



INDIA REPORT

Celebrating 30 years

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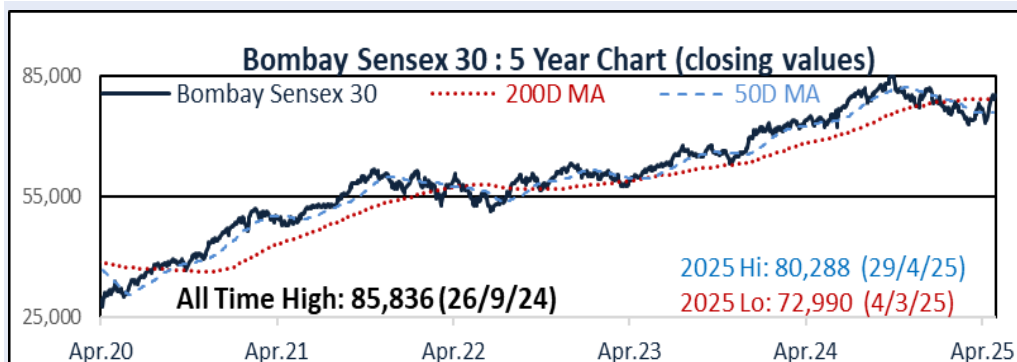


LALCAP

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Other Markets: Level & % YTD

ASIA: CHINA Shanghai: 3,287 (-2%)

JAPAN Nikkei 225: 35,840 (-10%)

EUROPE: UK FTSE: 8,464 (+4%)

GERMANY DAX: 22,426 (+13%)

USA: Dow Jones: 40,527 (-5%)

NASDAQ Composite: 17,461 (-10%)

GOLD: \$3,315.74 (+26%)

SILVER: \$32.97 (+14%)

BRENT OIL: 63.93 (-15%)

Indian Currency: Level & YTD

INR ₹ / USD \$1= Rs85.12 (+0.5%)

INR ₹ / GBP £1= Rs114.12 (-6.1%)

INR ₹ / EUR €1= Rs96.94 (-8.7%)

⇒ **U.S. President Trump's tariff blitz jolted global trade partners.** Yet this may prove to be the catalyst needed to inject urgency to fast-track the UK-India trade pact. Talks started in January 2022, with then-Prime Minister Boris Johnson theatrically promising a deal by Diwali the same year —symbolic of post-Brexit Britain's newfound autonomy. The time target was unrealistic for an FTA and the process has been frustratingly slow and mired in difficult trade negotiations and inertia. UK Prime Minister Sir Keir Starmer is now the fourth British Prime Minister leading the negotiations. Trade Secretary Jonathan Reynolds visited India in February, declaring the pact a "top priority." Both sides see strategic and economic gains, yet hurdles have remained. **As geopolitical winds shift, securing this deal has become not just a trade objective, but a litmus test for Britain's global economic ambitions post-EU.**

⇒ **In a pivotal push to seal the long-anticipated trade pact, Indian Commerce Minister Piyush Goyal and UK Trade Secretary Jonathan Reynolds commenced two days of talks on Monday, aiming to conclude negotiations that have lasted over three years.** With momentum building, the latest round has been extended, signalling hopes of a breakthrough. Key hurdles include tariffs on whiskey, agriculture, and cars, along with pharmaceutical regulations and investment rules. A separate agreement is being considered to address Indian workers' exemptions from UK social security contributions. Both sides said that immigration, a politically sensitive topic in Britain, would not form part of trade talks, although limited mobility for professionals remains on the table. **The deal, if clinched, could reshape economic ties between the two countries, with a success for post-Brexit trade diplomacy.**

⇒ **U.S. Treasury Secretary Scott Bessent revealed on Monday that several key trading partners had presented "very good" proposals to avert the looming threat of U.S. tariffs, with India likely to be among the first to secure a deal.** Speaking to CNBC, Bessent suggested that a trade agreement with India could be signed early, and that there were "substantial" negotiations with Japan and positive discussions with other Asian nations. He said Vice President Vance's recent visit to India, coupled with strong talks with South Korea and Japan, signals significant progress. However, despite these developments, no official agreements have been

announced, highlighting the challenges of finalising deals with about 75 countries within an ambitious but unrealistic 90-day timeline. Bessent emphasised that President Donald Trump will be closely involved in the bespoke agreements with 15 to 18 key partners. **While reaching in-principle deals quickly is critical, the complexities and realities of trade talks remain evident, underscoring the difficulty of balancing national interests with hasty trade negotiations.**

⇒ **Apple sells over 60 million iPhones annually in the U.S., with 80% of them made in China, its primary manufacturing hub.** In response to rising tariffs, the tech giant aims to make the majority of U.S.-bound iPhones in India by 2026. To achieve this, Apple is in urgent talks with key contract manufacturers Foxconn and Tata. **With three existing factories and two under construction, India is emerging as a crucial part of Apple's strategy to diversify production and mitigate geopolitical risks, ensuring smoother supply chain operations.**

⇒ **Prime Minister Modi has positioned India as a potential smartphone manufacturing hub, but high import duties on mobile phone parts continue to raise production costs.** For iPhones, manufacturing in India is estimated to be 5-8% more expensive than in China, with some cases seeing a 10% increase. Earlier this month, the U.S. paused a 26% duty on imports from India, though a 10% baseline duty remains for most countries—excluding China, which faces a steep 145% tariff. **This move offers opportunities for India but underscores the challenges of competing on cost.**

⇒ **Foreign ministers from the BRICS nations—Brazil, Russia, India, China, and South Africa—met in Rio de Janeiro yesterday to strategise a unified response to the escalating tariffs imposed by President Trump.** The bloc, which expanded last year to include Egypt, Saudi Arabia, the UAE, Ethiopia, Indonesia, and Iran, is grappling with the repercussions of U.S. trade actions. China, facing a 145% tariff on its exports to the U.S., advocated for a stronger stance in the final communiqué, though the outcome is expected to be critical without escalating tensions. The BRICS group has faced heightened scrutiny from Trump, who threatened a 100% tariff on members if they pursue a common currency to replace the dollar in trade. **In response, Brazil, during its BRICS presidency, has already backed away from pushing for such a currency.**



Indian States (L-Z) : Key highlights, including comparable economy in the world to that state

Source and credit: India Brand Equity Forum (<https://www.ibef.org/states.aspx>), IMF, Wikipedia

- Below are listed alphabetically states L-Z. There are 28 states and 8 Union Territories in India. Union Territories are administered by the President through an Administrator appointed by him/her. From the largest to the smallest, each State/ UT of India has a unique demography, history and culture, dress, festivals, language etc.
 - Key highlights are shown, including comparing the state's economy (GDP) to its nearest equivalent with a nation in the world. Gross Domestic Product (GDP) is the market value of all final goods and services from a state or nation in a given year.
 - India's \$4.2 trillion economy (IMF estimate for 2025) is ranked the 4th largest in overall economic size in the world according to IMF data in April 2025. It overtook the United Kingdom's \$3.2 trillion economy in 2022. India is expected to just surpass Japan's economy in 2025 to move up to 4th position. It is expected to overtake Germany's economy, 3rd in 2025, by 2027.
 - However, on a GDP Per Capita basis (dividing the GDP of a country by its population), because of its 1.4 billion people, India is still a low middle-income country with Per Capita income of only \$ 2,878 per head (IMF 2025 estimate) which is the lowest among all G20 nations.
 - The combined GDP of the economically largest 6 Indian states (out of 28 states) accounts for 50% of India's economy. Maharashtra: \$513 billion, Tamil Nadu: \$372 billion, Gujarat: \$333 billion, Karnataka: \$337 billion, U.P.: \$300 billion, and West Bengal: \$275 billion.
 - The above 6 states have GDP (\$2.1 trillion) about the same as Russia (ranked 11).
- Source: Wikipedia for GSDP (Gross State Domestic Product) figures. Comparable economy and the rest from IBEF, IMF.

L-Z states:

	State (and its capital)	Latest GSDP (US\$) billion	Comparable Economy	State languages	Literacy rate %	Key industries
1.	Madhya Pradesh (Bhopal)	166	Morocco	Hindi, English and Marathi	70.6%	Auto and auto components, textiles, cement, agro-based industries, forest-based industries, pharmaceuticals, mineral-based industries, manufacturing, tourism, IT and ITeS, logistics and warehousing and biotechnology
2.	Maharashtra (Mumbai)	513 (highest among all states)	Norway	Marathi, Konkani, Hindi and English	82.3%	Pharmaceuticals, biotechnology, IT and ITeS, electronics, engineering, auto and auto components, oil and gas, food and agro processing, gems and jewellery, banking, financial services and insurance (BFSI) and textiles
3.	Manipur (Imphal)	6	Fiji	Meiteilon, English and Hindi	76.9%	Handlooms, handicrafts, sericulture, food processing, bamboo processing, Information Technology, hydro power, tourism and mineral-based products
4.	Meghalaya (Shillong)	6	Fiji	English, Khasi, Pnar and Garo	74.4%	Agriculture and food processing, floriculture, horticulture, mining, cement, tourism, hydroelectric power, handlooms, handicrafts and sericulture
5.	Mizoram (Aizawl)	6	Fiji	Mizo and English	91.3%	Bamboo, energy, sericulture agriculture and horticulture, tourism, food processing, IT and medicinal plants



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	State (and its capital)	GSDP (US\$) billion	Comparable Economy	State languages	Literacy rate %	Key industries
6.	Nagaland (Kohima)	6	Fiji	English and Sino-Tibetan	79.5%	Bamboo, agriculture and allied industries, horticulture, sericulture, tourism, minerals and mining
7.	Odisha (Bhubaneswar)	111	Angola	Oriya, Hindi and English	72.8%	Iron, steel, ferroalloy, aluminium, handloom, mining, IT and ITeS, electronics and tourism. Odisha contributed the largest share (43%) of mineral production India in terms of value in 2021-22.
8.	Punjab (Chandigarh, which is also the capital of Haryana)	97	Luxembourg	Punjabi, Hindi and English	76.7%	Tractors and auto components, agro-based industries, bicycles and bicycle parts, chemical products, food products, light engineering goods, pharmaceuticals and textiles. The confluence of five rivers makes Punjab's agricultural land rich and productive. The state is known as the 'Bread Basket of India'
9.	Rajasthan (area-wise, the largest state in India) (Jaipur)	210	Qatar	Hindi, Marwari, Jaipuri, Mewari, Malvi and English	66.1%	Cement, tourism, IT and ITeS, ceramics, handicrafts, chemicals, textile, marble and steel
10.	Sikkim (Gangtok)	6	Fiji	Nepali, Bhutia, Lepcha, Limboo, Magar, Rai, Hindi and English	81.4%	Tourism, agriculture, floriculture, agro-processing, hydroelectric power, tea, large cardamom, minerals, electronics and pharmaceuticals. Sikkim has several snow-capped peaks including Kanchenjunga, the world's third highest peak that attracts a large number of tourists from across the globe.
11.	Tamil Nadu (Chennai) Ranks first among states in terms of the number of factories and industrial workers.	372	Czech Republic	Tamil and English	80.1%	Textiles, heavy commercial vehicles, automobile and auto components, engineering, IT and ITeS, cement, banking and financial services, drugs and pharmaceuticals, agro and food processing, leather tanning industries, electronic hardware and tourism
12.	Telangana Formed in 2014 (Hyderabad)	198	Nigeria	Telegu, Hindi, and English	65.5%	Information technology, pharmaceuticals manufacturing, tourism, textile, mines and minerals
13.	Tripura (Agartala)	10	Togo	Bengali, Kokborok/ Tripuri and English	87.8%	Natural gas, food processing, rubber, tea, bamboo, handloom and handicrafts, sericulture and tourism
14.	Uttar Pradesh (Lucknow) India's most populous state	300	Kazakhstan	Hindi, English and Urdu	67.7%	Information technology, agro processing, tourism, mineral-based industries, textiles, handloom and handicrafts, food processing and sports goods



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15.	Uttarakhand (Dehradun)	47	Bahrain	Hindi, Garhwali, Kumaoni and English	78.8%	Agro-based and food processing, information and communications technology (ICT), floriculture, horticulture, pharmaceutical and biotechnology, hydropower, tourism, engineering and allied industries and fast-moving consumer goods (FMCG)
16.	West Bengal (Kolkata) Second largest tea-producing state	277	Algeria	Bengali, English, Hindi and Nepali	77.1%	Tea, petroleum and petrochemicals, leather. Iron and steel, information technology, mineral resources, automobile and auto components, biotechnology, fisheries, jute products and textiles

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