

Saudi Arabia led fellow members of the Opec+ coalition to reaffirm their commitment to output cuts, but conceded they should defer until June the decision on whether to extend the curbs. A committee of the most influential members in the 24-nation alliance, which includes Russia, Iraq and the United Arab Emirates, agreed to go beyond their pledged supply curbs in the coming months. They also recommended cancelling a planned April meeting, saying it would be too soon to determine whether the cuts should continue into the second half. The change in timing, which still needs to be agreed by the wider coalition, reflects what the committee described as “critical uncertainties” in the oil market, with U.S. sanctions threatening to remove significant supplies from Iran and Venezuela. It’s also the latest sign that Russia, not Saudi Arabia, is setting the agenda for a group that controls more than half of global crude production. When Opec and its allies agreed their production cuts in December, Saudi Energy Minister Khalid Al-Falih was initially in favor of a decision to extend them into the second half of 2019 at the planned April meeting. Speaking before talks in Baku, Azerbaijan on Monday, he acknowledged that “April will be premature to make any decisions.”

The Economic Times - 13.03.2019

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F03%2F19&entity=Ar01112&sk=40DF0F79&mode=text

US set to become the world's biggest oil exporter

The US shale revolution has made it to one of the world's largest energy producers and potentially the largest oil exporter globally within five years. A five-year outlook from the International Energy Agency (IEA) sees the US potentially overtaking energy giants such as Russia and even Saudi Arabia, the current largest exporter, by 2024. "The US has emerged as a major energy exporting country and as such, will be very influential in terms of the flows of trade of energy in the next years to come with several implications for the geopolitics of energy," said Fatih Birol, the IEA's executive director. OPEC-led output cuts have stabilized the energy markets since a drop in prices in October 2018, but markets have remained under pressure from a glut in US supply. For context, until last year, the US was a net importer of energy products. "The United States will lead oil-supply growth over the next six years, thanks to the incredible strength of its shale industry, triggering a rapid transformation of global oil markets," said the IEA. The US is set to become a net energy exporter by 2021, with its shale production rising by a record 2.2 million barrels per day (bpd) in 2018.

The Economic Times - 19.03.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/us-set-to-become-the-worlds-biggest-oil-exporter/68466245

Private Indian firms have stopped importing oil from Venezuela: US

India has been co-operating with the US on the Venezuelan sanctions and it is the "understanding" of the Trump administration that private Indian companies have stopped importing oil from the Latin American country, a top official has said. The US official's comment came as Washington ramps up actions on Venezuelan President Nicolas Maduro's regime, which is battling to hold onto

Lanka breaks ground for oil refinery with investments from Indian firm & Oman

Sri Lanka on Sunday began construction of a USD 3.85 billion oil refinery next to a Chinese-run port as part of a joint venture between India's Accord Group and Oman's oil ministry, the island nation's biggest foreign direct investment ever. Prime Minister Ranil Wickremesinghe, whose 70th birthday power in the face of heavy domestic and international pressure. Venezuela is the third largest supplier of oil to India which is the world's third-biggest oil consumer. The senior Trump administration official said: "My understanding is that Indian private companies, who were importing Venezuelan oil, have stopped". These companies, which also have interest in the US, are unlikely to ignore the US sanctions, he told reporters on Wednesday. Responding to a question on India's response to the US efforts against the "authoritarian regime" in Venezuela, the official said that India has been co-operative with the US. "The Indians have been cooperative in communicating to the private companies," he said, adding that the issue has been part of India-US discussion. "We value our relationship with India and the strategic partnership," the official said, adding that it is natural that Venezuela, which is very important right now, would be raised in its discussions with India.

The Economic Times -22.03.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/private-indian-firms-stopped-importing-oil-from-venezuela-us/68518197

coincided with the ground-breaking ceremony, said that with investments coming from India, China and Oman, Hambantota is set to become a multinational investment zone. Oman and Sri Lanka have centuries-old relationships, Oman's Oil and Gas Minister Mohammed Hamad Al Rumhy said at the ceremony. The USD 3.85 billion project is the single largest foreign direct investment in the island nation's history. The refinery project, expected to complete in four years, came under criticism last week when a media report claimed that the government of Oman had rejected any knowledge of the project. China has acquired the Hambantota port for a 99-year lease as a debt swap. Beijing on Thursday said that it is "not narrow minded" to oppose the Indian investments in Sri Lanka, as it reacted guardedly to the USD 3.85 billion joint venture between India's Accord Group and Oman's oil ministry.

Business Standard - 24.03.2019

https://www.business-standard.com/article/pti-stories/lanka-breaks-ground-for-oil-refinery-with-investments-from-indian-firm-oman-119032400361_1.html

Pricier natural gas may spike LPG, CNG rates

The domestically produced natural gas price, which is expected to go up during April-September period, will still be lower than $4 a unit (gas is measured in million British thermal units). The increase will mean a spike in prices of piped cooking gas (LPG) and compressed natural gas (CNG) used as transportation fuel. According to analysts, the next revision will push up the price by a maximum of 18 per cent from the current rate of $3.36 a unit. The domestically produced gas price is revised bi-annually based on a formula approved by the government. Crisil Research feels that the next revision (for April-September) is expected to push up domestic gas price by 7-9 per cent to $3.62-3.67 per mBtu (million British thermal units). Comparably, Crisil Research estimates spot Liquefied Natural Gas (LNG) prices to be in the range of $6.5-7 per mBtu)in the first half of 2019-20. “This increase is expected to be fully passed on to end-consumers, making CNG and household PNG dearer. CNG prices are expected to increase by ₹1.5-₹2 per kg in Mumbai and ₹1.7-2.2 per kg in Gujarat – amounting to a 3-4 per cent increase over current prices. In the household PNG segment, an increase of 2-2.5 per cent is expected,” CRISIL Research said.

The Hindu Business Line - 19.03.2019

https://www.pressreader.com/india/the-hindu-business-line/20190319/281900184542301

As airfares climb, DGCA steps in to check turbulence

The Directorate General of Civil Aviation (DGCA) has called airlines for a meeting on Tuesday to discuss the rise in fares owing to a dearth in capacity following flight cancellations, said people with knowledge of the matter. Airfares on some domestic routes have doubled amid the grounding of aircraft by Jet Airways, IndiGo and SpiceJet for various reasons. The first hasn’t paid lease rentals, the second has a pilot shortage and the third has been forced to stop flying its Boeing 737 Max planes. “The meeting is being called to discuss a way to find a solution to rising fares due to several cancellations due to various issues,” said one of the persons cited above. The regulator has capped fares in the past during emergencies to ensure that passengers were not fleeced. The last time it did so was on flights to and from Kerala, when the state was hit by floods that led to the closure of Kochi airport in August. The regulator, however, said that there was no plan for such a move. “No such proposal to regulate fares,” director general of civil aviation BS Bhullar told ET in a text message. Airlines said they have not breached the maximum fare limit and the increase in fares is due to a demand-supply mismatch.

The Economic Times - 19.03.2019

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F03%2F19&entity=Ar00121&sk=D1F3931F&mode=text

DGCA asks airlines to ensure fares remain at a 'Reasonable Level'

The Directorate General of Civil Aviation (DGCA) has asked airlines to ensure that fares stay at "reasonable level" on all routes after several routes reported spike in fares due to cancellation of flights be several airlines. In a meeting called by the DGCA, the airlines were shown routes, where fares have increased to unreasonable levels and the airlines were asked to ensure that fares stay at those levels. "Airlines have been asked to keep fares at reasonable levels so that passengers are not inconvenienced," said a source present in the meeting, who did not want to be identified. Fares on domestic routes have risen due to airlines like Jet Airways, SpiceJet and IndiGo cancelling due to separate reasons. While Jet Airways' cancellations are due to grounding of flights, IndiGo has cancelled flights due to shortage of pilots. Spice-Jet, on the other hand, had to ground flights due to grounding of Boeing 737 MAX aircraft, which were grounded by the DGCA due to safety concerns with the aircraft's computer system. Fares on domestic routes have risen due to airlines like Jet Airways, SpiceJet and IndiGo cancelling due to separate reasons.

The Economic Times - 20.03.2019

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F03%2F20&entity=Ar01705&sk=B74AB696&mode=text

High airfares take toll on passenger traffic growth

India's domestic air passenger traffic growth slowed further in February, owing to high air fares even as airlines continued to cancel flights due to various reasons. According to industry observers, seasonal factors too contributed to the slowing of growth rate in February at 5.62 per cent to 1.13 crore. In January, the number of passengers flown by domestic airlines grew at 9.10 per cent on the year-on-year basis, while in December 2018 it increased by 11.03 per cent. As per the Directorate General of Civil Aviation (DGCA) data, January-February 2019 passenger traffic grew to 2.38 crore from 2.22 crore reported for the corresponding period of the previous year. "Passengers carried by domestic airlines during January-February 2019 were 238.56 lakh as against 222.09 lakh during the corresponding period of the previous year, there by registering a growth of 7.42 per cent," the DGCA said in its monthly domestic traffic report here. According to the data, low-cost carrier SpiceJet had the highest passenger load factor (PLF) -- a measure of capacity utilisation of an airline -- at 94 per cent, followed by GoAir at 92.6 per cent, AirAsia India at 91.8 per cent, Vistara at 89.1 per cent and IndiGo at 88.4 per cent. High airfares take toll on passenger traffic growth

The Hans India - 22.03.2019

https://www.thehansindia.com/business/high-airfares-take-toll-on-passenger-traffic-growth-514091

India's air passenger traffic growth falls to five-year low

India's second-largest airline SpiceJet Ltd. outpaced larger peer IndiGo in passenger traffic growth for first time in 14 months even as the number of Indian fliers rose at the slowest pace in five years in February. Flight cancellations caused by grounding of fund-starved Jet Airways' aircraft, pilot shortages faced by IndiGo and Mumbai runway shutdown might be the key reason behind the slowdown in passenger growth in February, Gagan Dixit, aviation analyst with Elara Capital, told BloombergQuint. Debt-troubled Jet Airways (India) Ltd., which grounded 19 aircraft in February, witnessed the biggest-ever drop of 28 percent in its passenger growth. The airline's domestic market share slipped to its lowest of 11.4 percent. Passenger load factor, a measure of occupancy, improved for all the major airlines over the previous month because of flight cancellations. But it fell over last year. It dropped for the ninth straight month for SpiceJet—the airline, however, has stayed above 90-percent-plus load factor for 46 straight months now. IndiGo's market share increased to 43.4 percent, while that of SpiceJet rose to 13.7 percent. Air India, Jet Group and GoAir's market share declined over a year ago. Tata Group's owned airline companies—Air Asia and Vistara –increased its share in February.

Bloomberg Quint - 20.03.2019

https://www.bloombergquint.com/business/indias-air-passenger-traffic-growth-falls-to-five-year-low#gs.2dfk17