



March 14, 2023 – Tuesday

Economy

Retail inflation above 6% in February, may trigger another rate hike

The retail inflation rate in February, while declining marginally, remained above the central bank's upper tolerance limit of 6 per cent for a second consecutive month, leading analysts to predict another rate hike by 25 basis points by the Monetary Policy Committee (MPC) in its upcoming April meeting. The data, released by the National Statistical Office on Monday, showed the consumer price index-based (CPI-based) inflation rate declined to 6.44 per cent in February from 6.52 per cent in January, with easing pricing pressure from food items such as meat, fish, eggs, and pulses as well as fuel and light. However, prices continued to accelerate in cereals (16.73 per cent), milk (9.65 per cent), fruit (6.38 per cent), and housing (4.83 per cent). Food inflation excluding processed food products eased to 5.95 per cent in February from 6 per cent in January. Core inflation, which excludes food and fuel, remained above the 6 per cent mark.

https://www.business-standard.com/article/economy-policy/retail-inflation-above-6-in-february-may-trigger-another-rate-hike-123031301144_1.html

India's manufacturing growth to continue in Q4, says FICCI survey

Growth in the Indian manufacturing sector is expected to continue in the last quarter (January-March) of 2022-23 amid signs that cost pressure in the past many months seems to be softening a bit for the sector, a FICCI survey has said. The responses have been drawn from over 400 manufacturing units from both large and SME (Small and Medium Enterprises) segments with a combined annual turnover of over Rs 10 trillion. It added that the cost of production as a percentage of sales for manufacturers in the survey has risen for 73 per cent respondents, which is lower than 94 per cent as reported in previous survey. "Nonetheless, high raw material prices especially that of steel, increased transportation, logistics and freight cost, and rise in the prices of crude oil and fuel have been the main contributors to increasing cost of production," it added.

https://www.business-standard.com/article/economy-policy/india-s-manufacturing-growth-to-continue-in-q4-says-ficci-survey-123031301354_1.html

Meity forms task force to draft roadmap for IndiaAI ecosystem by April end

The Ministry of Electronics and IT on Monday set up a task force for framing a draft roadmap for the artificial intelligence ecosystem by end of April. Minister of State for Electronics and IT Rajeev Chandrasekhar after consultation with startups and IT companies working on artificial intelligence announced setting up of an IndiaAI platform which will focus on boosting research and facilitating tools required for the start-up community for growth. "IndiaAI platform will focus on promoting Indian Startups, Research and Innovation. I expect task force to come up with design of IndiaAI by end of April," Chandrasekhar said. According to estimates, AI is expected to add USD 967 billion to the Indian economy by 2035 and USD 450500 billion to India's GDP by 2025, accounting for 10 per cent of the country's USD 5 trillion GDP target. IT industry Nasscom President Debjani Ghosh during the discussion asked the government to prepare a roadmap based on sectors like clean tech, biotech, and space tech.

https://www.business-standard.com/article/economy-policy/meity-forms-task-force-to-draft-roadmap-for-indiaai-ecosystem-by-april-end-123031301290_1.html

India's GDP growth forecast at 7% in FY23 and 6% for FY24: Acuite Ratings

Credit rating agency Acuite Ratings & Research on Monday reiterated its forecast of Indian gross domestic product (GDP) growth at 7 per cent for FY23. In a report, Acuite said it is maintaining India's GDP growth at 7 per cent for FY23 and 6 per cent for FY4. The credit rating agency said India's industrial activity rose to 5.2 per cent year-on-year (YoY) in January 23 from 4.7 per cent in December 22, marginally beating market consensus. Sequential momentum in the index of industry production (IIP) was moderately strong at 0.8 per cent month-on-month (MoM) in January 23, building on the 5.7 per cent MoM expansion recorded in the previous month, and broadly in line with the average expansion of 0.7 per cent MoM usually seen in the month of January.

https://www.business-standard.com/article/economy-policy/india-s-gdp-growth-forecast-at-7-in-fy23-and-6-for-fy24-acuite-ratings-123031300527_1.html

India's economic recovery to help improve credit quality of fincos: S&P

The credit quality of Indian finance companies (fincos) will continue to improve owing to the country's strong macroeconomic trends, according to S&P Global Ratings. S&P Global credit analyst Deepali Seth Chhabria said the improvement in credit profiles of fincos will be far from uniform. Stronger companies will likely gain market share, given their better funding access. Meanwhile, weaker players could resort to originate-and-distribute business models to tide over the liquidity stress. Standard and Poor's (S&P), which published a chartbook "Indian Finance Company Outlook 2023" on Monday, said "Higher inflation or interest rates than we expect remain key risks to our forecasts. Rising interest rates are likely to push up borrowing cost for Indian fincos."

https://www.business-standard.com/article/economy-policy/india-s-economic-recovery-to-aid-finance-companies-s-p-global-ratings-123031301081_1.html

Banking and Finance

Fiscal slippage in FY23 likely as govt seeks to spend Rs 1.5 trillion more

The government may be staring at a modest slippage in fiscal deficit for FY23 with the finance ministry seeking Parliamentary approval for additional spending through a second and final tranche of supplementary demands for grants. On Monday, as the Budget session of Parliament resumed, finance minister Nirmala Sitharaman sought Parliament's approval for additional gross spending of Rs 2.7 trillion in FY23 that ends on 31 March. While net cash outgo is pegged at Rs 1.48 trillion, the rest will be matched by savings or enhanced receipts, the finance ministry said. Last December, the finance ministry had got Parliamentary approval to spend additional 3.26 trillion (net cash outgo) under the first tranche of supplementary demands for grants for FY23. The additional spending demands are dominated by fertiliser subsidy, defence pensions, allocation for Universal Service Obligation Fund (USOF) and Goods and Services (GST) compensation to states and union territories (UTs).

https://www.business-standard.com/article/economy-policy/fiscal-slippage-likely-in-fy23-as-govt-seeks-rs-1-5-trn-extra-spending-123031301032_1.html

Centre approves Rs 1,816 crore to 5 states as disaster relief

A High Level Committee, headed by Home Minister Amit Shah, has approved the release of an additional Rs 1,816 crore to five states, including Karnataka, as central assistance for the natural disasters faced by them. According to an official statement, the assistance will be provided to Assam, Himachal Pradesh, Karnataka, Meghalaya and Nagaland for floods, landslides and cloudburst that occurred during 2022. The HLC under Shah's chairmanship has approved the additional central assistance under the National Disaster Response Fund (NDRF) to five states, the statement said. This shows the resolve of the Union government under the leadership of Prime Minister Narendra Modi to help the people of five states who faced these natural disasters, it said.

<https://economictimes.indiatimes.com/news/economy/finance/centre-approves-rs-1816-crore-to-5-states-as-disaster-relief/articleshow/98608745.cms>

Industry

Domestic aluminum players need to invest to meet net zero target: ICRA

Domestic aluminium players would need a substantial increase in their renewable energy or low carbon-intensive power sources to meet their ambitious targets of 25 per cent reduction in carbon emissions in the next five-seven years and achieve net-zero status by 2050, ICRA said on Monday. "Domestic aluminium manufacturers have the highest carbon intensity of nearly 17-20t CO₂e/tonne of aluminium, owing to the significant use of coal in generating captive power," ICRA said. According to an ICRA note on the primary aluminium industry, this could entail significant capital investments of up to USD 5 billion by 2030 and USD 20 billion by 2050, depending on the renewable energy (RE) mix used. However, instead of doing an upfront capex, entities may choose to sign power purchase agreements to secure RE power. Nonetheless, their cost of metal production is expected to rise significantly.

https://www.business-standard.com/article/economy-policy/domestic-aluminum-players-need-to-invest-to-meet-net-zero-target-icra-123031301084_1.html

Electric two-wheeler companies pencil in slow sales growth for FY24

Electric two-wheeler companies are projecting they would sell around 1.5 million vehicles in FY24, much lower than Niti Aayog's ambitious target of 2.3 million. This could push back the government's ambitious plan to reach 80 per cent penetration of electric two-wheelers by 2030.

https://www.business-standard.com/article/economy-policy/electric-two-wheeler-sales-scaled-down-to-1-5-million-for-fy24-123031301147_1.html

Agriculture

Indian wheat crop faces no threat from high temperature, say officials

Initial reports of harvested wheat suggests that there has been no impact on the yield as was feared in the wake of an abnormal rise in temperatures in February. Besides, the weather bureau's prediction of possible rain in the North-west over the next few days may help the wheat crop and ease concerns about lower output.

<https://www.thehindubusinessline.com/economy/agri-business/indian-wheat-crop-faces-no-threat-from-high-temperature-say-officials/article66615376.ece>

India physically ships out 37.75 lakh tonnes of sugar

At least 37.75 lakh tonnes (lt) of sugar have been physically exported from India with Bangladesh buying 13.5 per cent of the total shipments, data from the All India Sugar Traders Association (AISTA) show. AISTA President Praful Vithalani said in a statement that mills, as of March 9, despatched 43.90 lt for exports of which 37.75 lt have been shipped out. Another 1.27 lt are being loaded onto ships or in the process of loading, while 4.87 lt have been delivered to refineries that enjoy a deemed export status.

<https://www.thehindubusinessline.com/economy/agri-business/india-physically-ships-out-3775-lakh-tonnes-of-sugar/article66615532.ece>

Infrastructure

Road Ministry may fall short of FY23 NH construction target: Parliamentary panel

The parliamentary standing committee on roads has expressed concern over the Ministry of Roads Highways and Transport (MoRTH) achieving only 57 per cent, till January 2023, of the total target of constructing 12,000 km of national highways (NH) this fiscal. The panel said while the Ministry has made only so much progress in both award and construction till January, it has spent 87 per cent of its RE FY23 allocation. "It seems likely that given the time as well as budgetary constraints, the Ministry would fall short of its award and completion targets. The committee suggests that the Ministry may look into possible cost overruns in projects," it added.

<https://www.thehindubusinessline.com/economy/road-ministry-may-fall-short-of-fy23-nh-construction-target-parliamentary-panel/article66614973.ece>

Energy

OMCs procure 6 crore litres of biodiesel till February in FY23

The oil marketing companies (OMCs) have procured 6 crore litres of biodiesel in the first 11 months of the current financial year ending March 2023, Parliament was informed on Monday. Besides, the OMCs also procured and

blended 433.60 crore litres of ethanol in petrol during the Ethanol Supply Year (ESY) 2021–22 (December 2021 to November 2022), Oil Minister HS Puri said in response to a query in the Rajya Sabha.

<https://www.thehindubusinessline.com/economy/omcs-procure-6-crore-litres-if-biodiesel-till-february-in-fy23/article66615088.ece>

Telecom

Slow RoW permissions from discoms dragging 5G rollout: telecom infra firms

The slow pace of permissions and lack of bulk right-of-way (RoW) clearances by state-owned power distribution companies (discoms) is slowing the deployment of 5G infrastructure, the Digital Infrastructure Providers Association (DIPA) has said.

https://www.business-standard.com/article/economy-policy/slow-row-permissions-slowing-5g-rollout-telecom-infra-providers-123031300905_1.html

Telcos flag use of unlicensed spectrum for advance metering

Telecom operators have raised red flags over use of unlicensed spectrum for deploying applications like advance metering infrastructure (AMI) using wireless networks. The telcos believe deploying large scale AMI with unlicensed spectrum can seriously compromise the security of the critical infrastructure apart from leading to a huge revenue loss to the government. In a letter to telecom secretary K Rajaraman dated March 10, carriers have demanded that critical applications like AMI and infrastructure should be created only by the telecom companies under their license and over the licensed spectrum. The telcos stand comes in the backdrop of the power ministry allowing use of RF mesh technologies or wireless technologies for implementation of AMI in India.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-oppose-using-unlicensed-spectrum-for-deploying-advance-metering-infrastructure-using-wireless-networks/articleshow/98608453.cms>

States

Gujarat govt earned Rs 38,760 cr from taxes on petrol, diesel in two years

The Gujarat government earned Rs 38,730 crore from value-added tax (VAT) and cess on petrol, diesel, CNG and PNG in the last two years, the state legislative Assembly was informed on Monday. The state government received Rs 4,219 crore from the Centre against Rs 21,672.90 crore as the Goods and Services Tax (GST) compensation for the period from January 1, 2021 to December 31, 2022, it was stated. Responding to a starred question in the Assembly, state Energy Minister Kanu Desai said the state government earned Rs 11,870 crore from VAT and cess on petrol, Rs 26,383 crore on diesel, Rs 128 crore on PNG and Rs 376 crore on CNG in two years.

https://www.business-standard.com/article/economy-policy/gujarat-govt-earned-rs-38-760-cr-from-taxes-on-petrol-diesel-in-two-years-123031300790_1.html

Healthcare

Swine flu cases on the rise: Health ministry

While the influenza A subtype H3N2 virus is the dominant virus in India, cases of swine flu (H1N1) are also gradually increasing in several parts of the country, showed the Union health ministry data. A total of 955 H1N1 cases were reported in the country till February, as per the data, with the highest number of cases in Tamil Nadu (545), followed by Maharashtra (170), Gujarat (74), Kerala (42) and Punjab (28). The health ministry has said that H1N1 cases are expected to decline from March-end and that it is tracking and monitoring the cases.

<https://economictimes.indiatimes.com/news/india/swine-flu-cases-on-the-rise-health-ministry/articleshow/98614935.cms>

Centre mulls regulations, stringent action against e-pharmacies amid concerns over data privacy, malpractices

The Union Health Ministry is mulling regulations and stringent action against e-pharmacies, including banning them completely, following concerns over data privacy, malpractices in the sector, and irrational sale of drugs, official sources said on Monday. The revised draft of the New Drugs, Medical Devices and Cosmetics Bill, 2023, which has

been sent for inter-ministerial consultation, states, "The central government may regulate, restrict or prohibit the sale or distribution of any drug by online mode, by notification." The New Drugs, Medical Devices and Cosmetics Bill, 2023, seeks to replace the existing Drugs and Cosmetics Act of 1940. The draft bill which was put on the public domain in July last year seeking feedback from stakeholders contained a provision for taking permission to operate an e-pharmacy.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/centre-mulls-regulations-stringent-action-against-e-pharmacies-amid-concerns-over-data-privacy-malpractices/articleshow/98614059.cms>

External

Duty-free sunflower oil imports from Black Sea set to drop this year

India is likely to import 1.5 million tonnes of duty-free sunflower oil during the current fiscal year to March 31, trade and government sources said, half a million tonnes less than the quota allocated by the government. India, the world's biggest vegetable oil importer, buys sunflower oil from the Black Sea region, which accounts for 60% of the world's sunflower oil output and 76% of exports. India has already imported 1.3 million tonnes of duty-free sunflower oil so far in the 2022-23 fiscal year, and another 200,000 tonnes are expected by March 31, the sources said. The lower imports reflect traders' growing concerns over sealing deals to import large volumes of the cooking oil from Russia and Ukraine.

https://www.business-standard.com/article/economy-policy/duty-free-sunflower-oil-imports-from-black-sea-set-to-drop-this-year-123031400001_1.html

India, US, and Japan talk greater cooperation on 5G, telecom stacks

Telecom Minister Ashwani Vaishnav's meeting with Japan's Digital Minister Kono Taro and US Commerce Secretary Gina Raimondo over the weekend focused on firming up greater cooperation on 5G, telecom stacks, and enabling tech, officials said. The discussions were part of New Delhi's move to create strategic partnerships with traditional allies focusing on emerging technologies, key among which is the country's current rollout of 5G, they told Business Standard. Taro has reached New Delhi to prepare the ground for Prime Minister Fumio Kishida's visit to New Delhi next week and take in policy inputs for the G7 Digital and Technology Ministers' Meeting in April hosted by Japan. Strengthening industry cooperation between companies in the private sectors was also on the agenda, a diplomatic source said. Japan is also interested in being a part of India's move to deploy its indigenous telecom stacks.

https://www.business-standard.com/article/economy-policy/greater-cooperation-on-5g-tech-telecom-stacks-with-japan-us-soon-123031301019_1.html

India exported military hardware worth Rs 13,399 crore in current fiscal

India exported military hardware worth Rs 13,399 crore till March 6 in the current fiscal, a significant increase from just Rs 4,682 crore in 2017-18, according to official data. The details of the year-wise export of military hardware were provided in the Rajya Sabha by Minister of State for Defence Ajay Bhatt while replying to a question. Bhatt said the total defence exports in 2021-22 stood at Rs 12,815 crore while it was Rs 8,435 crore in 2020-21, Rs 9,116 crore in 2019-20 and Rs 10,746 crore in 2018-19. The amount in 2017-18 was Rs 4,682 crore. The minister said the total value of defence exports till March 6 in the current fiscal was Rs 13,399 crore. "The government has given focus on the indigenisation of various defence items to achieve 'Aatmanirbharta' (self-reliance). The indigenised items made from local resources become globally cost competitive and it also facilitates integration of MSMEs in the global supply chain," Bhatt said.

https://www.business-standard.com/article/economy-policy/india-exported-military-hardware-worth-rs-13-399-crore-in-current-fiscal-123031300956_1.html