

## Swiss inflation rises to higher than expected 3.4% in February



Shoppers walk along the street after the Swiss government relaxed some of its COVID-19 restrictions, as the spread of the coronavirus disease continues, at the Bahnhofstrasse shopping street in Zurich, Switzerland March 1, 2021.

● ARND WIEGMANN/REUTERS

Swiss inflation increased at a higher-than-expected rate in February, data showed on Monday, increasing the probability the Swiss National Bank will raise interest rates this month. Consumer prices increased last month by 3.4% year on year, up from 3.3% in January, and well above the SNB target range for price stability, defined as annual prices increasing by 0-2%, Reuters reported.

The central bank is due to announce its latest interest rate decision on March 23, with the market seeing a 91% probability of a 50-basis-point increase from the current level of 1%.

The SNB declined to comment on Monday on the latest data.

The year-on-year increase in inflation was more than economists expected, with Credit Suisse anticipating a rate of 2.9%, UBS and J.Safra Sarasin both expected a rate of 3.0%.

Prices were 0.7% higher month-on-month due to rising rents and more expensive petrol.

Core inflation, which strips out volatile items like fuel and food, showed prices were 0.8% higher compared with January and 2.4% higher compared with February 2022.

The persistence of inflation makes the SNB very likely to raise rates later month said economists, especially following recent weakening of the Swiss franc, which has helped limit price rises from costlier imports.

"I think a 50 basis point rates increase in March is nailed on especially after this reading," said Karsten Junius, an economist at J.Safra Sarasin.

"We currently expect the SNB to raise rates 25 basis points in June, but if inflation remains high, we cannot rule out a 50bp increase."

Credit Suisse economist Maxime Botteron said the SNB would not just look at the February data when deciding its next move, but rate increases were likely. "Swiss inflation is still too high for the SNB and it indicated last December it will likely raise rates again this year, so we are confident it will raise rates by 50bp in March and another 25bp in June," said Botteron.

## French unions say pension protests will bring country to a halt

French unions said they'll bring the country to a halt today with large-scale strikes and marches against President Emmanuel Macron's plan to raise the retirement age.

"I'm calling workers, citizens and retirees of this country to come out massively and demonstrate," Laurent Berger, the head of the CFDT union, said Monday on France Inter radio. "The president of the republic cannot remain tone deaf," Bloomberg reported. Today will be the sixth large-scale protest day against Macron's legislation, which would raise the retirement age to 64 from 62. Recent polls suggest a majority of French people oppose the plan despite some measures to mitigate the impact on women with children and those who started their work life early.

On January 31, more than 1.2 million people demonstrated against the overhaul, according to French authorities. Unions say they aim to exceed that number on Tuesday.

So far, Macron's government has shown no sign of backing down, saying the reform is needed to keep public finances sound while funding other priorities such as the green transition.

Some cracks may be starting to appear in the unity the biggest unions have shown in the repeated protests. The CGT union is calling for strikes to go on indefinitely in public transportation, something CFDT union head Berger, usually described as more moderate, said he would oppose.

Here's what to expect for Tuesday: Disruptions in air traffic, with Air France saying it would operate 8 out of 10 short- and medium-haul flights. The French civil aviation authority called for airlines to cancel 20% to 30% of flights due to a strike by air controllers.

Strikes at national train operator SNCF, which may last for more than one day, will mean that only 1-in-5 high-speed trains will run on average.

Eurostar and Thalys rail services that link Paris, London, Brussels and Amsterdam will cut a third of journeys.

Trucks drivers have said they'd join the movement, hitting deliveries.

Walkouts that started this weekend and reduced the output of nuclear reactors are set to continue.

Teachers will also strike, closing some schools.

The pension legislation is being reviewed by the Senate through March 12. The government's goal is for the changes to come into effect in September.



Demonstrators march during a national strike in Paris in February.

● NATHAN LAINE/BLOOMBERG

### NEWS IN BRIEF

**South African leader grapples with ever-worsening power cuts**



AP - South Africa's ever-worsening power crisis - in which homes and businesses go without electricity for up to 10 hours per day - is strangling Africa's most developed economy.

President Cyril Ramaphosa hopes that by creating a new cabinet post, electricity minister, his government will be able to curb the rampant corruption and mismanagement that have put the country in the dark.

**Tesla cuts U.S. Model S and Model X prices between 4% and 9%**

REUTERS - Tesla has cut prices on its two most expensive electric vehicles in the United States, according to the company's website, days after Chief Executive Elon Musk said recent price cuts on other models had stoked demand.

The price cuts, Tesla's fifth adjustment since the start of the year, ranged from 4% on the performance version of the Model S to 9% on the more expensive Model X.

## Norway earns record oil, gas revenue after Ukraine war



● ALEXIANE LEROUGE/AFP

The Norwegian state raked in record oil and gas revenues last year after the war in Ukraine sent energy prices soaring, official figures showed Monday.

Norway earned 1.5 trillion kroner (\$140 billion) in revenues from oil and gas, according to estimates by Statistics Norway (SSB), AFP reported.

It was "by far the highest ever recorded in the statistics" and almost three times the 498 billion

kroner earned in 2021, according to SSB.

Norway became Europe's largest supplier of natural gas in 2022 as Russia cut deliveries and the Scandinavian country increased its own exports.

Oslo's income was buoyed by record high European gas prices over the summer which have since subsided.

The exceptional revenues have sometimes earned Norway the label of "war profiteer", a label

that Oslo rejects.

Norway has pledged 75 billion kroner in civil and military aid to Ukraine over the next five years (2023-2027), or 15 billion kroner per year.

The Norwegian state earns revenues from the country's oil and gas reserves through taxes imposed on oil companies, its direct holdings in oil and gas fields and infrastructure and dividends paid by the energy giant Equinor, in which it holds a 67 percent stake.

## Xi vows to boost China's manufacturing

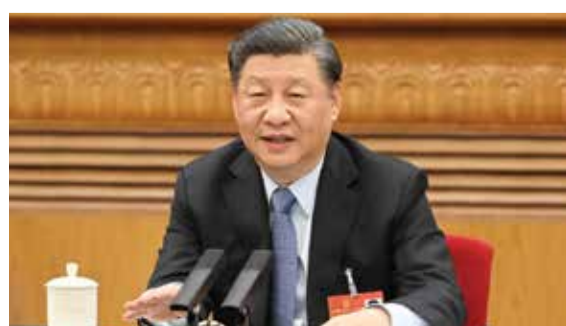
As China's technology ambitions have been hit with a raft of restrictions by the United States and its Western allies, Beijing has doubled down on the need to build a self-reliant industry and shift away from imports for sectors perceived as vital to national security, such as semiconductors and artificial intelligence. Washington has in recent months tightened sanc-

tions on Chinese chipmakers, citing national security concerns and the ability for the technology to be used by China's military. The 2023 GDP growth goal of "about five percent" fell slightly short of market expectations and comes as Chinese authorities are grappling with how to stem the recent reorientation of global manufacturing chains to countries such as India and Vietnam.

Xi, who will start his third presidential term after securing a precedent-breaking third stint as party chairman last October, spoke during the Sunday meeting about the need to ensure high-quality manufacturing that is "innovative, coordinated, green, open and shared". China's news agency Xinhua published other comments from Xi saying that development in these key

areas will propel China forward in its bid to become

a "great modern socialist country in all respects".



● XINHUA

**Microsoft expands ChatGPT integration to more developer tools**



REUTERS - Microsoft Corp on Monday bundled the technology behind ChatGPT with its Power Platform that allows users to develop applications with little or no coding, the latest integration of artificial intelligence into its products.

Big tech companies from Alphabet Inc to Baidu Inc are speeding up the integration of generative AI - technology that has gained popularity for its ability to generate human-like text responses to queries - into their offerings.