



INDIA REPORT

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Close:	Level	Index Pts Chg-Day	% Chg YTD
31 May 2023			
SENSEX 30	62,622	-346	+2.9%
NIFTY 50	18,160	-148	+2.4%

Other Markets: Level & % YTD

ASIA: CHINA Shanghai: 3,204 (+4%)
JAPAN Nikkei 225: 30,888 (+18%)
EUROPE: UK FTSE: 7,510 (+1%)
GERMANY DAX: 15,848 (+14%)
USA: Dow Jones: 33,042 (-1%)
NASDAQ Composite: 13,017 (+24%)
GOLD: \$1,962.17 (+8%)
SILVER: \$23.37 (-3%)
BRENT OIL: 71.61 (-17%)

Indian Currency: Level & YTD

INR ₹ / USD	\$1=	Rs82.70 (n/c)
INR ₹ / GBP	£1=	Rs102.25 (+2.1%)
INR ₹ / EUR	€1=	Rs88.36 (+0.2%)

⇒ **India's GDP for the latest quarter January-March 2023 accelerated to 6.1%, faster than expected, boosted by government capital expenditure although private consumption remained sluggish.** The full-year economic growth estimate for the full fiscal to 31 March 2023 was revised to 7.2%, higher than previously forecast at 7%, and beating our estimate of 6.8%. India remains the fastest growing major economy, especially with China's recovery stumbling. Private consumption, which accounts for nearly 60% of the economy, grew 2.8% on-year compared to 2.1% in the previous quarter, while capital formation, a gauge of investment, rose 8.9% on-year from a downward revised 8% in the previous quarter. **Very positive news.**

⇒ **India needs to grow at least 8% a year, and build a strong manufacturing base to create jobs for millions of workers.** Currently, 45% of India's workforce is employed in the farm sector, which contributes just 15% to the economy. A major concern is that jobs are not being created fast enough among the youth in the most populous nation in the world. **The unemployment rate rose to 8.11% in April, although more people joined the workforce, according to Mumbai-based independent think tank Centre for Monitoring Indian Economy (CMIE).**

⇒ **The fiscal deficit for the last fiscal year to 31 March 2023 narrowed to 6.4% from a year earlier.** It also met the budget gap target, aided by buoyant tax receipts and some fiscal headroom from lower payments. **Aiming to reach a fiscal deficit level below 4.5% of GDP by 2025-26, India has set a target to further narrow the deficit for 2023-24 to 5.9%.**

⇒ **Prime Minister Narendra Modi inaugurated India's new parliament building on Sunday, 28 May.** The triangular-shaped new parliament complex is just across from the old, circular heritage building built by British architects Edwin Lutyens and Herbert Baker in 1927, twenty years before India's independence. It is the centrepiece of a \$2.4 billion project aimed at ending the significance of colonial-era buildings in the capital's centre, paving the way for modern buildings with a distinct Indian identity. **Modi**

on Twitter said the new parliament is "truly a beacon of our democracy".

⇒ **Besides modern technology, the new parliament has a total of 1,272 seats in two chambers, nearly 500 more than the old building, and at least three times as much space to accommodate new lawmakers in the world's most populous nation.** "This new complex will be evidence of self-reliant India," Modi said in an address. The inauguration, and the ongoing restoration of the heart of New Delhi based on Indian culture, traditions, and symbols, comes a year before general elections in which Modi's Bharatiya Janata Party (BJP) will put forward its muscular Hindu nationalist policies and achievements, and its performance in office over the last decade, to seek a third term. **The old parliament will be converted into a museum.**

⇒ **The Reserve Bank of India announced on 20 May that it will withdraw its highest denomination currency note from circulation.** The 2000-rupee note, introduced into circulation in 2016, will remain legal tender until 30 September 2023, and citizens have been asked to deposit or exchange these notes at banks. The decision brings back memories of a shock move in November 2016 when the Narendra Modi-led government withdrew 86% of the economy's currency in circulation overnight, without any prior notice. The value of 2000-rupee notes in circulation is 3.62 trillion Indian rupees (\$44.27 billion). **This is about 10.8% of the currency in circulation.**

⇒ **The central bank has frequently said that it wants to reduce high value notes in circulation and had stopped printing 2000-rupee notes over the past four years.** "This denomination is not commonly used for transactions," the Reserve Bank of India said in its communication while explaining the decision to withdraw these notes. While the government and the central bank did not specify the reason for the timing of the move, it comes ahead of state and general elections in the country when cash usage typically shoots higher. The note is being withdrawn ahead of elections in several Indian states, including Rajasthan, Madhya Pradesh, Chhattisgarh, and Telangana, and a general election due by May 2024. **Cash usage typically rises in the run-up to elections as candidates use cash to get around spending limits imposed by India's Election Commission.**



GLOBAL GREEN FINANCE INDEX (GGFI) 11: PUBLISHED APRIL 2023

courtesy: Z/YEN, LONDON

Source:

(https://www.longfinance.net/media/documents/GGFI_11_Report_2022.04.20_v1.1.pub.pdf)

- GGFI 11 provides evaluations of the green finance offerings of 86 major financial centres around the world. The GGFI serves as a valuable reference into the development of green finance for policy and investment decision-makers.
- The instrumental factors used in the GGFI model are grouped into four broad areas: Sustainability, Infrastructure, Human Capital and Business.
- Z/Yen is the City of London's leading commercial think-tank. Z/Yen was founded in 1994 to promote societal advance through better finance and technology. The authors of the report are Mike Wardle, Simon Mills and Alderman Professor Michael Mainelli.
- In the supplement to this edition of the GGFI, there is a focus on n transition finance, and the efforts to move away from fossil fuels to renewable energy sources. The exposure of companies, economies and financial centres to transition risk needs both further research and policy change.

TOP 20 (OUT OF 86) GLOBAL GREEN FINANCE CENTRES:

Rank	City	Rank	City	Rank	City	Rank	City
1	London	6	Amsterdam	11	Singapore	16	Oslo
2	New York	7	Los Angeles	12	Zurich	17	Paris
3	Stockholm	8	Copenhagen	13	Sydney	18	Wellington
4	Geneva	9	Washington DC	14	Edinburgh	19	Chicago
5	Luxembourg	10	San Francisco	15	Seoul	20	Shanghai

1. London retained its first position in the index, with New York moving up one place to take second place.
2. Western European centres take six of the top 10 places, with US centres taking four.
3. Singapore has overtaken Sydney and Seoul to lead the region and took 11th place overall. Five Asia/Pacific centres now feature in the top 20 across the world.
4. India is not in the table above of the top 20 and this reflects the challenging journey ahead in a competitive league. However, GIFT City-Gujarat is number 41, New Delhi is 59 and Mumbai is 69.

TOP 5 GLOBAL GREEN FINANCE CENTRES BY REGION:

	Latin America and Caribbean	North America	Western Europe	Eastern Europe and Central Asia	Middle East and Africa	Asia/Pacific
1	Rio de Janeiro	New York	London	Astana	Dubai	Singapore
2	Santiago	Los Angeles	Stockholm	Istanbul	Abu Dhabi	Sydney
3	Mexico City	Washington DC	Geneva	Moscow	Casablanca	Seoul
4	Sao Paulo	San Francisco	Luxembourg	Warsaw	Tel Aviv	Wellington
5	British Virgin Islands	Chicago	Amsterdam	Prague	Riyadh	Shanghai

1. The above table shows the top 5 financial centres by region.
2. In N. America New York retains first position with Los Angeles overtaking San Francisco (Silicon Valley).
3. In Europe, London retains its prime position with Stockholm moving into second place, overtaking Amsterdam.
4. In Asia/Pacific Singapore has overtaken Seoul and Sydney to become number one in Asia. India's Gift City-Gujarat makes further progress as it climbs to number 13 from 15 in the region. Competition in the region is intense.
5. Dubai and Abu Dhabi retain number one and two position in the Middle East and Africa.



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