

Inflation probably breached RBI target in December: report

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BENGALURU: Rising vegetable prices probably pushed retail inflation to its highest in more than five years in December, exceeding the Reserve Bank of India's medium-term target of 4 per cent for a third straight month, a Reuters poll of economists predicted.

The median forecast in the Jan. 3-8 Reuters poll of nearly 50 economists predicted India's annual consumer inflation rose to 6.20 per cent in December from November's 5.54 per cent.

Over 60 per cent of respondents expected retail inflation, due for release on January 13, to breach the upper band of the RBI's buffer range of 2 per cent to 6 per cent, with the highest forecast for 7.01 per cent.

Last month, onion prices - an important food in Indian households - soared tenfold, contributing to a surge in food inflation

that has picked up steadily since March.

"The single biggest factor for this increase in headline inflation is onions. While there is some sort of increase in other food prices as well, we don't see that to be extremely alarming," said Aastha Gudwani, India economist at BofA Global Research.

But core inflation, which excludes volatile components like food and energy, has declined, highlighting weak underlying demand. Therefore, many economists do not expect the rise in consumer price inflation to prompt any policy move by the central bank at its next meeting, in February.

"I don't think a hike is something the RBI would be looking at right now, because they also need to see what is happening to growth - that is a big concern right now," said Sakshi Gupta, senior India economist at HDFC Bank.

Global air freight demand slips down 1.1 pc in November: IATA

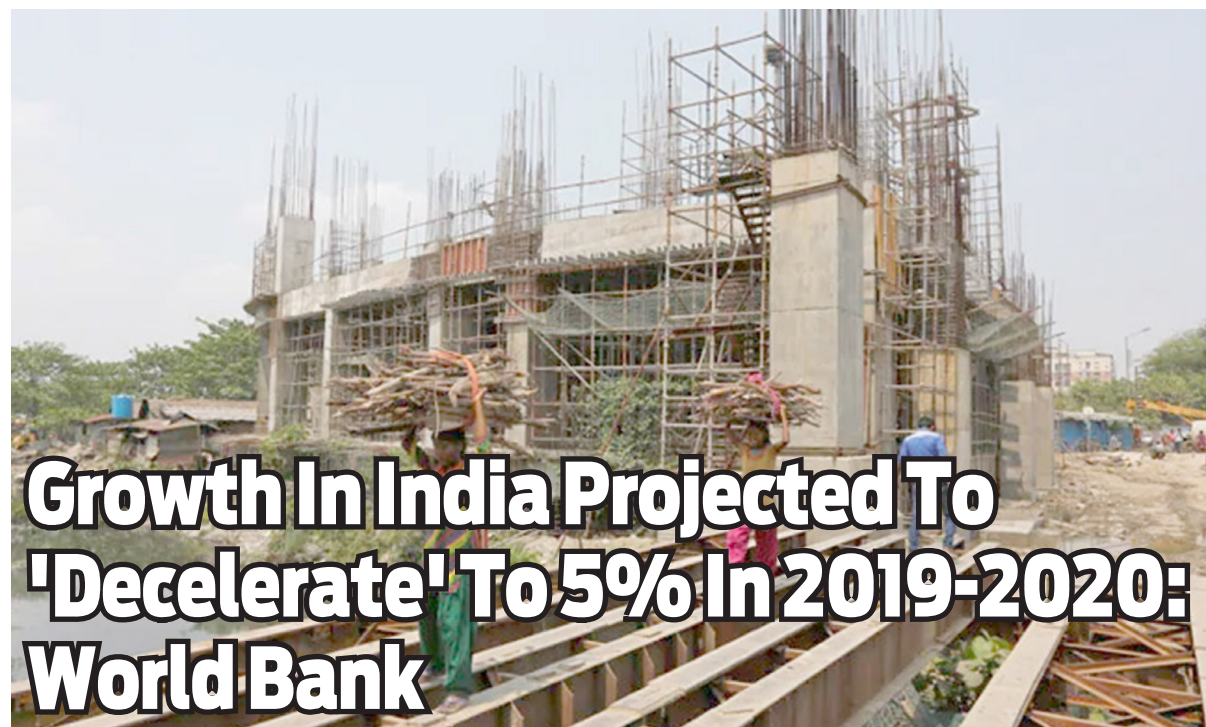


Agencies

GENEVA: The latest data for global air freight markets released by International Air Transport Association (IATA) shows that demand measured in freight tonne kilometres (FTKs) decreased by 1.1 per cent in November 2019 compared to the same period in 2018.

This marks the 13th consecutive month of year-on-year declines in freight volumes.

Despite the decline in demand, November's performance was the best in eight months with the slowest year-on-year rate of contraction recorded since March 2019. In part, November's outcome reflects the growing importance of large e-commerce events such as Singles Day in Asia and Black Friday. While international e-commerce continues to grow, overall air cargo demand continues to face headwinds from the effects of the trade war between the United States and China, the deterioration in world trade and a broad-based slowing in global economic growth. "Demand for air cargo in November was down 1.1 per cent compared to the previous year," said IATA's Director General and CEO Alexandre de Juniac. "That's better than the 3.5 per cent decline posted in October. But it is a big disappointment considering that the fourth quarter is usually air cargo's peak season. Looking forward, signs of a thawing in US-China trade tensions are good news. But trading conditions at present remain very challenging," he said. Freight capacity measured in available freight tonne kilometres (AFTKs) rose by 2.9 per cent year-on-year in November 2019. Capacity growth has now outstripped demand growth for 19 consecutive months. Airlines in Asia Pacific, Latin America and the Middle East suffered sharp declines in year-on-year growth in total air freight volumes in November 2019 while North American carriers experienced a more moderate decline.



Growth In India Projected To 'Decelerate' To 5% In 2019-2020: World Bank

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WASHINGTON: India's growth rate is projected to decelerate to five per cent in 2019-20 amid enduring financial sector issues, according to a World Bank report, which said the country's GDP was likely to recover to 5.8 per cent in the following financial year.

India's GDP growth is seen dipping to an 11-year low of 5 per cent in the current fiscal, mainly due to poor showing by manufacturing and construction sectors, government data showed on Tuesday.

"In India, where weakness in credit from non-bank financial companies is expected to linger, growth is projected to slow to five per cent in fiscal year 2019/20, which ends March 31 and recover to 5.8 per cent the following fiscal year," the Bank said in its latest edition

of the Global Economic Prospects on Wednesday.

It said tighter credit conditions in the non-banking sector are contributing to a substantial weakening of the domestic demand in India. "In India, activity was constrained by insufficient credit availability, as well as by subdued private consumption," the report stated.

The Bank said the regional growth in South Asia is expected to pick up gradually, to six per cent in 2022, on the assumption of a modest rebound in domestic demand.

"Growth in India is projected to decelerate to five per cent in FY (financial year) 2019/20 amid enduring financial sector issues," the WB report said.

It said key risks to the outlook include a sharper-than-expected slowdown in major economies, a re-escalation of regional geopolitical tensions, and a setback in reforms to address impaired balance sheets in the financial and corporate sectors.

In India, economic activity slowed substantially in 2019, with the deceleration most pronounced in the manufacturing and agriculture sectors, whereas government-related services sub-sectors received significant support from public spending, the Bank said.

GDP growth decelerated to five per cent and 4.5 per cent in the April-June and July-September quarters of 2019, respectively, the lowest readings since 2013, it said. Sharp slowdowns in household consumption and investment onset, the rise in government spending. High-frequency data suggest that activity continued to be weak for the rest of 2019, the Bank said.

The Bank, in the report, praised India's efforts to gradually eliminate subsidies on LPG. In India, starting in 2012, the government reformed its subsidy regime for liquefied petroleum gas (LPG).

LPG subsidies to households encouraged the formation of black markets where subsidised LPG distributed to households was diverted to the commercial sector.

The government gradually increased the price of LPG for households while implementing a large-scale targeted cash transfer mechanism, it said.

"The programme successfully eliminated distortions in the LPG market, with limited adverse consequences for the poor, and the fiscal savings obtained from the reduction in subsidies fully offset the costs of the targeted cash transfer," the report stated.

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PM Modi calls for focussed effort to make India USD 5 trillion economy

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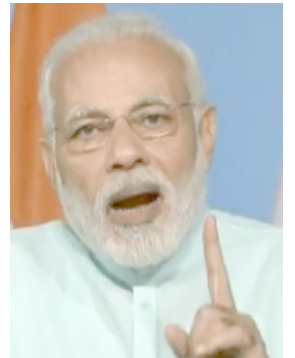
NEW DELHI: Prime Minister Narendra Modi on Thursday called for a focussed effort to make India a USD 5 trillion economy in an interaction with economists, sector experts and successful young entrepreneurs ahead of the Union Budget for 2020-21.

Appreciating the suggestions made by the experts, the Prime Minister said that he would endeavour to enhance the synergy between policy makers and various stakeholders.

During a two-hour meeting at the Niti Aayog as part of the pre-Budget exercise, the experts made hosts of suggestions for reviving economic growth, which is estimated to slip to 11-year low of 5 per cent in 2019-20. "Prime Minister said that the idea of 5 Trillion Dollar Economy is not a sudden development and that it is based on a deep understanding of the strengths of the country," an official statement said.

He further said that the strong absorbent capacity of Indian economy shows the strength of basic fundamentals of the country's economy and its capacity to bounce back.

According to the statement, the Prime Minister said the sectors like tourism, urban development,



infrastructure and Agri-based industry have a great potential to take forward the economy and for employment generation.

"The Prime Minister said that this would also foster a positive mood and 'can do' spirit in the society," it said.

India is a land with unlimited possibilities, he said and stressed that all stakeholders to do their bit to bridge the gap between reality and perception.

"We must all work together and start to think like a nation," the Prime Minister said.

According to sources, the speakers urged the government to focus on credit expansion, exports growth, governance of public sector banks (PSBs), increasing consumption and job creation. As many as 40 experts and economists attended the meeting.

Global stocks, oil prices rebound as Iran anxiety eases

Agencies

BEIJING: Global stock markets and oil prices rebounded Thursday as anxiety over potential US-Iranian conflict eased. London and Frankfurt opened higher and Tokyo gained more than 2%. Shanghai and Hong Kong also advanced.

Markets sank Wednesday after Tehran launched missiles at bases housing Americans in Iraq in retaliation for the killing of an Iranian general. Anxiety subsided after reports indicated no Americans were killed and President Donald Trump said Iran appears to be standing down.

The lack of casualties gave the markets more confidence that the Iranians had instigated little more than the intention to make a public show of force mainly to save face at home," said Stephen Innes of AxiTrader in a report.

In early trading, London's FTSE 100 gained 0.4% to 7,609.67 and Frankfurt's DAX rose 1.5%

to 13,520.35. France's CAC 40 added 0.6% to 6,068.31. On Wall Street, futures for the benchmark S&P 500 and Dow Jones Industrial Average were up nearly 0.4%. On Wednesday, the S&P 500 rose 0.5% while the Dow advanced 0.6%. The Nasdaq composite rose 0.7% to a record.

In Asia, Tokyo's Nikkei 225 powered ahead 2.3% to 23,739.87 and Hong Kong's Hang Seng rose 1.7% to 28,561.00. The Shanghai Composite Index added 0.9% to 3,094.88. Seoul's Kospi rose 1.6% to 2,186.45 and Sydney's S&P-ASX 200 added 0.8% to 6,874.20. India's Sensex rose 1.4% to 41,409.69. Taiwan and Southeast Asian markets also advanced while New Zealand declined.

Trump said he would add economic sanctions on Iran but the United States is ready to embrace peace with all who seek it. Oil prices rebounded Thursday after first surging on news of the Iranian attack and then falling back once tensions appeared to be easing.

India needs 6.3 pc labour productivity growth to attain 8 pc hike in GDP: Ind-Ra

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NEW DELHI: India Ratings and Research on Thursday said that the country will have to increase its labour productivity growth to 6.3 per cent to attain 8 per cent economic growth.

The labour productivity growth in FY19 was 5.2 per cent.

"India will have to raise its labour productivity growth to 6.3 per cent to achieve 8 per cent GDP growth. And to attain nine per cent growth, labour productivity growth will have to be raised to 7.3 per cent," India Ratings and Research (Ind-Ra) said in a statement.

This is 40.4 per cent higher than the level attained in FY19, it said.

Given the growth slowdown, this looks unlikely in the near term, but is not an insurmountable task, according to Ind-Ra.

"Such levels of labour productivity growth have been achieved in the past... India's labour productivity growth, like other nations, came under pressure in the aftermath of the 2008 global financial crisis, especially during FY11-FY15," it said.

However, it recovered thereafter and grew at 5.8 per cent during FY16-FY19, it added.

The challenge on the productivity front for India is two-fold, it said. "First, how to raise the overall labour productivity to a level that delivers the required GDP growth rate, and secondly how to lift the labour productivity



in the lagging sectors so that growth is more evenly balanced and sustainable over the medium- to long-term."

Sectors such as manufacturing, electricity, gas, water supply, transport, storage and communications "contributed significantly to the overall labour productivity during FY00-FY16".

The sectors that lagged are construction, agriculture and mining.

SHORT STORIES

Sensex zooms 635 pts; Nifty reclaims 12,200

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MUMBAI: The BSE benchmark Sensex soared 635 points on Thursday as global investors heaved a sigh of relief after the US-Iran conflict appeared to cool off.

The 30-share BSE index surged 634.61 points, or 1.55 per cent, to finish at 41,452.35. Similarly, the broader Nifty surged 190.55 points, or 1.58 per cent, to 12,215.90.

ICICI Bank was the top gainer in the Sensex pack, rallying 3.80 per cent, followed by SBI, M&M, IndusInd Bank, Maruti Suzuki, Asian Paints and Reliance Industries.

TCS, HCL Tech, NTPC and Sun Pharma were the only laggards, shedding up to 1.73 per cent. According to analysts, domestic investor sentiment turned positive after US President Donald Trump offered to "embrace peace" with Iran. Further, market mood was also buoyed after China said its Vice Premier Liu He will visit Washington next week for the signing of an interim trade deal. Brent crude oil futures rose 0.40 per cent to USD 65.70 per barrel. The rupee appreciated 26 paise to 71.43 per US dollar (intra-day). Bourses in Shanghai, Hong Kong, Tokyo and Seoul ended up to 2.31 per cent higher. European markets too started with significant gains.



Gold prices plummet Rs 766, silver also tumbles Rs 1,148

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MUMBAI: Gold prices plummeted by Rs 766 to Rs 40,634 per 10 gram in the national capital on Thursday amid a stronger rupee and weak global trends, according to HDFC Securities.

Tracking weakness in gold, silver prices also tumbled Rs 1,148 to Rs 47,932 per kg from Rs 49,080 per kg in the previous trade.

The precious metal had closed at Rs 41,400 per 10 gram on Wednesday. "Gold traded lower as the US and Iran stepped back from a deeper military conflict. De-escalation resulted in buying in riskier assets like global equities," HDFC Securities Head - Advisory (PCG) Devarsh Vakli said.

CCPA recommends Budget Session from Jan 31; Union Budget on Feb 1

NEW DELHI: The Cabinet Committee on Parliamentary Affairs has recommended holding the Budget Session in two phases from January 31 to April 3, with the Union Budget to be presented on February 1, sources said on Wednesday.

They said the first phase of the session will be from January 31 to February 11 and the second will be from March 2 to April 3. There is usually a month-long break between the two phases of the Budget Session to allow parliamentary committees to examine budgetary allocations made to various ministries. The President convenes both Houses of Parliament on the recommendation made by the Union Cabinet.

Government of Jammu & Kashmir OFFICE OF THE EXECUTIVE ENGINEER PHE DIVISION KULGAM

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NOTICE INVITING E-TENDERS

E -NIT No: 18 /PHEK/2019-20

For & on behalf of President of India, e-tenders are invited (in single cover system) "on item rate basis" from Registered contractors/SHGs whose registration cards are valid in terms of standing rules for the following works:-

S. No	Name of work	Advt Co St (Rs. in lacs)	Earnest Money	Class of Contract	Time for Compl.	Cost of tender Document	MH of Account
1	Providing drinking water supply facilities to Pandith Mohalla Yaripora by improving the existing pipe network WSS Yaripora Town under Languish programme	0.47	940/=	DEE	10 days	70/=	Languish
2	L/F of pipes for upgradation of drinking water supply facilities in Jalalabad yaripora yaripora under PMKKY	0.46	920/=	DEE	10 days	70/=	PMKKY
3	Extension of sub-main leading to village tengen by improving the existing pipe network WSS Brazoo Tengem under languish programme	0.54	1080/=	DEE	10 days	70/=	languish
4	Construction of 0.15 lac gallons cap. SSFP and sluice chamber WSS Nardpora Auto under languishprogramme.	9.72	19440/=	CEE DEE	30 days	500/=	-do-
5	L/F of pipes for WSS Khandpora	6.35	12700/=	CEE DEE	15 days	500/=	Distt. Sector
6	L/F of 150mm dia raw water main/supply main section incl L/F of 50/40/25/20mm dia GI pipes for extension to the existing distt.system at different spots WSS Pangam	7.27	7270/=	SHG	15 days	500/=	Distt. sector

Position of AA

The bidding documents consisting of qualifying information, eligibility criteria, specifications, Drawings (if any), Bill of quantities (BOQ), set of terms and conditions of contract and other details can be seen/downloaded from the website: www.iktenders.gov.in

As per the Schedule of dates given below:

I	Publishing date of NIT	08-01-2020	4.00 PM
II	Download start date	08-01-2020	4.00 PM
III	Bid submission start date	08-01-2020	4.00 PM
IV	Bid submission end date	08-01-2020	4.00 PM
V	Bid opening date	08-01-2020	4.00 PM

Sd/- Executive Engineer
Spl. PHE Division Kulgam

DIPK No. 5523