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# THE DOWNTOWN



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# CLIMATE CHANGE EFFECT ON BUSINESS AND ECONOMY

**-SUSHANT MALHOTRA**

Climate change has become the survival challenge of the 21st century. Now that "net zero" goals for carbon emission have gained near-universal acceptance, they will begin to drive transformational economic change through massive waves of investment. The change will sweep across virtually every major industry and activity (from energy to transport, and construction to heavy industry), and boost related businesses like solar panels and batteries, and businesses further upstream like electronic chip-making (which consumes a lot of energy) and special metals. New hydrogen pipeline grids may supplement existing ones for gas and oil, and charging stations could be everywhere. It is difficult to think of a major industry that will not be affected, whether fertiliser made with green ammonia or steel without using fossil fuels. In a couple of decades, the economy may be unrecognisable from today. These could spur longer-term lifestyle changes.

With good reason, every week's headlines drive home the imperative for change. Pakistan is drowning, its economy taking a 9 per cent hit from unprecedented floods; the rains are said to have been magnified by 50 per cent because of climate change.

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GLOBAL WARMING  
ISN'T A PREDICTION  
IT'S HAPPENING

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The generally less predictable weather has affected agricultural sowing patterns, set off forest fires, and made places like Britain as hot as an Indian summer. Sometimes it feels like an almost end-of-times situation as Himalayan glaciers recede, gigantic bits of Antarctica break off, the seas rise, and all forms of life (from butterflies to beavers) move from the warming zones to colder ones. Some businesses will suffer, of course: The travel and hospitality segments, the office-wear market, cinema halls challenged by video streaming, and commercial real estate as companies downsize if not give up offices. In their place, pieds-a-terre in metros for those living beyond even the exurbs might spell real estate opportunity. In any case, India as a late-comer has an unplanned advantage: It has to destroy less of the old to make way for the new.

If one looks at the investment plans being announced by large companies, the biggest has to do with climate change.



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# G20 PLEDGES COORDINATED ACTIONS FOR STRONG GLOBAL ECONOMIC RECOVERY

**-Animesh Jay Ekka**

On Wednesday, the G20 grouping, which includes the United States, the European Union, and India, committed to taking coordinated action to achieve a robust and durable global recovery that creates jobs and growth. After the two-day meeting, which was attended by major world leaders, the G20 Bali Leaders' Declaration was released. The G20 must take concrete, precise, quick, and necessary steps to address shared challenges at this pivotal time for the world economy, according to the declaration, using all available policy tools. These steps should include working together in concrete ways and collaborating internationally on macroeconomic policy. The Indonesian G20 Presidency theme was — Recover Together, Recover Stronger. Indonesia handed over the G20 presidency to India for the coming year. The G20 comprises 19 countries together, they represent two-thirds of the world's population, 75% of global trade, and more than 80% of the world's GDP.

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YOU LEARN MORE FROM YOUR  
FAILURES THAN SUCCESSES .

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The leaders vowed to safeguard macroeconomic and financial stability and reaffirmed their commitment to using all available tools to reduce downside risks, noting the steps taken since the Global Financial Crisis to promote sustainable finance and capital flows and to strengthen financial resilience. In addition to geopolitical difficulties, there were energy and climatic crises at the time of the G20 summit. The leaders emphasised the significance of ensuring that affordable energy supplies are available to meet the world's energy demand.

