



# Text of PM's address on the occasion of Inauguration of the India International Exchange at GIFT city, Gandhinagar

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I am delighted to be here at Gift City to inaugurate India's first international stock exchange, that is, the India International Exchange. Indeed, it is a momentous occasion for India's financial sector.

As you are aware, this project took shape in the year 2007. The vision was to create a world class Finance and IT zone for India, to provide services not only to India but the entire world.

In those days, as now, wherever I went, I would meet some of the top financial brains of those countries. Whether in New York, London, Singapore, Hong Kong or Abu Dhabi, I would find many of them to be of Indian origin. I was impressed by their understanding of the financial world, and also their contributions to their adopted countries.

I used to think, "How can we bring this talent back and at the same time, provide leadership to the entire financial world?"

Indians have a long tradition in mathematics. India invented the concept of 'zero' and the 'decimal system' more than two thousand years ago. It is no accident that Indians are now at the forefront of Information Technology and Finance, both areas of knowledge where zero plays a crucial role!

When the Gift city was conceptualised, I was Chief Minister of Gujarat. Technological progress had accelerated manifold. We had world class talent of Indian origin working in India and abroad. India had a leadership position in Information Technology. Finance was being increasingly married to technology. It was becoming very clear to us that finance combined with technology, or "fintech" as it is sometimes called, would be an important part of India's future development.

I deliberated a lot with experts about how to make India, a thought leader, in the field of Finance. It was clear that we would need to have the best facilities and the ability to transact in all markets in the world. Gift city was born out of this vision. Our aim was to provide world class facilities to India's world class talent in finance and technology. Today, with the inauguration of this Exchange, we have reached an important landmark in achieving that vision.

I had visited the Bombay Stock Exchange in June 2013 for a book launch. At that time, I had invited BSE to set up a world beating International Stock Exchange. In the year 2015, during the Vibrant Gujarat event, they signed an MoU with Government of Gujarat. Today, I am delighted to be here to inaugurate the new India International Exchange. It is an important milestone not just for Gift city but for India, in creating 21<sup>st</sup> century infrastructure.

I am told this exchange will trade in equity, commodities, currencies and interest rate derivatives in the first phase. Later, it will trade equity instruments of Indian and foreign companies. I am told Masala bonds will also be available for trading here. Many more companies from Asia, Africa and Europe should be able to raise funds from this important International Finance Centre. This exchange is set to be among the fastest exchanges in the world with most modern trading, clearing and settlement systems. India is in an excellent time-zone between West and East. It can provide financial services through the day and night to the entire world. The exchange, I am told, will work twenty two hours a day, starting when the Japanese markets start, and closing when US markets close. I am sure, this exchange will set new standards for quality of service and speed of transactions across time zones.

This exchange is part of the International Financial Services Centre, - IFSC - at Gift city. The concept of an International Financial Services Centre is simple but powerful. It aims to provide onshore talent with an offshore technological and regulatory framework. This is to enable Indian firms to compete on an equal footing with offshore financial centres. Gift City IFSC will be able to provide facilities and regulations comparable to any other leading international finance centres in the world.

It is not easy to create an offshore-like environment in a large country like India with a huge domestic market. India cannot be compared to small city states. Such countries have very small local markets and hence can afford to have specially favourable tax and regulatory regimes. Large countries cannot do the same. Creating an

offshore-like centre within a large country like India, therefore did pose regulatory challenges. I am glad that the Ministry of Finance, the Reserve Bank and SEBI have found solutions to the regulatory issues.

There has been criticism for long that a lot of trading, even in Indian financial instruments, is currently taking place abroad. It is said that India has stopped becoming the price setter for even some Indian financial instruments. Gift city will be able to mitigate many of these criticisms. But my vision for Gift City is larger. My vision is that in ten years from now, Gift city should become the price setter for at least a few of the largest traded instruments in the world, whether in commodities, currencies, equities, interest rates or any other financial instrument.

India needs to create thirty crore new jobs over the next twenty years. It is a huge endeavour. Skilled and well-paying jobs in the service sector will have to be part of this job revolution. Indian youth can do it. The international exposure which our youth will be able to get from Gift city will ensure that more and more of them will be able to join this important field. I urge Indian companies, exchanges and regulators, to help create a pool of experienced and world beating finance professionals. They can work out of this great new city and provide services to the entire world. Over next ten years, I expect this city to generate several lakh jobs.

You are aware of the importance I attach to the development of smart cities. Gift city is the first ground up truly smart city in the country. All the 100 smart cities will do well to understand how Gift city has been able to create its underground infrastructure which can compete with the best in the world. I have said before that India can become a developed country in one generation. New cities will be important in creating the new India of our dreams:

- a confident India
- a prosperous India
- an inclusive India
- our India.

I hereby declare the India International Exchange open. I wish Gift city and the India International Exchange the very best.

Thank you.

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