



March 21, 2023 – Tuesday

Economy

Retail inflation for agriculture, rural workers up marginally in Feb 2023

Retail inflation for agricultural and rural workers increased to 6.94 per cent and 6.87 per cent, respectively, in February 2023, due to increases in prices of medicines, doctor's fees, and bus fares, among others, an official statement said. Point to point rate of inflation based on the CPI-AL (consumer price index for agricultural labourers) and CPI-RL (rural labourers) were at 5.59 per cent and 5.94 per cent, respectively in January 2023, the Ministry of Labour and Employment said. Inflation based on CPI-AL and CPI-RL were 6.85 per cent and 6.88 per cent in January 2023. The all-India CPI-AL and CPI-RL increased by 1 point each to stand at 1,171 and 1,182, respectively.

https://www.business-standard.com/article/economy-policy/retail-inflation-for-agriculture-rural-workers-up-marginally-in-feb-2023-123032001221_1.html

Formal job creation declines 7.5% in January, hits 20-month low: EPFO

Fresh formal job creation declined for the second straight month in January, falling to a 20-month low, signalling pressure in the job market. These are the findings of the latest payroll data released by the Employee Provident Fund Organisation (EPFO) on Monday. The number of new monthly subscribers under the Employees' Provident Fund (EPF) has declined by 7.5 per cent to 777,232 in January 2023 from 840,372 in December 2022. This is the lowest number of new subscribers joining the EPF, since May 2021, when only 649,618 new members had subscribed to the fund. Earlier in FY23, the number of new monthly subscribers had remained above the one-million mark for six consecutive months — that is, from April to September. It touched a high of 1,159,350 in July.

https://www.business-standard.com/article/economy-policy/new-formal-job-creation-at-a-20-month-low-in-january-shows-epfo-data-123032001032_1.html

GDP to grow at 7%; inflation set to moderate: Finance Ministry report

Indian economy is expected to grow at 7 per cent in FY23 despite global headwinds while retail inflation would moderate in line with wholesale inflation which fell to a 25-month low in January, the Finance Ministry said on Monday. Supported by the gains from high services exports, the moderation in oil prices, and the recent fall in import-intensive consumption demand, India's current account deficit is estimated to fall in FY23 and FY24, providing a buffer to the rupee in uncertain times, Monthly Economic Review by the ministry said. This will provide a much-needed cushion to India's external sector at a time when the Fed is likely to raise rates further and ensure that India's external finances are not a major cause of concern, it said.

<https://economictimes.indiatimes.com/news/economy/indicators/gdp-to-grow-at-7pc-inflation-set-to-moderate-finance-ministry-report/articleshow/98824886.cms>

India's steady economy shows early signs of weakening consumption

India's economic activity held steady in February though there were early signs of slowing consumption amid concerns of future growth prospects and hawkish monetary policy. The needle on a dial measuring the so-called animal spirits was unchanged from January when it moved left after picking up speed for the last month of 2022, signaling weakening domestic demand is becoming a concern. Eight high-frequency indicators tracked by Bloomberg showed moderating credit growth, weak tax revenues and a rising unemployment rate. India's economic growth

unexpectedly slowed to 4.4% in the three months to December. Economic expansion may be under pressure as the “full-blown impact” of the Reserve Bank of India’s 250 basis point hike in borrowing cost since May gets transmitted to end-consumers, Crisil Ltd., the local unit of S&P Global Ratings, said in a report.

https://www.business-standard.com/article/economy-policy/india-s-steadying-economy-shows-early-signs-of-weakening-consumption-123032100110_1.html

Banking and Finance

Tax demands of Rs 13,566 crore raised in four fiscals under black money law: MoS Finance

The income tax department raised tax demands amounting to Rs 13,566 crore during the last four financial years under the black money law to deal with undisclosed foreign income and assets, the government told Parliament on Monday. In a written reply to a question in the Lok Sabha, Minister of State for Finance Pankaj Chaudhary informed that 183 assessment orders were passed in 2021-22 and a demand of Rs 5,350 crore was raised under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015. In the four fiscals starting 2018-19, a total of 349 assessment orders were passed and a demand totalling Rs 13,566 was raised.

<https://economictimes.indiatimes.com/news/economy/finance/tax-demands-of-rs-13566-crore-raised-in-four-fiscals-under-black-money-law-mos-finance/articleshow/98813764.cms>

PSUs asked to issue LoCs based on their financial strength

The Finance Ministry has asked central public sector undertakings (CPSUs) to issue letters of comfort (LoCs) on the basis of their own financial strength so that no liability devolves on the Government of India. The Office Memorandum dated March 20, 2023, has been issued following a request from some CPSUs in the oil and power sector seeking relaxation with regard to the issuance of LoCs. "In view of requirements, it has been decided that CPSUs may issue LoCs on its own financial strength and all such LoCs shall only be issued after specifically inserting the following clause--under no circumstances, the liability under this Letter of Comfort shall devolve on the Government of India," the memorandum said.

<https://economictimes.indiatimes.com/news/economy/policy/psus-asked-to-issue-locs-based-on-their-financial-strength/articleshow/98815708.cms>

PE/VC investments nearly halve in Feb 2023: Report

Investments by private equity and venture capital funds declined by 44 per cent to USD 3.7 billion in February compared to the same period a year ago, a report said on Monday. The bets by the long-term investors were 13 per cent lower when compared to the investments in the preceding month of January, the report by industry lobby Indian Venture and Alternate Capital Association and consultancy firm EY, said. "...rising global recession concerns, increasing cost of capital and mismatch in valuation expectations between sellers and investors are turning out to be major impediments in the deployment of capital," EY's partner Vivek Soni said.

<https://economictimes.indiatimes.com/news/economy/indicators/pe/vc-investments-nearly-halve-in-feb-2023-report/articleshow/98808956.cms>

Industry

India has 45,000 job openings in AI, demand for skills rising: Report

There were 45,000 job openings in India last month for artificial intelligence (AI) roles, with data scientists and machine learning (ML) engineers being top careers, said a report on Monday. A focus on ML applications is creating demand for AI professionals proficient in scripting languages, according to ‘Initiative for Critical and Emerging Technologies (iCET) - Forces Shaping Future of Technology’ report by Teamlease, a human resource company. Building conventional ML models will be the foremost skill required for a career in AI. New engineers specialising in AI can expect starting salaries ranging between Rs 10 lakh and Rs 14 lakh annually, said the report. “The AI revolution is transforming the job market, creating an urgent need for skilled professionals who can design, develop, and implement cutting-edge AI technologies. Fortunately, the Indian government is taking proactive steps to address this challenge by entering into a bilateral strategic partnership through iCET and setting up centers of excellence and training initiatives,” said Sunil Chemmankotil, chief executive officer of TeamLease Digital.

https://www.business-standard.com/article/technology/india-has-45-000-job-openings-in-ai-demand-for-skills-rising-report-123032000545_1.html

Fashion retailers expected to see 45 per cent growth in sales in FY23 : ICRA

Fashion retailers expected to end the financial year with an estimated 45 per cent year-on-year growth in sales, according to a report by ICRA. However, the profit margins are expected to be in the range of 7-7.3 per cent, the report added. The ratings agency stated that in the first nine months of the fiscal revenue expansion was estimated 55 per cent led by seasonally strong Q3. But the revenue growth is expected to moderate sequentially due to a muted Q4.

<https://www.thehindubusinessline.com/economy/fashion-retailers-expected-to-see-45-per-cent-growth-in-sales-in-fy23-icra/article66641498.ece>

Indian IT sector to tread turbulent waters going ahead

The Indian IT sector is set to bear the brunt of multiple headwinds in the coming quarters with the global slowdown dampening IT spending, major dependence on the US markets, and high exposure to the BFSI sector. Given that the BFSI sector is a significant revenue contributor — 20-40 per cent to most large Indian IT companies, the current banking fiasco in the US involving Silicon Valley Bank (SVB), Credit Suisse, Silvergate, and First Republic Bank may have a notable impact on the Indian IT sector.

<https://www.thehindubusinessline.com/info-tech/indian-it-sector-to-tread-turbulent-waters-going-ahead/article66642175.ece>

Agriculture

Agriculture Min ropes in Nafed for promotion of govt's millets initiative

The Agriculture Ministry on Monday said it has roped in cooperative Nafed for promotion of the government's millets initiative at global scale, including installation of millet vending machines and setting up of an experience centre in Delhi-NCR. Nafed, which has entered into a MoU with the ministry in this regard, will set up a millet corner in Nafed Bazaar Retail Stores, install millet vending machines across Delhi-NCR, an official statement said. It will also establish a millets' experience centre at Delhi Haat, to promote nutritious millets and create awareness on the rich history of India through millet-based dishes. Nafed will extend marketing linkage to millets-centric startups, it added.

https://www.business-standard.com/article/economy-policy/agriculture-min-ropes-in-nafed-for-promotion-of-govt-s-millets-initiative-123032001172_1.html

India, World Food Programme sign MoU during Global Millets Conference

The agriculture and Farmers Welfare Ministry signed a Memorandum of Understanding (MoU) with the World Food Programme (WFP) of the United Nations during the Global Millets (Shree Anna) Conference, according to the statement released by Ministry of Agriculture and Farmers Welfare. Union Agriculture and Farmers Welfare Minister Narendra Singh Tomar, on Sunday, lauded the work of WFP in promoting food self-sufficiency and supporting governmental and global efforts to ensure long-term solutions to the challenge of hunger. At the conference, Tomar also thanked the ministers for being a part of the global conference organized by India with the aim of promoting Shree Anna, under the International Year of Millets (IYM), according to the statement. He said that the International Year of Millets is being celebrated so that the Indian Shree Anna, its recipes, and value-added products are accepted globally as a people's movement. He hoped to further strengthen India's agricultural ties with various countries.

https://www.business-standard.com/article/economy-policy/india-world-food-programme-sign-mou-during-global-millets-conference-123032000024_1.html

Some damage to rabi crops due to unseasonal rains; yet to receive full report from states: Centre

The Centre on Monday said there has been some damage to the rabi (winter) crops including wheat due to unseasonal rains and hailstorm brought about by western disturbance, but it is yet to receive a report from the states. Speaking to PTI, Minister of State for Agriculture Kailash Choudhary said the state governments are utilising the funds under the State Disaster Relief Fund (SDRF). "There has been some damage. We have not received an assessment report on the extent of damage from the state governments," Choudhary said. The minister asserted

that the central government will provide compensation under the National Disaster Relief Fund (NDRF) if the state governments submit a report after assessing the extent of damage.

<https://economictimes.indiatimes.com/news/economy/agriculture/some-damage-to-rabi-crops-due-to-unseasonal-rains-yet-to-receive-full-report-from-states-centre/articleshow/98800908.cms>

Infrastructure

Indian airlines to report \$1.6-1.8 bn consolidated loss in FY24: CAPA

Indian airlines are projected to record a consolidated loss of USD 1.6 to 1.8 billion in the next financial year, aviation consultancy CAPA India said on Monday. The full service carriers are expected to incur a loss of USD 1.1 to 1.2 billion. According to CAPA India, Indian airlines are estimated to have a net induction of 132 planes next fiscal and will take the total fleet of all carriers to around 816 aircraft. While announcing its outlook for 2023-24, CAPA India also said that more than 100 planes of various Indian carriers are on the ground due to supply chain and non-supply chain issues.

https://www.business-standard.com/article/companies/indian-airlines-to-report-1-6-1-8-bn-consolidated-loss-in-fy24-capa-123032000278_1.html

Energy

Windfall tax on crude oil slashed to Rs 3,500/tonne, duty on diesel hiked

The Centre, late on Monday, slashed the windfall tax on locally-produced crude oil to Rs 3,500 per tonne from Rs 4,400 per tonne earlier. However, it hiked the export duty on diesel from Rs 0.50 per litre to Rs 1 per litre. Petrol and Aviation Turbine Fuel (ATF) have been exempted from the export levy. The new rates will be effective March 21. This is the second rate cut in March. Earlier, on March 4, the Centre had slashed the windfall tax on the export of diesel to an all-time low of Rs 0.50 per litre. The levy on crude oil was hiked to Rs 4,400 per tonne from Rs 4,350 per tonne earlier. Crude oil pumped out of the ground and from below the seabed is refined and converted into fuels like petrol, diesel and aviation turbine fuel (ATF). The tax rates are reviewed every fortnight based on average oil prices in the previous two weeks.

https://www.business-standard.com/article/economy-policy/windfall-tax-on-crude-oil-slashed-to-rs-3-500-tonne-duty-on-diesel-hiked-123032100109_1.html

Govt may extend diesel, gasoline export curbs beyond March 31: Report

India plans to extend restrictions on the export of diesel and gasoline after the current fiscal year ends this month to ensure the availability of refined fuels for the domestic market, two government sources with direct knowledge of the matter said. The extension of rules may discourage some Indian refiners, mainly private companies, from buying Russian fuels for re-exports to countries including those in Europe that have stopped purchases of refined products from Russia due to its invasion of Ukraine. India, the world's third-largest oil consumer, imposed a windfall tax on refined fuel exports last year and mandated that companies sell the equivalent of 50% of their gasoline exports and 30% of their diesel exports domestically in the current fiscal year to March 31.

https://www.business-standard.com/article/economy-policy/govt-may-extend-diesel-gasoline-export-curbs-beyond-march-31-report-123032000174_1.html

Telecom

India jumps 2 spots globally to 67 for median downloads speed in February 2023: Ookla

India inched up in two spots on Ookla Speedtest Global Index for median downloads speed to 67 for the month of February, though it lost two spots in case of median fixed broadband speeds, the network intelligence and connectivity insights provider said Monday. India's performance on the global index has significantly improved thanks to the rollout of fifth generation telecom services in the country. In November, India ranked at 105th position, globally in median mobile speeds, as per Ookla's Speedtest Global Index. India recorded 30.96 Mbps median mobile download speeds in February this year as compared to 29.85 Mbps in January 2023, Ookla added.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/india-jumps-2-spots-globally-to-67-for-median-downloads-speed-in-february-2023-ookla/articleshow/98798292.cms>

States

Delhi Eco Survey: Per capita income rises 14.18% to Rs 4,44,768

Finance Minister Kailash Gahlot on Monday tabled the Delhi Economic Survey in the Assembly. According to the survey report, the per capita income of Delhi at current prices reached at the level of Rs 3,89,529 in 2021-22 as compared to Rs 3,31,112 in 2020-21. "The Advance Estimate of Per Capita Income of Delhi at current prices during 2022-23 estimated at Rs 4,44,768 registering a growth of 14.18 per cent over the previous year," it said. Delhi's per capita income has always been around 2.6 times higher when compared to the national average, both at current and constant prices, it noted. "Overall economic activity in Delhi has recovered faster compared to the national level, past the pre-pandemic levels. In the years 2021-22 and 2022-23, a sharp recovery of real GSDP of Delhi with a growth of 9.14 per cent and 9.18 per cent, respectively is based on a low base effect and inherent strengths of the economy," it said.

https://www.business-standard.com/article/economy-policy/delhi-eco-survey-aap-govt-s-per-capita-income-rises-14-18-to-rs-4-44-768-123032000481_1.html

TN budget gives thrust on infrastructure development and balanced growth

Tamil Nadu's 2023-24 budget has six major thrust areas — skill development and job creation; women empowerment, socio-economic development of marginalised, achieving social justice in all walks of life, promoter infrastructure development and achieving balanced growth. Many new announcements were made in the budget speech by Finance minister Palanivel Thiaga Rajan on Monday. For instance, women heads of eligible households in Tamil Nadu will be provided ₹1,000 per month from the next financial year. This is one of the promises made by the DMK in its election manifesto.

<https://www.thehindubusinessline.com/economy/tn-budget-gives-thrust-on-infrastructure-development-and-balanced-growth/article66642216.ece>

Integrated textile park to bring over 300,000 jobs in Telangana: Reddy

Union Minister G Kishan Reddy on Sunday said the PM Mega Integrated Textile Regions and Apparel (PM MITRA) Park will generate over 3 lakh jobs in Telangana. Speaking at an event, Reddy said, "The central government under the leadership of Narendra Modi has decided to establish seven mega textile parks. The PM has decided to set up one of the seven parks in Telangana. It is going to bring a great advantage to the textile industry in Telangana. The training, exports and other value-added activity of the mini textile activities will be increased." The Union Minister said the Central government is investing around Rs 4,400 crore in the textile parks. The Telangana textile park will get more than Rs 10,000 crore of investments. Apart from this, many products from Telangana can be exported to various foreign countries. The textile park will bring in more than 1 lakh direct jobs and more than 2 lakh indirect jobs to the people of Telangana, Reddy said.

https://www.business-standard.com/article/economy-policy/integrated-textile-park-to-bring-over-300-000-jobs-in-telangana-reddy-123032000053_1.html

Healthcare

AI platform market for healthcare industry to reach \$4.3 bn in 2024: Report

The market for Artificial Intelligence (AI) platforms for the entire healthcare industry is set to grow to \$4.3 billion in 2024 from \$1.5 billion in 2019, according to a report on Monday. This is owing to the added integration of digital health tools and technologies such as AI and Machine Learning (ML) into the healthcare industry due to the impact of the Covid-19 pandemic, said the report by GlobalData, a data and analytics company.

Various healthcare companies are already implementing high-tech solutions into existing healthcare systems. French biotechnology company Genomic Vision, which specialises in the development and commercialisation of diagnostic solutions for genetic diseases and cancers, has recently launched FiberSmart, a new technology that enables the visualisation and analysis of long DNA fibres at high resolution.

https://www.business-standard.com/article/economy-policy/ai-platform-market-for-healthcare-industry-to-reach-4-3-bn-in-2024-report-123032000965_1.html

External

BIS hallmarking soon to curb sub-standard imports

The government is planning to come up with quality control orders for 250-300 goods in the coming months as part of a strategy to contain import of sub-standard products that tend to flood the markets and dent domestic manufacturing. Cigarette lighters, pens and household electrical items are some of the products that would be bound by the new norms. The department for promotion of industry and internal trade (DPIIT) is understood to be working on these quality standards, which are likely to be brought in over the next few months. Once notified, these products would have to bear certification by the Bureau of Indian Standards and imports of non-certified goods would not be permitted.

<https://www.financialexpress.com/economy/bis-hallmarking-soon-to-curb-sub-standard-imports/3015152/>

Smartphone exports top \$2 billion in first 2 months of 2023

India's mobile phone exports crossed \$2 billion (over Rs 16,500 crore) in the first two months of 2023, driven mainly by Apple and Samsung, taking the total export value to over \$9 billion since April 2022, as manufacturers stepped up production and outward shipments. Smartphone exports in the April 2022-February 2023 period have doubled from the corresponding period a year ago, when exports hovered around \$4.5 billion, according to industry body India Cellular and Electronics Association (ICEA) data exclusively made available to ET. Smartphone exports for the fiscal year ending March 31 is also expected to roughly double from \$5.8 billion in the year before. According to the data, India's smartphone makers are now clocking around \$1 billion in exports every month from September 2022, primarily boosted by the production-linked incentive (PLI) schemes.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smartphone-exports-top-2-billion-in-first-2-months-of-2023/articleshow/98831997.cms>

Labour20 calls for universalisation of social security

The Labour20 (L20) engagement group under India's G20 presidency has called for resolving the issue of portability of social security among G20 nations as a first step towards universalisation of social security and plugging the gender gap in the global workforce. "The joint statement on universalisation of social security stated that the question of portability of benefits within the G20 nations is a low hanging fruit, which could be addressed by the grouping at no time and pointed out to the BRICS deliberations for an intra-group arrangement in this regard," the labour ministry said in a statement issued on Monday. BRICS nations are also members of G20. The joint statement on women and the future of work called for upskilling of the women workforce globally to meet the emerging challenges of tech-intensive industry and the post-pandemic job market, it said.

<https://economictimes.indiatimes.com/news/india/labour20-calls-for-universalisation-of-social-security/articleshow/98831235.cms>