

# WEEKLY MEDIA UPDATE

(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 can become \$6.7 tn economy by 2031

India can become a \$6.7 trillion economy by 2031, from \$3.4 trillion currently, if the country clocks an average growth of 6.7 per cent for 7 years, an S&P Global report said on Thursday. India had clocked a 7.2 per cent GDP growth in 2022-23 fiscal. But a global slowdown and lagged effect of a policy rate hike by RBI could slow down growth to 6 per cent in the current fiscal, S&P Global said in a report titled 'Look Forward: India's Money'. "We expect India to grow 6.7 per cent (average) from fiscal 2024 to fiscal 2031, catapulting GDP to \$6.7 trillion from \$3.4 trillion in fiscal 2023. Per capital GDP will rise to about \$4,500," said the report jointly authored by S&P Global Ratings Global Chief Economist Paul Gruenwald, Crisil Chief Economist Dharmakirti Joshi and S&P Global Market Intelligence Chief Economist Asia Pacific Rajiv Biswas. The macro challenge for India in the upcoming decade is to turn traditionally uneven growth into a high and stable trend, it said.

*Millennium Post - 04.08.2023*

<https://www.millenniumpost.in/business/india-can-become-67-tn-economy-by-2031-528063>

## Growth prospects intact in FY24 but external headwinds may impact course

India's macroeconomic stability and growth prospects remain intact in FY24 but any negative cross-border spillovers and other adverse global developments can deter the country from realising the potential high growth this fiscal year, the finance ministry said on Thursday. In its monthly economic report for June, the department of economic affairs (DEA) said the robust growth momentum gathered in the March quarter is likely to have sustained through the June quarter as well. Improved monsoon showers, solid fiscal performance, continued expansion in manufacturing and services sectors and vigorous capital expenditure by both the public and private sectors augur well for India. "But the price of such stability and growth is eternal policy vigilance," it said.

## Growth momentum to be sustained in Q1FY24: Finance Ministry

Growth momentum gathered in the January-March quarter will be sustained in the April-June quarter of the current financial year amid the strengthening of the current account balance, the finance ministry said in a report. With a stronger-than-expected rate of expansion of 6.1% in Q4, the FY23 GDP growth came in at 7.2%, compared with the advance estimate of 7%. "India's improved monsoon performance, solid fiscal performance, continued expansion in manufacturing and services sectors, vigorous capital expenditure spending by the public and private sectors augurs quite well for India's macroeconomic stability and growth in FY24," the ministry said in its June report. It said growth momentum gathered in March 2023 quarter is likely to be sustained in the June quarter, as reflected in the performance of various high-frequency indicators including GST collections, PMI, services exports and E-Way bills.

*The Financial Express - 04.08.2023*

<https://www.financialexpress.com/economy/growth-momentum-to-be-sustained-in-q1fy24-finance-ministry/3198863/>

## With strong July numbers, Q2 gets off to a solid start

Goods and services tax (GST) revenue maintained the recent robust pace of growth, rising 11% from a year earlier to Rs 1.65 lakh crore in July, showed data released on Tuesday. Other high-frequency indicators available for July indicated the economy has carried over the strong first quarter momentum into the second quarter. Automobile companies reported their best-ever July dispatches, sending 352,500 cars to dealerships, a 3.1% rise from a year earlier. The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI) remained firm at 57.7 in the month, almost unchanged from 57.8 in the preceding month. Jet fuel sales rose 10.3% year-on-year in July as airlines flew more passengers, according to provisional sales data obtained from state-run oil marketing companies.

The report indicated that the monetary tightening in the developed world "may have further to run", thanks to better global growth prospects than anticipated in the first half of 2023 and the firming up of international commodity prices (Brent crude price is up almost 20% from its recent lows).

*The Economic Times - 05.08.2023*

[https://epaper.timesgroup.com/article-share?article=05\\_08\\_2023\\_003\\_015\\_etkc\\_ET](https://epaper.timesgroup.com/article-share?article=05_08_2023_003_015_etkc_ET)

## **June core growth hits 5-month high of 8.2%**

India's core sector growth rose 8.2% in June, the highest in five months, as capex push by central and state governments supported growth in cement and steel sectors, and improvements were witnessed in energy-related products. "Both these (steel and cement) sectors are getting support from front-loaded capex expenditure by both Centre and state governments," said Gaura Sengupta, India economist, IDFC First Bank. She pointed out that Central government's capital expenditure rose 59.1% YoY in Q1FY24, and state government capital expenditure by 57.1% in Q1FY24 (based on 15 state governments). Index of Eight Core Industries measures the output of key infrastructure sectors — coal, crude oil, natural gas, refinery products, fertilisers, steel, cement, and electricity — and has 40% weightage in index of industrial production. The index had recorded 5% growth in May and 13.1% last year in June, according to data released on Monday.

*The Economic Times - 01.08.2023*

[https://epaper.timesgroup.com/article-share?article=01\\_08\\_2023\\_009\\_016\\_etkc\\_ET](https://epaper.timesgroup.com/article-share?article=01_08_2023_009_016_etkc_ET)

## **Manufacturing key to achieving 7-7.5% growth: CEA**

India needs to focus on the manufacturing sector to achieve sustained growth of 7-7.5% until 2030, Chief Economic Advisor V Anantha Nageswaran said. Nageswaran said that manufacturing should be a key growth area given the country's comparative advantage in terms of skilled labour, improved physical infrastructure, well-established industrial ecosystem and sizeable domestic market, in an S&P Global report titled 'Look Forward: India's Moment'. Development of the manufacturing sector and the nature of demand will generate significant employment opportunities, facilitate business opportunities and improve overall growth potential," Nageswaran stated, highlighting that this would reduce poverty and make income distribution more equitable. Nageswaran also argued for changing the composition of the services sector in favour of high-value-added services as this would improve

Electricity consumption rose to 139 billion units in July from 128.4 billion units in the same month last year.

*The Economic Times - 02.08.2023*

[https://epaper.timesgroup.com/article-share?article=02\\_08\\_2023\\_001\\_005\\_etkc\\_ET](https://epaper.timesgroup.com/article-share?article=02_08_2023_001_005_etkc_ET)

## **Manufacturing PMI: Output growth eased to three-month low in July**

The S&P Global India Manufacturing Purchasing Managers' Index (PMI) eased slightly to 57.7 in July from 57.8 in June, with output levels continuing to expand but at the softest pace in three months. A reading of over 50 on the index reflects growth in activity levels and July marked the 25th 50-plus print for Indian factories, as per the survey-based PMI. In a positive sign for India's flailing merchandise exports, new export orders accelerated in July at a pace that was the fastest since November 2022, with firms reporting increases in fresh orders from customers in the U.S. and neighbouring countries such as Bangladesh and Nepal. The 400 or so manufacturers included in the PMI survey responded to the increased workload by hiring more staff but the "solid pace" of job creation was broadly in line with those seen in May and June, S&P Global Market Intelligence said in a note.

*The Hindu - 01.08.2023*

<https://www.thehindu.com/news/national/manufacturing-pmi-output-growth-eased-to-three-month-low-in-july/article67145083.ece>

## **Services PMI at over 13-year high in July, helped by strong demand**

India's leading services sector experienced substantial improvement in demand conditions in July, leading to notable increases in new business and output in over 13 years, said a private survey on Thursday. The Purchasing Managers' Index (PMI) survey's headline figure, conducted by credit rating agency S&P Global, saw a marked increase to 62.3 in July, up from 58.5 in June. A reading above 50 in the survey indicates expansion of services activity and a figure below 50 suggests contraction. The headline figure has been in the expansion zone for 23 months straight since August 2021. The survey polled around 400 companies across sectors such as non-retail consumer services, transport, information, communication, finance, insurance, real estate, and business services. "The upsurge in total new orders was fuelled by a pick-up in international sales. Service

earnings by attracting foreign demand. Hospitality and healthcare were two sectors highlighted by the CEA in need of development

*The Economic Times - 04.08.2023*

[https://epaper.timesgroup.com/article-share?article=04\\_08\\_2023\\_007\\_012\\_etkc\\_ET](https://epaper.timesgroup.com/article-share?article=04_08_2023_007_012_etkc_ET)

## **India rising in world order with +ve macros**

Of the 27 countries tracked by Morgan Stanley's Asia strategists, India rose to number 1 from number 6 earlier with relative valuations for the country less extreme than in October 2022. "Multipolar world-trends are supporting FDI and portfolio flows, with India adding a reform and macro-stability agenda that underpins a strong capex and profit outlook. We see a secular trend toward sustained superior (earnings per share) growth versus emerging markets over the cycle, with a young demographic profile supporting equity inflows," the report noted. The bullishness among Morgan Stanley analysts stems from the fact that the economic and market situations in the country are in stark contrast to that in China. "With GDP per capita only \$2.5k (against China's \$12.7k) and positive demographic trends, India is arguably at the start of a long wave boom at the same time as China may be ending one," states the report. In India, manufacturing and services PMIs have rallied consistently since the end of Covid restrictions, in contrast to the rapid fade seen in China.

*The Economic Times - 04.08.2023*

[https://epaper.timesgroup.com/article-share?article=04\\_08\\_2023\\_017\\_001\\_toikc\\_TOI](https://epaper.timesgroup.com/article-share?article=04_08_2023_017_001_toikc_TOI)

## **Q1 fiscal deficit hits 25.3% of FY24 target**

The Centre's fiscal deficit in the first quarter of FY24 stood at 25.3% of the annual target, higher than 21.2% a year before, as a spike in capital expenditure offset a slight moderation in revenue spending, according to the official data released on Monday. In absolute terms, the fiscal deficit from April to June stood at Rs 4.51 lakh crore, against Rs 3.52 lakh crore a year earlier. Capital spending surged 59% on year in the June quarter to Rs 2.78 lakh crore, in a reflection of the government's sustained push to boost economic growth. However, the government kept a lid on revenue expenditure, which eased marginally to Rs 7.72 lakh crore in the first quarter from Rs 7.73 lakh crore a year earlier. Meanwhile, net tax revenues for the Centre dropped 14% in the first quarter from a year before but its impact was blunted by a 149% jump in non-tax revenues, thanks mainly

providers registered the second swiftest increase in new export orders since the series began in September 2014.

*Business Standard - 03.08.2023*

[https://www.business-standard.com/economy/news/record-upturn-in-exports-spurs-services-pmi-to-over-13-yr-high-in-july-123080300337\\_1.html](https://www.business-standard.com/economy/news/record-upturn-in-exports-spurs-services-pmi-to-over-13-yr-high-in-july-123080300337_1.html)

## **Retail inflation for industrial workers rises in June due to higher prices**

Retail inflation for industrial workers inched up to 5.57 per cent in June compared to 4.42 per cent in May this year, mainly due to higher prices of certain food items. "Year-on-year inflation for the month stood at 5.57 per cent compared to 4.42 per cent for the previous month (May) and 6.16 per cent during the corresponding month (June 2022) a year before," a labour ministry statement said. Similarly, food inflation stood at six per cent against 3.24 per cent in the previous month and 6.73 per cent during the corresponding month a year ago, it added. The All-India CPI-IW (consumer price index for industrial workers) for June 2023 increased by 1.7 points and stood at 136.4 points. It was 134.7 points in May 2023. On one-month percentage change, it increased by 1.26 per cent with respect to the previous month against an increase of 0.16 per cent recorded in corresponding months a year ago, it stated.

*Business Standard - 04.08.2023*

[https://www.business-standard.com/economy/news/retail-inflation-for-industrial-workers-rises-in-june-due-to-higher-prices-123073100707\\_1.html](https://www.business-standard.com/economy/news/retail-inflation-for-industrial-workers-rises-in-june-due-to-higher-prices-123073100707_1.html)

## **Industry activity strong on new export orders**

Manufacturing activity continued its strong momentum in July even as a marginally softer rate of expansion in output and new orders brought down the PMI reading for the month to 57.7 from 57.8 in June. The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI) for July released on Tuesday pointed to an improvement in overall operating conditions for the 25th straight month. In PMI parlance, a print above 50 means expansion while a score below 50 indicates contraction. "The Indian manufacturing sector showed little sign of losing growth momentum in July as production lines continued to motor on the back of strong new order growth," said Andrew Harker, economics director at S&P Global Market Intelligence. While the expansion in output was "softest" in three months, new

to generous dividends by the Reserve Bank of India.

*The Economic Times - 01.08.2023*

[https://epaper.timesgroup.com/article-share?article=01\\_08\\_2023\\_009\\_006\\_etkc\\_ET](https://epaper.timesgroup.com/article-share?article=01_08_2023_009_006_etkc_ET)

### **India insulated itself from rising fuel prices; enhancing refining capabilities: Oil Minister Hardeep Singh Puri**

The discount on Russian crude oil is not as much now as it used to be in the initial period after the Ukraine conflict began, Oil Minister Hardeep Puri said on Friday while asserting that the government ensured affordability and availability of petroleum products notwithstanding disruptions in the global energy market. In an interaction with a group of reporters, he said India insulated itself from rising fuel prices and that the hike in prices of petrol and diesel in the country in the last two years has been marginal compared to several large economies and neighbouring nations. The union minister also hit out at the opposition for attacking the government on oil prices saying the states ruled by it are selling petrol and diesel at higher rates compared to those governed by the BJP as they significantly slashed the VAT on the fuel.

*The Economic Times - 06.08.2023*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-insulated-itself-from-rising-fuel-prices-enhancing-refining-capability-oil-minister-hardeep-singh-puri/102439643>

### **Russia oil imports jump on demand from private cos**

Private sector refiners helped boost India's imports of Russian oil in July after a decline in June amid reports of narrowing discounts. India imported 1.92 million barrels a day of Russian crude in July, almost reaching the record levels of May, according to energy cargo tracker Vortexa. Imports in July were 5% higher than in June and barely 6,000 barrels per day lower than in May. Private sector refiners, comprising Reliance Industries and Rosneft-backed Nayara Energy, imported 21.5% more crude from Russia last month compared to June while state-run refiners reduced imports by 2.5%. The private sector accounted for 37% of Russian oil imports in July. India's imports of Russian flagship grade Urals reached a record-high of 1.6 million barrels per day in July, 18% higher than in June amid reports that its rising prices, which have breached the G7

export business rose at the fastest pace since November last year, with business flowing in from the US and neighbouring countries like Bangladesh and Nepal.

*The Economic Times - 02.08.2023*

[https://epaper.timesgroup.com/article-share?article=02\\_08\\_2023\\_009\\_012\\_etkc\\_ET](https://epaper.timesgroup.com/article-share?article=02_08_2023_009_012_etkc_ET)

### **OMCs may have scope to cut fuel rates, says petroleum minister Hardeep Puri**

There is a possibility for oil marketing companies (OMCs) to cut petrol and diesel prices post their robust earnings for the April-June quarter, given crude oil prices remain stable at current levels, said the union minister for petroleum and natural gas Hardeep Singh Puri. The statement gains significance as fuel prices in the country have been stagnant for over a year now. Prices were last changed in May 2022 after union finance minister Nirmala Sitharaman announced an excise duty cut on petrol and diesel. The prices have remained stagnant despite a decline in international crude price over the past one year. The decision of state-run OMCs not to cut oil prices, however, has drawn criticism for the government from the opposition as inflation has been on the rise. During the interaction, the minister said that the Centre on its part has on two occasions lowered the central excise on petrol and diesel, which was followed by cut in value added tax (VAT) by BJP-ruled states.

*Mint - 07.08.2023*

<https://www.livemint.com/industry/energy/omcs-may-have-scope-to-cut-fuel-rates-says-petroleum-minister-hardeep-puri-11691158474191.html>

### **Oil PSUs clock increase in Petrol, fall in diesel sales**

State-run oil companies sold 3.8% more petrol and 4.3% less diesel in July compared to the same month last year, with sales being impacted by heavy rains as well as the return of private sector fuel retailers to the market. Jet fuel sales rose 10.3% year-on-year in July as airlines flew more passengers, according to the provisional sales data obtained from state-run oil marketing companies. Consumption of liquefied petroleum gas (LPG), primarily used for cooking in the country, fell 1.7% in July. Indian Oil Corp, Bharat Petroleum and Hindustan Petroleum obtained a larger market share last summer as private refiners slowed sales to avoid selling at below-market prices. As international prices sharply rose last summer, state-run companies froze domestic pump prices, prompting private refiners to reduce

price cap of \$60/barrel, could dissuade buyers from ordering more. An Indian oil ministry official complained last month that narrowing discounts on Russian oil and payment troubles could prompt state-run refiners to reduce imports from Russia.

*The Economic Times - 02.08.2023*

[https://epaper.timesgroup.com/article-share?article=02\\_08\\_2023\\_009\\_007\\_etkc\\_ET](https://epaper.timesgroup.com/article-share?article=02_08_2023_009_007_etkc_ET)

## **Oil heads for the best month since early 2022 as market tightens**

Oil headed for its biggest monthly gain in more than a year on signs the market is tightening, with estimates that crude demand is running at a record clip just as OPEC+ cuts back production. West Texas Intermediate held above \$80 a barrel after a run of five weekly gains that lifted prices to the highest since April. The US crude benchmark has rallied almost 14 per cent this month, putting it on course for the biggest advance since January 2022. It's the best performance for July in almost two decades. "Record high demand and Saudi supply cuts have brought back deficits," Goldman Sachs Group Inc. analysts including Daan Struyven and Yulia Zhestkova Grigsby said in a note that reaffirmed a forecast for Brent at \$86 a barrel by December. "The market has abandoned its growth pessimism." Oil's string of advances mean futures in New York have erased their year-to-date losses, with expectations that the Federal Reserve is close to ending its cycle of monetary tightening also aiding sentiment as the dollar weakens.

*The Economic Times - 01.08.2023*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-heads-for-the-best-month-since-early-2022-as-market-tightens/102266027>

## **PESB picks Ramana Babu CV as Director (Marketing) of ITI Limited**

The public sector head-hunter body has recommended Ramana Babu CV for the post of Director (Marketing), ITI Limited, after holding interviews on Friday. The Public Enterprises Selection Board (PESB) picked him from a list of six candidates. Babu is an Indian Telecommunication Service (ITS) officer. Out of the six candidates who were interviewed, two were from ITI Limited, two were from Bharat Sanchar Nigam Limited (BSNL) and two, including Babu, were ITS officers.

*PSU Watch - 04.08.2023*

<https://psuwatch.com/psu-appointments/pesb-picks-ramana-babu-cv-as-director-marketing-of-iti-limited>

their retail sales. Domestic prices have been at the same level since the May of last year while international prices have sharply fallen, allowing retailers to make extraordinary margins of Rs 8-9 on each litre of petrol and diesel sold at the pumps.

*The Economic Times - 02.08.2023*

[https://epaper.timesgroup.com/article-share?article=02\\_08\\_2023\\_009\\_011\\_etkc\\_ET](https://epaper.timesgroup.com/article-share?article=02_08_2023_009_011_etkc_ET)

## **Shantanu Roy takes charge as CMD of BEML Limited**

Shantanu Roy has assumed charge as the new Chairman & Managing Director (CMD) of BEML Limited, a Miniratna PSU under the Ministry of Defence, on Tuesday. Prior to this, Roy was holding the position of Director (Mining & Construction Business) in the same organisation. Roy holds a graduate degree in Electrical Engineering from NIT-Raipur and also an MBA in Financial Management. He has served as Executive Director of BEML. At his previous role, he was responsible for the international business division, strategy & new initiatives, coordination and northern region operations, before assuming his current position in February 2023.

*PSU Watch - 01.08.2023*

<https://psuwatch.com/defencewatch/shantanu-roy-takes-charge-as-cmd-of-beml-limited>

## **JP Dwivedi assumes additional charge as Director (Personnel) of WCL**

Jai Prakash Dwivedi, who is serving as Director (Technical) of Western Coalfields Limited (WCL), has assumed the additional charge of Director (Personnel) post on Tuesday. He has been serving as Director (Technical) of WCL since February 5, 2023. Before taking charge as Director (Technical), Dwivedi was General Manager (Coordination) at the WCL Headquarters.

*PSU Watch - 02.08.2023*

<https://psuwatch.com/psu-appointments/jp-dwivedi-assumes-addition-charge-as-director-personnel-of-wcl>