

Sweden India Innovation Bridge
Exploring Innovation in AI-Digitalization
Sweden India Business Council
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Innovative India
Remarks
Ambassador Tanmaya Lal

Thank you Robin

Good morning everyone

I would like to thank the Sweden India Business Council for inviting me today to talk about Innovative India.

I would like to thank Mr. Håkan Buschke for his insightful personal perspectives on the India Story. I agree that there is a very inadequate and skewed picture available of India in Sweden.

You talked about Sweden's economic struggles around 100-120 years ago and how that was transformed. As you know India was still a colony at that time unfortunately and became an independent nation in 1947. The economic and social indicators at the time were abysmal due to colonial exploitation. India had to depend on food imports. Since then India has come a long way and today India is a nuclear and space power and one of largest economies.

But **Why should we be talking about India ?**

What is very obvious today is that India is changing. And changing fast.

In an otherwise challenging global scenario, India today is clearly associated with **Innovation, growth and transformation at a Scale** that is difficult to get anywhere else.

Within a decade, India has become the world's **5th largest economy** from being 11th largest. And it is **growing faster** than other large economies despite headwinds. Independent forecasts also show a very positive trend going forward. **FDI and Exports** are at record levels. However, our avg per capita income is still low and there is a long way to go and consequently huge growth ahead of us.

India is now probably also the most populous country. Which means a **huge market** that continues to expand. And also **vast talent pool** that is otherwise difficult to access.

India is rising fast in various rankings such as **Ease of Doing Business** and **Global Innovation Index**.

All this momentum has been made possible by a series of **economic reforms** and an ongoing complete **upgrade of physical and digital infrastructure**.

Within a few years, from almost nowhere, **India has become the world's third largest ecosystem for Startups**.

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

Swedish businesses have always been global players. Some of the iconic brands have been present in India for more than a century. India has been an important part in their global business. The prospects are improving substantially now.

So, in a global context, What is the Big Picture ?

In addition to India being **on way to becoming one of top three economies** in size and **one of the largest markets and talent pools** in the world, we could try and look at what this transformation means as a long-term trend.

India is upgrading fast. It is going from being an offline, cash-based, informal and relatively low productivity economy to an online, cashless, formal and high productivity economy.

AI and Digitalization are the drivers of change cutting across sectors. From Finance, to Health & Education, to manufacturing processes, smart grids & energy, life sciences and so on.

Through the successes of software and IT services industry over the last two decades, India has developed **deep domain knowledge**.

By the sheer size of its economy and young population, **India is a leader in both Data and Demographic dividend**. And both these things are essential for success in an increasingly Digital world.

How is India Innovative ?

The Indian leadership understands that **Technology is a Big driver and Enabler for Governance**, especially in a country of nearly 1,400 million people, one sixth of the total global population.

It was said that India's **data and demographics dividend** along with its **proven technical proficiency** make this decade as India's '**Techade**'.

This is already happening.

During the first two decades of the 21st century, Big private players have been at the forefront of innovation and value creation in the Digital sphere globally.

In contrast, India's approach in this regard has been unprecedented and unique by considering the **digital public infrastructure as a public good**. This has enabled India to digitally leapfrog with the public sector playing a key role in defining the regulatory framework and the private sector innovating and competing in the market place.

The public sector has created an **India Stack** – which is a package of technological goods spanning **unique identification, digital documentation, and finance**.

There is a **base digital identity layer called Aadhar for the entire population** of more than 1.3 billion people, that is now **linked with individual's mobile number and bank account** to enable access to a range of e-services and utilities. It completely transforms **efficiency and transparency**.

Other layers handle digital payments and data exchange. These are designed like Lego blocks and can be recombined and stacked according to solutions required.

During the last 8 years, nearly **500 million new bank accounts have been opened**.

The number of **mobile broadband connections** has more than doubled in five years to nearly **800 million**.

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

These public digital platforms are **open source**, have **open APIs**, **open standards for interoperability** and leverage public data in open innovation models.

These **low cost and inclusive platforms** are based on core principles of **consent-based data sharing protocols**. They **reduce digital divide** and **multiplying business opportunities**.

They create a **level playing field while converging both privacy and innovation**.

These platforms link utilities, digital payments, vaccination, toll collection, tax collection, e-governance services, digital health and online education.

These platforms are built to scale and serve over a billion people in 22 languages.

Their interoperability **bolsters consumer choice and limits platform lock-ins**.

A report by **Bank for International Settlements** has said that India managed to achieve in 7 years due to its digital public infrastructure the amount of progress in financial inclusion that would have taken 47 years otherwise.

The government's commitment to digitize money flows in India has led to the creation of a digital payment infrastructure called UPI (Unified Payment Interface). The UPI process create trails that can be leveraged for other financial services.

Google had recommended that the US Federal Reserve develop a similar payments ecosystem for digital payments.

More than **300 banks offer linkages to bank accounts through UPI**, which is accessed by consumers via **more than 50 third-party apps**.

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

Today, India does **11 times more digital payments than the US** and **4 times more than that of China**.

UPI today ensures nearly **6-8 billion monthly transactions** valued at **USD 120 billion** with **260 million users** and a **merchant base of 50 million**. UPI payments are being accepted in **10 countries**, including France, UK, Singapore and UAE. More will follow.

An **Account Aggregator Framework** and **Open Credit Enablement Network (OECN)** are also being rapidly developed and **leapfrog traditional methods of financial services**.

India is working to create a new standard for e-commerce with the **Open Network for Digital Commerce (ONDC)**. This again is an open protocol and will enable local commerce across segments to be discovered and engaged by any network enabled application. This platform aims to create **new opportunities by supporting MSME and small traders** by getting them on to online platforms.

ONDC, which has just started, is witnessing rapid growth with **more than 25,000 orders being logged per day** as of last week. The number of **retail merchants** on the platform has reached **35,000**. The merchant base is now across more than **230 cities**. The network has also added mobility in a few cities in addition to electronics and appliances, fashion and personal care and food delivery.

Health and Education are also big sectors where Digital transformation is transforming and upgrading services.

Doing **2.5 billion vaccinations in a totally paperless, cashless format** in a developing economy across a subcontinent geography during the recent pandemic has been a remarkable story ! This has lessons and implications for the wider world even if it did not receive due attention.

In fact during the pandemic, Swedish media ran stories that India's vaccination was proceeding slowly at a time when we were doing on an avg 10 million doses a day ! The size of Sweden's population. So we are often up against a very biased and distorted media projection.

In recent times, India has also taken far reaching steps by **liberalising Defence, Space and Geospatial sectors**. This is also fostering rapid Innovation.

Startups are building and launching rockets; 3D printing engines; developing green propulsion systems for rockets.

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

Another important area is **Talent**.

India is making all efforts to decouple its rapid economic growth from the energy requirement. **Decarbonization of Development** is, therefore one of the most important areas where innovation and clean technology solutions are required and are being implemented.

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.

India Sweden partnership is intensifying. There have been 10 ministerial interactions in the last six months alone. Our External Affairs Minister Dr. Jaishankar arrives in Stockholm for a landmark visit tomorrow.

Our partners are certainly taking notice of the new strongly Innovative India.

Last year, Prime Minister Modi and US President Biden announced the **India-US Initiative on Critical and Emerging Technologies iCET**. The inaugural meeting of the iCET was held in January this year in Washington DC, which was led by the two National Security Advisors.

The discussions focused on establishing **Innovation Bridges** and strengthening the **Innovation ecosystems** in key areas.

Also last year, an India-EU Trade and Technology Council was announced. The only other country with whom EU has such an arrangement is the US. The TTC is expected to also focus on AI, 5G and cross border data sharing.

The first Ministerial meeting of the **India EU Trade & Technology Council** will be held in Brussels next Tuesday.

The New India is surely opening up mega opportunities of **collaboration for innovation and co-design and co-development for use at Scale**. Given the **broader geopolitical context**, it is important for us to make all efforts to find **common ground and convergences**.

The Future looks bright.

Thank you.
