

(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 e-mailed on every Monday.)

Govt favours Indian flags, asks PSUs to choose domestic companies

The Centre has urged the public sector units to use Indian shipping lines for transportation of their cargo. The move is aimed at increasing the share of Indian tonnage in the overall export-import trade. Currently, only around 8% of total EXIM trade is done by Indian flagged vessels. In a recent meeting with major government companies, Coal India (CIL), Steel Authority of India (SAIL), Indian Oil (IOC), NTPC Ltd among others, the shipping ministry asked them to give preference to Indian shipping companies for cargo movement.

Industry experts point out that since most of these companies know of their cargo movement almost eight to 10 years in advance, the shipping lines if contracted can buy tonnage against that requirement.

With economic slowdown and lower freight rate situation have kept the shipping sector, globally under stress. This coupled with the oversupply of vessels in the market has created a demand-supply imbalance. Shipping companies are not hoping for a respite in this situation before 2014.

Business Standard - 28.01.2013

<http://www.business-standard.com/india/news/govt-favours-indian-flags-asks-psus-to-choose-domestic-companies/204197/on>

Rich PSUs to bail out divestment by buying stakes of other PSUs

Looking at ways to shore up funds to meet the runaway fiscal deficit, cash-surplus public sector companies like NMDC and Coal India will use a portion of their cash pile to pick up stakes in public sector companies slated to hit the market with share sales. The NMDC board has decided to earmark about R4,000 crore from its cash reserves of R24,000 crore to participate in the upcoming public offers of PSUs, an official of the company confirmed to FE.

The idea is to use a portion of the cash surplus with PSUs to boost the divestment programme, given the market appetite for the stakes being offloaded is relatively small. Sources said that NMDC with its R24,000-crore cash reserve is

Govt trims tourism ministry budget

The government has cut the allocation for the tourism ministry in the current financial year by about a fifth amid a fiscal crunch, in line with similar reductions in other areas.

The tourism allocation for the fiscal year that ends 31 March has been cut to Rs.950 crore from Rs.1,210 crore, said two officials with knowledge of the subject. Neither wanted to be named.

"We all have to recognize that there is a finance crunch and government has to take a stand on correcting fiscal deficit. For 2012-13, we are getting some Rs.950 crore," said one of the two officials cited above. They said the cut will impact the sector, as well as fund disbursements to states.

Growth in foreign tourist arrivals slowed to 5.4% in 2012 from 9.2% in the previous year, according to tourism ministry data. Foreign exchange earnings from tourism also slowed to 7.1% from 16.7%. Foreign exchange earnings from tourism amounted to \$17.47 billion in 2012 compared with \$16.56 billion in 2011.

Mint - 29.01.2013

<http://www.livemint.com/Money/1D5Y29H7chK0kMUhXYk9GP/Govt-trims-tourism-ministry-budget.html>

Government okays Oil India's disinvestment, Rs 2,500 crore stake sale on Friday

The government expects to raise more than Rs 2,500 crore (\$465 million) by selling a 10 percent stake in Oil India Ltd on Friday, Oil Secretary G.C. Chaturvedi said on Wednesday. "Proposal has been cleared. Disinvestment will take place on February 1 through OFS route. Roughly we will raise Rs 2,500-3,000 crore," Chaturvedi said. According to sources, shares will be offered at a discounted price.

"Price has been determined. It has been communicated to stock exchanges," Petroleum Minister Veerappa Moily told reporters after the EGoM meeting. The Government has proposed to sell 10 per cent stake or 6.01 crore shares in

equipped to assist the government's disinvestment programme, even after meeting its capex requirements of R15,000 crore for the next three years. In the last couple of years, when market sentiments remained weak, Life Insurance Corporation played a key role in salvaging the disinvestment programme. The latest instance is that of the state-run insurer, along with State Bank of India and other state-owned financial institutions bailing out Hindustan Copper's (HCL) offer for sale (OFS) issue.

The Financial Express - 30.01.2013

<http://www.financialexpress.com/news/rich-psus-to-bail-out-divestment-by-buying-stakes-of-other-psus/1066513>

Govt revises FY12 GDP to 6.2% from 6.5%

Government today revised the economic growth for fiscal 2011-12 to 6.2% from the earlier estimate of 6.5%.

However, as per the first revised estimates of national income, consumption expenditure, saving and capital formation, the GDP (Gross Domestic Product) for the fiscal 2010-11 has been revised upwards to 9.3% from 8.4%.

Business Standard - 31.01.2013

<http://business-standard.com/india/news/govt-revises-fy12-gdp-to-6265/204790/on>

IATA sees slower air travel demand growth in 2013

Global air travel demand growth will slow to 4.5 per cent this year but freight markets will recover from a decline in 2012, the International Air Transport Association (IATA) said on Thursday. "2013 will not be a banner year for profitability, but we should see some improvement on 2012," IATA chief executive Tony Tyler said in a statement.

The Economic Times - 31.01.2013

<http://economictimes.indiatimes.com/news/international-business/iata-sees-slower-air-travel-demand-growth-in-2013/articleshow/18271871.cms>

First large contract for Eastern Dedicated Freight Corridor awarded

The Dedicated Freight Corridor Corporation of India Ltd (DFCCIL) granted its first major contract for the Eastern Corridor recently. The Rs 3,300 crore contract, for laying of double line in the 343km stretch between Kanpur and Khurja, has been bagged by Tata-Aldesa JV which comprises Tata Projects Ltd and Aldesa of Spain.

The Times of India - 29.01.2013

<http://timesofindia.indiatimes.com/business/india->

the petroleum exploring company OIL through offer for sale (OFS) route. OIL's paid-up capital as on March 2012, was Rs 601 crore.

Shares of OIL were trading at Rs 528 apiece, down 2.14 per cent from its previous close on BSE in later afternoon trade. At current prices, 10 stake can fetch around Rs 3,000 crore to the exchequer. The government holds 78.43 per cent stake in the company and would come down to 68.43 per cent, after disinvestment.

Economic Times - 30.01.2013

http://articles.economictimes.indiatimes.com/2013-01-30/news/36635982_1_heavily-subsidised-diesel-prices-disinvestment-target-stake-sale

PSUs have larger responsibility than private peers: T.K.A. Nair

Public Sector Undertakings (PSUs) should have long-term objectives as they have larger responsibility compared to their peers in private sector to work towards achieving India's economic goals, T K A Nair Adviser to Prime Minister Manmohan Singh said on Friday.

The Hindu - 01.02.2013

<http://www.thehindu.com/business/psus-have-larger-responsibility-than-private-peers-tka-nair/article4368911.ece>

India's domestic air traffic shrank by 2.1%: IATA

Domestic air traffic in India last year shrank 2.1 percent below the 2011 levels due to weak economic growth and exorbitant operational costs, including high taxes, global airlines' body IATA said today.

Money Control - 31.01.2013

<http://www.moneycontrol.com/news/business/indias-domestic-air-traffic-shrank-by-21-iata-816274.html>

Private container train operators demand tariff regulator

The Association of Container Train Operators, or ACTO, lobby group said Tuesday the government should set up a rail tariff regulatory authority for rational, transparent freight rates. Indian Railways had opened up the rail transportation of containers in 2006 to private operators that had already invested more than Rs4,000 crore in wagons, containers and terminals in addition to Rs650 crore for

business/First-large-contract-for-Eastern-Dedicated-Freight-Corridor-awarded/articleshow/18244900.cms

Container rail movement set to get costlier

Movement of containers on trains is set to get costlier again with the Railways not withdrawing the nine per cent haulage rate hike, which will come into effect from February 1. Container Corporation of India (Concor), the largest container train operator accounting for over 70 per cent of the market, has already decided to hike charges with effect from February 1.

The Hindu Business Line - 30.01.2013

http://www.thehindubusinessline.com/industry-and-economy/logistics/container-rail-movement-set-to-get-costlier/article4361728.ece?homepage=true&ref=wl_home

Supply constraints lead to inflation; remove these for the biggest reform

Understanding the process of growth has traditionally focused on demand as have models of macroeconomic management. The assumption is that supply would always be created to cater to demand. Indeed, it would exceed incremental demand, leading thereby to competition and business cycles. This was appropriate for the west which took centuries to make the passage to industrialisation.

The Economic Times - 01.02.2013

<http://economictimes.indiatimes.com/opinion/comments-analysis/supply-constraints-lead-to-inflation-remove-these-for-the-biggest-reform/articleshow/18282311.cms>

securing a licence from the government.

Mint - 29.01.2013

<http://www.livemint.com/Politics/ze9bGJtg216zKtFJsruZqO/Private-container-train-operators-demand-tariff-regulator.html>

DHL plans more investments in India's industrial cities

Global logistics company DHL is planning its next investment in India's major industrial cities as part of its ongoing euro 100 million expansion strategy for the country announced last October, a senior company executive said here today.

Money control - 31.01.2013

http://www.moneycontrol.com/news/business/dhl-plans-more-investmentsindiaindustrial-cities_815892.html

Business cycle indicator points to slow growth revival in Indian economy

There is some good news for India Inc. A business cycle indicator, published on Wednesday, said that an economic recovery was brewing by the first quarter of fiscal 2013-14, although the pace of such a recovery would be very slow. "Economic revival appears to be weak and hesitant. In addition to quick and effective implementation of reforms within the country, the global economy needs to grow faster as well to help the Indian economic situation to gather momentum," BluFin Business Cycle Indicator (BCI) for January noted.

The Times of India - 30.01.2013

<http://timesofindia.indiatimes.com/business/india-business/Business-cycle-indicator-points-to-slow-growth-revival-in-Indian-economy/articleshow/18262157.cms>