

# 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.)

## Indian economy on a promising growth trajectory, says ADB president

Asian Development Bank president Masatsugu Asakawa is in India to attend the G20 Summit. Responding to a questionnaire from TOI, he said India is on a promising growth path and strong domestic demand will act as a buffer against external slowdown. He also elaborated on how ADB is seeking to revamp operations to meet new challenges, a key agenda item for the summit. Global demand will be weaker this year than in 2022, though economic activity in advanced economies has slowed less sharply than we expected. First-half growth in the US and Japan has surprised on the upside, and the euro area avoided a technical recession. Global growth will continue to slow this year and into 2024, as the aggressive hikes by the US Fed and European Central Bank feed into these economies and into global financial conditions. High interest rates and slowing demand also mean that global inflation should continue moderating this year and the next.

*The Times of India - 08.09.2023*

<https://timesofindia.indiatimes.com/business/india-business/indian-economy-on-a-promising-growth-trajectory-says-adb-prez/articleshow/103484974.cms?from=mdr>

## RBI firmly focused to bring down inflation to 4%

Frequent supply shocks pose a major challenge in inflation management and anchoring inflation expectations, Reserve Bank of India (RBI) Governor Shaktikanta Das said, asserting that the central bank would take steps if the price spiral were to persist. "We look through fleeting shocks but remain prepared to undertake policy responses if such shocks show signs of persistence and getting generalised," Das said on Tuesday at a Delhi School of Economics event. "In such a scenario, monetary policy has to focus on containing the second-round effects." The central bank kept the repo rate unchanged in August despite the sharp rise in vegetable prices that led the inflation print for July to surge to 7.4%. The good news is that the prices have already started

## From high inflation to import bill - the domino effect of rising crude oil prices on Indian economy

Saudi Arabia and Russia extended their voluntary oil output cuts to the end of the year which resulted in a sharp surge in crude oil prices, with benchmarks Brent and US West Texas Intermediate (WTI) crude futures scoring 10-month high peak levels. While Saudi Arabia has cut oil supply to the tune of 1 million barrels per day (bpd), Russia has restricted the output by 300,000 bpd. These are on top of the April cut agreed by the Organisation of Petroleum Exporting Countries and its allies (OPEC+) running to the end of 2024. After the announcements, Brent crude futures rose by \$1.04, or 1.2 per cent, to settle at \$90.04 a barrel on Tuesday, closing above the \$90 mark for the first time since November 16, 2022. US WTI futures had gained \$1.14, or 1.3 per cent, to settle at \$86.69 a barrel, also a 10-month high. Investors had expected Saudi Arabia and Russia to extend voluntary cuts into October, but the three-month extension was unexpected.

*Mint - 07.09.2023*

<https://www.livemint.com/economy/crude-oil-prices-impact-bigger-import-bill-high-inflation-rate-domino-effect-of-high-oil-prices-on-indian-economy-11694020234408.html>

## Inflation impact seen muted even as crude oil touches \$90

"The weight of crude oil in CPI is around 2.3%, if the entire cost is passed, then the 10% increase will lead to 0.23% increase in headline CPI," he said. India Ratings and Research Chief Economist Devendra Kumar Pant said that the inflation impact of global commodity especially crude depends on several factors – crude oil prices (in USD-term), currency value (USD-INR) and the extent of pass through to consumers. "If the entire increase is passed through to consumers, keeping duty structure same, would translate in 42 basis points (bps) increase in retail inflation." On Thursday, Brent crude was trading at \$90.2/bbl. Brent crude had last touched the \$90 a barrel-mark in November 2022. However, post the announcement of

moderating. Das said that the cumulative 250-basis-point rise in repo rate since May 2022 is still working through. One basis point is 0.01 percentage point. Headline inflation had eased to 4.8% in June 2023 from the peak of 7.8% in April 2022 before the unexpected July spurt. The RBI maintained a pause in the April, June and August 2023 monetary policy meetings.

*The Economic Times - 06.09.2023*

[https://epaper.timesgroup.com/article-share?article=06\\_09\\_2023\\_007\\_003\\_etkc\\_ET](https://epaper.timesgroup.com/article-share?article=06_09_2023_007_003_etkc_ET)

### **Aug services activity cools despite rise in new exports biz**

Despite posting the strongest increase in new export businesses in nine years, India's service sector activity eased to 60.1 in August compared with 62.3 in the previous month. However, positive sentiment for the future outlook reached its highest level since January, according to data released Tuesday. "Indian services companies achieved a remarkable milestone in August, as they welcomed a series record surge in new export business. Several regions contributed to the upturn, including Asia Pacific, Europe, North America and the Middle East," said Pollyanna De Lima, Economics Associate Director at S&P Global Market Intelligence. The seasonally adjusted S&P Global India Services PMI Business Activity Index also recorded a consecutive 25-month of expansion in new business, as advertising and robust demand kept the index above the 50-mark. A value of above 50 denotes expansion. "Demand strength also fostered a heightened sense of optimism regarding the outlook, boding well for economic growth prospects," De Lima said.

*The Economic Times - 06.09.2023*

[https://epaper.timesgroup.com/article-share?article=06\\_09\\_2023\\_004\\_012\\_etkc\\_ET](https://epaper.timesgroup.com/article-share?article=06_09_2023_004_012_etkc_ET)

### **Russia's oil price to India in July lowest since Ukraine war began**

The average price of Russian oil delivered at Indian ports in July dropped to the lowest since Moscow's invasion of Ukraine in February last year, according to Indian government data. India received Russian oil at an average price of \$68.09 per barrel in July, marginally down from \$68.16 in June and sharply lower than \$99.58 in July 2022, according to Reuters' calculations based on the latest data posted on Indian trade ministry's website. Refiners in India largely buy Russian oil on a delivered basis with sellers arranging for shipping and insurance. India depends on imports to meet more than 80% of its overall oil needs and rarely bought Russian oil in the past due to high transportation costs. The country has emerged as the biggest buyer of seaborne Russian crude since

extension of Brent crude production cuts till December-end by Russia and Saudi Arabia, analysts feel Brent crude price may stay in the range of \$85-\$95 a barrel in the near term.

*The Financial Express - 08.09.2023*

<https://www.financialexpress.com/market/commodities-inflation-impact-seen-muted-even-as-crude-oil-touches-90-3236311/>

### **Diesel, petrol consumption rises year-on-year on increased mobility**

The consumption of diesel rose 5% while that of petrol increased 3% in August over last year on increased mobility and economic activity, according to the oil ministry data. Fuel sales jumped 14% from a year earlier while liquefied petroleum gas (LPG) consumption grew 3% in August. The overall consumption of refined fuels rose 6.5% in August from a year earlier. The gains in sales of petrol and diesel in August have mainly been on account of the private fuel retailers. State fuel retailers such as Indian Oil, Bharat Petroleum and Hindustan Petroleum together sold 2.9% less diesel in August over last year and 0.4% more petrol. Private sector retailers such as Reliance-BP and Rosneft-backed Nayara had reduced their retail sales last year after state-run companies chose to sell fuel at below-market rates. Private sector retailers are now regaining market share.

*The Economic Times - 07.09.2023*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/diesel-petrol-consumption-rises-year-on-year-on-increased-mobility/103471158>

### **Indian refiners favour Russian crude for favourable refining economics**

Indian refiners have expressed a strong affinity for Russian crude oil, citing favourable refining economics as a primary driver of their preference, according to industry experts at the Asia Pacific Petroleum Conference 2023, organized by S&P Global Commodity Insights. "Indian refiners are broadly fond of Russian crude because the refining economics are highly favourable. If margins for cracking Russian Urals falters and cost of shipping were to surge, refiners would choose not to buy," Prasad K Panicker, chairperson & head of refinery at Nayara Energy, said during a panel discussion at the APPEC conference. "We look at all types of crude and all the key benchmarks. Whatever that makes good economic sense to us, we

Moscow's invasion of Ukraine more than a year ago. India's monthly imports of Russian oil have been declining since June as discounts began to shrink.

*The Economic Times - 05.09.2023*

<https://economictimes.indiatimes.com/industry/energy/oil-gas/russias-oil-price-to-india-in-july-lowest-since-ukraine-war-began/articleshow/103401737.cms>

## **India launches Global Biofuel Alliance at G20: A paradigm shift in sustainable energy and economic strategy**

The Global Biofuel Alliance (GBA), formally launched during the G20 Summit in New Delhi by Prime Minister Narendra Modi, stands as a transformative milestone in the global energy landscape. This alliance, driven by India, the United States, and Brazil, is a concerted effort to address pressing energy and economic challenges through sustainable biofuels. Let's find out what the GBA means for global biofuel efforts, its potential to ease India's oil import bill crisis, and how it can catalyze cost-effective biofuel production. The inauguration of the Global Biofuel Alliance at the G20 Summit signifies a pivotal moment in the pursuit of sustainable energy solutions. Led by India, Brazil, and the United States, this alliance aims to reshape the global biofuels landscape, providing a collaborative platform for nations to exchange best practices, accelerate technology development, and bolster policy frameworks. Biofuels, derived from renewable sources such as biomass and agricultural waste, offer a greener alternative to conventional fossil fuels, with lower carbon emissions.

*The Economic Times - 10.09.2023*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-launches-global-biofuel-alliance-at-g20-a-paradigm-shift-in-sustainable-energy-and-economic-strategy/103547199>

## **2030 goal: Halve emissions and treble green energy**

A consensus on climate issues might be one of the significant outcomes of the G20 summit as leaders on Saturday agreed to work towards limiting global warming to 1.5 degrees Celsius through rapid, deep and sustained reductions in global greenhouse gas (GHG) emissions. The goal is to reduce GHG emissions by 43% (relative to the 2019 levels) by 2030 and achieve 'net zero' by 2050. The leaders also vowed to triple renewable energy capacity globally by 2030. These targets are important to save the world from the dangerous consequences of climate change, such as extreme weather events, biodiversity loss and

would go buy and process that," Heda said, when asked by an audience on India's potential interest in South American crude grades.

*The Economic Times - 07.09.2023*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indian-refiners-favor-russian-crude-for-favorable-refining-economics/103464091>

## **Crude oil uncertainty paradoxically equals price stability**

The dominating theme in crude oil markets is that there are too many competing narratives and driving factors to allow for anything approaching a clear view of the path ahead. And in what is probably an ironic outcome, prices are likely to remain locked in the same relatively narrow band that has prevailed for much of this year as market participants wait for some of the fog to lift. There was no clear consensus on how the various influences would play out when the oil industry held its annual gathering this week in Asia, the top-importing region and the likely driver of global crude oil demand for the coming years. "Uncertainty" was the key word used at the APPEC event hosted by S&P Global Commodity Insights in Singapore, with one speaker even going as far as to describe the current market situation as chaotic. So, what are the main issues clouding the crude oil market, both for the short and longer terms?

*Reuters - 05.09.2023*

<https://www.reuters.com/markets/commodities/crude-oil-uncertainty-paradoxically-equals-price-stability-russell-2023-09-05/>

## **Indian Gas Exchange reports a 317% monthly increase in August trading volume**

The Indian Gas Exchange (IGX) announced a 317% MoM increase in its trading volume for August 2023. The surge signifies a growing interest in spot buying, backed by competitive pricing on the platform, making it an attractive proposition compared to global gas prices. IGX saw a volume of around 11.36 million MMBTU (or approximately 286 MMSCM) traded in August. The YoY comparison reveals a 603% increase from the previous year. The platform has surpassed the 2 BCM mark in terms of overall traded volume since its inception.

desertification. The G20 New Delhi Declaration backed up the promise by noting the need to mobilise USD 5.8 trillion-5.9 trillion from all sources by 2030 for developing countries to implement their nationally determined contributions (NDCs). To implement clean energy technologies by 2030 and reach net-zero emissions by 2050, USD 4 trillion will be needed per year.

*The Economic Times - 11.09.2023*

<https://auto.economictimes.indiatimes.com/news/industry/2030-goal-halve-emissions-and-treble-green-energy/103564045>

### **Indian aviation sector to grow 8-13% in FY24: ICRA**

Credit rating agency ICRA predicts the domestic air passenger traffic to grow at 8-13 per cent in FY24 to touch 150-155 million. The agency maintained a Stable outlook on the Indian aviation industry amidst the continued recovery in domestic and international air passenger traffic in FY2024, and improved pricing power of the carriers. According to ICRA, it estimates growth in domestic air passenger traffic in FY2024 at 8-13 per cent, thus reaching 150-155 million, surpassing the pre-COVID levels of 141.2 million in FY2020. During the five-month period in FY24, domestic air passenger traffic stood at 63.2 million, witnessing a YoY growth of 20% from 52.6 million in five-month FY23, seven per cent higher than the pre-COVID levels of 58.9 million (5M FY2020), said ICRA. Further, the international passenger traffic for Indian carriers surpassed the pre-COVID levels in FY23, although it trailed the peak levels of 25.9 million in FY19. It is expected to cross this level in the current fiscal, with an estimated 25-27 million passengers, ICRA said.

*Zee Business - 08.09.2023*

<https://www.zeebiz.com/economy-infra/aviation/news-indian-aviation-sector-to-grow-8-13-in-fy24icra-252499>

August saw the execution of 74 trades, with monthly contracts leading the way (36 trades). Daily (20 trades) and weekly contracts (11 trades) followed suit. The Gas Index of India (GIXI) for August was pegged at Rs 880 or \$10.6 per MMBTU marking a 2% increase from the preceding month.

*The Economic Times - 07.09.2023*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indian-gas-exchange-reports-a-317-monthly-increase-in-august-trading-volume/103424262>

### **India's steel output grows 5% in first half of 2023, trend to continue: SteelMint**

India has produced 66.14 MT crude steel in January-June 2023, registering a 5% year-on-year growth and the uptrend is likely to continue in second half of the year as well, according to SteelMint. The domestic industry had produced 63 million tonnes crude steel in the January-June period of 2022, the research firm said. The increase in production was mainly on account of improved capacity utilisation rates coupled with the ramping up of capacities by key Indian steel players, it said. According to SteelMint these factors will continue to support the growth in production in the second half of the ongoing year, SteelMint added. The domestic steel consumption also registered an 11% year-on-year increase to 58.4 MT in the first half of 2023, from 52.7 MT in the same period of 2022. Steel exports took a hit of 30% during the period under review, as China increased its outbound shipments of steel. India's steel exports dropped to 4.74 MT in H1 from 6.70 MT recorded in the first half of 2022.

*BQ Prime - 11.09.2023*

<https://www.bqprime.com/business/indias-steel-output-grows-5-in-first-half-of-2023-trend-to-continue-steelmint>