



March 10, 2023 – Friday

Economy

India's unemployment rate increases to 7.45% in February

Unemployment rate in India inched higher to 7.45% in February 2023 from 7.14% in January 2023, taking the total number of unemployed in the country to 33 million compared to 31.5 million in January. This is on the back of a significant increase in rural unemployment after it was on a decline in the preceding four months, the Centre for Monitoring Indian Economy said. According to CMIE's weekly labour market analysis, last month saw a marginal improvement in India's labour participation rate to 39.92% in February compared to 39.8% in January 2023 resulting in an increase in the labour force from 440.8 million to 442.9 million. "However, only around 0.6 million were able to secure employment while the remaining 1.5 million people were rendered unemployed. This explains the increase in unemployment rate in the month of February," it said.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-unemployment-rate-increases-to-7-45-in-february/articleshow/98515291.cms>

India's inflation seen easing slightly in Feb, still above RBI target: Poll

Retail inflation in India likely eased a bit last month but stayed above the Reserve Bank of India's upper threshold for a second straight month, keeping the central bank on course for further policy tightening, a Reuters poll found. Rises in food prices, which account for nearly half of the Consumer Price Index (CPI) basket, likely moderated last month. However, the bulk of the slowdown probably came from easing international prices and the government's efforts to provide additional supplies of wheat. Despite those temporary measures, lower crop yields because of warmer-than-usual temperatures last year and this year were likely to keep inflation elevated in the near-term period. The March 2-9 Reuters poll of 43 economists showed inflation, as measured by the CPI, likely fell to an annual 6.35% in February from 6.52% in January. Only one economist expected inflation to fall below the 6.00% mark, the upper limit of the RBI's tolerance band. Forecasts ranged from 5.89% to 6.70% for the data, which are due to be released at 1200 GMT on March 13.

https://www.business-standard.com/article/economy-policy/india-s-inflation-seen-easing-slightly-in-feb-still-above-rbi-target-poll-123031000088_1.html

Rules for invasive gadgets likely under Digital India Act, says MoS IT

The government on Thursday had its first consultation with industry stakeholders, policy advocates and legal experts on the broad principles of the Digital India Act (DIA), with the definition of internet intermediaries and their safe harbours among the top subjects of discussion. Minister of State for Electronics and IT Rajeev Chandrasekhar said that in the 2000s, there were few types of intermediaries and they had safe harbours, but now they have morphed into multiple types of platforms that are functionally very different from each other. These, he said, required "very different types of guard rails and regulations". Chandrasekhar also discussed rules to handle data captured by invasive gadgets like spy glasses and wearable devices, and told PTI that the DIA will be firmed up after two more rounds of discussion with stakeholders.

https://www.business-standard.com/article/economy-policy/safe-harbours-to-online-platforms-should-be-reconsidered-mos-chandrasekhar-123030901145_1.html

Banking and Finance

SEBI extends deadline till Mar 15 to submit comments on REITs, InvITs

Capital markets regulator Sebi on Thursday extended the timeline till March 15, for submission of public comments on a proposal pertaining to higher responsibility for sponsors of investment vehicles -- REITs and InvITs. The regulator had put in place a consultation paper on holding of sponsors in Real Estate Investment Trust (REITs) and Infrastructure Investment Trust (InvITs) on February 23 and sought public comments on the same by March 8. "It has been decided to extend the timeline for submission of comments to March 15, 2023," the Securities and Exchange Board of India (Sebi) said in a public notice.

https://www.business-standard.com/article/markets/sebi-extends-deadline-till-mar-15-to-submit-comments-on-reits-invits-123030900423_1.html

India must prepare to curb volatility risks of internationalisation of rupee, says RBI Deputy Governor

India needs to gear up to manage the inevitable volatility that will emerge in the foreign exchange market as the country progresses further towards internationalisation of the rupee, a deputy governor at the Reserve Bank of India said recently. An international currency is one that is freely available to non-residents, essentially to settle cross-border transactions, and in the case of the rupee, this will be achieved by promoting the currency for import and export, without any limits. But, that will make the rupee more reactive to global events and that would increase outflows, increasing volatility. "It is now widely accepted that while internationalisation and a freer capital account comes with its own set of benefits, it is not without risks," M. Rajeshwar Rao said.

<https://www.financialexpress.com/economy/india-must-prepare-to-curb-volatility-risks-of-internationalisation-of-rupee-says-rbi-deputy-gov/3003575/>

Finance Ministry tightens definition of 'beneficial owners' under PMLA

The Finance Ministry has tightened the definition of beneficial owners under the anti-money laundering law, mandating reporting entities like banks and crypto platforms to collect information from their clients. As per the amendments to the Prevention of Money Laundering Rules, any individual or group holding 10 per cent ownership in the client of a 'reporting entity' will now be considered a beneficial owner as against the ownership threshold of 25 per cent applicable earlier. The amended rules were notified on March 7 by the Finance Ministry. Under the anti-money laundering law, 'reporting entities' are banks and financial institutions, firms engaged in real estate and jewellery sectors. They also include intermediaries in casinos and crypto or virtual digital assets.

https://www.business-standard.com/article/economy-policy/finance-ministry-tightens-definition-of-beneficial-owners-under-pmla-123030901080_1.html

India's digital payments market will more than triple to \$10 trillion by 2026: Report

In a country witnessing rapid growth, it comes as no surprise that India also has one of the fastest-growing fintech landscapes in the world, driven primarily by the advancement in digital payments segment. A recent report by PhonePe and Boston Consulting Group concluded that India's digital payments market will more than triple from \$3 trillion to \$10 trillion by 2026. In 2015, the Indian government launched its Digital India programme, with one of the objectives to achieve a "faceless, paperless and cashless" status for financial transactions at grass-root level. In line with this, the use of digital payments continues to be promoted so that each citizen of the country can access digital payment facilities that are affordable, convenient and secure. The introduction of innovative reforms and technological advancements are further accelerating growth at an unprecedented pace.

<https://economictimes.indiatimes.com/news/economy/finance/indias-digital-payments-market-will-more-than-triple-to-10-trillion-by-2026-report/articleshow/98522718.cms>

Industry

Only 13% of MSMEs aware of benefits of implementing sustainability measures: Report

As the adoption of measures to boost sustainable business practices gain momentum among enterprises in the country, a growing number of MSMEs are also getting on board the sustainable drive recognising the value of sustainability beyond commercial criteria. However, only 13 per cent of MSMEs are aware of the benefits of

implementing sustainability measures, said a statement on the Sustainability Perception Index (SPeX) launched by SIDBI and Dun and Bradstreet India on Thursday. The report, according to the statement, for the third quarter of the current fiscal surveyed MSMEs to understand the actions taken to implement sustainability principles and advance sustainable development goals. The survey results show a high level of willingness among senior executives while in terms of awareness and implementation, there are distinct areas where MSMEs are excelling and others where they lag, the statement said. However, it didn't state the methodology adopted for the survey and the number of respondents surveyed.

<https://www.financialexpress.com/industry/sme/msme-green-only-13-of-msmes-aware-of-benefits-of-implementing-sustainability-measures-report/3003987/>

Tighter scrutiny on cards for auto PLI disbursements

The government is undertaking measures to tighten scrutiny prior to disbursement of incentives under the ₹25,938-crore Production Linked Incentive (PLI) scheme for the automobile and auto component sectors amid allegations that many electric two-wheeler makers have wrongfully claimed subsidies under its flagship FAME II (Faster Adoption and Manufacturing of Electric Vehicles) Initiative. The move comes even as investigations are underway against a dozen electric two-wheeler makers amid allegations of not adhering to localisation guidelines and using imported components, mostly from China, despite their assertions to the contrary when claiming subsidies.

<https://economictimes.indiatimes.com/industry/auto/auto-news/tighter-scrutiny-on-cards-for-auto-pli-disbursements/articleshow/98525955.cms>

Agriculture

Heatwave may hit wheat output, growth may be far below expected; analysts fear price rise

A possible heatwave is expected to hit wheat crop output, limiting the growth far below earlier estimates, sending wheat prices soaring, and prompting government restrictions on exports. The hottest February this year since 1901 has prompted predictions of increasing heat waves in March-May, raising concerns that wheat grain will not get time to develop completely. Analysts estimate wheat production to be around 98 MMT which is just 1.6% higher as compared to previous forecasts of 4%. Wheat prices will also fluctuate if the crop gets damaged by more than 10%; however, ensuing restrictions on wheat, and a larger sowing area this year may keep the country immune to some extent from the crisis.

<https://www.financialexpress.com/economy/heatwave-may-hit-wheat-output-growth-may-be-far-below-expected-analysts-fear-price-rise/3003219/>

Infrastructure

Southern Railway witnesses jump in passenger & freight traffic in FY 2022-23, outperforms last year's revenue generation

Indian Railways' Southern Railway (SR) zone has witnessed growth in passenger and freight traffic in the current financial year. The zonal railway has also outperformed the previous year in respect of traffic and revenue generation. The zone has achieved originating freight traffic of 33.9 million tonnes (MT) during the fiscal till February 2023. With this, the SR has registered a growth of around 24 percent over the same period last year. It also generated revenue of Rs 302.25 Crores around 15 percent more than the Railway Board target. In FY 2021-22, the originating freight traffic stood at 27.4 million tonnes (MT). The figure also exceeds the target set up by the Railway Board by 5 percent. The board has set the target of 32.25 MT.

<https://www.financialexpress.com/infrastructure/railways/southern-railway-witnesses-jump-in-passenger-freight-traffic-in-fy-2022-23-outperforms-last-years-revenue-generation/3003386/>

Energy

India's February fuel demand hit at least 24-year high, shows data

India's fuel demand hit its highest level in at least 24 years in February, data showed on Thursday, with industrial activity in Asia's third biggest economy boosted by cheap Russian oil. Consumption of fuel, a proxy for oil demand, rose by more than 5% to 4.82 million barrels per day (18.5 million tonnes) in February, its 15th consecutive year-on-

year rise, data showed. Demand was the highest recorded in data compiled by the Indian Oil Ministry's Petroleum Planning and Analysis Cell (PPAC) going back to 1998. The strength highlights a combination of profitable refining from record Russian crude imports in February, total utilization for primary distillation across India and still-robust domestic consumption, said Viktor Katona, lead crude analyst at Kpler. Katona forecasts demand in March at 5.17 million barrels per day (bpd) and then the seasonal monsoon-driven slowdown will lead to it to drop to 5 million bpd in April-May.

https://www.business-standard.com/article/economy-policy/india-s-february-fuel-demand-hit-at-least-24-year-high-shows-data-123030901352_1.html

Govt chalks out roadmap to meet peak summer demand

The Power Ministry launched a slew of measures including offering additional coal and gas-based capacity to creating a portal for optimising surplus generation capacity in a bid to meet the country's peak power demand, expected at 229 gigawatts (GW) in April 2023. Electricity demand is expected to break previous records in 2023 as higher consumption is likely due to growing requirements from domestic and industrial consumers and above normal temperatures coupled with heat waves in March to May.

<https://www.thehindubusinessline.com/news/govt-chalks-out-roadmap-to-meet-peak-summer-demand/article66600346.ece>

India needs to cut green hydrogen production cost to one-third to be able to meet Green Hydrogen goal by 2030

The Indian government must help cut the cost of Green Hydrogen production to as low as one-third of the current costs, in order to make the industry competitive with other energy sources. It is important that the government take measures to bring down the cost of production from \$3-6 per kg currently to less than \$2 per kg, Crisil said in a note today. Further, India will need a combination of technological advancements and regulatory support to boost cost competitiveness in order to compete with other energy sources and to accelerate the government's National Green Hydrogen Mission, the report said, adding that the industry has the potential to transform India from being a net importer of energy to a net exporter in the long run.

<https://www.financialexpress.com/industry/india-needs-to-cut-green-hydrogen-production-cost-to-one-third-to-be-able-to-meet-green-hydrogen-goal-by-2030/3003856/>

Take proactive actions, ensure no load shedding during summer: R K Singh to power utilities

The government has asked power companies to ensure that there is no load shedding during the summer season and urged all stakeholders to take proactive actions to meet the rising electricity demand. Union Power Minister R K Singh chaired a review meeting on March 7, with senior officials from Power, Coal and Railways ministries on various aspects in a bid to meet high electricity demand in the ensuing summer months. During the meeting, Singh asked power companies to ensure that there is no load-shedding during the summer months, a power ministry statement said. He asked all stakeholders to closely monitor the situation and take proactive actions to meet the electricity demand during the coming months.

<https://www.financialexpress.com/industry/take-proactive-actions-ensure-no-load-shedding-during-summer-r-k-singh-to-power-utilities/3003390/>

Telecom

Indian telecom market sees 36% value growth in offline retail in 2022

The Indian telecom market saw 36 per cent value growth in offline retail last year, and 2023 is expected to be stable with value-driven growth for the domestic telecom market compared to 2022, a report said on Thursday. While the global telecom market closed 2022 with a 9.7 per cent decline in revenue compared to the previous year, India was one of the silver linings, according to the report by market intelligence firm GfK. In 2022, India registered "a double-digit revenue growth in the same period over the previous year including smartphones, core wearables and TWS mobile headsets", said Kartik Vasudevan, GfK expert for the Telecom market.

https://www.business-standard.com/article/companies/indian-telecom-market-sees-36-value-growth-in-offline-retail-in-2022-123030900526_1.html

Mobile operators may deploy AI to check spam calls amidst rising fraud

To tackle the persistent menace of pesky calls, mobile phone operators are considering using artificial intelligence (AI)-led interventions, the *Economic Times* reported. The operators are also exploring the option of extending the blockchain-based solution currently being used for messages to calling, according to the report. The idea of using AI/ML (machine learning) for solving the problem of unwanted calls is being considered widely but still remains at a very nascent stage. According to a nationwide survey by LocalCircles, mobile users are increasingly receiving pesky calls and messages that lead to thousands of crores of financial fraud. 66 per cent of mobile users in India get at least three pesky calls every day, most of which originate from personal mobile numbers, according to the survey.

https://www.business-standard.com/article/economy-policy/mobile-operators-may-deploy-ai-to-check-spam-calls-amidst-rising-fraud-123030900724_1.html

States

Maharashtra economy expected to grow by 6.8 per cent in 2022-23: Economic Survey

The Economic Survey report tabled in the Maharashtra assembly on Wednesday estimates the state's economic growth this fiscal year to be 6.8%, falling short of the 7% expansion projected for India's gross domestic product. The economic expansion in Maharashtra, the biggest contributor to national GDP, was estimated at 12.1% for the last fiscal year ended March 31, 2022. The main drag on growth has come from the industrial sector, where the pace is projected to slow to 6.1% from 11.9% last fiscal year, and in services where the estimate now is for a 6.4% increase compared with 13.5% in FY22.

<https://economictimes.indiatimes.com/news/india/maharashtra-economy-expected-to-grow-by-6-8-per-cent-in-2022-23-economic-survey/articleshow/98496361.cms>

Maharashtra Budget promises sops for farmers, women

Maharashtra Finance Minister Devendra Fadnavis on Thursday presented the first budget of the Eknath Shinde-BJP government. The populist budget had plenty of sops for farmers and women. The ₹16,211-crore revenue deficit budget was slammed by the opposition as an election gimmick done with an 'eye on early assembly polls'. Fadnavis said his budget was based on the goals of 'panchamrit', of which Amrut-1 was Sustainable Farming- Prosperous Farmers; Amrut-2 was inclusive development of all sections of society including women, tribals, backward classes, OBCs; Amrut-3 was development of infrastructure with substantial capital investment; Amrut-4 was employment generation, competent, skilled, employable youth; and Amrut-5 was environment-friendly development.

<https://economictimes.indiatimes.com/news/economy/policy/maharashtra-budget-promises-sops-for-farmers-women/articleshow/98526228.cms>

TN government announces M-sand policy 2023

The Tamil Nadu government on Thursday announced the M-sand policy 2023 to ensure zero waste quarrying in the State. It is also to prevent damage to river ecosystems by rationalising the use of river sand in a conserved manner. The policy will enable M-sand or crushed sand manufacturing units in the State to become compliant of relevant statutes, rules and regulations and to formalise the sector. The government wants to standardise the procedure for approval of M-sand manufacturing units. It also wants to promote zero-waste mining and quarrying in the State.

<https://www.thehindubusinessline.com/news/real-estate/tn-government-announces-m-sand-policy-2023/article66600837.ece>

External

Exports in FY23 to reach about \$770 billion: Commerce and industry ministry

India's merchandise and services exports combined in the current financial year ending March will be close to USD 760-770 billion, Union Minister for State for Commerce and Industry Anupriya Patel said on Thursday. The country's merchandise and services exports stood at USD 672 billion in the last fiscal. "We are focusing in every possible way on how we can export more and more because today India's share in global merchandise trade is close to 1.8 per cent. As far as services trade is concerned, it is just 4 per cent. We want to take it to 10 per cent," Patel said at the Sourcex India event here. India's merchandise and services exports in the current financial year ending March will be close to USD 760-770 billion, she noted. The minister also mentioned that the Indian economy is one of the

fastest-growing economies in the world, and with the increasing globalisation of trade, there is immense potential for Indian businesses, particularly brands to expand their footprint in the international market.

https://www.business-standard.com/article/economy-policy/exports-in-fy23-to-reach-about-770-billion-commerce-and-industry-ministry-123030901237_1.html

India's April-February finished steel exports slump 52%: Govt data

India exported 52% less finished steel from April to February than it did a year earlier, as slowing global demand hit shipments, according to government data seen by Reuters on Thursday. The export volume was lower, at 5.9 million tonnes, despite the government's withdrawal of an export tax in November. India, the world's second-biggest producer of crude steel, also imports the alloy. In the April-February period it was a net exporter. Major steelmakers reported a drop in profits in the December quarter, in part because the government in May imposed the tax, which applied to exports of some intermediate steel products, such as bars. Most steel companies, including JSW Steel Ltd, India's biggest steelmaker by capacity, have projected a pick-up in exports in the current quarter.

https://www.business-standard.com/article/economy-policy/india-s-april-february-finished-steel-exports-slump-52-govt-data-123030900549_1.html

ECTA between India-Australia to unlock new potential in trade and investment: Albanese

Australian Prime Minister Anthony Albanese, who is on a 4-day official visit to India, on Thursday said the Economic Cooperation and Trade Agreement (ECTA) signed between the two countries is a transformative agreement, which will unlock the next level of potential in trade and investment. Addressing the India-Australia CEO forum in Mumbai on Thursday, Albanese expressed his sincere appreciation for the large turnout of Australian investors that came to India as well as for the key Indian business houses that participated in the event. He added that the delegation of Australian investors is one of the most serious and high-profile ones to have visited India from Down Under. The Australian PM also voiced optimism about the complementarities between both nations, saying that this juncture is a turning point in accelerating economic cooperation and mutual benefits in the relationship between the two countries.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/ecta-between-india-australia-to-unlock-new-potential-in-trade-and-investment-albanese/articleshow/98522703.cms>

FM Sitharaman meets US Commerce Secretary Gina Raimondo, discuss bilateral cooperation in trade, investment

Finance Minister Nirmala Sitharaman on Thursday met US Commerce Secretary Gina Raimondo to discuss India's G20 priorities and bilateral cooperation to further boost investment and trade. In a tweet, the Finance Ministry said Sitharaman and Raimondo also appreciated the substantial and multi-faceted India-US relations which are centred on strong economic and financial engagements. Raimondo is here for the India-US Commercial Dialogue and India-US CEO Forum meet on March 10 to discuss cooperation in various sectors that could unlock new trade and investment opportunities between the two countries.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/fm-sitharaman-meets-us-commerce-secretary-gina-raimondo-discuss-bilateral-cooperation-in-trade-investment/articleshow/98522674.cms>