



May 03, 2023 – Wednesday

Economy

IMF raises Asia's growth forecast to 4.6%; India, China to be key drivers

The International Monetary Fund (IMF) on Tuesday raised Asia's economic forecast on the back of the reopening of China. However, it warned of risks from high inflation and global market volatility driven by banking-sector crises in the US and Europe. Asia's economy is expected to expand by 4.6 per cent this year after a 3.8 per cent increase in 2022. The forecast for 2023 is an upgrade of 0.3 per cent from its October forecast of 4.3 per cent. "The main development has been the reopening of China, where surging consumption is boosting growth across the region despite weaker demand from the rest of the world," the agency said.

https://www.business-standard.com/world-news/imf-raises-asia-s-growth-forecast-to-4-6-india-china-to-be-key-drivers-123050200358_1.html

India's unemployment rate surges to four-month high in April

India's unemployment rate climbed to a four-month high, the latest data showed, as there were more people joining the workforce compared to available jobs in Asia's third largest economy. The nationwide joblessness rate rose to 8.11% in April from 7.8% in March, the highest since December. Urban unemployment climbed to 9.81% from 8.51% in the same period while in the rural areas, it fell marginally to 7.34% in April from 7.47% a month ago, according to data from research firm Centre for Monitoring India Economy. "The unemployment rate increased owing to a rise in the labor participation rate," Mahesh Vyas, head of CMIE, wrote in a column for the Business Standard newspaper.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-unemployment-rate-climbs-to-four-month-high-in-april/articleshow/99930168.cms>

April GST collection of Rs 1.87 trn is robust, reasonable, says Icra

Experts are voicing mixed views - robust, reasonable - on the Rs 1.87 trillion of goods and services tax (GST) collections made in April 2023 up from about Rs 1.60 trillion for March 2023. "The GST collections displayed a robust year-end uptick with a 12% expansion in April 2023, representing the transactions in March 2023," said Aditi Nayar, Chief Economist, Head - Research & Outreach, ICRA Ltd. "While collections have maintained a healthy 11-13 per cent growth in the recent months, a normalising base and some cooling of inflation may moderate the pace of expansion slightly in the coming quarter, although it would remain in the high single digits," Nayar added.

https://www.business-standard.com/india-news/april-gst-collection-of-rs-1-87-trn-is-robust-reasonable-says-icra-123050200392_1.html

Banking and Finance

39% Indian families claim to be victim of online financial fraud: LocalCircles survey

Around 39 per cent of families in a survey claimed to have experienced financial fraud in the last three years and only 24 per cent of them got their funds back, LocalCircles said in a report on Tuesday. The largest group of 23 per cent respondents in the survey indicated to have experienced credit or debit card fraud while 13 per cent indicated fraud by buying, selling and classified site users. As per the survey, 13 per cent were defrauded by websites taking money for products that were not delivered, 10 per cent indicated ATM card fraud, another 10 per cent indicated

bank account fraud and 16 per cent mentioned other frauds. "The data shows 30 per cent of those surveyed had one member in the family who had been a victim of financial fraud while 9 per cent indicated that multiple members in their family have been subject to financial fraud in the last three years. Of the remaining 57 per cent were thankful they or their family members had escaped such an experience and 4 per cent gave no clear response," online survey firm LocalCircles said in the report.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/39-indian-families-claim-to-be-victim-of-online-financial-fraud-localcircles-survey/articleshow/99929336.cms>

Large companies may get margin breather on derivatives deals with banks for hedges

Large corporates may be spared from forking out margins for derivative deals with banks as long as such transactions are done to 'hedge', or cover risks arising from fluctuations in interest and foreign exchange rates. At a meeting with banks last week, the Reserve Bank of India (RBI) said the regulator was examining a proposal to confine the margin mechanism to only derivatives entered for trading positions, a senior banker told ET.

<https://economictimes.indiatimes.com/markets/stocks/news/large-companies-may-get-margin-breather-on-derivatives-deals-with-banks-for-hedges/articleshow/99946430.cms>

Angel tax draft rules likely in 10 days; may clear the air on valuation

The government will soon release draft rules to address the valuation-related concerns of start-ups pertaining to the angel tax provisions introduced in the last Union Budget. The finance ministry is likely to release the draft rules over the next 7-10 days, a senior government official said. The Union Budget 2023-24 extended the angel tax provisions to transactions involving foreign investors, in line with the government's anti-tax avoidance move. The aim was also to bring parity in taxation for foreign and domestic investors. Earlier, these provisions were applicable only to local resident investors. According to the new provisions, angel tax will be applied on the premium to the fair market value (FMV) of a company's shares during a funding round to raise capital. The excess premium received on sales of shares by an Indian unlisted company to a foreign investor will be construed as "income from other sources" and taxed.

https://www.business-standard.com/india-news/angel-tax-draft-rules-likely-in-10-days-may-clear-the-air-on-valuation-123050200950_1.html

Interest on bank deposits rising faster than on loans: CARE Ratings

With demand for credit growing, banks are increasing their lending rates and also the deposit rates to mobilise funds to meet the borrowers' demands. According to CARE Ratings report, the deposit rates are rising faster than lending rates and going forward it may impact the banks net interest margin (NIM). Further, the rates on fresh business have risen faster when compared to rates on outstanding business. The weighted average lending rate (WALR) on fresh rupee loans of scheduled commercial banks (SCB) increased by 8 basis points (bps) to 9.32 per cent in March 2023 from 9.24 per cent in February 2023.

https://www.business-standard.com/india-news/interest-on-bank-deposits-rising-faster-than-on-loans-care-ratings-123050200934_1.html

EPFO extends deadline for higher pension option application till June 26

Retirement fund body EPFO has extended the date for filing applications to opt for a higher pension till June 26, 2023. In order to provide a larger window of opportunity and in order to enable all eligible persons to file their applications, the timeline for filing applications would now be till 26th June, 2023, according to a statement. "The EPFO (Employees' Provident Fund Organisation) has made arrangements for obtaining applications for validation of option/joint option from pensioners/members as per the Supreme Court order on November 4, 2022," labour ministry said in a statement.

<https://www.thehindubusinessline.com/economy/policy/epfo-extends-deadline-for-opting-for-higher-pension-till-june-26/article66805175.ece>

Industry

Vivad se Vishwas I – Relief for MSMEs scheme launched to refund 95% forfeited amount during Covid

The Department of Expenditure (DoE), under the Ministry of Finance, on Tuesday announced the launch of the Vivad se Vishwas I – Relief for MSMEs scheme. According to the scheme details, 95 per cent of the performance security, 95 per cent of the bid security, 95 per cent of the liquidated damages (LD), and 95 per cent of the risk purchase amount forfeited or deducted from MSMEs during the Covid period will be refunded.

<https://www.financialexpress.com/industry/sme/msme-eodb-vivad-se-vishwas-i-relief-for-msmes-scheme-launched-to-refund-95-amount-deducted-during-covid-see-details/3071871/>

Edible oils may get cheaper by nearly 6%

Edible oil companies have decided to reduce prices of cooking oils by up to 6% following the government's advice that the maximum retail price (MRP) should be lowered in line with the fall in the commodity's international rates. Adani Wilmar, which sells cooking oils under the brand name Fortune, and Gemini Edible and Fats India, which owns the Gemini brand, have decided to cut prices by ₹5/litre and ₹10/litre, respectively. The benefit of the price cut will reach consumers in about three weeks, they said. The Solvent Extractors' Association (SEA) on Tuesday issued a statement saying, "The Department of Food and Consumer Affairs has advised SEA to inform its members to reduce the MRP on edible oils and pass on the benefits to the consumers."

<https://economictimes.indiatimes.com/industry/cons-products/food/edible-oils-may-get-cheaper-by-nearly-6/articleshow/99943691.cms>

Safety certification delay hits EV sales

Sales of electric two- and three-wheelers fell sequentially last month, which manufacturers blamed primarily on lower production due to a delay in getting their products certified for new safety regulations. Retail sales of high-speed electric two-wheelers dropped to under 66,500 units in April, a 23% fall from the prior month, according to vehicle registration data sourced from the government's Vahan portal. Electric three-wheeler sales fell 16% from March to a shade below 38,000 units last month. But from a year earlier, retail sales of both categories increased, by 27% for electric two-wheelers and 76% for three-wheelers. Ola Electric was the only major electric two-wheeler company that posted a sequential increase in sales.

<https://economictimes.indiatimes.com/industry/auto/two-wheelers-three-wheelers/safety-certification-delay-hits-ev-sales/articleshow/99943623.cms>

Agriculture

India's shrimp sector to see 5% growth in 2024: CRISIL

India's shrimp sector will see revenue grow 5% on-year in fiscal 2024, driven by increasing demand from China, which will shore up exports to a near lifetime high of ~\$5.3 billion seen in fiscal 2022, according to CRISIL Ratings. This growth will largely be volume-driven, allowing the operating margin to bounce back to ~7.5%, as costs soften. Better demand will prompt shrimp processors to expand their capacities. Debt to be contracted for part-funding such as capex and incremental working capital requirements will be comfortably absorbed by the strong balance sheets of the players. An analysis of 98 shrimp exporters rated by CRISIL Ratings, accounting for two-thirds of the industry revenue, indicates as much. For the record, India, Ecuador, and Vietnam are the top three suppliers of shrimp, while the US, the EU, and China are the top three consumers. India supplies 70% of its produce to these three regions. In fiscal 2023, Indian shrimp players got battered on three fronts — first, extreme heat waves reduced produce; second, shortage of containers and higher logistics costs dented exports to the US and EU; and third, exports to China remained muted amid continued lockdowns there.

<https://economictimes.indiatimes.com/news/economy/agriculture/indias-shrimp-sector-to-see-5-growth-in-2024-crisil/articleshow/99928266.cms>

Cotton arrivals rising in India, prices likely to drop: ICAC

The International Cotton Advisory Committee (ICAC) on Tuesday lowered its global price outlook for cotton compared with its projections in December 2022. In its May outlook, ICAC has projected the season's average price forecast range between 96.1 cents and 111.3 cents, with a midpoint of 102.77 cents per pound. This is lower from the midpoint of 115 cents projected in December 2022.

<https://www.thehindubusinessline.com/economy/agri-business/cotton-arrivals-rising-in-india-prices-likely-to-drop-icac/article66804423.ece>

India's rice procurement set to top 50 million tonnes

The Indian government's rice procurement reached 49.98 million tonnes (mt) as of April 30 during the ongoing marketing season from October 1. But it is a tad below 50.03 mt reported in the year-ago period. This may help the Government to provide additional allocation in rations shops, if needed even if wheat procurement falls below its target. Rice procurement from the kharif season during October-April was 49.41 mt against 49.73 mt reported a year ago. The rabi crop, harvested from April, has begun arriving in some States and the Government has purchased 0.57 mt since April 1 against 0.3 mt a year ago. The maximum 0.23 mt purchase of the rabi crop is from Tamil Nadu, followed by 0.18 mt in Andhra Pradesh.

<https://www.thehindubusinessline.com/economy/agri-business/indias-rice-procurement-set-to-top-50-million-tonnes/article66804130.ece>

Infrastructure

FASTag toll collection hits record ₹193.15 crore in a day with 1.16 crore transactions

Toll collection on national highways (NHs) through the FASTag system hit a record ₹193.15 crore in a day recording 1.16 crore transactions, a development that reflects on the growing traffic on highways and rising income for operators. On April 29, the daily toll collection through FASTag achieved a historic milestone, reaching an all-time high collection of ₹193.15 crore with 1.16 crore transactions recorded in a single day, the National Highways Authority of India (NHAI) said.

<https://www.thehindubusinessline.com/economy/logistics/fastag-logs-record-toll-collection-of-over-193-crore-in-a-day/article66803952.ece>

Housing prices increase sharply in Q1CY23, see an average 7% YoY jump

Housing prices in India have increased during the first quarter of 2023 (Q1CY23), with the average price rise across all the major cities being close to 7 per cent year-over-year (YoY), a report by PropTiger.com said. According to the report, the average rate of new homes surged in all the markets included in the analysis. The report also highlighted that Bengaluru, which has the sharpest upward trends in property prices, saw an average rate of 10 per cent appreciation last year. Pune and Ahmedabad were close behind in the southern market in terms of price increase, witnessing 8 per cent and 7 per cent rise in their average property rates, respectively.

https://www.business-standard.com/industry/news/housing-prices-increase-sharply-in-q1cy23-see-an-average-7-yoy-jump-123050200811_1.html

Companies, startups more inclined towards coworking spaces: Anarock

The share of co-working spaces in office real estate in India jumped to 27 per cent in the quarter ending March 31, 2023, from 14 per cent in the pre-pandemic quarter ending March 31, 2019, data from real estate consultancy Anarock showed on Tuesday. In the top seven cities in India, there was a 90 per cent jump in net co-working space absorption in this period, from 1.3 million sq ft in Q4FY19 to 2.18 million sq ft in Q4FY23. Bengaluru and NCR together accounted for 66 per cent of net co-working absorption in Q4FY23. "Coworking spaces demand weakened considerably after Covid-19 disrupted the workplaces equation across the country. We're seeing a decisive reversal of this negative trend now, with coworking particularly attractive because of the disrupted IT/ITeS employment scenario," said Utkarsh Kawatra, senior director - myHQ (ANAROCK Group).

https://www.business-standard.com/industry/news/companies-startups-more-inclined-towards-coworking-spaces-anarock-123050200461_1.html

Energy

Monsoon management plan in works to ensure coal at power plants

The coal ministry is working on a 'monsoon management plan' to ensure adequate availability of the fuel at power plants during the rainy season when both coal production and evacuation are impacted. Under the plan, coal companies will focus on evacuating coal through first-mile connectivity, deliver more from shallow areas, and develop cemented roads for movement of trucks, coal secretary Amrit Lal Meena told ET. "With these, we are hopeful that the availability of coal at power plants will be sufficient and on target," he said. The planning focus has

now moved to the second quarter as there is lesser coal stock depletion at present owing to favourable weather conditions, but supply may get stretched due to rains impacting operations.

<https://economictimes.indiatimes.com/industry/energy/power/monsoon-management-plan-in-works-to-ensure-coal-at-power-plants/articleshow/99943110.cms>

Companies delaying green energy projects won't get relief in commissioning

Developers that have not taken the necessary steps to execute green energy power projects won in auctions will not get more time to commission them, the ministry of new and renewable energy said in a notification on Tuesday. This order will apply to all cases of request for extension allowed earlier by the ministry due to supply chain issues in domestic solar manufacturing. The projects with the last date of bid submission after April 9, 2021, and the commissioning date before March 31, 2024, were allowed an extension. As per the ministry's latest communication, developers will be allowed more time only if they have taken all possible measures to implement the projects. Projects that have not started land acquisition or placed orders for modules will not be given any relief.

<https://economictimes.indiatimes.com/industry/renewables/companies-delaying-green-energy-projects-wont-get-relief-in-commissioning/articleshow/99943721.cms>

Telecom

TRAI suggests steps to ease doing business in telecom sector

The telecom regulator has recommended steps for ease of doing business (EoDB) in the telecom sector which include simplifying the verification process for license fees and spectrum usage charge, granting critical and essential services status to submarine cable laying and repair, single window portal for inter-ministerial approvals, and taking many approvals and permission seeking process online, and making them time bound. In a recommendation document released Tuesday, the Telecom Regulatory Authority of India (TRAI) also made recommendations to change the name of the frequency licensing process under the Wireless Planning Commission (WPC) to frequency assignment and reduce the approvals required to start services.

<https://economictimes.indiatimes.com/industry/telecom/trai-suggests-steps-to-ease-doing-business-in-telecom-sector/articleshow/99941293.cms>

Trai wants telcos to use AI-based spam filters for pesky calls, messages

You may get some respite from the menace of spam calls soon as the Telecom Regulatory Authority of India (Trai) is planning to enforce new rules for telecom companies today. To implement this rule, Trai has directed telecom operators to use Artificial Intelligence (AI) or AI-based spam filters that prevent unwanted communications, an NDTV report said. Millions of customers around the country receive unwanted calls and messages on a daily basis. These are primarily promotional in nature. When deployed, the AI will automatically detect fake and promotional calls, and messages from unknown sources and avoid them on its own.

https://www.business-standard.com/industry/news/trai-wants-telcos-to-use-ai-based-spam-filters-for-pesky-calls-messages-123050200381_1.html

Incremental SUC must be applicable only on band shared among telcos: Trai

Incremental spectrum usage charges should be applicable only on frequency bands that are shared among telecom operators and not on the entire radiowaves held by them, telecom regulator Trai reiterated its recommendation on Tuesday. The Department of Telecom had earlier asked the Telecom Regulatory Authority of India to reconsider its recommendation that an increment of 0.5 per cent on the SUC rate should apply to the spectrum holding in a specific band in which sharing is taking place, and not on the entire spectrum holding (all bands) of the telecom operator.

"The Authority concurs with the views of the stakeholders that in case incremental SUC is made applicable on an overall weighted average, the cost of spectrum sharing could surpass the benefits achieved by the TSPs.

https://www.business-standard.com/india-news/incremental-suc-must-be-applicable-only-on-band-shared-among-telcos-trai-123050201104_1.html

States

Odisha govt inks pact with ICRISAT to develop agri marketing network

The Odisha State Agricultural Marketing Board (OSAM) under the cooperation department of Odisha government on Tuesday signed an agreement with International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), Hyderabad, to facilitate the development of agri marketing network in the state. The agri marketing network will link all the 66 regulated market committees (RMCs) of the state, 43 krushak bazars, 76 municipal markets, including 800 farmers produce organisations (FPOs) and women SHGs.

https://www.business-standard.com/india-news/odisha-govt-inks-pact-with-icrisat-to-develop-agri-marketing-network-123050200932_1.html

Telangana govt to introduce insurance scheme for toddy tappers: CM Rao

Telangana Chief Minister K Chandrasekhar Rao is set to introduce the 'Geetha Karmikula Bhima' (insurance for toddy tappers) on the lines of Rythu Bhima for farmers, which is currently being implemented in the state. A press release from the chief minister's office said that insurance money of Rs five lakh would be deposited directly in the bank account of the respective family members in case any toddy tapper dies accidentally while collecting toddy from palm trees in the fields. The CM instructed State Finance Minister T Harish Rao and Excise and Prohibition Minister V Srinivas Goud to prepare guidelines for the new insurance scheme, the release said. Telangana govt to introduce insurance scheme for toddy tappers: CM Rao

https://www.business-standard.com/india-news/telangana-govt-to-introduce-insurance-scheme-for-toddy-tappers-cm-rao-123050201109_1.html

AP CM to lay foundation stone for Rs 4,592-crore Bhogapuram International Airport

Andhra Pradesh Chief Minister Y S Jagan Mohan Reddy will lay the foundation stone for the Rs 4,592-crore Bhogapuram International Airport later today (May 3). The airport, located about 50 km from the coastal city of Visakhapatnam, will be spread over 2,203 acres. The project, which will have the capacity to handle 60 lakh passengers a year, is expected to be completed in 36 months.

<https://www.thehindubusinessline.com/economy/logistics/ap-cm-to-lay-foundation-stone-for-rs-4592-crore-bhogapuram-international-airport/article66806466.ece>

External

Top government officials, industry leaders likely to meet on May 4 to discuss EU's carbon tax

Top officials of different ministries, including those from finance, commerce and steel, as well as industry leaders are likely to meet on May 4 on European Union's move to impose carbon tax, sources said. The meeting comes amid the carbon border adjustment mechanism (CBAM) being implemented by the European Union, which would have an adverse impact on India's exports of metals such as iron, steel and aluminium products to the EU, they said. The meeting would be chaired by commerce secretary Sunil Barthwal. The EU is introducing CBAM from October 1 this year. The new mechanism will translate into a 20-35 per cent tax on select imports into the EU starting January 1, 2026. According to a report of economic think tank GTRI, from October 1, India's iron, steel and aluminium exports to European Union countries will face extra scrutiny under the mechanism.

<https://economictimes.indiatimes.com/news/economy/policy/top-government-officials-industry-leaders-likely-to-meet-on-may-4-to-discuss-eus-carbon-tax/articleshow/99939531.cms>

Support India with more concessional climate finance: FM asks ADB

Finance minister Nitmala Sitharaman on Tuesday met ADB president Masatsugu Asakawa and urged the multilateral funding agency to support India with more concessional climate finance, as the country's economic progress can have huge positive impact regionally and globally. During the bilateral meeting with the president here, Sitharaman said India continues to be the most significant country for ADB's sovereign and non-sovereign operations. She also expressed support to Asian Development Bank (ADB) for innovative financing mechanisms to enhance the lending capacity of the bank. She advised ADB to introspect and assess how the bank can effectively support developing member countries.

https://www.business-standard.com/india-news/support-india-with-more-concessional-climate-finance-fm-asks-ADB-123050200630_1.html

Services exports rose 13.1% on year to \$30.48 billion in March: RBI data

India's services exports rose 13.1% on year to \$30.48 billion in March, while imports recorded a 6% growth to \$16.27 billion, provisional data published by the Reserve Bank of India on Tuesday showed. As per the government's first preliminary estimates released in mid-April, services imports stood at \$14.05 billion in March, while services exports were at \$27.75 billion.

https://www.business-standard.com/economy/news/exports-services-rises-13-1-yoy-to-30-48-billion-in-march-rbi-data-123050200925_1.html

India, China propose 'multiple pathways' on cutting use of fossil fuels-sources

India, backed by China, is trying to build a consensus within the G20 group to let countries choose a roadmap to cut carbon emissions instead of setting a deadline to end the use of fossil fuels, three Indian government officials said. India, the current G20 president, is keen on introducing the phrase 'multiple energy pathways' in a communique to be released at a group summit in September and has been supported by countries including China and South Africa, one of the officials said. The three officials declined to be identified since they were not authorised to speak to media.

<https://economictimes.indiatimes.com/industry/renewables/exclusive-india-china-propose-multiple-pathways-on-cutting-use-of-fossil-fuels-sources/articleshow/99933608.cms>

Silver imports in 2023 expected to fall a third to 6,000 tonnes as high prices hit demand

India's silver imports may fall about a third to 6,000 tonnes in 2023 from 9,000 last year, as demand has fallen 15-20% due to rising prices of the metal, said industry executives. Footfall in Mumbai's Zaveri Bazar, the country's gold and silver hub, has fallen significantly for silver jewellery, silver artefacts and silverware since April 15, with prices crossing ₹75,000 per kg. "Imports went up in 2022 as demand rose after two years of Covid-19. But now the situation has normalised and imports will come down. But the high prices will dent the demand by 15 -20 per cent," said Chirag Sheth, principal consultant of Metals Focus, an independent precious metals research consultancy.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/silver-imports-in-2023-expected-to-fall-a-third-to-6000-tonnes-as-high-prices-hit-demand/articleshow/99943526.cms>