WEEKLY MEDIA UPDATE

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Monday

(This document comprises news clips from various media in which Balmer Lawrie is mentioned, news related to GOI and PSEs, and news from the verticals that we do business in. This will be uploaded on intranet and website every Monday.)

Balmer Lawrie in News

Vizag's multi logistics Park sees spurt in rakes

Aditya Sabharwal

The Multi Modal Logistics Hub (MMLH) in Visakhapatnam has had a busy June 2020.

A Joint venture between Balmer Lawrie and Visakhapatnam Port Trust, MMLH is spread over 53 acres of land and has been abuzz with activities. It handled significant volumes of Steel and Aluminium products meant for Exports through VPT both in containerized and bulk form. Major companies such as SAIL, NALCO, TATA, JINDAL etc have been patronizing the facility for bringing in their cargo on Rail for onward movement to various export destinations. The facility is well equipped with a rail connectivity of 1.30 KM length track has the capacity to handle minimum 2 rakes a day.

'We have handled 37 rakes since 25th May 2020' said **Mr Rajesh Raghavan,** Associate Vice President, Balmer Lawrie speaking to Vizag Industrial Scan. Some of the commodities it has handled include steel plates, HR coils, billets and aluminium ingots all totalling well over 1 lakh metric tonnes *(See table)*. Mr Raghavan further informed that the MMLH developed by Visakhapatnam Port Logistics Park Ltd. is conceptualized to accommodate / handle both Exim and Domestic cargo. Exim area will have CFS / ICD, Warehousing, Cold Storage/Temperature Controlled Warehouse, Open Cargo Storage, Hazardous & Non-Hazardous Cargo Handling, Truck Parking etc. Non-Bonded/ non notified Domestic area will have Yard for Container Storage, General Warehousing, Cold Storage, Open Cargo Storage, Truck Parking, empty container storage, Repairs and maintenance area for containers etc. The MMLH also comprises of a state of the art Temperature Controlled Warehouse consisting of 15 chambers which has been designed to store both Frozen and Chilled cargo.

Commodities handled		
Steel Plates	-	22500 Metric Tons
HR Coils	-	26000 Metric Tons
Billets / Blooms	-	40000 Metric Tons
Aluminium Ingots	-	22000 Metric Tons

Vizag Industrial Scan – 15.07.2020

India's GDP to contract 9.5% in FY21 as state lockdowns hit recovery: ICRA

India's gross domestic product (GDP) is expected to contract 9.5 per cent in FY21, a rating agency said on Thursday. The continued lockdowns in some states have affected chances of recovery seen in May and June, ICRA said in a report. "We have sharply revised our forecast for the contraction in Indian GDP in FY2021 (at constant 2011-12 prices), to 9.5 per cent from our earlier assessment of 5 per cent, with the climbing COVID-19 infections resulting in a spate of localised lockdowns in some states and cities, arresting the nascent recovery that had set in during May-June 2020," it added. Most analysts have estimated that the country's GDP may contract in the range of 5-6.5 per cent in this fiscal

Ficci study presents grim picture

The proportion of manufacturing units reporting an increase in output dropped to 10 per cent during April-June 2020 from 15 per cent in the previous quarter, according to a quarterly poll by industry body Ficci. The survey, which drew responses from over 300 manufacturing units from both large and SME segments with a combined annual turnover of over Rs 2.5 lakh crore, revealed that the automotive sector is the worst-hit in terms of ongoing operations in the factories, according to the demand and current orders post easing of lockdown restrictions. Other sectors where operations remain abysmally low are leather and footwear, electronics and electricals and textiles machinery. Moreover, the percentage of

2020-21. Adding, ICRA said that the country's economy may have contracted by a sharp 25 per cent in the first quarter of FY21, and expects a shallow recovery in the subsequent quarters, with a contraction of 12.4 per cent in the second quarter of FY21 and a milder 2.3 per cent in the third quarter, followed by a growth of 1.3 per cent in the fourth quarter of FY21. The unabated rise in coronavirus infections in the unlock phase and re-imposition of localised lockdowns in several states appear to have interrupted this recovery, she said.

Business Today - 17.07.2020

https://www.businesstoday.in/current/economy-politics/indias-gdp-to-contract-95-in-fy21-as-state-lockdowns-hit-recovery-icra/story/410109.html

respondents expecting low or same production is 90 per cent in April-June 2020-21 which was 85 per cent in the last quarter of 2019-20. Hiring outlook for the manufacturing sector shows a bleak picture as 85 per cent of the respondents mentioned that they are not likely to hire additional workforce in the next three months. “This presents a worrisome situation in the hiring scenario compared with the previous quarter — Q4 of 2019-20 — where 78 per cent of the respondents were not in favour of hiring additional workforce,” Ficci said.

The Telegraph - 20.07.2020

https://www.telegraphindia.com/business/covid-lockdown-ficci-study-presents-grim-picture-for-manufacturing-sector/cid/1786826

Spend must rise by 6.2% of GDP to meet SDGs: NITI

India needs to enhance its spending by 6.2% of gross domestic product (GDP) until 2030 along with a major revamp of its statistical system to fulfil its commitment on sustainable development goals (SDGs), NITI Aayog has said. In its second voluntary national review at the United Nations high-level political forum (HLPF) on sustainable development, 2020, the government’s premier think tank called for an improvement of India's monitoring mechanism to achieve 17 SDGs and 169 targets by 2030. A NITI Aayog-IMF study found that as per its preliminary estimates India needs to increase its SDG spending by another 6.2% of its GDP until 2030, said a report presented by the Aayog on Monday. “The ways and means for this additional financing need to be identified. At the same time, it is crucial to make sure that the budget allocations align with SDG priorities,” said the report. According to the report, the realisation of the 2030 agenda calls for state-of-the art reporting and monitoring tools to measure progress under the framework and enable course-correction. The current national indicator framework (NIF) does not include indicators for 36 out of the 169 SDG targets.

The Economic Times - 14.07.2020

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F07%2F14&entity=Ar00710&sk=02ECA56F&mode=text

Fiscal deficit to shoot up to 7.6% in FY21; twice budget estimate: Ind-Ra

Centre's fiscal deficit is expected to touch 7.6 per cent in 2020-21, more than double the Budget Estimate, as the country spends extra to minimise the impact of the Covid-19 pandemic while facing a shortfall in revenues, a report said on Friday. At a combined level, the fiscal deficit of the Centre and states together will come at 12.1 per cent, with the states contributing 4.5 per cent, India Ratings and Research said in the report. It also said the government has already announced a stimulus package damaging the fiscal math by 1.1 per cent. Calls are also going on for a second package. The pandemic has resulted in long lockdowns that chilled all the economic activities. The agency said India's gross domestic product (GDP) will contract by 5.3 per cent, while states like Assam, Goa, Gujarat and Sikkim are expected to witness a double-digit contraction, it said. With the growth and revenues going down, the obvious impact will be on the fiscal deficit, which is considered an important macroeconomic health indicator.

Business Standard - 18.07.202

https://www.business-standard.com/article/economy-policy/fiscal-deficit-to-shoot-up-to-7-6-in-fy21-twice-budget-target-ind-ra-120071701414_1.html

June retail inflation over 6%, more rate cuts likely

Retail inflation in India firmed up in June, breaching the tolerance band of 4% with a margin of 2% set by the Monetary Policy Committee. Miscellaneous items, clothing and footwear, and pan, tobacco and intoxicants pushed inflation up, prompting independent economists to forecast

WPI inflation contracts for third consecutive month in June

India’s wholesale price index-based inflation contracted for the third consecutive month in June as crude oil price fell sharply while manufacturers continued to lose pricing power as consumer demand waned amid the coronavirus pandemic. Data released by the another round of monetary easing by the Reserve Bank. Inflation, as measured by the consumer price index (CPI), was 6.09% in June, up from 5.84% in March, the last official headline inflation number released by the government, even as food inflation cooled to 7.87% in June from 9.2% in May. As per experts, a decline in demand has not had any impact on prices and inflation has hardened on supply side disruptions. Though the pandemic-related restrictions were gradually lifted and non-essential activities started resuming operations, the government said: "The data collected, however, did not meet the adequacy criteria for generating robust estimates of CPIs at the state-level". The National Statistical Office also released a technical note detailing the imputed index data for April and May using the methodology recommended in 'Business Continuity Guidelines', brought out by Inter-Secretariat Working Group on Price Statistics — a combined forum of ILO, EuroStat, OECD, UNECE, World Bank and IMF — in May.

The Economic Times - 15.07.2020

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F07%2F14&entity=Ar00717&sk=57A3D2AE&mode=text

industry department showed in June wholesale price index (WPI) inflation contracted 1.81% in June against 3.21% contraction in May. During the month, crude petroleum prices softened 41.4% compared to its price during the same month in the previous year ago while fuel prices also eased by 13.6% from their levels a year ago. Ten out of the 17 categories of manufactured products listed in WPI including textiles, leather, wood, chemical, basic metals saw contraction in prices as both demand and supply remained constrained due to coronavirus related issues. Wholesale food inflation picked up marginally in June to 2% from 1.1% in the preceding month. Retail price inflation released on Monday showed food inflation eased to a nine- month low 7.87% in June while headline retail inflation at 6.09% released after a gap of two months came surprisingly higher than the pre-coronavirus print of 5.84% for March.

Mint - 15.07.2020

https://www.livemint.com/news/india/wpi-inflation-contracts-for-third-consecutive-month-in-june-11594710092178.html

Exports, imports fall for 4th month in June, but trade turns surplus after a decade

For the first time in a decade, India clocked a surplus in its merchandise trade, exporting $0.79 billion more than it had imported in June. Imports experienced a steeper drop than exports, which continued to decline during the ongoing pandemic, as per Ministry of Commerce and Industry data. "This is the first time in the last decade that India is a net exporter," stated the Ministry. India's goods exports declined 12.41 per cent to $21.91 billion in June from $25.01 billion in the same period last year due to a drop in shipments of major commodities like engineering goods and gems and jewellery. Imports, on the other hand, declined 47.59 per cent to $21.11 billion from $40.29 billion over the same period. Imports of petroleum, crude and their products dropped 55.29 per cent to $4.93 billion from $11.03 billion. Exports of commodities like gems and jewellery dropped 50.06 per cent, and readymade garments of all textiles around 34.84 per cent.

The Indian Express - 16.07.2020

https://indianexpress.com/article/business/economy/exports-imports-fall-for-4th-month-in-june-but-trade-turns-surplus-after-a-decade-6507711/

India sees trade surplus in Jun for 1st time in 18 years

India recorded a trade surplus in June for the first time in more than 18 years as the domestic demand slump following the coronavirus outbreak hit imports harder than exports, showed data released on Wednesday by the commerce ministry. In June, merchandise exports contracted 12.4%, while imports dipped 47.6%, leading to a trade surplus of $790 million. The drop in exports belied initial hopes that outbound shipments will turn a corner in June. Last month, trade minister Piyush Goyal had tweeted that exports of $4.94 billion in the first week of June was almost at the same level ($5.03 billion) of the year-ago period. Exports of 12 out of 30 major items turned positive during the month. The narrowing of exports contraction was led by growth in exports of pharmaceuticals (9.9%), chemicals (19.1%), iron ore (63.1%), rice (32.7%), cereals (19.3%) and fruits and vegetables (11%). However, contraction of imports remained high as crude oil imports fell 55.3% compared to the same period a year ago.

Mint - 16.07.2020

https://www.livemint.com/industry/manufacturing/india-s-trade-balance-turns-surplus-in-june-11594818105997.html

Cabinet to take up proposal for Big-Bang Privatisation Soon

The union cabinet is likely to soon consider a policy to start a big-bang privatisation of public sector enterprises, clearly stating non-strategic sectors where the government will make a complete exit. The Department of Investment and Public Asset Management (DIPAM) is expected to finalise the draft shortly that will designate various sectors as strategic or non-strategic, government officials said. Banking, petroleum, atomic energy, defence, space, ports are likely to be part of the strategic list. The government has said there will be no more than four state run companies in strategic sectors. "Proposal is expected to be finalised before the next cabinet meeting," said one of the officials. The policy is being fine-tuned following discussions with stakeholder ministries and departments but a final call would be taken on the strategic sectors at the highest level, the official said. “Discussions are on,” the second official said. Finance minister Nirmala Sitharaman had announced the proposed policy as part of the Atamnirbhar Bharat package, making a significant policy shift in respect of state run entities.

The Economic Times - 15.07.2020

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F07%2F15&entity=Ar00713&sk=BD3EA4D6&mode=text

Privatisation policy: Explicit immunity to only handful of PSUs

Nuclear Power Corporation of India, Antrix Corporation and PowerGrid will be among a small handful of state-owned companies to continue to enjoy immunity from privatisation under the government’s new, explicit privatisation policy. Others, including the PSU biggies in the energy, engineering and capital equipment sectors, not to mention those in non-strategic sectors like hotel and tourism and trading, could go under the hammer as and when their turns come up. Of course, Indian Railways, National Highways Authority of India and Food Corporation of India will remain under full government control, as these are monolithic entities supported by specific Central laws, and have functions inseparable from well-entrenched, flagship government policies. According to official sources, the Centre’s much-awaited new policy to determine strategic/non-strategic sectors will likely see as many as 16 sectors being identified as ‘strategic’, virtually covering all conceivable sectors with supposed strategic nature. The government will continue to have at least one public sector company in these sectors.

The Financial Express - 20.07.2020

https://www.financialexpress.com/industry/privatisation-policy-explicit-immunity-to-only-handful-of-psus-check-list/2028869/

RIL jumps 47 places in 3 mths to 51st most valued company in world with $170 bn m-cap

Ahead of its first online 43rd Annual General Meeting on Wednesday where its chairman Mukesh Ambani is expected to lay down his vision for the groups businesses going forward, the shares of Reliance Industries Ltd on Monday jumped 3 per cent to close at Rs 1,934 taking its market cap at Rs 12.7 lakh crore or $170 billion (including the partly paid shares). At the current market cap, RIL is now the 51st most valued company in the world. TCS is the only other Indian company in the list of top 100 most valued companies in the world as it occupied the 99th spot with a market cap of Rs 832,860 crore or $111 billion. Between April 1 and July 13, RIL has gained $81 billion in market capitalisation and has climbed 47 places from being the 98th most valued company on April 1 to 51st most value company now. The share price of RIL has risen by 120 per cent over the last four months for Rs 883 per share on March 23, 2020 to Rs 1,939 on Monday.

The Indian Express - 14.07.2020

https://indianexpress.com/article/business/companies/ril-jumps-47-places-in-3-mths-to-51st-

Pradhan to co-chair India-US Strategic Energy dialogue

Oil Minister Dharmendra Pradhan will on Friday co-chair the second India-US Strategic Energy Partnership Ministerial meeting along with US Secretary of Energy Dan Brouillette as the two nations seek to bolster energy cooperation. The meeting was originally scheduled to be held in Washington in April this year, but got postponed due to the outbreak of the coronavirus pandemic. The dialogue will now be held through video conferencing, official sources said. The Government of India had in February 2018 elevated the India-US Energy Dialogue to a Strategic Energy Partnership (SEP). It was to be co-chaired by Minister of Petroleum and Natural Gas from the Indian side and US Secretary of Energy from the American side. The SEP was formally announced during the visit of Prime Minister Narendra Modi to the US in June 2017, and the first ministerial meeting was held in New Delhi on April 17, 2018 between Pradhan and the then US Secretary for Energy, Rick Perry.

The Economic Times - 17.07.2020

most-valued-company-in-world-with-170-bn-m-cap-6504307/

https://energy.economictimes.indiatimes.com/news/oil-and-gas/pradhan-to-co-chair-india-us-strategic-energy-dialogue/76997232

MoU signed for India to develop strategic petroleum reserve in US

India and the US have signed an MoU to develop a strategic petroleum reserve and the two countries are in advanced stage of discussion to store crude oil in America to increase India's stockpile, Union Minister of Petroleum and Natural Gas Dharmendra Pradhan said on Friday. Pradhan co-chaired with his American counterpart Energy Secretary Dan Brouillette a virtual US-India Strategic Energy Partnership Ministerial. "We have signed a memorandum of understanding (MoU) to begin co-operation on strategic petroleum reserve. We are also in advanced phase of discussing of storing crude oil in US strategic reserve to increase India's strategic oil stockpile," Pradhan told reporters in a joint telephonic press conference. Responding to a question, the minister said the memorandum on cooperation in the field of strategic petroleum reserve was based on a proposal from the US after the recent historic drop in oil prices during coronavirus pandemic. Following the historic drop in global crude oil process, the Indian government actively considered increasing its oil stockpile both inside the country and also overseas in countries like the US, he said.

The Financial Express - 18.07.2020

https://www.financialexpress.com/economy/mou-signed-for-india-to-develop-strategic-petroleum-reserve-in-us/2027901/

India to store crude oil in US

India plans to store its crude oil in US strategic petroleum reserves for use not just during emergencies but also for trading to capture any price advantage, officials said. India and the US on July 17 signed a preliminary agreement for cooperating on emergency crude oil reserves, including the possibility of India storing oil in the US emergency stockpile. "It is a good concept but comes with a lot of riders," a senior government official said. For one, India will have to pay a rental for hiring the storages in the US. This rental will be on top of the international price for oil. "The alternative is to build our own strategic reserves which will involve huge capital cost and will take a few years to construct. So, the rental is a small fee to pay to get immediate access to a strategic reserve," the official said. Strategic petroleum reserves (SPR) in the US are built and maintained by private companies. The oil stored in the US reserves can be used for the nation's own needs or can be traded to capture price advantage, he said adding these two scenarios work when oil prices rise after India has bought and stored oil in US reserves.

The Economic Times - 20.07.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-to-store-crude-oil-in-us/77060075

India's fuel demand recovery loses steam amid local lockdowns, high prices and monsoon

India's fuel demand recovery is losing steam amid sluggish economic revival, local lockdowns, arrival of monsoon and record prices. Demand for diesel dropped 18% and petrol slipped 6% in the first half of July against the same period in June. Compared to the first fortnight of July 2019, the fall in sales has been 21% in case of diesel and 12% in petrol, according to industry executives. The demand for jet fuel has dropped 67% year on year but risen 11% month on month for the first half of July. For cooking gas, the demand is down 7% year on year and up 12% month on month. These data are for sales by state-run companies. For the full month of June 2020, the year-on-year decline in sales for the industry was 17% for diesel and 15% for petrol. "The fuel demand has plateaued after making an almost V-shaped recovery in two months. For the demand to rise to previous year's levels, the industrial and

Coronavirus surge, renewed lockdowns fan fresh worries about global fuel demand

Surges in coronavirus infections are slowing a recovery in fuel use from the doldrums of lockdowns in the United States and other countries, raising concern it could be years before consumption rebounds from the impact of the pandemic. Global fuel demand fell by around a quarter at the peak of the lockdowns, when over 4 billion people worldwide were asked to stay at home. The unprecedented decline in demand forced producers to make record output cuts and pump hundreds of millions of barrels of oil into storage. Fuel consumption and oil prices had recovered some ground as governments relaxed restrictions on population movements and the output cuts stemmed the glut. That recovery is stalling, however, as infections swing upward in top fuel consumer the United States, as well as in other major economies such as Brazil and India. In construction activity must accelerate and all curbs on mobility must go," said M K Surana, Chairman of Hindustan Petroleum Corp. Several industrial and road projects have picked up, driving up transportation and industrial fuel demand but more is needed, he said.

The Economic Times - 17.07.2020

https://economictimes.indiatimes.com/industry/energy/oil-gas/indias-fuel-demand-recovery-loses-steam-amid-local-lockdowns-high-prices-and-monsoon/articleshow/76997024.cms?from=mdr

Oil drops as World's Emergence from virus lockdown slows

Oil slipped for a second day on signs of a slower emergence from lockdown in some corners of the globe. Futures fell as much as 2.6% in New York as growing outbreaks of coronavirus signalled red flags for oil demand. California, one of the largest gasoline-consuming states in America, said Monday that it would pull back on reopening efforts. In Asia, Hong Kong imposed its strictest social distancing measures yet and Japan said a new state of emergency is possible if infections increase. In the longer-term, OPEC expects demand for its crude to rebound next year, surpassing levels seen before the pandemic, as rival producers struggle to revive output. An OPEC+ committee meets Wednesday to discuss easing record supply curbs that have helped the market recover, with the group seeing broad compliance with pledged cuts in June. OPEC+ is expected to stick with plans to taper the cuts from August even as the virus rages in many parts of the world. "Everybody agrees it's very early days," Amrita Sen, chief oil analyst at Energy Aspects, said. "It's not going to be a straight-line recovery with the resurgence in cases in the US in particular."

The Economic Times - 14.07.2020

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F07%2F15&entity=Ar00615&sk=0C97A11C&mode=text

OPEC+ hits the refinery wall: John Kemp

Fuel traders and refiners are becoming more pessimistic about the outlook for the global economy and transportation for the rest of this year, even as the crude producers in OPEC+ try to push oil prices higher. OPEC+ is anxious to see higher crude prices as soon as possible but its ambition is likely to be thwarted in the short term by the renewed softness in fuel consumption. Price premiums for gasoline and diesel over crude have been flat or falling for almost four weeks since June 23 amid growing anxiety about a resurgence in the coronavirus and a new round of lockdowns. the week ended July 11, U.S. retail gasoline demand fell 5% from the previous week, according to GasBuddy, which tracks real-time retail gasoline purchases, after several states reimposed restrictions to control outbreaks of COVID-19.

The Economic Times - 17.07.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/coronavirus-surge-renewed-lockdowns-fan-fresh-worries-about-global-fuel-demand/77017870

OPEC sees oil demand soaring in 2021 but still below 2019

Global oil demand will soar by a record 7 million barrels per day (bpd) in 2021 as the global economy recovers from the coronavirus crisis but will remain below 2019 levels, OPEC said in its monthly report. It was the first report in which OPEC assessed oil markets next year. It said the forecast assumed no further downside risks materialised in 2021 such as U.S.-China trade tensions, high debt levels or a second wave of coronavirus infections. "This assumes that COVID-19 is contained, especially in major economies, allowing for recovery in private household consumption and investment, supported by the massive stimulus measures undertaken to combat the pandemic," OPEC said. Oil prices collapsed this year after global demand fell by a third when governments imposed lockdowns to stop the spread of the virus. OPEC said in 2020 oil demand would drop by 8.95 million bpd, slightly less than in last month's report. In 2021, it expects efficiency gains and remote working to cap demand growth, keeping demand below record 2019 levels.

The Economic Times - 15.07.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/opec-sees-oil-demand-soaring-in-2021-but-still-below-2019/76970120

Covid-19: The new normal in Oil & Gas raises the need for AI

With a global health crisis, geopolitical issues leading to surplus production, and some key industry developments, the oil and gas industry is staring at a new normal of lower demand and subsequently lower crude prices. While the demand is expected to increase as the world shakes out of the pandemic and OPEC+ normalizes its relation and production quotas, industry players have to be agile and nimble to survive in the new reality. They must focus on transforming their value chain and operations, Futures for U.S. gasoline delivered in September fell yesterday to less than $8 per barrel over Brent for delivery in the same month, down from more than $11 in late June. Gasoline margins have been trending lower since June 23, after rebounding strongly over the previous three months as the major economies emerged from lockdown. Diesel margins have been steadier throughout the pandemic but the modest uptrend has fizzled out in recent weeks.

The Economic Times - 20.07.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/opinion-opec-hits-the-refinery-wall-john-kemp/77057731

OPEC+ eases record oil cuts as economy recovers from pandemic

OPEC and allies such as Russia agreed on Wednesday to ease record oil supply curbs from August as the global economy slowly recovers from the coronavirus pandemic but said a second wave of the virus could complicate rebalancing in the market. The Organization of the Petroleum Exporting Countries and its allies, known as OPEC+, have been cutting output since May by 9.7 million barrels per day, or 10 per cent of global supply, after the virus destroyed a third of global demand. From August, cuts will officially taper to 7.7 million bpd until December. However, Saudi Arabian Energy Minister Prince Abdulaziz bin Salman said the effective curbs would be deeper because countries which overproduced in May-June would make extra cuts in August and September to make up, so total cuts would end up amounting to about 8.1 million to 8.3 million bpd. "As we move to the next phase of the agreement the extra supply resulting from the scheduled easing of production cuts will be consumed as demand continues on its recovery path," Prince Abdulaziz after a meeting of a ministerial advisory panel to OPEC+, known as the JMMC.

The Economic Times - 16.07.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/opec-eases-record-oil-cuts-as-economy-recovers-from-pandemic/76990201

Oil major plans to be ‘carbon neutral’ by 2035

The delay in the closure of the Saudi Aramco deal may have been a disappointment for the market, however, chairman Mukesh Ambani laid out a 15-year roadmap for the transformation of RIL into one of the world’s leading energy and materials companies. Even as the sun’s setting on the fossil

reducing their cost of production, processing, and transportation. AI technologies can play a key part in the transformation of the value chain of the oil and gas industry. Currently, only 29 percent of energy enterprises claim to have AI technologies fully deployed and working as expected. Since most data and applications reside in silos, AI solutions are often deployed as localized point solutions that deliver little holistic value. With benefits starting to plateau quickly, disappointment over results influence future strategies.

The Economic Times - 16.07.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/covid-19-the-new-normal-in-oil-gas-raises-the-need-for-ai/76991506

Domestic natural gas output falls 11% in June

Domestic natural gas production fell 11.3% to 2,333 million metric standard cubic metre (MMSCM) in June. The 2.5 million tonne (MT) of crude oil produced in the country in the month was also 5.7% lower than the production from a year-ago period. Indigenous crude oil production caters to about only 15% of the country’s requirements, while for natural gas, 51% of requirement has to be imported. Domestic natural gas output fell 5.1% year-on-year to 31,184 MMSCM in FY20, reversing the growth trend recorded since FY18. Also, the 32.2 MT of crude oil produced in the country in the fiscal was 5.8% lower than the output from a year-ago period. The development coincides with domestic consumption of petroleum products falling 7.8% year-on-year to 16.3 MT in June. Consumption has of course improved from April, when only 9.9 MT of products were sold with the lockdown to contain the spread of the coronavirus being implemented throughout the month. Domestic production has been falling with the ageing of existing fields and muted response from the industry to take up new projects, mainly due to lack of adequate incentives.

The Financial Express - 14.07.2020
https://www.financialexpress.com/industry/domestic-natural-gas-output-falls-11-in-june/2022940/

Global oil giants show interest in BPCL as bidding deadline nears

As the deadline for submitting the Expressions of Interest (EoI) for 52.98 per cent stake in the Bharat Petroleum Corporation Ltd (BPCL) nears, big names in the global oil market are showing interest in picking up the majority stake in the state-run oil company. According to official fuels business, RIL sees an opportunity in the challenge that climate change poses. From converting CO2 into high value proteins to replacing existing transportation fuels with electric and hydrogen, the oil-to-chemicals business of RIL is set for a green makeover. RIL has set a target of becoming carbon neutral by 2035. While RIL will remain a user of crude oil and natural gas, it plans to embrace new technologies to convert carbon dioxide into useful products and chemicals. For many market experts, RIL's energy business, which is its free cash-generating machine, has been given much lower valuations than its digital business as the refining and petchem business has been considered to be a sunset industry. Ambani said, "Transforming our energy business to tackle one of the biggest challenges before India and the world is our new growth opportunity"

The Financial Express - 16.07.2020

https://www.financialexpress.com/industry/oil-major-plans-to-be-carbon-neutral-by-2035/2025572/#:~:text=RIL%20has%20set%20a%20target,into%20useful%20products%20and%20chemicals.

sources, Saudi Aramco, Abu Dhabi National Oil Co (Adnoc), Rosneft of Russia and Exxon Mobil intend to participate in the bidding process for the PSU. The deadline for submitting EoIs has been postponed twice and the current deadline ends on July 31. Indian oil majors are not behind their global counterparts and are also actively pursuing the prospects of bidding for BPCL. Oil-to-telecom major Reliance Industries is understood to have shown interest for the bid. The disinvestment in BPCL involves the government selling its entire 52.98 per cent stake in the company to a strategic investor with transfer of management control. The government has barred PSUs from bidding for BPCL and expects private sector Indian players and global MNCs to bid for its stake.

The Economic Times - 17.07.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/global-oil-giants-show-interest-in-bpcl-as-bidding-deadline-nears/77000387

China aversion ups interest in BPCL

The privatisation of BPCL is expected to benefit from the growing forebodings among oil multinationals about investment in China in the wake of its failings to disclose the coronavirus pandemic. Besides, the fuel market in the country — India is the world's third largest consumer — is a big attraction that should ensure aggressive bidding for the refiner, analysts said. According to official sources, Saudi Aramco, Abu Dhabi National Oil Co (Adnoc), Rosneft of Russia, Exxon Mobil and RIL are likely to battle for the government's 52.98 per cent stake in the PSU. The oil industry analysts said the multinationals are sceptical of entering China given the fact the US and other countries are coming together to counter Beijing's growing threat to global trade, security and human rights, particularly after the pandemic. The aversion towards China could have a significant influence on their strategies, which consider the long-term impact on their investments — and India could be a beneficiary, starting with the bidding for BPCL.

The Telegraph - 20.07.2020

https://www.telegraphindia.com/business/china-aversion-ups-interest-in-bpcl/cid/1786816

RIL-Saudi Aramco deal unlikely to close by March-end, says CFO

Mukesh Ambani-led Reliance Industries is unlikely to close the deal for 20 per cent stake in its oil to chemicals business to Saudi Aramco by March 31 this year, according to a senior company official. In August last year, the company announced its plans to sell its 20 per cent stake in its flagship chemicals and refining business to Saudi Aramco in a deal valued at USD 15 billion. The deal, is aimed at cutting its massive debt and secure an assured supply of crude oil to its refineries, was expected to be closed by March 31, 2020. "...it will not be a deal which will get done by March 31. It's a large transaction, large cross border transaction, a complex transaction and so timeline is something we have to be realistic about," its joint chief financial officer V Srikanth told reporters here. He, however, said that the deal is making good progress and that there is engagement across teams.

The Economic Times - 18.07.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/ril-saudi-aramco-deal-unlikely-to-close-by-march-end-says-cfo/73347376

Steel thrives on exports to China

China has emerged as the saviour for Indian steel makers in the first two months of this fiscal when demand from the domestic market crashed during the pandemic -induced disruptions. The country

Air passenger demand to contract 49% for Indian airlines in 2020: IATA

The passenger demand for air travel will contract by 49 per cent this year for Indian carriers in comparison to last year due to the accounted for 48 per cent of Indian steel exports during April and May at nearly 3 million tonnes, eclipsing Vietnam which used to be the largest market. While the numbers are yet to be in for June — the month when India and China got embroiled in a deadly border clash — the trend may have continued as large steelmakers resorted to exports to keep the mills running. China's surprise entry to the top also underscores the fluidity of international trade which is often taken hostage during geopolitical tensions. After the Galwan Valley clash in Ladakh, chants of boycotting business with China have reached a crescendo in India with some industry leaders, including from the steel sector, advocating winding down of China trade.

The Telegraph - 14.07.2020

https://www.telegraphindia.com/business/indian-steel-thrives-on-exports-to-china/cid/1786278

Covid-19 crisis, said global airlines body IATA on Monday. In a statement, the International Air Transport Association (IATA) said the Indian carriers' revenues will decrease by $11.61 billion this year in comparison to last year due to the pandemic. It said the airlines of the Asia-Pacific region will see passenger demand collapse by 53.8 per cent this year in comparison to last year. The passenger demand or RPK (revenue passenger kilometers) for a flight is calculated by multiplying the number of passengers sitting in the flight to the distance travelled by that flight. "This is the worst year in aviation history and airlines are in survival mode.

Business Standard - 14.07.2020

https://www.business-standard.com/article/companies/air-passenger-demand-to-contract-49-for-indian-airlines-in-2020-iata-120071300882_1.html

19.84L passengers flew domestically in June, load factor of airlines remained low: DGCA

A total of 19.84 lakh passengers travelled domestically in June this year, which is 83.5 per cent lower than the figures of the corresponding period last year, the DGCA said on Friday. Moreover, the occupancy rate or load factor for five out of six major Indian airlines was between 50 and 60 per cent in June 2020, it said. "The passenger load factor in the month of June 2020 has shown a sharp decline due to limited air operations because of the COVID-19 outbreak," the Directorate General of Civil Aviation (DGCA) said. The occupancy rate in SpiceJet was 68 per cent in June this year. However, the occupancy rate for other major airlines -- IndiGo, GoAir, Vistara, AirAsia India and Air India -- in the month of June stood at 60.7 per cent, 57.9 per cent, 56.6 per cent, 56.5 per cent and 56.5 per cent, respectively, as per the DGCA. India resumed domestic passenger flights on May 25 after a gap of two months amid the coronavirus pandemic. Indian airlines are allowed to operate a maximum of 45 per cent of their pre-COVID domestic flights.

The Economic Times - 17.07.2020

https://economictimes.indiatimes.com/industry/transportation/airlines-/-aviation/19-84l-passengers-flew-domestically-in-june-load-factor-of-airlines-remained-low-dgca/articleshow/77019808.cms?from=mdr

Daily fuel price hike may push up freight charges by 20pc, say truckers

Demanding monthly or quarterly revision in diesel prices, which saw an increase for 23 days on the trot last month, a truckers body on Sunday warned that transporters may be forced to increase freight charges by 20% as the daily hikes in fuel prices are making operations "unviable". Fuel charges account for as much as 65% of the operating cost of a truck. Toll charges are another major component, which is about 20% of the operating cost. "Already the demand is low and the idling of the vehicles (trucks which are off-road) is at about 55%. It has become difficult to sustain operations. The road transport sector is devastated due to back-to-back lockdowns amid COVID-19," Bal Malkit Singh, chairman core committee and former president of All India Motors Transport Congress (AIMTC) said in a statement. "Course correction" in freight (charges) is definitely required sooner or later for the survival of the truck operators, he said, adding, "we have no option but to pass on the increased hike to the consumers as to run the trucks in losses is not possible in the longer term." "At present a 20% hike in freight rates is a must for sustaining business," he said.

Mint - 20.07.2020

https://www.livemint.com/news/india/daily-fuel-price-hike-may-push-up-freight-charges-by-20-say-truckers-11595154186487.html