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INDIEN

DIE AUFSTREBENDE MACHT **INDIA**
THE RISING POWER



INDIA



After 75 years of independence, Indians and India are more visible than ever before on the world stage. In a time full of tensions, the country offers alternatives to the old style the world was run. Text: Bernhard Ecker

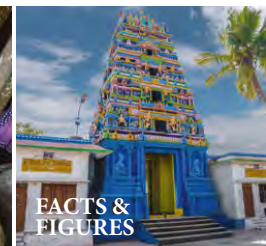
THE RISING POWER

A guard of the Golden Temple.

PHOTO ANDRÉ STUCK



Street ceremony in Thiruvananthapuram, capital of the state Kerala, India.

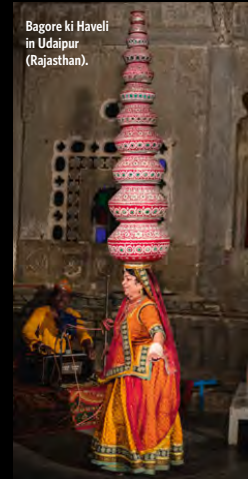


From left: The Lotus Temple in Delhi, the markt in Meghalaya and the Veerabhadra Swamy Temple in Telangana.

FACTS & FIGURES

INDIA

Official name: Republic of India
Form of Government: Parliamentary Democratic Secular Republic
Capital: New Delhi
Population: 1.39 billion
Area: 3.29 million km²
Languages: 22 official languages, most spoken: Hindi, English, Bengali
Currency: Indian Rupee
GDP per capita: 2,277 USD



Bagore ki Haveli in Udaipur (Rajasthan).

These news are more than just symbolic. 75 years after India's independence from British Colonial Rule, a man of Indian origin has become prime minister of the United Kingdom. And as Rishi Sunak has taken office in Downing Street No. 10, spotlights are also on his family. Sunak's father-in-law, N.R. Narayana Murthy, is co-founder of Infosys, the pioneer IT company headquartered in Bangalore. This brings into one's mind the impressive gallery of Indian-born leaders in the global tech world, especially in Silicon Valley, from Microsoft's Satya Nadella to Alphabet's Sundar Pichai.

As Indian diaspora has taken its place in politics and business throughout the world, the country itself is gaining visibility. 2022, besides many other things, could be remembered as the year when everybody finally noticed India plays an ever more active role on the world stage.

2023 could meet an even more self-confident India, as it will take over G-20 presidency from Indonesia. In a decisive moment of modern history, Narendra Modi, India's prime minister since 2014, will head the club of the most powerful countries in the world. One of his topics will be a reform of multilateralism, as the Indian Ambassador in Austria, Jaideep Mazumdar, puts it (see interview on page 38): "We believe in globalisation – but globalisation for all. As optimism and dynamism is growing, India's voice will matter. What India does and how Indians do will be of great importance for the world."

The image of the country in the West is finally redrawn, the tone of the headlines has remarkably changed. It is not so much about poverty anymore, which remains a major issue though, as more than 100 million Indians are still living below the poverty line. And it is not about political turmoil, which dominated the first decades of independence. Now the world hears about astonishing progress in economy, technology and stability.

So, India's famous tourism slogan "Incredible India", which was first used exactly 50 years ago, is certainly also suitable to the current general status of this enormous country, which is supposed to overtake China as most populous state of the world in 2023. Unlike China, two thirds of India's almost 1.4 billion inhabitants are of working age.

Its universities produce 1.5 million engineers per year, an invaluable source for being a leader in the

tech and digitalisation decades ahead. There are 108 Indian unicorns so far, as the big bets on the digital future in the enterprise world are called: companies with a valuation over 1 billion dollars. This is number three position in the worldwide unicorn-ranking behind the USA and China. In the first half year of 2022 even more unicorns were created in India than in China.

In the post-Covid era no other major economy in the world attracted as many foreign investments. In a year stuffed with bad news about wars and damaged supply chains, everybody was stunned by the GDP-growth figure India presented for the quarter from April to June 2022: 13.5 percent! The current estimates for the full year are above seven percent, and also in 2023, India is supposed to be in the lead of the major economies.

The current geopolitical situation might play into India's hands. Russia has got more and more isolated after its invasion into Ukraine, and as the US and China are competing for influence in the Indopacific, India will play a more active role, argues CD expert Walter Feichtinger in his commentary on page 52.

On the one hand, there is a long way to reach the strategic autonomy the country is longing for. In a world of multiple energy crises, India imports 80 percent of its oil and gas. 60 percent of its defence products now come from Russia, which makes it difficult to play a calming and neutral role amidst the shockwaves Vladimir Putin's Ukraine invasion sent to the world.

On the other hand, mistrust towards authoritarian regimes is rising, although the West used to do good business with them until recently. Therefore,



Natural Bridge on the Andaman Island, Tata steel factory - beautiful scenery comes hand in hand with industrial power.

The external boundary of India shown on the map does not imply official endorsement





Trade & Investment

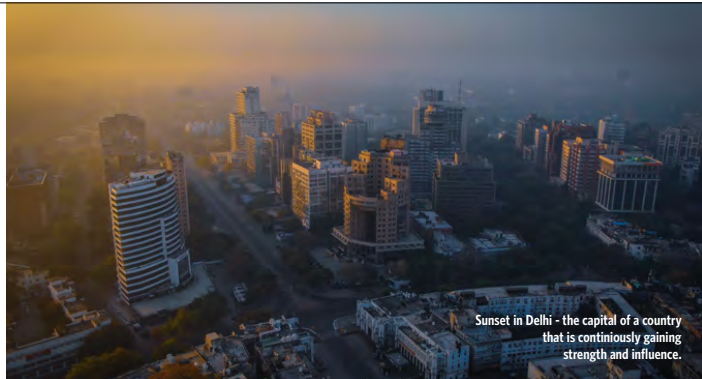
As growth is sluggish almost everywhere else, the impressive figures on the subcontinent attract traders and investors. Indian merchandise exports to Austria grew by 25.2 percent to 705.7 million Euros in the first half of 2022, whereas Austrian merchandise exports to India grew by 14.6 percent to 563.8 million Euros. Another year of records is as good as certain. For the first time in bilateral trade history between the two countries, the threshold of two billion Euros has been skipped in 2021.

The framework for easing trade is constantly improving: After signing Free Trade Agreements (FTA) with Australia and UAE and while negotiating with Great Britain, India started to negotiate an FTA with the European Union in June. It is supposed to be finished by the end of 2023.

For many years, Austrian activities in India have been in the focus: automotive supplier AVL List and circuit board company AT&S have a long track record in the country. But now also Indian investments in Austria arouse interest, as they have constantly grown in the past decade to a cumulative 113 billion Euros at the end of 2021. After the landmark alliance between the Austrian motorcycle group KTM with Bajaj group, which started in 2007, in 2021 another remarkable direct investment was recorded. The acquisition of Vienna-based learning-tool-company GeoGebra by the Indian Edtech company BYJU'S for an estimated 100 million US dollars is sending important signals to the digital world.



Rishi Sunak, the new British Prime Minister.



Sunset in Delhi - the capital of a country that is continuously gaining strength and influence.

more and more eyes are on India, which is economically promising and politically closer. Decision making process in a country as populous and diverse may be difficult and sometimes lengthy. But being the biggest democracy in the world and acknowledging fundamental principles like human rights, rule of law and press freedom can be a competitive advance these days.

"There is big potential in the country, and now India is courted", remarks Hannes Androsch, former Austrian vice chancellor and finance minister, who invested in Indian plants of his circuit board company AT&S as early as 1998. Still, Androsch sees some deep rooted adversities that could slow down the expected acceleration: "protectionism and a de facto still existent caste system" for example.

The current geopolitical advantage is mirrored economically: alternative supply chains are the order of the day. Apple's global manufacturing partner Foxconn has started to produce its iPhone14 models in India recently - in a move to shift away from China.

And it is not just about production. As the middle class especially in Indian cities is thriving, consumers are eager to buy products from the world. As Stefan Pierer, head of Austrian motorcycle maker KTM uses to say: "India is a huge market". KTM's close alliance with Indian Bajaj group, established 15 years ago, has turned out as a cooperative and sustainable Win-win-relationship.

Soft power Indian style has often been reduced to

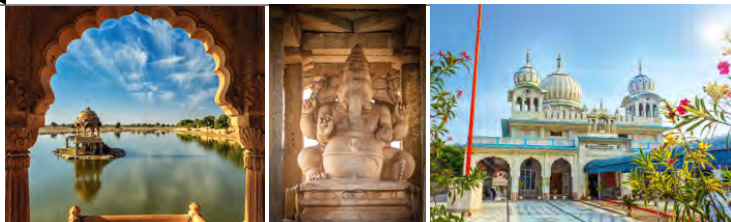
Bollywood and the astounding success of its cinema productions throughout the world. But there is more about it, rooting deeply in its history. The tradition in non-violence, having become famous with Mahatma Gandhi, shapes also its current role on the world stage. The new, self-confident India tries to be a force for good in solving the big world problems, from promoting peace to tackling climate change.

With this caring approach even tourism could change. India does not only want to attract visitors for its breathtaking landscapes from the snow-covered Himalayan heights to the tropical rain forests of the south or its beautiful, famous sights like the Taj Mahal in the state of Uttar Pradesh, which registers up to 8 million visitors per year, the Golden Temple in Punjab or the Red Fort in New Delhi. It wants tourists to come to India to be treated - for medical or wellness purposes. The government is actively working towards positioning India as the most favourable destination for medical treatments. Ayurveda and Yoga have already spread out through the world, why not bringing the world to its sources?

So, also in many terms, India undoubtedly is incredible and a "Rising Power". Just after this year's independence celebrations were over, the International Monetary Fund (IMF) estimated that India's GDP had surpassed that of the former colonial power Great Britain, making it the fifth largest economy in the world. The news came just weeks before Rishi Sunak took office in Downing Street No. 10.

PHOTOS: INCEDEBIL E INDIA - JAMINISTRO CP TOURISM - WIKIPEDIA - ANDRE STOCK

Beauty outside and inside (from left to right): Indian landmark Gadi Sagar in Rajasthan, Hampi temple in Karnataka, Gurudwara Badshahi Bagh in Ambala.



EQS SUV

ZUKUNFT NEU DEFINIERT.

Mit dem EQS SUV startet eine neue Ära im vollelektrischen Luxus-Segment. Hier trifft ikonisches Mercedes-EQ Design auf die aerodynamisch perfektionierte Formsprache eines geräumigen SUV. Elektrische Exzellenz und Ästhetik auf allerhöchstem Niveau.

Mehr Informationen bei Ihrem Mercedes-Benz Partner und auf mercedes-benz.at



EQS SUV 450+: Stromverbrauch gesamt (kombiniert): 22,7-19,3 kWh/100 km; CO₂-Emissionen gesamt (kombiniert): 0 g/km. Ermittelt nach WLTP. Tippfehler vorbehalten. Abbildung ist Symbolfoto. Stromverbrauch und Reichweite wurden auf der Grundlage der VO 2017/1151/EU ermittelt.



India in numbers

The country has a **3,488 kilometre** border to China, involving the states Jammu and Kashmir, Sikkim, Arunachal Pradesh and Himāchal Pradesh.

75 years after gaining its independence, the country recently has overtaken its former colonial power Great Britain in terms of GDP. It is now at **number 5 position** in the economic world.

March 2022 was the first month in Indian history that hit export volumes **40 billion US-dollars.**

100+ languages are spoken in India, the most common being Hindi, Bengali and Marathi.

Over **32 million** Indians live overseas, making them the world largest diaspora of a country. About **1.3 million** Indians live in Europe.

With a median age of **28.7 years** India's population is far younger than China (38,4), USA (38,5) and the European countries.

Paradise Beach,
Paducherry.

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Kraftstoffverbrauch 5,7-6,2 l/100km, CO₂-Emissionen: 130-142 g/km (WLTP kombiniert). Die Werte für Kraftstoffverbrauch und CO₂-Emissionen wurden vom Hersteller während der Testaktivitäten vor der Zulassung nach dem WLTP-Verfahren (EU-Verordnung 2018/1832) gemessen und können vor der endgültigen Zulassung variieren. *2 Jahre Herstellergarantie und 3 Jahre Garantieverlängerung gemäß Vertragsbedingungen, unlimitiert km Laufleistung, sowie Wartungspaket Service CareIt. Wartungsplan für die ersten 5 aufeinanderfolgenden fälligen Wartungen verfügbar in Verbindung mit Finanzierung über FCA Bank GmbH. Stand 05/2022. Symbolbild. Vorbehaltlich Satz- und Druckfehler.

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H.E. Jaideep Mazumdar

"India's voice will matter."

The Ambassador of India about the new political and economic visibility of his country, nonviolence as a principle - and growing trade and investment ties with Austria.

Interview: Bernhard Ecker Photos: Ralph Manfreda

CD: Your Excellency, India just became the fifth biggest economy in the world and has good chances to be number three behind the US and China by 2030. What are the key drivers behind this success?

JAIDEEP MAZUMDAR: In the last decade or so, the productive energies of the people of India have been released through a combination of factors. Firstly is our talent pool, our human resources. Perhaps by next year India will have the largest population in the world. Two thirds of this population is of working age. That is a huge demographic dividend. Secondly, there is an enormous emphasis on education in India: we want to learn and skill ourselves. The young people of India burst with creativity and high aspiration. We produce 1.5 million engineers per year, that is even more than China. The digital age has also taken India forward at an accelerated pace. This has all come together at a time when the government has been very supportive in nurturing an ecosystem to promote growth and development. It has become much easier for example to establish businesses. Much of the clearances and approvals are possible online. That has improved India's ranking in the global ease of business index by more than 60 positions within three years.

What are the major obstacles on your path to number three of the world?

We face a lot of challenges, for example we have huge income disparity. Of course the Covid-pandemic has set us back, but now we are above pre-Covid levels. The high cost of energy and fertilisers as well as global economic headwinds are all challenges. In the second quarter of this year, we had a GDP-growth of 13.5 percent and for the whole year we expect growth to be over 7 percent. That would be the fastest for any

major economy in the world. India is food self-sufficient. We are among the top two producers of rice, wheat, pulses, sugar, milk and milk products, fruits and vegetables. Our warehouses are bursting with grain. However, equitable growth is a challenge.

Over the past 25 years, India, given its history, had remarkable political stability. Will this continue?

Every government in the past 25 years or so has completed its term. This is extraordinary, especially for a country as large and diverse as India. Every general election in India is the largest democratic exercise in the history of mankind. Will it last? This is hard to say. But we have faith in our democracy and that the people will decide what is best for them.

Today's geopolitical situation is full of tensions, with Russia-Ukraine in the centre. The rivalry between the US and China is getting stronger alongside. Is this for India a chance to get more space and influence?

As you know, the geopolitical and economic center of gravity of the world is moving towards Asia. India, positioned at the heart of this region and as the largest

democracy in the world, it is natural that our contribution to the world will go up. India has always considered herself as a force for peace and beneficial cooperation with other countries. At the height of the Covid-pandemic India came to the assistance of nearly 100 countries with vaccines and therapeutics. Besides, we are the only G-20-country that has already achieved its Paris climate commitments - seven years ahead of schedule.

How did you manage that?

Today 40 percent of our installed energy capacity is from renewables. Our plan is for 50 percent renewable energy by 2030, even though our total installed capacity will have to double by then. We have extremely ambitious programmes in non-carbon sources of energy, for example in green hydrogen. India launched the International Solar Alliance (ISA) together with France, which over a hundred countries have joined. We launched the Coalition for Disaster Resilient Infrastructure. Last month, Prime Minister Narendra Modi launched the global movement Lifestyle For Environment (LiFE) along with the UN Secretary General. These are the ways we seek to influence in terms of a better future.



India's Ambassador Jaideep Mazumdar with CD-author Bernhard Ecker.

H.E. JAIDEEP MAZUMDAR

Since July 2020 Ambassador of India to Austria, Montenegro and the Holy See, as well as Permanent Representative to the UN and International Organisations. He joined the Indian Foreign Service in 1989 and served in various diplomatic stations in Hong Kong, Beijing, Chittagong, New York (UN), Cairo, as Deputy Chief of Mission in Beijing and in Kathmandu. From 2014 to 2017, he was Chief of Protocol in the Ministry of External Affairs in New Delhi, before serving as India's Ambassador to the Republic of the Philippines from 2017 to 2020. He has a Bachelor's degree in Economics and a Master's degree in Management.



Given the fact that India has strong ties to the US, to Japan, to Australia, do you regard yourself as a bridge builder between the Western and the Eastern hemisphere?

India is perhaps in a unique position. We have traditionally not aligned with any power bloc. Today we are multi-aligned, as we call it. We are in a large number of trilateral and plurilateral groupings. We consider ourselves to be against no one and wish to work with all for global peace, security and prosperity.

You have a long common border with China. As China is eyed critically from the Western point of view, does India profit in terms of investment flows?

The Covid-pandemic has shown that supply chain resilience is of great import. There is considerable global interest for India to contribute to this resilience as a reliable source. In 2021, we have attracted over 87 billion US dollars of foreign investment - more than any other country in the post-Covid-period. For example, there are very large investments in the semiconductor industry coming in.

Is there a digital rivalry with China?

In the past decades, China has been known as the hardware capital of the world whereas India was considered as the software capital of the world. In a way we worked on different objectives. India has been designing chips for the world whereas manufacturing is done elsewhere. But we now place great importance on our own hardware industries - for example we wish to become self sufficient in chipmaking.

How do you judge the bilateral investment and trade situation between India and Austria?

In 2021, our bilateral trade grew by 20 percent, the fastest growth in ten years. In terms of investment, Indian investments in Austria went up by 200 percent to more than a billion dollars last year. There was a remarkable acquisition of Vienna-based learning-tool-company GeoGebra by the Indian Edtech company BYJU'S for an esti-



View of the Vienna State Opera house - from the Ambassador's office in the heart of Vienna.

mated 100 million US dollars. Austrian investment in India has grown slightly, by 5 to 6 percent. We see very great potential: Austria has strength in niche areas of high technology, and Indian companies are very keen to work with them in areas like green technology, waste management, transport, infrastructure etc. This year, we have started negotiations with the EU for a Free Trade Agreement. Once that is concluded, there are no limits to trade and investment between India and Austria.

India was always a hub for IT-talents the West is longing for desperately. Now I hear that also Indian nurses are very much required in Europe. The German government has signed agreements with Kerala region, supposedly there is also interest in Austria. Is this correct?

Just as we have concluded a mobility and migration agreement with France, Germany or Portugal, we are also pursuing an agreement with Austria. When this happens, you can have managed migration of skilled people.

How has tourism in India developed in the post-Covid period?

It is recovering, but it has not yet reached the pre-Covid levels. This is mainly because of international air fares which are higher now. But India has always been a place of great fascination for Austrians. In addition to her spirituality and the grandeur of India's history - her palaces and forts, now a new field has opened up, which is very popular in your country: wellness tourism with Ayurveda and Yoga. It could be a niche area for the takeoff of a large number of tourists. Direct flights from Vienna to India are re-starting soon.

From your own touristical experience, what do you like most in Austria so far?

Such a beautiful country, where do I start? I love the lake districts, just to be in the countryside itself is a pleasure. It's almost picture perfect! The houses, the churches, the rivers, the hills, the cows on the hills, as if you were in the movie "Sound of

Music" - which I first watched when I was 8 or 9 years old!

India now has even become more visible, as Rishi Sunak, who is the son in law of the co-founder of Infosys, became British prime minister. Is this a national topic already?

There is certainly interest in that. Please consider that the CEOs of Microsoft, Alphabet and many other multinationals are of Indian origin. There is a certain degree of pride that Indians have managed to do well abroad. But now there is a generation in the diaspora that has moved into politics. The Vice President of the US, Prime Ministers in Ireland and in Portugal as well as heads of state and government in Mauritius, Guyana and Suriname are most notable.

So the title of your recent speech in Austria about India, "The Rising Power", is justified?

I didn't title it, it was asked to speak on the subject! Indians are by nature modest. But we are not unhappy that the world recognises our potential! We will head the G-20 next year. We are staunch multilateralists but one of our focus areas is reformed multilateralism. We believe in globalisation - but globalisation for all. One out of every five persons in the world is an Indian. As optimism and dynamism is growing, India's voice will matter. What India does and how Indians do will be of great importance for the world.



PHOTOS: RAJESH WANKREDA

