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World Bank sees India's GDP growing at 7.3% in 2018-19

The Indian economy is expected to grow at a robust 7.3 per cent in 2018-19 and 7.5 per cent in the next two years, retaining its tag as the fastest-growing major emerging economy, as "factors holding back growth in India fade", the World Bank has forecast.

Growth in India will be driven by robust private consumption and strengthening investment, which could propel India's economic growth in the next three years, the World Bank said in its June 2018 edition of the Global Economic Prospect report.

The report, released on 6th June, says growth in South Asia is projected to strengthen to 6.9 per cent in 2018 and to 7.1 per cent in 2019, mainly as "factors holding back growth in India fade."

Previous reports by international lenders had cited the side effects of demonetisation and the implementation of the goods and services tax (GST) had impacted India's growth. Yet, India continued to retain the tag of the fastest growing country among the world's major emerging economies.

India's growth projections remain unchanged since its January 2018 forecast. China is expected to slow down slightly from 6.9% in 2017 to 6.5% in 2018, 6.3% in 2019 and 6.2% in 2020, it said. India's growth potential is about 7%, and it is currently growing at a pace above its potential, he said, attributing it to the major economic reforms and fiscal measures undertaken by the government.

The bank said investment growth in India has firmed recently, as the effects of temporary factors wane.

The bank projected growth in South Asia accelerating to 6.9 per cent in 2018, mainly reflecting strengthening domestic demand in India as temporary policy-driven disruptions fade.

Elsewhere in the region, ongoing recoveries in Bangladesh, Pakistan and Sri Lanka are expected to be accompanied by moderating activity in Afghanistan, Bhutan and Maldives, the World Bank said.

"Over the medium term, growth is expected to remain strong and reach 7.2 per cent by 2020 amid robust domestic demand. Downside risks continue to predominate. They include the possibility of fiscal slippages, delays in reforms to resolve financial vulnerabilities and improve the health of regional banking systems, and a faster-than-expected tightening in global financing conditions," the report said.

Stronger-than-envisioned global growth could result in better regional growth outcomes, it added.

Despite recent softening, global economic growth will remain robust at 3.1 per cent in 2018 before slowing gradually over the next two years, as advanced-economy growth decelerates and the recovery in major commodity-exporting emerging market and developing economies levels off, the World Bank said.

"If it can be sustained, the robust economic growth that we have seen this year could help lift millions out of poverty, particularly in the fast-growing economies of South Asia," World Bank Group President Jim Yong Kim said.

"But growth alone won't be enough to address pockets of extreme poverty in other parts of the world. Policymakers need to focus on ways to support growth over the longer run — by boosting productivity and labor force participation—in order to accelerate progress toward ending poverty and boosting shared prosperity."

Activity in advanced economies is expected to grow 2.2 per cent in 2018 before easing to a 2 per cent rate of expansion next year, as central banks gradually remove monetary stimulus, the June 2018 Global Economic Prospects says.

Growth in emerging market and developing economies overall is projected to strengthen to 4.5 per cent in 2018, before reaching 4.7 per cent in 2019 as the recovery in commodity exporters matures and commodity prices level off following this year's increase.

This outlook is subject to considerable downside risks. The possibility of disorderly financial market volatility has increased, and the vulnerability of some emerging market and developing economies to such disruption has risen. Trade protectionist sentiment has also mounted, while policy uncertainty and geopolitical risks remain elevated.

"The projected decline in commodities' consumption growth over the long run could create challenges for the two-thirds of developing countries that depend on commodity exports for revenues," said World Bank senior director for development economics, Shantayanan Devarajan. "This reinforces the need for economic diversification and for strengthening fiscal and monetary frameworks."

Another special focus finds that elevated corporate debt can heighten financial stability concerns and weigh on investment. Corporate debt — and, in some countries, foreign currency debt — has risen rapidly since the global financial crisis, making them more vulnerable to rising borrowing costs.

"Policymakers in emerging market and developing economies need to be prepared to cope with possible bouts of financial market volatility as advanced-economy monetary policy normalization gets into high gear," said World Bank Development Economics Prospects Director Ayhan Kose. "Rising debt levels make countries more vulnerable to higher interest rates. This underlines the importance of rebuilding buffers against financial shocks."

The report urges policymakers to implement reforms that lift long-term growth prospects. A rapidly changing technological landscape highlights the importance of supporting skill acquisition and boosting competitiveness and trade openness. Improving basic numeracy and literacy could yield substantial development dividends. Finally, promoting comprehensive trade agreements can bolster growth prospects.

Middle class ensuring India a haven for investors amid global market turmoil

As the threat of a trade war grows and emerging market central banks sacrifice growth to protect their currencies, equity investors have their backs to the wall. But in their search for a haven, one name keeps cropping up: India.

The fastest-growing major economy in the world, enjoys relative insulation from external shocks as a booming middle class delivers enough domestic demand to counter the fallout from protectionism, according to money managers including Franklin Templeton and Newton Asset Management.

Exchange-traded fund house WisdomTree Investments Inc. goes a step further, recommending investors allocate as much as 20 per cent of their portfolios to Indian equities.

India is "one of those places that provides better risk-reward compared with emerging markets at large, especially China or more globally-linked countries," Gaurav Sinha, an asset-allocation strategist at WisdomTree, said in an interview in London. "If I am investing in India, I am investing for the local consumption."

That might sound brave to anyone who's been watching India's performance this year. While stocks are up 4.1 per cent in local-currency terms, the rupee's weakness has left investors with losses in dollar terms. Since a global selloff began in January, equities have erased $274 billion, equivalent in value to the entire market of Finland. Increased volatility and passive-fund outflows suggest India is no less vulnerable to the jitters than its peers.

The Reserve Bank of India (RBI) raised key interest rates for the first time in four years last week, and governor Urjit Patel has even gone as far as pleading with the Federal Reserve System, the central banking system of the US, to go slow with its interest rate increases. With general elections less than a year away and Prime Minister Narendra Modi facing a united opposition, political uncertainty looms large too.

But that's doing little to deter the bulls. When the dust settles, they say, the country will start to outperform again. And they have history on their side: India was quicker to rebound from the 2008 crisis, handing investors 70 percent greater returns than the rest of the developing world since then.

"I don't think our positive stance on India has changed," said Vikas Chiranewal, a Mumbai-based senior executive director for Franklin Templeton Investments' emerging-markets group. "The broader market was becoming a bit pricey and some amount of price decline is healthy."

GROWING CONSUMERISM

Propelled by economic reforms that started in 1991 and have been deepened by Modi's government, India's middle class has ballooned past 60 crore, according to a study by Mumbai University. The nation will become the third-largest consumer economy, with household spending tripling to $4 trillion by 2025, according to a report by Boston Consulting Group last year. That's made Indian markets a magnet for foreign investors, spurring flows of $335 billion in the past 10 years.

The International Monetary Fund (IMF) predicts India's gross domestic product (GDP) will grow an average of more than 8 per cent annually in the next five years.

"India is the only, large accessible country which has the potential to grow at substantial rates," Sinha said.

Yet India is less reliant on exports than most other emerging markets. With almost two-thirds of GDP accounted for by consumption, companies have their hands full serving local demand. As a result,

exports account for just 11 per cent of the GDP, compared with China's 19 per cent and Russia's 23 per cent.

Mumbai's $2.2 trillion stock market is primarily driven by investors at home. Foreign-investment flows have accounted for a fraction of the trading even during this year's declines.

Still, signs abound that India's stock market is overcrowded. Investors have to pay more than $18 for every dollar of projected profit, one of the world's highest valuations. The country's sensitivity to oil prices and the approach of the 2019 general elections increase the risk that the market may be volatile for the next 12 months.

"Valuations have become more stretched for the Indian equity market as a whole, but provided the oil price does not continue to rise, we think India does offer relative insulation against protectionist trade policy," said Douglas Reed, a London-based strategist at Newton Investment Management.

IMF suggests 3-step formula for India to sustain high growth

The International Monetary Fund has said India should carry out banking sector reforms; continue with fiscal consolidation, simplify and streamline GST; and renew its impetus on reforms, to sustain the high growth rate it has achieved.

In the fourth quarter of Financial Year FY 2017-18 India's growth accelerated to 7.7 per cent, up from 7 per cent in the previous quarter.

IMF Communications Director Gerry Rice told reporters at his fortnightly news conference, "We expect the recovery to continue in FY 2018-19. Growth is projected at 7.4 per cent in FY 2018-19 and actually 7.8 per cent in FY 19-20, respectively," .

Rice suggested three steps for India to follow to sustain the high growth it has achieved. "One, to revive a bank credit and enhance the efficiency of credit provision; by accelerating the cleanup of bank and corporate balance sheets and enhancing the government of public sector banks," he said.

"Point two, to continue fiscal consolidation and to lower elevated public debt levels supported by simplifying and streamlining the goods and services tax (GST) structure," he added. He then suggested India to renew impetus to reforms of key markets over the medium-term.

"And thirdly, over the medium-term, renew impetus to reforms of key markets, for example, labour and land, as well as improving the overall business climate would be crucial to improving competitiveness and again, maintaining that very high level of growth in India," Rice said in response to a question.

The IMF Board is scheduled to meet on 18 July for its annual India meeting. "We will be releasing the staff report in relation to that Board meeting and it will have detail (about GST)," he said when asked about simplifying and streamlining the goods and services tax structure. "It (GST) is a complicated tax to administer and to implement, so I think some suggestions that streamlining can be important. There will be more on that in the context of the Article IV," Rice said. The IMF is scheduled to release on July 16 the update on World Economic Outlook.

India among top five countries in e-waste generation: Study

The total value of all raw materials present in e-waste is estimated at approximately $61.05 billion in 2016, which is more than the GDP of most countries in the world, pointed out the joint study.

New Delhi: Despite the government`s emphasis on Swachch Bharat Abhiyaan and Smart Cities project, India continues to be among the top five countries generating e-waste, an ASSOCHAM-NEC recent study said.

The other countries topping the chart of e-waste generation are China, USA, Japan and Germany. The study was published coinciding with "Environment Day" (June 5).

In India, Maharashtra contributes the largest e-waste of 19.8 percent but recycles only about 47,810 TPA (tonnes per annum) whereas as its counterparts Tamil Nadu (13 percent) recycles about 52,427, Uttar Pradesh (10.1 percent) recycles about 86,130, West Bengal (9.8 percent), Delhi (9.5 percent), Karnataka (8.9 percent), Gujarat (8.8 percent) and Madhya Pradesh (7.6 percent), noted the joint study.

E-waste generated in India is about 2 million TPA, the quantity that is recycled is about 438,085 TPA. In states like Karnataka has 57 units with a capacity to process nearly 44,620 tonnes; Maharashtra, 32 units that can process 47,810 tonnes; Uttar Pradesh, 22 units to process 86,130 tonnes; Haryana, 16 units to process 49,981 tonnes; Tamil Nadu, 14 units for 52,427 tonnes, Gujarat, 12 units for 37,262 tonnes; Rajasthan, 10 units for 68,670 tonnes and Telangana, four units to process 11,800 tonnes.

E-waste typically includes discarded computer monitors, motherboards, Cathode Ray Tubes (CRT), Printed Circuit Board (PCB), mobile phones and chargers, compact discs, headphones, white goods such as Liquid Crystal Displays (LCD)/ Plasma televisions, air conditioners, refrigerators and so on.

"High and prolonged exposure to these chemicals/ pollutants emitted during unsafe e-waste recycling leads to damage of nervous systems, blood systems, kidneys and brain development, respiratory disorders, skin disorders, bronchitis, lung cancer, heart, liver, and spleen damage," the study said.

"The sad part is that a mere 5 percent of India`s total e-waste gets recycled due to poor infrastructure, legislation and framework which lead to a waste of diminishing natural resources, irreparable damage of environment and health of the people working in industry. Over 95% of e-waste generated is managed by the unorganised sector and scrap dealers in this market, dismantle the disposed products instead of recycling it," it added.

The global volume of e-waste generated is expected to reach 52.2 million tonnes or 6.8 kg/ inhabitant by 2021 from 44.7 million tones in 2016 at a compound annual growth rate of 20 percent, according to a joint study on `Electricals & Electronics Manufacturing in India,` conducted by the ASSOCHAM-NEC.

The total value of all raw materials present in e-waste is estimated at approximately $61.05 billion in 2016, which is more than the GDP of most countries in the world, pointed out the joint study.

SoftBank to invest up to $100 bn in India's solar power sector

SoftBank Group Corp has decided to invest $60 billion-$100 billion in solar power generation in India as the company bets big on the market for clean energy in India, Japanese public broadcaster NHK reported.

The Japanese technology major plans to team up with Indian government and a final announcement is expected after final arrangements are made, the report quoting SoftBank sources said.

Softbank is expected to make the investment through a fund backed by Saudi Arabia’s government, which is also the largest investor in Softbank. Saudi investment fund was the largest investor in SoftBank's Vision Fund, which raised over $93 billion last year.

SoftBank, in April, also teamed up with China's GCL System Integration Technology Co Ltd for a $930 million solar energy venture in India.

In 2015, SoftBank had teamed up with India’s Bharti Enterprises and Taiwans Foxcon to invest $20 billion in Indian solar projects to generate 20 GW of energy. Softbank was the majority partner in the joint venture (See: SoftBank, Foxconn, Bharti in pact for $20-bn solar power investment).

India has set a target to achieve solar power capacity of 100 GW by 2022, five times current levels, under its renewable energy programme.

SoftBank's Vision Fund has exposure to solar energy through its investment in the world's largest such project in Saudi Arabia announced in March.

SoftBank founder Masayoshi Son wants to invest in the companies that will build the future. Earlier this year he banded together with Saudi Arabia on a $200 billion solar power project.

SoftBank could also invest in the battery sector. But that may take a while as companies have been struggling to improve on the lithium-based technology that has been the norm for years.

India set to join European Bank for Reconstruction and Development

India joins The European Bank for Reconstruction and Development in the first-of-its-kind conference. The European Bank for Reconstruction and Development (EBRD) has unveiled plans for a first-of-its-kind conference in India to welcome the country as its newest member.

The inaugural EBRD-FICCI Business Forum in Mumbai is themed around 'Mobilising private sector finance in the EBRD region and how Indian companies can benefit'.

The Federation of Indian Chambers of Commerce and Industry (FICCI) partnered event is backed by the Export-Import Bank of India (EXIM) with the aim of bringing together government officials, EBRD experts, and investors and prominent business people to highlight the multilateral bank's efforts to mobilise private sector finance in the economies where it invests, and what the opportunities are for the Indian private sector.

“We are very proud to have India on board as a shareholder. The membership was unanimously approved by our existing shareholders,” said EBRD president Suma Chakrabarti, before he left for India to address the forum.

“India has a very diversified economic base and therefore very diversified companies, which can fulfil investment needs of our countries of operation,” he said.

In the past, EBRD has worked closely with India and in countries like Russia, Turkey, Romania, and Ukraine. Chakrabarti feels that India's membership, which is now its final stages of completion, will open up further investment prospects in markets in Central Asia, Egypt and Jordan.

"These markets are not very well known to Indian companies. The advantage of membership is that Indian companies and the Indian government immediately get free access to all of EBRD's knowledge – political, commercial, market and economic knowledge," he explained.

London-headquartered EBRD is a multilateral development bank set up in 1991 after the fall of the Berlin Wall to promote private and entrepreneurial initiative in emerging Europe.

It invests in 38 emerging economies across three continents, according to a set of criteria that aim to make its countries more competitive, better governed, greener, more inclusive, more resilient and more integrated.

Its Indian-origin president described India's entry as the bank's 69th member as a personal high point for him, as he nears the end of his second term in office.

He said, "In my term as EBRD president, India – the country of my birth – becoming a shareholder is a high point for me personally".

"Also, it is a very good thing for global governance that India, a leading member of the G20, is now a member of this institution – which is slightly different from the others because of our private sector focus and mandate. It makes us quite special, and having India on board is special as well," he said.

Under Chakrabarti, EBRD had also concluded a joint declaration on the India-led International Solar Alliance (ISA) last year. With India now a member, this declaration is expected to get a further boost in terms of mobilising more finance for solar energy and taking forward solar energy policy and reforms.

The Business Forum in Mumbai will include plenary sessions dedicated to discussing investment opportunities and economic prospects for the region for EBRD's operation.

The bank has worked with leading Indian companies, such as Tata, Mahindra, SREI and Jindal, on investments in its regions, with the value of such joint projects worth an estimated 1 billion euros. It now hopes to introduce itself to even more Indian companies to explore newer investment opportunities.

With India now taking a shareholding in EBRD, it is expected that the scope of these joint initiatives will be further enhanced. While India will not be a recipient of EBRD financing, it will benefit from the bank's expertise and support in the region.

"We did a mapping exercise which shows that many Indian companies want to go to these countries of operation and need a safe and sound partner, something the EBRD provides," said Chakrabarti.

Global foreign direct investment slipped in 2017

Global flows of foreign direct investment (FDI) fell by 16% in 2017 to an estimated $1.52 trillion, down from a revised $1.81 trillion in 2016, according to the latest UNCTAD Global Investment Trends Monitor. "FDI recovery [from the 2008 financial crisis] continues to be on a bumpy road," UNCTAD Secretary-General Mukhisa Kituyi said.

"While FDI in developing countries remained at a level similar to the previous year, more investment in sectors that can contribute to the Sustainable Development Goals is still badly needed. Promoting FDI for sustainable development remains a challenge."

A slump in FDI flows to developed countries (-27%) was the principal factor behind the global decline.

A strong decrease in flows was reported in Europe (-27%) as well as in North America (-33%), mainly due to a return to prior levels of inflows in the United Kingdom and the United States after spikes in 2016.

This decline was tempered by an 11% growth in flows to other developed economies, principally Australia.

FDI to developing economies remained stable, at an estimated $653 billion, 2% more than the previous year.

Developing Countries

Flows rose marginally in developing Asia and Latin America and the Caribbean, and remained flat in Africa.

Developing Asia regained its position as the largest FDI recipient region in the world, followed by the European Union and North America.

In economies transitioning from a planned to a market economy, FDI declined by 17% to an estimated $55 billion, mainly due to a drop in the Russian Federation and lacklustre inflows across most of the rest of the Commonwealth of Independent States.

Abundant Risks

"The decline of global FDI flows is in stark contrast to other macroeconomic variables, such as GDP and trade growth, which saw substantial improvements in 2017," James Zhan, Director of UNCTAD's Investment Division said.

"Upward synchronization of the trends in 2018 is probable, but risks are abundant."

The UNCTAD Global Investment Trends Monitor also showed that, after three years of growth, cross-border mergers and acquisitions (M&As) declined in 2017.

M&A growth had already slowed in 2016, and went on to contract by 23% in 2017, to $666 billion. However, this still represented the third-highest level since 2007.

Preliminary data on the value of announced greenfield FDI projects show a decline of 32% to $571 billion, or 17% in number of projects, their lowest level since 2003.

If confirmed, the drop in greenfield project announcements would be a negative indicator for the longer term.

Of particular concern is the near halving of the value of project announcements in developing economies, although the fall in project numbers was limited to 23%.

Higher economic growth projections, trade volumes and commodity prices would normally point to a potential increase in global FDI in 2018.

However, elevated geopolitical risks and policy uncertainty could have an impact on the scale and contours of any FDI recovery in 2018.

In addition, tax reforms in the United States are likely to significantly affect investment decisions by US multinationals, with consequences for global investment patterns.

FDI Into India Decreased To $40 Billion In 2017

Foreign Direct Investment to India decreased to $40 billion last year from $44 billion in 2016 while outflows from India, the main source of investment in South Asia, more than doubled, according to a new trade report by the UN. According to the World Investment Report 2018 by the UN Conference on Trade and Development (UNCTAD) global foreign direct investment flows fell by 23 per cent in 2017, to $1.43 trillion from $1.87 trillion in 2016. "Downward pressure on FDI and the slowdown in global value chains are a major concern for policymakers worldwide, and especially in developing countries," UNCTAD Secretary-General Mukhisa Kituyi said.

FDI to India decreased from $44 billion in 2016 to $40 billion in 2017. But outflows from India, the main source of FDI in South Asia, more than doubled to $11 billion, the report said. The report cited India's state-owned oil and gas company ONGC's active investment in foreign assets in recent years. After acquiring a 26 per cent stake in Vankorneft, an affiliate of Russia's national oil company Rosneft PJSC, in 2016, ONGC bought a 15 per cent stake in an offshore field in Namibia from Tullow Oil in 2017. By the end of 2017, ONGC had 39 projects in 18 countries, producing 285,000 barrels of oil and oil-equivalent gas per day, the report said.

The report said that cross-border merger and acquisitions sales for India rose from $8 billion to $23 billion driven by a few large deals in extractive and technology related industries. Singapore's Petrol Complex, owned by Russia's Rosneftegaz acquired a 49 per cent stake of Essar Oil Ltd, the second largest privately owned Indian oil company, for $13 billion.

An investor group, including American e-commerce compnay eBay, technology giant Microsoft Corporation and China's multinational investment holding conglomerate Tencent Holdings acquired a stake in Flipkart Internet for $1.4 billion, and Soft Bank acquired a 20 per cent stake in One97 Communications, the parent of digital payments leader Paytm, for $1.4 billion.

The report said that globally, the net cross-border M&A purchases of transition-economy MNEs rebounded from $809 million in 2016 to almost $14 billion in 2017, due to two large transactions, incliding Rosneft acquiring a 49 per cent share in Essar Oil in India for close to $13 billion (through its Singapore affiliate, Petrol Complex). Developing-economy investors from China and South Africa, followed by Singapore, India and Hong Kong (China), are among the top 10 investors in Africa.

The report said that financial uncertainty caused by "significant risks" to global trade is responsible for a sharp fall in international investment flows which could hurt developing countries the most. Developed economies saw the biggest drop in FDI flows in 2017 – at 37 per cent, to $712 billion – but this was to some extent expected, after a spike in 2016.

More concerning is the "lack of (FDI) recovery" among developing economies last year, since FDI is the "largest external source" of finance for developing countries, at around 40 per cent, UNCTAD said.

Looking ahead, global FDI is forecast to see a "marginal" 10 per cent increase by the end of this year, the report said. It notes that this is "below the average", looking back at the past decade and is linked to "significant" risks and "policy uncertainty", associated with "broadening" trade tensions around the world.

US tax reforms approved by Congress this year are also likely to affect future global investment decisions, the report adds. On another key indicator - greenfield investment - which signals how confident parent companies are about building operations in a new region or country - the UN report noted a 14 per cent drop.

UNCTAD's survey shows that modern industrial policies are increasingly diverse and complex, addressing new imperatives, such as GVC integration and upgrading, the knowledge economy, build-up of sectors linked to the Sustainable Development Goals and competitive positioning for the new industrial revolution. "The new industrial revolution is already affecting cross-border investment patterns. Investment policies must adapt as part of new industrial development strategies," Kituyi said.

ThyssenKrupp board approves Tata Steel deal, JV to have 48,000 workers

Germany's Thyssenkrupp and India's Tata Steel signed a final agreement to establish a long-expected steel joint venture, the European steel industry's biggest shake-up in more than a decade. The final agreement comes after months of negotiations since an initial agreement was announced in September. Both companies hope it will help them respond to challenges in the volatile steel industry, including overcapacity.

The largest deal in Europe's steel industry since the takeover of Arcelor by Mittal in 2006, the 50-50 joint venture - to be named Thyssenkrupp Tata Steel - will have about 48,000 workers and about 17 billion euros ($19.9 billion) in sales.

Based in the Netherlands, it will be the continent's second-largest steelmaker after ArcelorMittal. It forms the core of Thyssenkrupp CEO Heinrich Hiesinger's plan to turn his steel-to-submarines conglomerate into a technology company.

"The joint venture not only addresses the challenges of the European steel industry," Hiesinger said. "It is the only solution to create significant additional value of around 5 billion euros for both Thyssenkrupp and Tata Steel due to joint synergies which cannot be realized in a stand-alone scenario." Tata Steel Chairman Natarajan Chandrasekaran, in a separate statement, said the joint venture will create "a strong pan- European steel company that is structurally robust and competitive".

The deal comes as European steel makers face tariffs of 25 per cent on their exports to the United States, their biggest market. That might force local market to absorb more volume as a result.

Since the tariffs were announced in late May, shares in European steelmakers ArcelorMittal, Thyssenkrupp, Salzgitter and Voestalpine have lost 8 to 17 per cent.

Hiesinger had faced pressure from activist shareholders Cevian and Elliott to extract more commitments from Tata Steel, whose European business has performed worse than Thyssen's since the agreement was first announced, creating a valuation gap.

Thyssenkrupp said the deal included "proper compensation" for the gap, which it said was in the mid-triple-digit million- euro range: if the joint venture makes a widely expected initial public offering it would get a bigger share of the proceeds.

Thyssenkrupp said it also secured the right to decide when a listing might take place, adding the joint venture was aiming for a dividend payout in the low-to-mid-triple-digit million- euro range.

The German group also said it now expects annual synergies of 400 million to 500 million euros from the transaction.

It said additional synergies were possible through managing capital expenditure and optimising working capital.

Tata Steel will remain liable for environmental risks in Britain, where its Port Talbot factory, the least profitable of the joint venture, is based, said Markus Grolms, vice chairman of Thyssenkrupp's supervisory board.

He also said that Tata Steel's Dutch unit would be part of the joint venture's cash-pooling mechanism. That had been a key demand for German workers concerned that Tata would give its own workers better conditions in the new company.

"Yes, we do want to protect people. But we also want a company with better chances and less risks," Grolms said.

Thyssenkrupp's management will present a refined strategy to its supervisory board in the second week of July. Sources said that may include a sale of its Materials Services unit and further cost cuts.

BUSINESS INFO:

	Inland Waterways Authority of India
1	**Inland Waterways Authority of India** invites Global Request for Qualification for Operation, Maintenance and Transfer of Ramnagar Multimodal Terminal at Varanasi, Uttar Pradesh. Other details including Tender documents can be downloaded from the website www.iwai.nic.in. Last date for bid submission is 05.07.2018.