

(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.)

## IMF Slashes 2019 Growth Forecast to 4.8%

The International Monetary Fund has slashed its estimate on India's 2019 economic growth to 4.8% from the 6.1% expansion it projected in October, citing a sharper-than expected slowdown in local demand and stress in the nonbank financial sector. The steep cut in India's growth rate has weighed on IMF's projection on the world economy, which it now expects to have expanded 2.9% in 2019 compared with the previous forecast of 3.0%. The IMF's World Economic Outlook (WEO) Update revised India's 2020 growth forecast to 5.8%, down 0.9 percentage point from the previous estimate. For 2021, the estimate is 6.5%. The report cited monetary and fiscal stimulus, along with its expectation of subdued oil prices, for the projected improvement in India's growth this year and the next. Globally, growth is expected to accelerate to 3.3% in 2020 from 2.9% in 2019 and further to 3.4% in 2021. The IMF has trimmed its estimate on the world economy by 0.1 point each for 2019 and 2020 and by 0.2 percentage point for 2021 from the earlier forecasts. The WEO estimates China to have grown 6.1% in 2019. For the current year, the forecast is for 6% growth.

*The Economic Times - 21.01.2020*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F01%2F21&entity=Ar01307&sk=CBC4ACA3&mode=text>

## India Ratings pegs 2020-21 GDP growth at 5.5 per cent

Domestic rating and research agency India Ratings and Research on Wednesday estimated India's Gross Domestic Product (GDP) would grow at 5.5 per cent in fiscal year 2020-21 (FY21). Though, this is slightly higher than the 5 per cent GDP growth rate projected for the current fiscal year (FY20), the agency feels that the downward risk will persist. The slowdown, in the agency's view, is a combination of several factors. It said the prominent ones are an abrupt and significant fall in lending by non-banking financial companies close on the heels of a slowdown in bank lending, reduced income growth of households coupled with a fall in savings and higher leverage, and

## Growth slowdown in India temporary, expect momentum to improve going ahead: IMF chief

IMF chief Kristalina Georgieva on Friday said growth slowdown in India appears to be temporary and she expects the momentum to improve going ahead. Speaking at the WEF 2020, she also said the world appears a better place in January 2020 compared to what it was when IMF announced its World Economic Outlook in October 2019. She said the factors driving this positive momentum include receding trade tension after the US-China first phase trade deal and synchronised tax cuts, among others. She, however, said a growth rate of 3.3 per cent is not fantastic for the world economy. "It is still sluggish growth. We want fiscal policies to be more aggressive and we want structural reforms and more dynamism," the managing director of the International Monetary Fund (IMF) said. On emerging markets, she said they are also moving forward. She further said a number of African countries are doing very well, but some other nations like Mexico are not.

*The Economic Times - 24.01.2020*

<https://economictimes.indiatimes.com/news/economy/indicators/growth-slowdown-in-india-temporary-expect-momentum-to-improve-going-ahead-imf-chief/articleshow/73583395.cms>

## Selloff target may be raised

Buoyed by the prospect of a strategic sale in BPCL and Air India, Budget 2020-21 could set an ambitious stake sale target even though the Modi government may fail to meet the current fiscal's Rs 1.05-lakh-crore selloff mark. Finance ministry officials said it is now certain that the strategic sale of BPCL, Air India, Container Corporation of India Ltd (Concor) and Shipping Corporation of India (SCI) would be held in the next fiscal. "This would give the leverage to go for ambitious numbers as they would garner enough money for the government next fiscal. The exact target would only be known on February 1.. it would certainly be ambitious numbers," sources said. They indicated that the

inability of the dispute resolution/judicial systems to quickly release capital that is stuck. Although some improvement in FY21 is expected, these risks are going to persist. As a result, the Indian economy is stuck in a phase of low consumption as well as low investment demand. Ind-Ra believes a strong policy push coupled with some heavy lifting by the government (even if this requires using the escape clause as suggested by the FRBM Review Committee headed by NK Singh) is required to revive the domestic demand cycle and catapult the economy back into a high growth phase.

*The Hindu Business Line - 22.01.2020*

<https://www.thehindubusinessline.com/economy/india-ratings-pegs-2020-21-gdp-growth-at-55-per-cent/article30622840.ece>

### **Government plans to garner Rs 10,000 crore from 7th tranche of CPSE ETF**

The government is planning to raise over Rs 10,000 crore from CPSE ETF's seventh tranche that would be launched by the end of the current month, according to market sources. The issue is likely to open for anchor investors on January 30 and for other institutional and retail investors, the next day, they added. Central Public Sector Enterprises ETF runs a concentrated portfolio with a handful of stocks having weights of as high as 20 per cent on the underlying index. The portfolio is concentrated towards the energy and oil sector. Nippon Life India Asset Management, formerly known as Reliance Nippon Life Asset Management, is managing the CPSE ETF on the government's behalf and has already filed 'scheme information document' for CPSE ETF FFO 6 with markets regulator Sebi. Sources privy to the development said the offer will have a base issue size of Rs 10,000 crore. Besides, there will be a green-shoe option. The decision to launch seventh tranche of CPSE Exchange Traded Fund (ETF) has been taken after receiving robust response for earlier stake sale by the government in the product.

*The Economic Times - 23.01.2020*

<https://economictimes.indiatimes.com/markets/stocks/news/government-plans-to-garner-rs-10000-crore-from-7th-tranche-of-cpse-etf/articleshow/73550957.cms>

### **Around Rs 1 lakh crore worth assets may be monetised by March 31: Report**

The Centre is looking at asset monetisation to meet the 2019-20 divestment target of Rs 1,05,000 crore, according to a Business Standard report. The government and asset reconstruction companies are at an advanced stage of processing a number of assets of the Centre and Central Public Sector Enterprises (CPSEs) to be

strategic sale of these state-owned firms would at least yield Rs 1 lakh crore, and there would be follow-on public offers by PSUs, which could result in the target being set anywhere between Rs 1.30 lakh crore and Rs 1.50 lakh crore. While the government plans to privatise Air India by selling its 100 per cent ownership in the airline, it will divest its entire 53.29 per cent stake in BPCL and 30.8 per cent of its current 54.8 per cent stake in Concor and 63.75 per cent stake in SCI.

*The Telegraph - 23.01.2020*

<https://www.telegraphindia.com/business/sell-off-target-may-be-raised/cid/1738776>

### **PSUs face selling pressure amid Nifty CPSE rejig**

Traders dumped shares of various public sector companies due to rebalancing in the Nifty CPSE (Central Public Sector Enterprises) index and expectation of a follow-on public offer of CPSE ETF in the coming days. The Nifty CPSE index was the worst performer among indices, ending down 3.6% at 1,788.45. ONGC, Coal India and NTPC fell 4-5%. The Nifty CPSE index revision will be effective from January 23. IOC and PFC are likely to exit the index while Power Grid, NHPC, NMDC and Cochin Shipyard will be included. The buzz in the market is that there will be a follow-on public offering of CPSE ETF that would result in higher supply. The buzz of another round of CPSE ETF resulted in shares of ONGC, Power Grid, NTPC and Coal India, which are expected to constitute bulk of the weightage in the ETF, bearing the biggest brunt of the bears. Market participants think investors may opt to buy in the ETF issue and simultaneously short the index components in the futures segment.

*The Economic Times - 23.01.2020*

<https://economictimes.indiatimes.com/markets/stocks/news/psus-face-selling-pressure-amid-nifty-cpse-rejig/articleshow/73538950.cms>

### **Niti Aayog to develop National Data Platform**

Government think-tank Niti Aayog will develop a national data and analytics platform to make all government data accessible to stakeholders in a user-friendly manner. Releasing the Vision Document for the National Data and Analytics Platform (NDAP), Niti Aayog vice-chairman Rajiv Kumar said that the NDAP will strive to

monetised, according to Business Standard sources. "A lot of departments and CPSEs have been mobilised to speed up asset monetisation," a senior government official told Business Standard. Since a number of marquee state-owned companies are unlikely to be completed this fiscal year, assets worth around Rs 100,000 crore could be monetised before March 31 this year, according to a source at a major asset reconstruction company working with the government. "These asset sales are very easy to carry out because they are operating assets, and there is a lot of interest for them. The risk is minimal," the person told the newspaper. The source also told Business Standard that it was difficult to set a target for asset monetisation.

*Deccan Herald - 21.01.2020*

<https://www.deccanherald.com/business/economy-business/around-rs-1-lakh-crore-worth-assets-may-be-monetised-by-march-31-report-796418.html>

### **India's December fuel exports jump as slowing economy curbs domestic demand**

India's refined fuel exports rose 24.2 per cent in December year-on-year to 6.46 million tonnes, the fastest growth since October 2016, data from the petroleum ministry showed, as a broader economic slowdown dented local demand. India recently revised down its growth forecast for fuel consumption - a proxy for oil demand - to a six-year low of 1.3 per cent in 2019-20, mainly due to a fall in estimated diesel consumption. Diesel consumption is directly linked to industrial activity. Asia's third-biggest economy imports and exports refined fuels, as it holds a surplus refining capacity. But slowing local demand is pushing up its exports and they rose for a fourth straight month in December from a year earlier. Of the 6.46 million tonnes of exports in December, shipments of diesel had the lion's share, rising 38.2 per cent to 3.14 million tonnes, according to data posted on the website of Petroleum Planning and Analysis Cell (PPAC). Economists say the decline in fuel consumption and other indicators, such as power demand, reflect an industrial slowdown.

*The Economic Times - 24.01.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-december-fuel-exports-jump-as-slowing-economy-curbs-domestic-demand/73570326>

ensure that the data is assured, consistent, coherent and credible. "Given that data is the new oil, we at Niti Aayog feel the need to modernise our data system," Kumar said. According to the vision document, data across sectors should be coherent to support analysis and dissemination. "In addition, there should be easy access to the most recent data, published reliably," the document noted. The NDAP will host multiple datasets, present them coherently and provide visualisation and analytics tools. "The platform will be powered by a user friendly search engine, backed by seamless navigation, with a world-class user interface. Data will be provided in a machine-readable format with customisable analytics," it said.

*The Economic Times - 24.01.2020*

<https://economictimes.indiatimes.com/news/economy/policy/niti-aayog-to-develop-national-data-platform/articleshow/73558403.cms>

### **Oil demand rises 1.8 per cent during April-December**

India's oil demand rose 1.8 per cent in the first nine months of the current fiscal, slower than 2.7 per cent in the year-ago period. Dependence on oil imports also rose as domestic production fell 5.8 per cent in the same period. Diesel sales, which makes up 40 per cent of all oil demand in the country, rose barely 0.8 per cent in the nine months to December. Diesel sales dropped 0.7 per cent in December from a year ago. "Severe winters in northern India and agitations in some states have disrupted normal economic activities," the oil ministry's monthly consumption review report said on December consumption. Sharp drop in the sale of diesel-fuelled vehicles, extended rain and preference for petrol vehicles weighed on diesel demand during the financial year, according to the report. Petrol, however, roared at 8.4 per cent due to people's preference for petrol-driven vehicles and better rural connectivity, the report said. In December, petrol growth slowed to 3.2 per cent. Slowing economy has decelerated consumption of petrol, diesel and various industrial fuels in recent months.

*The Economic Times - 23.01.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/crude-story-oil-demand-rises-1-8-per-cent-during-april-december/73537677>

## **Oil India may hold 74 per cent in BPCL's NRL, Assam 26 per cent**

State-owned oil and gas explorer Oil India (OIL) and the Assam government may acquire Bharat Petroleum Corporation's entire 61 per cent stake in the Numaligarh Refinery (NRL), retaining the public sector character of the Assam-based entity. According to official sources, while OIL may pick up close to 48 per cent stake, Assam has indicated to pick up the rest to raise its stake to 26 per cent from 12.4 per cent. Assam Commerce and Industry Minister Chandra Mohan Patowary recently stated the state government's willingness to pay up to Rs 2,000 crore to pick 13.6 per cent of BPCL stake in the refinery. Going by this, BPCL's stake in OIL may be worth over Rs 8,000 crore, including control premium. With the Centre owning over 50 per cent in BPCL, the stake sale in the NRL will help it pocket around Rs 4,000 crore as disinvestment receipt. BPCL holds 61.65 per cent stake in the NRL, OIL 26 per cent and the Assam government 12.35 per cent.

*The Economic Times - 26.01.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-india-may-hold-74-per-cent-in-bpcls-nrl-assam-26-per-cent/73628273>

## **Indian state refiners near first annual deals to buy Russian oil**

Indian state refiners are close to signing their first annual deals to buy Russian oil, three sources privy to the development said, as the nation moves to tap new sources to hedge against geopolitical risks. India, the world's third biggest oil consumer and importer, which ships in over 80 per cent of its needs, usually relies on the Middle East for the majority of its supply. However, its imports from that region slid to a four-year low last year. Its acquisitions from Russia had typically been low, as transportation costs for its crude tend to be higher than those for Middle Eastern grades, and were made through the spot market rather than under contract. However, state refiners - Indian Oil Corp, Hindustan Petroleum Corp Ltd and Bharat Petroleum Corp Ltd - are now moving towards signing deals for Russian oil. The country's top refiner IOC has already told Russia's Rosneft that it intends to buy as much as 40,000 bpd of Russian crude, one of the sources said, some 2.5 per cent of its total refining capacity. "It is almost certain to sign a contract, a proposal has been sent to Rosneft," the source said.

*The Economic Times - 22.02.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indian-state-refiners-near-first-annual-deals-to-buy-russian-oil/73519658>

## **India keen on importing more oil from Brazil**

India on Wednesday expressed interest in raising the import of crude oil from Brazil as the world's third largest oil consumer is looking at diversifying its import basket beyond the highly volatile Middle East region. Oil Minister Dharmendra Pradhan met visiting Brazilian Minister for Mines and Energy Bento Albuquerque to review cooperation between the two countries. "India is diversifying its crude oil supply and our oil companies have expressed interest in sourcing more crude from Brazil if offered favourable commercial terms," Pradhan tweeted after the meeting. India imports 84 per cent of its oil needs and two-thirds of its import come from the Middle East with Iraq and Saudi Arabia being the top suppliers. Pradhan said he also sought intervention for the early monetization of India's existing investments in the Brazilian energy sector. ONGC Videsh Ltd, the overseas arm of state-owned Oil and Natural Gas Corp (ONGC), has two exploration blocks in Brazil - BC-10 and BM Seal-4 and is looking at monetizing discoveries made there.

*The Economic Times - 23.01.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-keen-on-importing-more-oil-from-brazil/73538030>

## **US oil may gain edge**

India could increase oil and gas imports from the US if Washington is able to provide competitive pricing compared to traditional sourcing zones such as West Asia. Industry sources said during US President Donald Trump's visit, a high-level official and business delegation, including CEOs of top oil-producing companies, are expected and there would be talks on garnering concessions for assured supplies with them. Apart from better pricing of the product along with insurance cover, the talk would also focus on getting longer term credit, which would make the offer competitive and attractive vis-a-vis Iranian crude, imports of which have been put on hold by New Delhi because of the sanctions imposed by the US. The shipment of US oil to India has already increased over the past two years and India may end up importing close to 10 million tonnes (mt) in the current financial year. This could be doubled in 2020-21 if official and company level negotiations next month yield positive results, they said. This would be closer to the quantum of crude imports from Tehran prior to the sanctions.

*The Telegraph - 22.01.2020*

<https://www.telegraphindia.com/business/us-oil-may-gain-edge/cid/1738511>

## **India to see Rs 4L cr investment in gas infrastructure: Pradhan**

India will see an investment of over Rs 4 lakh crore in development of gas supply and distribution infrastructure in the next five years as it chases the target of more than doubling the share of the environment-friendly fuel in its energy basket to 15 per cent by 2030, Oil Minister Dharmendra Pradhan said on Thursday. Speaking at a national conclave on emerging opportunities in the natural gas sector, he said the 11th round of city gas distribution licensing bidding will shortly be launched that will help extend the supply of CNG to automobiles and piped cooking gas to household kitchens in 475 districts from current 400. Natural gas currently constitutes 6.2 per cent of all energy consumption in the country. Stating that the government has laid emphasis on developing a gas-based economy, he said natural gas is gradually becoming a bridging fuel for low carbon economy in India. The government is giving special impetus to develop gas infrastructure across the length and breadth of the country connecting North to South and East to West parts of India, he said. "Over Rs 4 lakh crore of investment is in pipelines in the next five years."

*Millennium Post - 24.01.2020*

<http://www.millenniumpost.in/business/india-to-see-rs-4l-cr-investment-in-gas-infrastructure-pradhan-397100>

## **IEA's Birol sees 1 million bpd oil market surplus in H1 2020; says Iraq a concern**

A surplus of one million barrels per day (bpd) of oil is expected to keep a lid on prices in the first half of 2020, International Energy Agency (IEA) Executive Director Fatih Birol said on Tuesday. Birol told the Reuters Global Markets Forum on the sidelines of the World Economic Forum meeting in Davos, Switzerland, that prices could not be expected to rise significantly under "normal conditions" although unexpected developments, such as rising instability in Iraq, could alter the situation. Iraq, the second largest producer in the Organization of the Petroleum Exporting Countries (OPEC), has recently seen violent clashes between police and anti-government demonstrators, who are pressing for an overhaul of the country's political system. I see an abundance of energy supply in terms of oil and gas. It's the reason that recent incidents we have seen - with the Iranian general killed, Libya unrest - didn't boost international oil prices. We still have \$65 oil prices like we did at Davos last year, but we shouldn't be too relaxed.

*The Economic Times - 22.01.2020*

## **Barclays raises 2020 oil demand forecast on expected global economic recovery**

Barclays on Tuesday forecast 2020 oil demand to rise by 1.4 million barrels per day (bpd), up from growth of 900,000 bpd in 2019, and an increase of 50,000 bpd from its earlier forecast, on an expected recovery in global economic activity. The demand growth will be led by emerging market countries in Asia and Latin America. Much of this growth will come from India, where oil demand will increase by 250,000 bpd in 2020 from 2019, the bank said in a note. The bank also raised its growth estimates for the United States and China following the Phase 1 trade deal sign last week. "Recent signing of the Phase 1 trade deal between the U.S. and China will likely boost investment confidence and will likely lead to increased activity growth," the bank said adding material gains in trade volume will largely depend on the pace of tariff reductions, which remains uncertain.

*The Economic Times - 21.01.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/barclays-raises-2020-oil-demand-forecast-on-expected-global-economic-recovery/73484713>

## **Oil and gas sector keeps faith in low-carbon energy: survey**

More than 70 per cent of oil and gas executives expect to maintain or increase investment in low-carbon energy this year, a survey by an adviser to the industry showed on Tuesday. Against the backdrop of uncertainty over oil prices and the global economy, less than half of respondents to DNV GL's survey expect more large, capital-intensive projects to be approved this year, down from about two thirds last year. However, the annual survey of more than 1,000 senior oil and gas professionals and executives also showed a jump in expectations for higher investment in areas that will give companies a long-term position in the transition to low-carbon energy. Some 71 per cent expect to increase or maintain investment in renewable energy, decarbonising oil and gas production and new low-carbon technologies, compared with 54 per cent a year ago. "Our research shows that the oil and gas industry has placed decarbonisation at the centre of its agenda and it will remain a priority despite uncertainty from volatile market conditions and stalling expectations for industry growth in 2020," said

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/ieas-birol-sees-1-million-bpd-oil-market-surplus-in-h1-2020-says-iraq-a-concern/73508664>

## **Draft policy seeks lower taxes for LNG, CNG vehicles**

In a bid to boost India's gas economy, the ministry of petroleum and natural gas on Thursday released a draft city gas distribution policy, which could be adopted by states to facilitate speedy implementation of city gas distribution (CGD) networks and value-added services. Reduced road taxes and value-added tax (VAT) may also be in the offing for gas-driven vehicles. The draft policy suggests setting up of a committee, under the chairmanship of the chief secretary, which will help formulate policies and streamline the processes for various permissions to develop the CGD infrastructure. "It will cause setting up of a suitable single-window clearance mechanism for the same in the state for the promotion development of CGD infrastructure and ease of doing business. The committee will also make a suitable mechanism for permissions from state divisions of the Petroleum and Explosives Safety Organisation, NHAI, the railways, etc.," minister of petroleum and natural gas Dharmendra Pradhan said at the National Conclave on Emerging Opportunities in Natural Gas Sector in Delhi on Thursday.

*Mint - 23.01.2020*

<https://www.livemint.com/industry/energy/reduced-road-taxes-vat-govt-s-draft-policy-to-encourage-cng-lng-vehicles-11579784058938.html>

## **Allcargo acquires 13% stake in Gati amid family dispute**

Allcargo Logistics, a multimodal logistics firm, has acquired around 13% in express logistics firm Gati Ltd, the company said in a statement. "In line with the approval by Gati's shareholders at the EGM on the 7th Jan 2020, the board of Gati today allotted 1.33 crore shares at Rs. 75 apiece to Allcargo by way of preferential allotment. As part of this preferential allotment process Allcargo has already infused Rs. 100 crores into Gati. The preferential allotment would result in Allcargo acquiring 10.91 % stake in Gati," Allcargo said. In addition, last week Allcargo acquired 27 lakh shares in Gati through open market purchases. Post these transactions, Allcargo owns close to 13% stake in Gati, which makes it the single largest shareholder of Gati, the statement said. Allcargo has also announced an open offer to acquire an additional up to 26% stake in the company from public shareholders. "100 % of the capital required to fund the open offer ( Rs. 238 crores) has been deposited into an escrow account set up as per SEBI norms, for open offer transaction," Allcargo said.

*Mint - 21.01.2020*

<https://www.livemint.com/companies/news/allcargo-acquires-13-stake-in-gati-amid-family-dispute-11579623849954.html>

Liv A. Hovem, chief executive of DNV's oil and gas division.

*The Economic Times - 21.01.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-and-gas-sector-keeps-faith-in-low-carbon-energy-survey/73466856>

## **Air travel growth dips in 2019 on Jet fall, eco woes**

The double-digit growth of domestic air travel seen in past few years crashed to 3.7% with 14.4 crore people flying within the country in 2019, against 13.9 crore in the previous year. The fall in growth, though still in positive territory, happened due to the collapse of Jet Airways last April that led to a sharp hike in air fares, amid an overall economic slowdown. Aviation ministry's quick grant of Jet's slots to other airlines, with SpiceJet and Vistara taking ex-Jet Boeing 737s, and IndiGo growing at its one-plane-a-week pace, ensured that 2019 over 2018 did not see a fall in domestic air carriage. A senior official said, "(The 3.7% growth is) a bit disappointing. In 2019, we faced headwinds on account of Jet Airways' (closure) but 2020 is going to be different and the double-digit growth should be back sooner rather than later." The collapse of Jet saw full service airlines' share in domestic air travel at 20.6% for the whole year with Air India at 12.7%, Vistara at 5.2% and Jet at 2.7% till it had its last flight on April 17, 2019.

*The Times of India - 21.01.2020*

<https://epaper.timesgroup.com/olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2020%2F01%2F21&entity=Ar01911&sk=1300DB43&mode=text>