

# 6<sup>TH</sup> STRATEGIC FORUM INDIA

Swedish Instt of Intl Affairs, Vinnova, Sweden India Business Council  
Stockholm  
15 November 2022

## Perspectives on India's Digital Growth

### REMARKS

Ambassador Tanmaya Lal

Good morning and thank you for inviting me here this morning

It is good to see India's digital growth as the topic of discussion.

#### Why should this be of interest for our partners in Europe?

If you take any of the **ongoing global mega trends** – **Digital transformation, Decarbonisation, Demographic** developments or selective **Deglobalisation** push – India has an important role to play globally.

The sheer **scale and speed** of the transformation that is underway in India is significant.

Less than 10 years ago, India's economy was ranked 11<sup>th</sup> when collectively EU was the largest. Today **India is the world's 5<sup>th</sup> largest** economy. EU collectively is the 3<sup>rd</sup> largest.

**Indian economy is growing faster than other large economies** despite the global headwinds. FDI and exports are at record levels.

According to a Financial Times report, India is forecast to have the **fastest growing digital economy globally** over 2022-2024.

India is also climbing rapidly on **Innovation, Startup** ecosystem, **Ease of Doing Business** and other rankings, for instance in terms of scientific papers published and patents.

The list of **unicorns** coming out of India is growing fast and is past the 100 mark, showing huge investor confidence.

Mega investments are going into **semiconductor** production. **5G** is being rolled out in big way. Indigenously developed 5G technology is also being tested.

In September **Apple** started manufacturing iPhone 14 in India.

**Defence, Space, Drones, and Geospatial sectors have been opened up.** Fighter aircraft to Aircraft carrier to private sector rockets to high-speed railways made in India are coming on stream.

**AI and automation** are starting to be deployed in Indian businesses.

**A massive green transition is also underway.**

A recent issue of Economist detailed huge investments that are driving solar, wind and now Hydrogen production in India.

**What is unique about the Digital infrastructure in India** is that it has been **put in place by the Government.**

This **India Stack** is based on verifiable unique digital identity for 1.3 billion Indians, is linked to their bank accounts, and enables digital transactions.

This has led to massive financial inclusion and changed the landscape for delivery of government services.

**These digital public goods are open source and free** to be used by private players to develop innovative products. This has unleashed entrepreneurial power in FinTech, EduTech, HealthTech, e-commerce and more.

Covid19 Pandemic has accelerated this transformation.

The massive vaccination programme in India was among the most digitised public programmes.

The number of mobile broadband connections has more than doubled in five years to more than 765 million. Per person usage of mobile data is highest in India at 17GB per month. Mobile data cost in India is among the cheapest in the world.

The scale of this transformation offers huge opportunities of collaboration across the entire range of digital sphere.

**Our partners are definitely taking notice.**

An **India EU Trade & Technology Council** was announced during the recent visit of President of European Commission to India. The only other such mechanism for EU is that with US.

The TTC Council is expected to also focus on **AI, 5G and cross-border data sharing.**

Negotiations have resumed on finalising **India EU Trade and Investment agreements.** Issues relating to **Digital trade** are also being discussed.

**This reflects the strategic nature of this partnership against the rapidly changing geopolitical backdrop.**

The **implications of the transformed digital connectivity for markets, security and individual privacy** require trust and collaboration between major global partners such as India and EU.

In India Right to privacy has been declared as a fundamental right by the Supreme Court.

A revised **Data Protection Bill** is expected to be tabled soon. A balance between **data privacy, security, regulation and innovation facilitation** is sought to be achieved.

Digital payments are the basis for digital economy. And **maximum number of digital payment transactions globally are done in India today.**

Work is progressing on **interoperability** with partners. The mobile payment app developed by National Payments Corporation of India BHIM-UPI is already available in France, UK, Singapore and UAE.

AI and other digital applications feed on data. India is going to be **among the largest markets in terms of Data** generated globally, possibly bigger than the EU.

Another important area is **Talent**.

Many Indian companies are excelling at the **intersection of digital and green transition**.

In Sweden, Indian companies are providing complete **sustainability transition solutions** to many of their Swedish partners.

Last week Volvo inaugurated its Vehicle Tech Lab in India that will have company's second largest R&D team globally.

The huge green steel and green batteries projects in Sweden are also looking for technical & digital talent pool.

There are huge opportunities in **co-developing innovative solutions**.

In two weeks' time, India takes over the **G20 Presidency**. Digitalisation will also form a big and important part of deliberations over the coming months.

In conclusion, I would like to say that **India and the EU have a lot in common**. Both are large democratically governed societies. They are **not strategic rivals** and they are **certainly not a threat** to each other. This is perhaps underappreciated.

Therefore, given the **huge opportunities offered by emerging technologies and the digital transformation for these two large global economies**, and given the **broader geopolitical context**, it is important for both sides to make all efforts to find **common ground and convergences** to address any legitimate concerns and collaborate.

**Our intent must be future-oriented to harness full potential of innovation based on trust and interoperability.**

I look forward to listening to the views of experts on this exciting area of cooperation.

Thank you.