

(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's GDP may contract by 6.4% in FY21: Care Ratings

Care Ratings on Thursday revised India's GDP growth forecast for the current financial year to (-) 6.4 per cent as economic activity continues to be under restriction due to the lockdown on account of the COVID-19 pandemic. The rating agency, in May, had projected a decline in GDP growth of 1.5-1.6 per cent in FY21. It said given that the nation is into a lockdown for July too with several restrictions on resumption of services in particular as well as movement of people, the cut-off date for normalcy will spread into the latter part of the third quarter and more likely to the fourth quarter. "Under these assumptions our forecast for GDP growth is now (-) 6.4 per cent for FY21 with GVA (de)growth estimated to be around (-) 6.1 per cent," Care Ratings said in a report. The sharper fall in real GDP also means that the nominal GDP for the year will also decline assuming inflation of 5 per cent which in turn will affect the projected fiscal deficit number of the central government which will be in the region of 8 per cent for FY21, it said.

*The Economic Times - 03.07.2020*

<https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-may-contract-by-6-4-in-fy21-care-ratings/articleshow/76748973.cms>

## States' GDP to dip between 1.4-14.3% in 2020-21

Gross state domestic product (GSDP) of all states in the country is expected to witness contraction in the range of 1.4% to 14.3% in 2020-21. Assam, Goa, Gujarat and Sikkim are likely to post double-digit contraction, according to a report by India Ratings, a Fitch group company. The agency has used the insight gained in terms of the proportion of the state economy that was dysfunctional during the lockdown to estimate GSDP for various states. The country's economy is forecast to post a sharp contraction with the latest IMF estimate pointing to a contraction of 4.5% in 2020-21. The lockdown announced to ward off the spread of the dreaded coronavirus has hurt crucial sectors of the economy although economic activity has restarted tentatively. Despite the lockdown enforced on March 25, several economic activities defined as

## Fitch cuts India growth projection to 8% for FY22

Fitch Ratings on Tuesday cut India's growth forecast for 2021-22 fiscal to 8% from 9.5% projected last month. It, however, retained its projection of Indian economy contracting by 5% in the current fiscal. Indian economic growth stood at an estimated 4.2% in 2019-20. In its June update of Global Economic Outlook, Fitch projected Indian economy to grow 5.5% in 2022-23. "In India, where authorities imposed one of the most stringent lockdowns globally to try to halt the spread of the virus, measures are being relaxed only very gradually; with a limited policy easing response and ongoing financial sector fragilities, we have pared our 2021 forecast to 8% from 9.5% in the previous GEO," Fitch said. In May update to the outlook, Fitch had projected 9.5% growth in 2021-22. S&P has forecast a 5% contraction in the fiscal year starting April, and the growth to recover to 8.5% next fiscal.

*Mint - 30.06.2020*

<https://www.livemint.com/news/india/fitch-cuts-india-growth-projection-to-8-for-fy22-11593520574337.html>

## Pace of services activity contraction Slows in June

Services activity picked up pace in June from record lows earlier but continued to show deep contraction for a fourth straight month, as firms reported job losses and business confidence hit an all-time low, according to a private survey. The IHS Markit Services PMI in June rose to 33.7 from 12.6 in May, indicating a pick-up from the previous month, although any reading below 50 on this survey-based index shows contraction. It stood at a record low of 5.4 in April. "India's service sector continued to struggle in June as the country's coronavirus crisis worsened," said Joe Hayes, economist at IHS Markit, terming it an "intensely challenging domestic picture in India". The PMI for manufacturing released on Wednesday was better at 47.2 in June. The Composite PMI

essentials remained operational, while the restrictions impacted various sectors, namely agriculture, industry and services differently. Since agricultural activities were less impacted, the states having a higher share of agriculture are expected to have suffered less compared to the one where the share of agriculture is low, the report said.

*Business Standard - 30.06.2020*

[https://www.business-standard.com/article/economy-policy/gross-state-domestic-product-to-contract-1-4-14-3-in-fy21-report-120062900777\\_1.html](https://www.business-standard.com/article/economy-policy/gross-state-domestic-product-to-contract-1-4-14-3-in-fy21-report-120062900777_1.html)

### **June PMI: Manufacturing recovers partly, demand still subdued**

A contraction in manufacturing narrowed sharply in June, having recovered from a record fall in April, as various lockdown-related curbs were lifted since June 1. Nevertheless, the downturn continued to be driven by a fall in both output and new orders and the rate of workforce contraction remained among the quickest since data collection began in March 2005. The manufacturing Purchasing Manager's Index (PMI) touched 47.2 in June, compared with 30.8 in May and 27.4 in April. A reading of above 50 indicates expansion, while a sub-50 print suggests contraction. The latest contraction extended the current sequence of falling sales to three months, although the pace of reduction decelerated. Overall demand received little support from international markets, with new export orders falling for the fourth month in a row. On the cost front, input prices faced by Indian manufacturers continued to decline. "Amid falling cost burdens, manufacturers opted to continue cutting their average output prices. Despite easing for the second month in a row, the rate was solid overall.

*The Financial Express - 02.07.2020*

<https://www.financialexpress.com/market/june-pmi-manufacturing-recovers-partly-demand-still-subdued/2010339/>

### **India's fiscal deficit at Rs 4.66 trn, 58.6% of annual target in 2 months**

India's federal fiscal deficit in the first two months through May stood at Rs 4.66 trillion (\$61.67 billion), or 58.6% of the budgeted target for the current fiscal year, government data showed on Tuesday. Net tax receipts during April-May period were Rs 33,850 cr (\$4.48 billion), while total expenditure was Rs 5.12 trillion, the data showed, indicating the government was front-loading its budgeted spending to combat the impact of pandemic. India's federal fiscal deficit touched 4.6% of GDP in 2019/20 fiscal year ending March,

Output Index, which measures combined services and manufacturing output, rose to 37.8 in June, up from 14.8 in May. The services sector accounts for about 55% of the Gross Value-Added growth, two-thirds of total foreign direct investment inflows into India and about 38% of India's exports.

*The Economic Times - 04.07.2020*

<https://epaper.timesgroup.com/Olive/ODN/Th eEconomicTimes/shared/ShowArticle.aspx?doc =ETKM%2F2020%2F07%2F04&entity=Ar0071 5&sk=6AC0962B&mode=text>

### **Eight core industries including coal, oil & gas and electricity's output contracts 23.4 pc in May**

The output of eight core infrastructure industries shrank by 23.4 per cent in May due to the coronavirus-induced lockdown, according to the official data. The eight core sectors had expanded by 3.8 per cent in May 2019, the data released by the Commerce and Industry Ministry on Tuesday showed. Barring fertiliser, all seven sectors - coal, crude oil, natural gas, refinery products, steel, cement, and electricity - had recorded negative growth in May. During April-May 2020-21, the sectors output dipped by 30 per cent as compared to 4.5 per cent in the same period previous year. "In view of nationwide lockdown during April and May 2020 due to COVID-19 pandemic, various industries - Coal, Cement, Steel, Natural Gas, Refinery, Crude Oil etc experienced substantial loss of production," the ministry said in a statement. These eight industries accounts for 40.27 per cent in the Index of Industrial Production (IIP).

*The Economic Times - 03.07.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/eight-core-industries-including-coal-oilgas-and-electricitys-output-contracts-23-4-pc-in-may/76711384>

### **India registers surplus \$0.6 billion in current account in Q4**

India's current account balance (CAB) recorded a marginal surplus of \$0.6 billion in the fourth quarter (Q4) ended March 31, 2020 on the back of higher remittances and foreign direct investment, and external commercial borrowing inflows. The surplus comes after almost 13 years of deficit in the current account, which measures the inflow and outflow of goods, services, investment incomes and transfer payments. If the current account is in surplus, then the value of exports is more than that of

from initial estimates of 3.3%. The latest figures for India's fiscal deficit come at a time when the Centre is said to be seriously considering direct monetisation of the fiscal deficit by RBI having sidestepped the idea for the first half (H1) of 2020-21 (FY21). Business Standard has learnt that it is being seriously considered for the second half of FY21. "It is a high possibility," said a top government official, when asked if the Centre was considering direct deficit monetisation. "In the latter half of the year, we will have a clearer picture of the economic damage the Covid-19 pandemic has unleashed, and may require further resources to provide support to the economy," the official added.

*Business Standard - 30.06.2020*

[https://www.business-standard.com/article/economy-policy/india-s-fiscal-deficit-at-rs-4-66-trn-58-6-of-annual-target-in-2-months-120063001320\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-fiscal-deficit-at-rs-4-66-trn-58-6-of-annual-target-in-2-months-120063001320_1.html)

## **India may see trade surplus after 18 yrs**

India may register its first monthly trade surplus in over 18 years in June as the pace of contraction of exports is estimated to have slowed down to around 12%, while imports are seen to have fallen almost 49% during the month. Initial estimates for June, available with the commerce department, show a trade surplus of around \$786 million, with imports pegged at \$21.1 billion and exports at \$21.9 billion. The last time India had a positive balance on the trade account was in January 2002 when it had a surplus of \$10 million with exports of \$4.3 billion. On Friday, commerce and industry minister Piyush Goyal had said that exports in June 2020 had touched 88% of June 2019 level due to unlocking of the economy and resumption of activity. The latest numbers, which will be officially released on July 15, indicated that the pace of export contraction has moderated as industries opened up. Policy makers, however, said that the overall pace will pick up as there is greater unlocking. Even now, given the fast growth in the number of Covid-19 cases, businesses are not fully open and discretionary spending has remained weak due to the adverse sentiment.

*The Times of India - 06.07.2020*

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2020%2F07%2F06&entity=Ar01100&sk=E84370F7&mode=text>

imports. If the current account is in deficit (current account deficit or CAD) then the value of imports is more than that of exports. India had recorded a current account deficit of \$4.6 billion and \$2.6 billion in the year-ago quarter (Q4FY19) and the preceding quarter (Q3FY20), respectively. In percentage terms, the current account surplus was at 0.1 per cent of GDP in the reporting quarter. The current account deficit was 0.7 per cent of GDP in Q4FY19 and 0.4 per cent of GDP in Q3FY19. Madan Sabnavis, Chief Economist, CARE Ratings, said: "India typically has a trade deficit. Now, whenever there is a decline in economic activity, imports decline faster than exports. That is why trade deficit contracts. And we normally maintain stable invisible inflows via software earnings and remittances.

*The Hindu Business Line - 30.06.2020*

<https://www.thehindubusinessline.com/economy/india-registers-surplus-06-billion-in-current-account-in-q4/article31956310.ece>

## **June exports data to reflect faster recovery: Piyush Goyal**

The country's exports, after contracting drastically in April and May due to the COVID-19 pandemic, are "recovering fast" and it will be reflected in the data for June, Commerce and Industry Minister Piyush Goyal said on Friday. Addressing export promotion councils through video conferencing, the minister said the June data will reflect the gains, "with the merchandise export figures touching almost 88 per cent of the corresponding period last year." Most of the markets abroad have not been able to make such a "remarkable" comeback, he said, adding imports are still far behind. "The exports, after setbacks in the first two months of this financial year due to COVID-19, are recovering fast, as the unlock process gains and the economic activity makes a revival," he said. Trade data for June will be released on July 15. He also said that as Unlock 2.0 has come with more permissions, it is expected that things will further improve. The minister called upon the industry to shun over-dependence on imports and certain geographies, as this leads to dire consequences in the long-term.

*The Economic Times - 04.07.2020*

<https://economictimes.indiatimes.com/news/economy/foreign-trade/june-exports-data-to-reflect-faster-recovery-piyush-goyal/articleshow/76775256.cms>

## **Govt to focus on strategic stake sales to meet disinvestment target: DIPAM Secretary**

The government will focus on strategic stake sales to meet the Rs 1.20 lakh crore CPSE disinvestment target in the current fiscal, DIPAM Secretary Tuhin Kanta Pandey said on Friday. The government has already invited bids for strategic sale of national carrier Air India and oil major BPCL. However, their bid deadlines have been extended amid the COVID-19 pandemic. For BPCL, in which the government is selling 52.98 per cent stake, the deadline has been extended till July 31. For 100 per cent stake sale in Air India, the deadline for bid submission is now August 31. Speaking at a webinar on Bharat Bond ETF, Pandey said the Department of Investment and Public Asset Management (DIPAM) has minority stake sales of CPSEs on its table but the emphasis is on strategic disinvestment. "Many of our strategic transactions are going on and moving forward. There was little bit of disruption due to COVID and extensions given in terms of EoI (Expression of Interest) but the government has clarified that we are very much on the same track of aggressively pursuing strategic disinvestment. More focus on that.

*The Economic Times - 04.07.2020*

<https://economictimes.indiatimes.com/news/economy/finance/govt-to-focus-on-strategic-stake-sales-to-meet-disinvestment-target-dipam-secretary/articleshow/76769212.cms>

## **Bharat ETF II eyes ₹14K Cr via 2 NFOs**

India's first corporate bond exchange traded fund, the Bharat Bond Exchange Traded Fund, will launch the second series from July 14 to July 17 to raise about ₹14,000 crore through two new offerings. The fund will be open to institutional investors, with a fourth being reserved for retail investors, and is expected to perform better than the first series, through which the government raised Rs 12,500 crore last year, with the issue subscribed almost 1.8 times. "The bond programme has provided aggregate savings in borrowing costs for participating central public sector enterprises and financial institutions," TK Pandey, secretary in the department of investment and public asset management (DIPAM), said Friday. In the first tranche, the bonds maturing in 2023 helped save 0.13% on borrowing costs while the bonds maturing in 2030 helped save 0.20%, Pandey said. The second series will have a base issue size of ₹3,000 crore and a green-shoe option of ₹11,000 crore, with maturities in April 2025 and April 2031. The ETF will invest in constituents of the Nifty Bharat Bond Indices, consisting of AAA-rated public sector companies.

*The Economic Times - 04.07.2020*

## **Push for infra, privatisation to revive growth: Eco Affairs Secy**

Big infrastructure and privatisation drives are in the works to give growth a boost with the government watching as many as 14 indicators every week to keep tabs on economic recovery, economic affairs secretary Tarun Bajaj told ET. The cabinet secretary has already held a meeting to get the infrastructure plan going and finance minister Nirmala Sitharaman will hold a review soon. "We are monitoring 14 parameters on a weekly basis to see the change," Bajaj said, adding that things are looking up. "We may not have reached the previous levels but are closing in on those levels — contraction has come down... Select segments such as tractor sales, FMCG, have shown a rise." ET reported July 2 that key measures such as e-way bills, goods and services tax (GST) collections and exports were on the rebound with the lockdown having been eased. The economy is expected to contract in FY21 because of the shutdown imposed March 25 to contain the coronavirus outbreak.

*The Economic Times - 06.07.2020*

<https://epaper.timesgroup.com/Olive/ODN/Th/eEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F07%2F06&entity=Ar00106&sk=9A829280&mode=text>

## **Government portal slaps ban on Chinese goods**

The Modi government has decided not to purchase any goods made in China through the Government e-Marketplace (GEM) after having asked for the country of origin to be mentioned on all goods last week. The ministry of consumer affairs, food and public distribution through an office memorandum "directed that it should be ensured that any item made in China may not be purchased through GeM or other sources". The latest move has come amid public outcry over Chinese imports and the government's call for self-reliance. Last week, the government procurement portal GeM had made it mandatory for products to have inscriptions of the country of origin. Sellers need to mention the 'Country of Origin' while registering all new products. Those who had already uploaded their products have been warned that they shall be removed from the portal if the country of origin is not updated. "More importantly, the 'Make in India' filter has now been enabled on the portal. Buyers can choose to buy only those products that meet the minimum 50 per cent local content criteria," the

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F07%2F04&entity=Ar00719&sk=5672AFB7&mode=text>

## **Vocal for Local: Enhanced value addition norms soon**

India is eyeing enhanced value addition in quite a few sectors that can switch to local inputs quickly instead of depending on imports. The Ministry of Commerce and Industry has asked fellow ministries to prepare product lists with potential for domestic value addition. These include steel, auto components, heavy machinery, telecom, consumer electronics and railways where the 'Make in India' component can be raised. "We have asked ministries to revise their value addition norms upwards and make them higher so that the domestic industry is encouraged to produce more," said an official in the know of the development. About 60-65% of auto components are critical parts like engine pistons, transmission drives, steering and body components, which are imported from China and are under the scanner. The official said scope of value addition can be widened in rolling stock for railways. There is also further scope to indigenise many sub-assemblies, including electrical fittings, propulsion systems, signalling and communication systems, and wheelsets in railways.

*The Economic Times - 04.07.2020*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F07%2F04&entity=Ar00713&sk=15C5D41C&mode=text>

## **Reaching pre-lockdown level, India's petroleum product demand touches 88% in Jun**

India's petroleum product consumption has sharply recovered from the lowest slump recorded since 2007, after the world's longest lockdown ended and reached 88% last month, the petroleum ministry said on Wednesday. Also, the demand for bitumen used in road construction has gone up by 32% in June as compared to last year, due to the road building activity picking up. India's power and overall energy demand, which had nosedived, is slowly returning to its pre-lockdown levels. Consumption of energy—especially electricity and refinery products—is typically linked to overall demand in an economy. "India's overall petroleum products consumption, which had nosedived in last week of March and April this year, is now steadily getting to its pre-lockdown levels in June'20, as emanating from the PSUs'

ministry of commerce & industry had said in a release.

*The Telegraph - 30.06.2020*

<https://www.telegraphindia.com/business/government-portal-slaps-ban-on-chinese-goods/cid/1784803>

## **Dharmendra Pradhan says pipeline tariff rationalisation, gas pricing freedom on anvil**

India plans to gradually introduce pricing and marketing freedom for natural gas as well as rationalise pipeline tariffs to help push for a greater share of the environment-friendly fuel in the energy basket, Oil Minister Dharmendra Pradhan said on Wednesday. While he did not spell out the roadmap for freeing gas prices, Pradhan said the current practice of fixing zonal tariffs of a gas pipeline, which typically rises as the gas travels from source to consumption centres, will be replaced by uniform rates. "With a view to further facilitate a conducive business environment for competitive gas markets, efforts are underway to rationalise gas pipeline tariff structure for improving the affordability of gas across the country and for attracting investments into the gas infrastructure," an official statement quoted him as saying at International Energy Agency's (IEA) webinar on 'Building a Natural Gas Based Economy in India'.

*The Economic Times - 02.07.2020*

<https://economictimes.indiatimes.com/industry/energy/oil-gas/dharmendra-pradhan-says-pipeline-tariff-rationalisation-gas-pricing-freedom-on-anvil/articleshow/76734097.cms>

## **India's fuel demand continues to recover in June**

Indian state-refiners' gasoline and gasoil sales rose in June compared with May, continuing with a gradual recovery as the nation relaxed lockdown aimed at stemming spread of COVID-19, provisional sales data showed on Wednesday. State-retailers' gasoline sales in June rose by about 36 per cent from May to about 2.04 million tonnes. Sales of gasoil, which accounts for about two-fifths of the country's overall fuel sales, rose by about 20 per cent in June compared with May to 5.54 million tonnes, provisional sales data showed. However, gasoline and gasoil sales in June are still down by about 15 per cent and 17.1 per cent respectively from a year earlier. Fuel consumption- a proxy for oil demand in Asia's third largest economy- plunged to the lowest since 2007 in April as the country came to a

(IOC, BPC and HPC) sales figures," the petroleum ministry said in a statement. Mint reported on 5 June that traffic congestion, power generation, port activity, vehicle registration and other high-frequency data point to the economy perking up as India reopens, recovering from a devastating slump as factories went idle and people were ordered to stay at home amid the pandemic.

*Mint - 02.07.2020*

<https://www.livemint.com/news/india/reaching-pre-lockdown-level-india-s-petroleum-product-demand-touches-88-in-jun-11593616381022.html>

### **OPEC cuts June oil exports by 1.84 million bpd: Kpler**

OPEC cut oil exports in June by 1.84 million barrels per day (bpd) from May levels as it works to implement an output reduction agreement with Russia and other allies, according to estimates from Kpler, which tracks oil shipments. OPEC's crude exports averaged 17.2 million bpd last month, Kpler said in an emailed report. Saudi exports accounted for almost half of the month-on-month drop, falling by 979,000 bpd. The Organization of the Petroleum Exporting Countries and its allies, a group known as OPEC+, agreed to cut oil production by a record 9.7 million bpd from May 1 to offset a price and demand slump triggered by the coronavirus crisis. A Reuters survey this week found that OPEC production fell by 1.92 million bpd in June.

*The Economic Times - 03.07.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/opec-cuts-june-oil-exports-by-1-84-million-bpd-kpler/76748962>

### **Goldman Sachs sees oil demand returning to pre-coronavirus levels by 2022**

Goldman Sachs said on Thursday a pick-up in commuting, a shift to private transportation and government efforts to improve economies with higher infrastructure spending should help global oil demand return to pre-coronavirus levels by 2022. Demand is expected to fall by 8 per cent this year, before rebounding 6 per cent in 2021 and fully recovering to pre-pandemic levels by 2022, the US bank said in a note. "Oil demand has already started to recover with the initial pace of recovery surprising to the upside in economies like China and India. Demand is still below normalised level with June demand estimated to be 12 per cent below last year levels," Goldman said. The

standstill due to the lockdown that was put in place on March 24. Oil minister Dharmendra Pradhan last week said fuel demand could normalise by end-September. State companies Indian Oil Corp, Hindustan Petroleum Corp and Bharat Petroleum own about 90 per cent of the retail fuel outlets in India.

*The Economic Times - 02.07.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-fuel-demand-continues-to-recover-in-june/76727195>

### **Opec cuts output to lowest since 1991 as virus slams oil demand**

Opec slashed oil production to the lowest level since the Gulf War in 1991, as it escalated efforts to revive global markets just as a resurgence of the coronavirus is threatening demand again. Saudi Arabia faithfully delivered the extra curbs promised in June, and the laggards, though still trailing in implementing the cuts, stepped up their performance, according to a Bloomberg survey. Opec and its partners' record output cuts since May have helped revive the oil market, but a recent surge of Covid-19 infections in countries including the US is highlighting the fragility of the revival. The Organization of Petroleum Exporting Countries cut production by 1.93 million barrels a day to 22.69 million a day last month, according to the survey. That's the lowest since May 1991, though membership changes since then affect the comparison.

*The Economic Times - 03.07.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/opec-cuts-output-to-lowest-since-1991-as-virus-slams-oil-demand/76740463>

### **Oil product demand growth will never recover to pre-COVID levels: Citi**

Future oil product demand growth will never return to pre-coronavirus levels, Citi Research said, adding that oil prices were likely to fluctuate between \$45 and \$60 a barrel in the long term. Global oil demand dropped sharply this year as a result of lockdowns imposed to contain the coronavirus. "Not only will the world have lost 2+ years of demand growth, but the elasticity of oil product demand to global GDP will take a step-level change lower," the bank wrote in a note published on Wednesday. Jet fuel demand is unlikely to reach 2019 levels before 2023 as changing work habits, including telecommuting, and environmental regulations to limit carbon and other emissions will reduce

bank expects gasoline to stage the fastest demand recovery among oil products, while jet fuel consumption, which has been hit the most by the pandemic, could suffer more as consumer confidence in air travel is likely to stay low in the absence of a vaccine.

*The Economic Times - 03.07.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/goldman-sachs-sees-oil-demand-returning-to-pre-coronavirus-levels-by-2022/76742895>

## **Petrol sales up 36 per cent, diesel 20 per cent in June**

Sales for petrol, diesel, jet fuel and cooking gas rose a combined 16 per cent in June from May as the lockdown restrictions eased in the country but were still 14 per cent lower than the sales in the same month last year. The demand for diesel, which makes up 40 per cent of the country's total oil demand, was 20 per cent higher in June than May, indicating increased long-haul transportation and rising economic activity. The sales, however, were still 17 per cent less than in June 2019. Petrol sales soared 36 per cent in June from May but were 15 per cent lower than the year-ago period. Jump in consumption of petrol, mostly used by cars and bikes for shorter distances, means more people came out of their homes and drove to their workplaces in June, an industry executive said. The recovery in transportation fuel demand has been sharper than initially expected partly because the public transport is not fully operational yet in most places, forcing commuters to use private vehicles, the executive said. The demand for jet fuel is also returning, albeit slowly, with the resumption of domestic flights. Jet fuel sales in June rose 83 per cent over May but were down 67 per cent from a year ago.

*The Economic Times - 02.07.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/petrol-sales-up-36-per-cent-diesel-20-per-cent-in-june/76727654>

## **Reliance plans to up aviation fuel stations by 50 pc**

Billionaire Mukesh Ambani's Reliance Industries Ltd (RIL) plans to increase its network of aviation fuel stations by 50 per cent as it looks to capture greater market share in the business currently controlled by public sector oil retailing firms. In its latest annual report, RIL said the double-digit growth observed over 52 consecutive months might have been stalled due to the COVID-19 pandemic, but India continues to be one of the fastest growing aviation markets in the world for the fifth consecutive year. RIL, which operates the world's largest single location oil refining complex,

demand for both jet fuel and gasoline. In the short term, deep production cuts by OPEC+ and non-OPEC+ producers along with recent capex cuts and project postponements could lead to a short-lived supply crunch, Citi said.

*The Economic Times - 03.07.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-product-demand-growth-will-never-recover-to-pre-covid-levels-citi/76760944>

## **IOC bets big on digital change to retain biz in post-Covid era**

State-run Indian Oil (IOC) is betting big on mobile computing, a lean, digital-savvy workforce and new-age offerings such as natural gas, hydrogen as well as electric mobility to reshape its leadership role in the post-pandemic "new normal" of India's energy market, according to chairman Shrikant Madhav Vaidya. Parallely, IOC will consolidate its core business by becoming the least-cost supplier through cost and asset optimisation. Expansion of business footprint will be through "meaningful collaborations", sources quoted Vaidya as saying in his video message to employees after taking over reins of India's largest refiner-retailer on July 1. He said IOC's focus on "technological immersion" has proven to be a promising enabler in the "new normal" and sought to scale up the digital transformation for smooth business process flow and empowering customers as well as channel partners with digitally-aided logistics, supply and distribution network.

*The Economic Times - 06.07.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/ioc-bets-big-on-digital-change-to-retain-biz-in-post-covid-era/76811232>

## **Haldia Petrochemicals acquires US firm Lummus Technology for \$2.7 billion**

Haldia Petrochemicals (HPL), a flagship company of The Chatt-erjee Group (TCG), along with its international partner Rhone Capital has acquired US-based Lummus Technology at an enterprise value (EV) of \$2.725 billion (around Rs 20,590 crore) from McDermott International. In the joint acquisition, HPL's share is at 57 per cent, the balance would be held by Rhone Capital. Under the new dispensation, Lummus Technology would function as a 'standalone' autonomous

plans to capture this opportunity through increased presence at airports to refuel airplanes. Air-passenger traffic in India rose 9 per cent even in February after the Indian carriers recouped to full capacity that was lowered following the closure of a major domestic carrier in the first few months of financial year 2019-20 (April 2019 to March 2020) as well as disruptions at Mumbai airport owing to construction and maintenance, it said.

*The Economic Times - 06.07.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/reliance-plans-to-up-aviation-fuel-stations-by-50-pc/76805483>

### **Global oil demand, CO2 emissions likely peaked in 2019: energy consultancy**

Global oil demand and carbon dioxide emissions probably peaked in 2019 as the COVID-19 pandemic will have a lasting impact on both, energy consultancy DNV GL said on Wednesday. The Norway-based consultancy, which advises both petroleum and renewable energy companies on risk management and technology, said global energy use would be 8 per cent lower in 2050 than previously expected due to the impact of the pandemic. "Lasting behavioural changes to travel, commuting and working habits will also decrease energy usage and lessen demand for fossil fuels from the transport sector as well as from iron and steel production," DNV GL said in a statement about its research on the impact of the pandemic on oil demand and emissions. "While we expect oil demand to recover next year, we think that it's likely that it will never reach the levels seen in 2019," Sverre Alvik, head of DNV GL's Energy Transition Outlook, told Reuters. The International Energy Agency said on June 16, it did not expect oil demand to return to pre-pandemic levels before 2022 due to a slump in air travel.

*The Economic Times - 02.07.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/global-oil-demand-co2-emissions-likely-peaked-in-2019-energy-consultancy/76723577>

### **Steel industry benefits from rise in exports to China: Report**

The domestic steel industry, which has been facing headwinds for the past couple of months due to dull domestic demand and the COVID-19 woes, has benefited from increase in exports to China, though at lower margins, according to a report by India Ratings. Small and mid-sized steel players, especially those in the micro, small and medium enterprises (MSME) category, have been impacted more and are likely to face tight liquidity due to delays in the receipt of receivables and payment of fixed charges towards labour, electricity, among

entity. The deal was completed on Tuesday. Lummus Technology is a master licensor of proprietary technologies in refining, petrochemicals, gas processing and coal gasification sectors, as well as a supplier of proprietary catalysts, equipment and related engineering services.

*Business Standard - 02.07.2020*

[https://www.business-standard.com/article/companies/haldia-petrochemicals-acquires-majority-stake-in-lummus-technologies-120070101443\\_1.html](https://www.business-standard.com/article/companies/haldia-petrochemicals-acquires-majority-stake-in-lummus-technologies-120070101443_1.html)

### **BP meets asset sale target through \$5 billion divestment of petrochemical unit**

BP will sell its global petrochemicals business to billionaire Jim Ratcliffe's Ineos for \$5 billion, the oil major said on Monday as it achieves its asset sale target of \$15 billion a year in advance. Its London-listed shares moved higher after the news, rising about 1.5% as of 0913 GMT. BP said Ineos will pay a deposit of \$400 million and another \$3.6 billion on completion of the deal, which is expected by the end of the year, while the remaining \$1 billion will be paid in tranches in 2021. Big oil and gas companies are forced to rein in on spending following the collapse in oil prices due to the coronavirus-led weak demand and excess supply. "With today's announcement, we have met our \$15 billion target for agreed divestments a full year ahead of schedule, demonstrating the range and quality of options available to us," Chief Financial Officer Brian Gilvary said.

*The Economic Times - 29.06.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/bp-meets-asset-sale-target-through-5-billion-divestment-of-petrochemical-unit/76687577>

### **Steel imports worth Rs 20,000 cr avoided due to DMISP policy: Dharmendra Pradhan**

The country has avoided steel imports worth over Rs 20,000 crore following DMISP policy since its launch in 2017, Union Steel Minister Dharmendra Pradhan said on Monday. In 2017, the government launched the National Steel Policy (NSP) with an aim to scale up India's steelmaking capacity to 300 million tonnes by 2030 with an additional investment of Rs 10 lakh crore. The government also rolled out the domestically manufactured iron and steel

others, said the rating agency. "The increase in Chinese imports benefited domestic steel players, especially the large steel players who were operational at lower utilisation levels during the lockdown and who compensated for the dull domestic demand by increasing steel exports (majorly to China) albeit at lower margins," the report said. Domestic realisation per tonne of steel by raw material cost for both hot-rolled coil and rebar are expected to fall further in the second quarter of the financial year 2020-21 with a further fall in steel prices due to oversupply as the production is expected to gradually increase with the easing of lockdown restrictions along with no corresponding increase in steel demand.

*Outlook India - 03.07.2020*

<https://www.outlookindia.com/newscroll/steel-industry-benefits-from-rise-in-exports-to-china-report/1884363>

### **Domestic Air Traffic to Fall by 46% in FY21: Ica**

The recommencement of commercial passenger flight services in a graded manner is unlikely to help the domestic aviation industry recover in the current financial year with domestic air traffic expected to shrink by 41-46% and international travel demand by a negative 67-72% year-on-year owing to Covid-19, a report said on Friday. The domestic passenger flight services restarted from May 25 after a two months hiatus due to the lockdown in the wake of coronavirus pandemic. The international operations, however, remained suspended since March 22 for similar reasons. The government on Friday extended the suspension of scheduled international flights till July 30. It, however, said that some international scheduled routes may be permitted on a case to-case basis. "As per our study, though restricted recommencement of domestic air traffic has begun, this will in no case help the industry to recover the lost ground in FY2021. However, H2 FY2021 will witness some recovery, with Q4 FY2021 witnessing a degrowth of just 3-14% y-o-y in domestic with improved passenger load factors (PLFs)," ratings agency Ica said in the report.

*The Economic Times - 04.07.2020*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F07%2F04&entity=Ar00505&sk=ABFCA429&mode=text>

**Govt mulls replacing multi-modal transportation act with national logistics law**

products policy (DMISP) policy to boost the use of domestic steel products in government organisations. "From a small capacity of 22 million tonne (MT) in FY 1991-92, India has now become the second largest steel producer in the world with a production of 111 MT in 2019, surpassing Japan and the US. "Through the DMISP Policy, we are giving a boost to domestic sourcing of iron and steel products by central government organisations by mandating preference.

*The Financial Express - 30.06.2020*

<https://www.financialexpress.com/economy/steel-imports-worth-rs-20000-cr-avoided-due-to-dmisp-policy-dharmendra-pradhan/2007684/>

### **Domestic Airlines Cancel Up to 25% Flights Daily**

Domestic airlines are cancelling between 10% and 25% of their flights every day, leading to chaos, confusion and hundreds of disgruntled passengers, most of whom have not even got refunds, industry executives said. This is because airlines are selling tickets for up to one-third of their total flights but are operating only about a fourth of their flights, cancelling the rest due to either low demand or some new norm in the constantly changing lockdown and quarantine rules of state governments, they said. What is aggravating the situation is poor communication and lack of transparency. Take the case of Susmita Biswas, 57, who has failed to fly from Mumbai to Chennai despite six attempts between May 28 and June 13. Every time she booked a ticket, the flight got cancelled without the airline – four times IndiGo and twice GoAir – telling her why. The reason, it turned out, was that the Tamil Nadu government was reluctant to receive people from Maharashtra due to high incidence of the pandemic. Before the resumption of domestic flight operations on May 25, it had written to the civil aviation secretary, requesting that flights from Maharashtra and Gujarat to Tamil Nadu be "kept at the barest minimum possible".

*The Times of India - 30.06.2020*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F06%2F30&entity=Ar00413&sk=9AA073EE&mode=text>

**How Covid crisis is transforming India's logistics industry**

The commerce ministry is considering to replace the multi-modal transportation of goods act with a full-fledged national logistics law with a view to promote growth of the sector, a senior government official said on Saturday. Special Secretary in the logistics division of the ministry, Pawan Agarwal said a National Logistics Efficiency and Advancement Predictability and Safety Act (NLEAPS) is under consideration and this law tends to define various participants of the logistics space and create a light regulatory ecosystem. "What the logistics sector is all about is not very clear to us as of now and in that direction, we need to clearly define what the logistics sector is and what are the various elements in it. In this direction, there is a thinking and I am just sharing that thinking that the earlier legislation multimodal transportation of goods act...We are considering to replace it with a full-fledged national logistics law." NLEAPS is under consideration, he said at a webinar organised by industry chamber PHDCCI.

*Business Today - 04.07.2020*

<https://www.businesstoday.in/current/economy-politics/govt-mulls-replacing-multi-modal-transportation-act-with-national-logistics-law/story/408903.html>

## **Warehousing to see strong bounce-back in FY21: Report**

Recovery in warehousing is expected to be faster and PE investment flows are likely to resume soon, a Knight Frank report showed. Warehousing demand in the country grew by 44% CAGR in the last three years, and India has additional warehousing development potential of 193 million sq ft, the report stated. The currently committed land for warehouse is estimated at 21,163 acre, which has the potential of adding 63% more supply to already existing 307 million sq ft of warehousing stock, the research said. After the introduction of GST, this asset class received institutional investment commitments of \$6.5 billion. PE investment activity in the currently year in warehousing dropped to \$57 million with only one deal concluded till May 31, 2020, because of the Covid-19 lockdown. In 2019, around \$1,508-million PE investments were made into this sector. Shishir Baijal, CMD, Knight Frank India, said investors remained optimistic about this sector and fresh investments are likely to pick up soon and the segment would see faster a recovery, given the indispensable nature of this market. Around 77% of the investments in the sector till now have gone to greenfield/new development projects.

*The Financial Express - 03.07.2020*

<https://www.financialexpress.com/industry/warehousing-to-see-strong-bounce-back-in-fy21-report/2011861/>

The supply chain disruption triggered by Covid-19-induced lockdown has prompted the manufacturing industry to shift from 'just in time' manufacturing to the agile 'just in case' manufacturing. Maintaining a buffer against disruptions is the new normal. Businesses are now looking at building resilience, chalking out contingency plans and bringing in agility. During the lockdown, most businesses had no visibility of their stocks and inputs as goods were stuck across the country while in transit, in ports and on trucks. This was the period when the vulnerabilities were exposed bluntly to business organisations. The CII Logistics and Supply Chain Leadership Conclave 2020 was based on ways to eliminate these bottlenecks. Titled 'Reimagining Indian logistic and supply chain in the age of uncertainty', the session stressed on re-engineering processes, paperless and contactless documentation, capacity enhancement and multi-modal transport. All major industry players maintained that the pandemic had accelerated transformation and digitisation of the manufacturing industry.

*The Financial Express - 30.06.2020*

<https://www.financialexpress.com/industry/how-covid-crisis-is-transforming-indias-logistics-industry/2008076/>

## **E S Ranganathan takes charge as GAIL Director (Marketing)**

E S Ranganathan on Wednesday took over as the new director (marketing) of state-owned gas utility GAIL (India) Ltd. He succeeds Gajendra Singh, who superannuated on June 30. Prior to his appointment as director (marketing), Ranganathan was managing director, Indraprastha Gas Ltd - the firm that retails CNG to automobiles and piped natural gas to households in the national capital region, the company said in a statement. He was instrumental in commissioning Dahej-Vijaipur, Vijaipur-Dadri, and Bawana-Nangal pipeline projects. "A firm believer in leveraging technology for business solutions, Ranganathan played a pioneering role in using technology towards smart working in the field of operations and maintenance and project management," the statement said. An instrumentation & control engineer from NSS College of Engineering, Palghat in Kerala, Ranganathan is an MBA with a specialization in marketing. He has close to 35 years of rich and diverse experience in the oil and gas sector, particularly in project execution along with operation & maintenance of natural gas pipelines, gas marketing, business development, and business information systems.

*Outlook India - 02.07.2020*

<https://www.outlookindia.com/newscroll/e-s-ranganathan-takes-charge-as-gail-director-marketing/1882925>

## **Shrikant Madhav Vaidya takes charge as IOC Chairman, succeeds Sanjiv Singh**

Shrikant Madhav Vaidya on Wednesday took charge as the new chairman of Indian Oil Corporation (IOC). Prior to his elevation, Vaidya was the Director (Refineries) on the IOC Board, since October 2019. He succeeds Sanjiv Singh, who has superannuated from the services of the Corporation on June 30. Concurrently, Vaidya will also be Chairman of Chennai Petroleum Corporation, a stand-alone refining subsidiary of IOC and Indian Oiltanking Ltd. Vaidya who is on the board of Ratnagiri Refinery & Petrochemicals Ltd will be taking over as its Chairman and will also be Director on the Board of Petronet LNG. A Chemical Engineer from the National Institute of Technology, Rourkela, Vaidya has over 34 years of experience in refining and petrochemicals operations. He has had a decade-long association with India's largest cracker plant – the Panipat Naphtha Cracker Complex, a major driver of IndianOil's petrochemicals business – right from the drawing board stage. He is among the select technocrats in the Indian oil & gas industry who are proficient in all facets of refinery-petrochemicals integration.

*Business Standard - 02.07.2020*

[https://www.business-standard.com/article/companies/shrikant-madhav-vaidya-takes-charge-as-ioc-chairman-succeeds-sanjiv-singh-120070100358\\_1.html](https://www.business-standard.com/article/companies/shrikant-madhav-vaidya-takes-charge-as-ioc-chairman-succeeds-sanjiv-singh-120070100358_1.html)

## **Parminder Chopra takes over as Power Finance Corporation Director (Finance)**

Government-owned Power Finance Corporation (PFC) on Wednesday announced the appointment of Parminder Chopra as Director (Finance) of the company. She succeeds N B Gupta, who superannuated on Tuesday, June 30 2020. Chopra was working as Executive Director (Finance) at Power Finance Corporation (PFC) before assuming charge as Director (Finance), PFC. With over 32 years of experience, she specialises in handling core finance functions such as fund mobilisation, corporate accounts, banking and treasury, asset-liability management and stressed asset resolution. Before joining PFC, she was associated with power sector organisations like NHPC and Power Grid Corporation of India (PGCIL). Chopra, who joined PFC in 2005, took initiative to diversify PFC's fund mobilisation to international markets that allowed the lender to raise money at lower costs. She has also played a key role in launch of PFC's maiden Green Bond issue and PFC's first

## **GAIL Gas Ltd: MV Ravi Someswarudu takes over as CEO**

M V Ravi Someswarudu on July 01 took over as Chief Executive Officer (CEO) of GAIL Gas Limited, a wholly-owned subsidiary of GAIL (India) Limited, engaged in the city gas distribution business. He replaces A K Jana who is now the Managing Director for Indraprastha Gas Limited (IGL). Prior to this Someswarudu served as Executive Director & Officer-In-Charge of the Petrochemical Project at GAIL, Pata. Someswarudu, a Certified Energy Auditor and a post-graduate in Chemical Engineering along with MBA in Marketing specialization, has rich and diverse experience encompassing more than 34 years in the Oil & Gas and Petrochemical Sectors covering diverse functions like Project Development, Operations and Maintenance, Technical Services, Process Design and Engineering, Design of Pipelines & Gas processing plants, Technology Selection and R&D. He has also served in the Exploration & Production, Petrochemical Group at GAIL Corporate Office and also held additional charge of the Project Development Department.

*Indian Mandarins - 02.07.2020*

<https://www.indianmandarins.com/news/gail-gas-ltd-mv-ravi-someswarudu-takes-over-as-ceo/20922>

## **Mohd Taj Mukarrum Appointed Director Finance Power Grid Corporation**

Govt has appointed Mohammed Taj Mukarrum , Executive Director, POWERGRID as Director (Finance), POWER Grid Corporation of India. Ministry of Power has issued the order in this regard. Shri M. Taj Mukarrum has assumed the charge of Director (Finance) of Power Grid Corporation of India Limited (POWERGRID) on 4 July, 2020. Prior to taking up this assignment, he was working as Executive Director (Finance), POWERGRID. Shri M. Taj Mukarrum has about thirty five years of experience in Power Sector which includes Long term Financial Planning, Financial Concurrence, CAPEX & O&M payments, vetting of Detailed Project Reports (DPR)/Revised Cost Estimates (RCE), Coordination for Project Financial Viability Appraisal by external professional Agencies for Consultancy Business Vertical including Smart Grid and Energy Efficiency such as Electric

fund raising from US bond market under sec 144(a).

*The Economic Times - 02.07.2020*

<https://economictimes.indiatimes.com/industry/banking/finance/parminder-chopra-takes-over-as-power-finance-corporation-director-finance/articleshow/76726543.cms>

Vehicle Charging (eV), Energy Audits, setting up Smart Grid Cities Infrastructure, Railway Electrification Projects.

*PSU Connect - 06.07.2020*

<https://www.psuconnect.in/news/mohd-taj-mukarrum-appointed-director-finance-power-grid-corporation/23505>