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Investing for a
world of change

India in the emerging world order

His Excellency Vikram K Doraiswami, High Commissioner of India to the United Kingdom, in conversation with Hendrik du Toit, Founder and CEO, Ninety One.

How should investors understand modern India and its place in the world? HE Vikram Doraiswami suggests five 'Ds' as a good place to start.

1 Demographics: While many other large nations struggle with ageing populations, India is strikingly youthful. A median age of 28 – a decade and more younger than the US, China and UK – bears testament to a vast working-age population. Demographic trends indicate the advantage of youth will be on India's side until at least 2070.

2 Digitisation: India is reaping the benefits of a long-standing embrace of technology. Landing a module on the dark side of the moon in 2023 (for half the cost of a Hollywood sci-fi movie) was a high-profile example of India's technological competence and confidence. But the real story is the way technology is transforming the lives of Indians in every social stratum. Rapid digitisation is empowering ordinary citizens to take part in the modern Indian economy, without the country having to first go through a massive developmental shift. It is also enabling India to leverage the entrepreneurial instincts of its young people.

3 Decarbonisation: India is pushing hard to decarbonise, not least because it recognises that adverse climatic events disproportionately affect the Global South. Today, more than 40% of India's installed power capacity is renewable, and the country is the world's third-largest producer of clean energy. When operational, a single wind-and-solar park under construction in Gujarat will generate enough electricity to power the entire country of Belgium.

4 Democracy: Many people underestimate the extent to which democracy has been an advantage for India. Preserving democracy has taken effort and expense – this is a country where, by law, no registered voter must be more than 2km from a voting booth. But the nation coheres because democracy creates space for every category of India's diversity. The country has also established strong regulators that have kept markets open and made sure the playing field remains accessible to more participants.

5 Deglobalisation: At a time when the world risks splitting into opposing blocs, India still wants to be part of a global system, participating keenly in multi-polar forums. It offers investors and international businesses an open nation of a billion people whose incomes are rising, and who are present everywhere in business and academia.

Two other areas, whose progress would accelerate India's advance, are worth watching: education and land reform. For a country of its size and influence, India is notably absent from rankings of the world's top academic institutions, and inefficient land-use means that an estimated 18-20% of food produced is wasted. Reform is needed on both fronts. But India is already changing at scale and at pace, driven not least by demographics, digitisation, decarbonisation and democracy. And as Hendrik du Toit noted in closing remarks, India is a much-needed voice on the world stage seeking to resist the harm that deglobalisation could do.

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