Copper gains as Greek debt talks kindles hope

Reuters

London, Jan. 31

Copper rose on Tuesday, lifted by a stronger euro on hopes Greece would reach agreement with its creditors to avoid a messy default, with the metal's prices on track to post their biggest monthly gain in three months.

Benchmark copper on the London Metal Exchange (LME) was up 1 per cent at 11:33 GMT, to $8,513.25 a tonne from a close of $8,429 on Monday.

Hopes of a positive outcome from Greece's debt talks helped the euro push higher against the dollar. A weak dollar makes commodities priced in the US unit cheaper for holders of other currencies.

STOCKS DECLINE

Large stock withdrawals in LME-monitored warehouses helped support copper, with the latest data showing inventories monitored by the LME dropped by 2,300 tonnes to 330,825 tonnes, its lowest since September 2009.

Aluminium climbed to $2,303.75 a tonne from a close of $2,279 a tonne on Monday.

Zinc, used in galvanising, rose to $2,150 from a close of $2,124, while tin climbed to $24,260 from $23,975.

Battery material lead rose to $2,297 from $2,265 and stainless steel ingredient nickel was at $21,402 from $21,305.
Weak prices pull down Vedanta profit

London: Miner Vedanta Resources Plc posted a 5% dip in core profit in its December quarter, hit by weaker performances at its aluminium and Zambian copper operations.

The India-focused miner said earnings before interest, tax, depreciation and amortization (Ebitda) came in at $848.4 million (¥4,216 crore) for the third quarter, including $131 million from its majority stake in Cairn India Ltd acquired last year.

Zambia, the focus of market attention as Vedanta’s listed subsidiaries have already reported, posted results well below market expectations, hit by a drop in production, weaker copper prices and a provision for higher power costs. REUTERS
JSPL to buy 60% stake in Gopalpur Ports

By P. Manoj
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Jindal Steel and Power Ltd (JSPL) is set to buy a majority 60% stake in Gopalpur Ports Ltd, the company building a new port at Gopalpur in Orissa, as it looks for a maritime gateway to ship the raw materials required for its steel and power plant coming up in India’s eastern state.

The value of the deal could not be ascertained.

The move will mark JSPL’s entry into the ports sector.

Gopalpur port is being developed with an investment of over ₹2,000 crore in three phases with a capacity to load 40 million tonnes (mt) of cargo a year.

JSPL, part of the $15 billion diversified O.P. Jindal Group, will buy the stake from Sara International Ltd and Orissa Stevedores Ltd, the original promoters of Gopalpur Ports.

The equal joint venture between Sara International and Orissa Stevedores had been awarded the port project by the Orissa government in September 2006 for development and operations for an initial period of 30 years and extendable by another 20 years.

"The deal is on," said D.P. Singh, managing director of Sara International, a Noida-based firm with interests in trading minerals, steel, agricultural produce and textiles. Singh is also the chairman of Gopalpur Ports. "We have signed a memorandum of understanding with JSPL to sell our 50% stake in Gopalpur Ports. The share purchase agreement has not been signed as yet. This will happen by end of February or early March," he said in a phone interview from Delhi on Tuesday.

JSPL will also buy another 10% stake from Orissa Stevedores, Singh added. After the deal, Gopalpur Ports will be 60% owned by JSPL and 40% by Orissa Stevedores.

The first phase of the port, build at a cost of ₹1,250 crore with a capacity to load 10 mt of cargo, will start operations in March 2013.

Gopalpur Ports has tied up a ₹648.78 crore loan from a consortium of 11 banks, led by Punjab National Bank, to build the port. "The port project has secured all the required permissions, including the key environment clearance for take off," Singh said. "We have taken possession of about 700 acres of land and are looking for more."

Sara International has "decided to focus on our core areas of textiles, trading, mining and shipping", Singh said. "Ports are long-gestation projects and we thought it was better to bring in somebody bigger to take the project to its logical conclusion."

Manmohan Moharana, director (operations) at Gopalpur Ports, also confirmed the stake sale.

Both Singh and Moharana declined to give the financial details of the transaction.

Mahimananda Mishra, managing director of Orissa Stevedores, could not be immediately reached for comment.

Sushil Maroo, spokesperson and group chief financial officer of JSPL, was also not available for comment.

For JSPL, promoted by Naveen Jindal, a member of Parliament, the acquisition provides synergy. The firm with interests in steel, mining, power and infrastructure, plans to invest ₹50,000 crore to set up a 12.5 mt integrated steel plant and a 2,600 megawatts captive power plant in Orissa in phases.

JSPL is also investing close to ₹45,000 crore in the state to produce an estimated 80,000 barrels per day, or 4 mt per year, of crude oil using environment-friendly indirect coal liquefaction technology.

"All these will require huge inward and outward movement of cargo, which can be facilitated through the port. JSPL’s in-house cargo will also provide assured traffic to Gopalpur port," Singh said.
Can Binno make Vedanta happy?

The company, which has been in the midst of negative newsflows, is hoping for an image makeover

SHUBHASISH
Mumbai, 31 January

Would you have believed if officials from Vedanta Resources, one of the largest mining and now natural resources companies in India – told you they provide midday meals for 250,000 children? Or they work closely with over 3,000 anganwadis across states like Orissa, Rajasthan, Goa and Chattisgarh to address the nutritional needs of 125,000 children? Or that they also provide healthcare for over 2.2 million people and computer education for one million students.

But now you have Binno, a little girl from a village in Rajasthan, or her brothers Nandu or Gosthoo to tell you that story through their lives. They are the ones brand Vedanta has chosen to highlight its sustainability initiatives as part of a mega promotion initiative.

To start with, for the first time Vedanta has unleashed a 90-second corporate campaign on national TV from Monday just a week after it finally received all government approvals for its Cairn buyout. But the film shot by O&M’s Flying Pandey is just one aspect of a much bigger strategy to project the humane aspect of their operations.

Vedanta officials say Binno’s story is no make believe. It was actually shot on locations for days and it truly captures her family’s real life, which has changed ever since Vedanta started its community initiatives in her village.

“Vedanta has several compelling stories to tell about the work that is being done in community and sustainability. It is bringing change and empowering the societies, thereby creating happiness for the communities around us. Our aim is to tell the world the Vedanta story under the platform of ‘Creating Happiness,’” says Sanjum Raj Sekhar, Brand Director, Vedanta Group.

“Creating Happiness” is not just a campaign for the conglomerate. In the recent past, Vedanta clearly has been in a fix, fighting a negative perception battle which has been eroding its corporate brand equity. As the debate over excessive mining versus human displacement and environmental impact and its co-relation to internal security gathered political hues, Vedanta got sucked into it and in the process completely polarised civil society, institutional investors and industry.

The negative newsflows about the corporate have also been overwhelming as they have been the controversies. Its mining and power operations in Orissa is stuck, and even its $16 billion mega acquisition of Cairn India got embroiled in regulatory logjam.

And with many of its flagship projects still in a limbo in the state and no clarity emerging even now over the government’s residual stake sale in Balco, many would argue “Creating Happiness” is an attempt to steer itself clear of the negativity surrounding it.

Vedanta says Binno’s story is no make believe and it truly captures her family’s real life which has changed ever since the company started its community initiatives in her town in Rajasthan.

The campaign is important given the amount of criticism it has faced. Globally, companies are trying similar things. Shell, for being an oil company, has managed to change its image to a good extent and is seen in a different light than others, points out Santosh Desai, CEO, Future Brands.

This is not the first time, Vedanta has used mass media. Last year, at the peak of the Orissa storm, it had roped in Leo Burnett to prepare a television commercial to make people aware of the different corporate social responsibility (CSR) initiatives undertaken by the group. But cherry picking a story from Rajasthan may also serve a strategic business interest. Post Cairn, it is Rajasthan which has emerged as the key outpost for the group in India. Already group company Hindustan Zinc has its headquarters there.

Vedanta officials do not agree and say they are in fact broad basing the “Creating Happiness” campaign nationwide using social media and targeting the impressionable youth.

The company has even created a Creating Happiness page on Facebook and a channel on YouTube.

The Creating Happiness Film Competition followed, which invited film students across the country to visit any of the 550 villages where the company has a presence to find their own “Binnos.” In an effort to find a million of them, so far the exercise has been successful. “I think it is good they are engaging the youth, as it signals the company’s openness towards people who can ask difficult questions,” feels Desai.

Thirty eight films shot by 114 college students and budding film makers have been shortlisted and all these three minute short features are first hand stories of Vedanta’s community welfare programme run in partnership with the government and NGOs. “All the films are on YouTube. The winning film will be chosen by an elite panel based on popular voting. We don’t know if we will televise it but there is a trophy,” adds Raj Sekhar.

But will all this work? Nabankur Gupta, founder CEO, Nobby Brand Architects says, “The campaign would make a difference if they deliver what they say. In my view, they should also say that come visit us and judge for yourself. They cannot stop with this campaign. It should be a complete movement by changing their image altogether. Step two of the campaign should be about their employees who work at the mines. They should show if their workers are also taken care of.”
State govt move to revive MAMC

KOLKATA/DURGAPUR, 31 JAN: The state government has initiated steps to revive the Mining and Allied Machinery Corporation (MAMC) plant in Durgapur that was shut down in 2002.

Mr. Partha Chatterjee, state Industry minister today said, Bharat Earth Movers Ltd (BEML), Damodar Valley Corporation (DVC) and Coal India Ltd (CIL) have been urged to sign a shareholders agreement to revive the MAMC plant. BEML would hold 48 per cent equity in MAMC, while DVC and CIL would hold 26 per cent each, he said adding that the decision of the three companies will be announced soon.

Mr. Chatterjee held a meeting with the head of BEML yesterday and has also spoken to the heads of DVC and CIL.

The DVC-CIL-BEML consortium paid Rs 100 crore for taking over the assets of MAMC in 2010. The consortium had assured to start production from 31 March 2011.
Vedanta gross profit falls by 4.72% 

LONDON/NEW DELHI: Vedanta Resources today reported a decline of 4.72 per cent in consolidated gross profit at $848.40 million for the quarter ended December 31, 2011, largely due to lower realisations from its aluminium business and Zambian copper operations. In a statement, the company said gross profit or EBITDA also includes $131 million earned from Cairn India, which was acquired by Vedanta group last year.
डल्लूटीओ में चीन के खिलाफ भारत की जीत

वाशिंगटन (अमेरिका): विश्व व्यापार संगठन (डल्लूटीओ) में चीन के खिलाफ कर्ज का योजना के निरूपण के दृष्टिकोण पर भारत, अमेरिका और चीन के अतिरिक्त इतने इंतजार कर रहे थे कि जीत हो सकती है। एक ऐसी मात्रा में डल्लूटीओ के अन्तर्गत निर्धारण ने यह तय किया कि चीन ही एप्सिकिलियम, इसकर्म और व्यापार के क्षेत्रों में प्रभावी रहेगी। इसके अलावा चीन के डल्लूटीओ के निर्धारण के विरुद्ध की राहत से भारत की जीत हो सकती है।
Metals recover on global cues

Mumbai, Jan. 31

Select copper, brass, nickel and lead prices gained on the non-ferrous metal market on Tuesday on renewed stockists buying on the back of better London Metal Exchange (LME) cues. Tin and brass utensils scrap prices dropped due to lower demand from alloy as well as consumer industries. Nickel and brass sheet cutting prices rose by Rs 5 a kg each to Rs 1,155 and Rs 327.

Copper scrap heavy and copper sheet cutting both edged up by Rs 2 a kg to Rs 463 and Rs 452. Copper utensils scrap and lead also inched up by Rs 1 a kg to Rs 427 and Rs 122. Tin fell by Rs 10 a kg to Rs 1,335 and brass utensils scrap moved down by Rs 2 a kg to Rs 310. —PTI
CPSUs will invest Rs.1.40-lakh cr next year: Manmohan Singh

Special Correspondent

NEW DELHI: Prime Minister Manmohan Singh on Tuesday announced a massive investment of Rs.1.40-lakh crore by 17 blue chip government undertakings in the forthcoming financial year (2012-13) in a bid to cope with the adverse global economic environment.

Giving away the SCOPE Excellence awards for 2009-10 here, Mr. Singh said “public investment was particularly needed at a time when the country was facing a difficult global environment and looking to domestic drivers of growth.”

Union Minister of Heavy Industries Praful Patel presided over the function.

The Prime Minister said that 17 central public sector undertakings (CPSUs) had committed to an investment plan amounting to Rs.1.40-lakh crore in the next fiscal and encouraged other CPSUs to similarly “pay attention to boosting capital investment” and increase their turnover to stave off the adverse global impact on the economy. He hoped that the private sector would work together with the PSUs and complement each other to meet the demands of the country’s growing economy which needed huge amounts of investment, particularly infrastructure.

Performance needed to be stepped up in other areas such as mining, coal production, petroleum and gas, he said. He hoped the CPSUs would explore opportunities for acquisition of raw material assets abroad as approved by the Union Cabinet.

Expressing dissatisfaction at the 15 per cent share of manufacturing sector in GDP, Dr. Singh hoped the CPSUs would embark on an ambitious expansion plan to target a growth of 12-14 per cent in the manufacturing sector a reality. Underlining the government’s commitment for a strong public sector, the Prime Minister said he would remain supportive of those PSUs which needed assistance to become viable again.
Australia invites more Indian investments, collaborations

Special Correspondent

NEW DELHI: With Indian corporate sector having committed heavy investments in Australia in the mining, mineral and other sectors, bilateral trade is likely to touch Rs.2-lakh crore (Australian $40 billion) in the next three years from Rs.1.10-lakh crore (Australian $22 billion).

In an effort to attract Indian investments further, the Australian Trade Commission, on Monday, announced the launch of a blitz to seek Indian investments and collaborations in various sectors, including education, agriculture, energy and minerals in Australia.

This initiative is part of the “Doing business and investing with Australia” events being held in various cities, including Mumbai, Chennai, Bangalore, Kolkata, Ahmedabad, Hyderabad and Pune during next month aimed at strengthening and broadening Australia’s commercial engagement with India and enhancing awareness of Australian industry capability among the Indian business community.

Briefing journalists here, Australian Trade and Investment Commissioner Grayson Perry said India was Australia’s fourth largest trading partner. The two-way trade reached Rs.1.10-lakh crore in 2010-11 and it’s expected to reach Rs.2-lakh crore in the next three years.

“Australia is an important source of India’s gold, chickpea, coal, copper ores, lead and wool requirements, as well as a significant source of education and skills based training, and a collaboration partner in research and innovation including in the automotive, manufacturing and agricultural sectors,” he added.

He said Indian investment in Australia had touched around Rs.50,000 crore. Australia’s abundance of natural resources, its economic and political stability, and world-class infrastructure have contributed to a number of major Indian investments in coal, gas, minerals, and agricultural production and processing to support India’s need for energy and food security, he said.

Indian investments in Australia are concentrated around the mining and resources, information technology, infrastructure and the financial services sector. However, over the past three years there has also been a growing interest from Indian investors to invest in renewable energy, tourism infrastructure and advanced manufacturing, as well as to carry out cutting edge research and development in Australia.
Vedanta gross profit declines by 4.72%

London/New Delhi, Jan 31

VEDANTA Resources on Tuesday reported a decline of 4.72% in consolidated gross profit to $848.40 million for the quarter ended December, largely due to lower realisations from its aluminium business and Zambian copper operations.

The India-focused miner said earnings before interest, tax, depreciation and amortisation (EBITDA) came in at $846.4 million for the third quarter, including $131 million from its majority stake in Cairn India, acquired last year. The company had reported its EBITDA at $858.4 million during the corresponding quarter of 2010-11.

The gross revenues of the company during the quarter under review, were at about $3.399 billion, marking a rise of about 10.81% against $3.068 billion of the Q3 of 2010-11. However, lower London Metal Exchange (LME) prices and “mark-to-market (MTM) losses on foreign currency borrowings for working capital on account of the depreciation of the Indian rupee” pulled down the profit of its aluminium business, the company said.

The gross profit from the aluminium business of the company were down by about 95% during the quarter to $3.6 million vis-a-vis $76.3 million of Q3 of FY11.

Similarly the Zambian copper operations also reported a 53% drop in gross profits to $87.7 million, largely due to “lower LME prices and a provision for higher power cost”, it added. Besides this, company’s other business segments like zinc, lead and silver and iron ore also reported drop in gross profits, thereby pulling down its EBITDA during the Q3 of the current fiscal.

For the nine-month period ended December, the company’s gross profits rose by about 14% to $2.599 billion, while its turnover increased by 30% to $9.952 billion.

Besides Cairn India, India-based Hindustan Zinc, Sterlite, Balco, Sean Goa are some of the subsidiaries of the Vedanta Group. The group also has operations in Zambia, Namibia South Africa, Liberia, Ireland, Australia and Sri Lanka and is among the FTSE-100 companies.
Miners’ tax ire on nations

DAVID ROBERTSON

Davos, Jan. 30: The heads of the world’s biggest mining companies met in secret in Davos last week to discuss ways to halt the growing threat of resource nationalism.

Governments around the world have sought to grab a greater share of high commodity prices by raising taxes, but mining executives fear that this is a threat to investment and global growth.

Senior executives from the biggest miners — known as “the governors” — met to discuss a range of issues including a unified response to resource nationalism. Among the companies thought to have been represented were Anglo American, Rio Tinto, Glencore, Codelco and Rusal.

The executives are understood to have decided that it is not possible to pursue collective action. They hope, though, that if many companies separately use the same argument they will persuade governments that raising taxes will have damaging long-term consequences.

“We have to speak individually but with the same argument,” one participant said. “We have to tell these people that we have other alternatives. We can go elsewhere. We have to choose where to put our capital.”

The miners worry that high taxes will make developing large projects uneconomic. They will instead choose to put their money into regions where tax rates are more favourable, even if the natural resources available are less attractive.

Alternatively, the firms could return more cash to investors through buybacks and dividends. Each of these outcomes would mean that less material would be dug out of the ground, leading to higher commodity prices and a brake on economic growth.

Another executive said: “I tell these people (governments), ‘you tell me what the rules are and how much you want us to pay’. I’m fine with that. I have no problem with that. But I will then work out whether we should invest and, if it is too much, we will go elsewhere.”

A sharp increase in commodity prices has encouraged many governments to raise taxes on the resource industry. Two years ago, Australia proposed a mining super tax that would increase the rate paid by companies such as BHP Billiton from 43 per cent to nearly 60 per cent.

THE TIMES, LONDON
डब्ल्यूटीओ में चीन के खिलाफ भारत, अमेरिका जीते

विशेषतः संयुक्त राष्ट्र संघ (डब्ल्यूटीओ) में चीन के खिलाफ कंपने में भारत की मित्रता के एक मामले अमेरिका की अंधकार में भारत, भारत को और चीन की सहित फार देशों को जीत हासिल हुई है। एक फैसले में डब्ल्यूटीओ के अधीश्वर ने कहा कि चीन द्वारा एन्यूयूएनिन, इस्लाम और रसवन उदाहरणों में प्रमुख समस्या के तौर पर प्रस्ताव में अपने काल विभिन्न कंपनों के लाभ पर निर्भर पश्चिम भारत की डब्ल्यूटीओ कार्यालय के लिए है।

अधीनस्त निर्देशन में डब्ल्यूटीओ निर्यात नियंत्रण अभियंता के जुलाई, 2011 के नियमों को स्थायी उपलब्ध कराते हुए, अमेरिका के लिए सहयोग बढ़ाए और रसवन पश्चिमों को संस्करण एवं परिवर्तन सुरक्षा के उपाय के तौर पर पेश करने के लिए चीन के प्रयासों को खारिज नियम।