

**#StartupIndia**  
**Start-Up India Investment Seminar**  
**Embassy of India**  
**Beijing**  
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**“A New India Beckons”**

**Welcome Remarks by Shri Amit Narang, Charge d’Affaires**

**Dear Friends from China and India,**

I want to start by sharing two stories, true stories which have appeared in the media recently: one for my Chinese friends and one for my Indian friends.

For my Chinese friends, last week there was a news story about the World Bank releasing its latest ‘Ease of Doing Business’ rankings. The big news this time was that India jumped 30 ranks in one single year to climb from rank 130 to rank 100. In the last three years, India has now jumped 42 ranks in the World Bank ‘Ease of Doing Business’ rankings. Now people are talking about top 50 very soon!

But why do I relate this story? Of course, the implications for doing business in India are obvious to you. India is getting a better place for doing business and there is no doubt about that.

But that is not what I have to say.

The message of this story to my Chinese friends is that if four years ago I had told you that this will happen, that India will break into the top 100 in three short years, not just people in this room, but nobody, including those in India would have believed it. This was not thought possible. Everybody would have said ‘No no, this does not happen in India. India is too slow. Things takes time in India’ etc. We have been hovering around rank 130-140 for the last 8-10 years. ‘You can’t simply jump 30-40 ranks just out of the blue; this is not possible’, people would have said. People would have said ‘India is not China’.

But it happened.

So what is the message?

**The message here is that of a ‘New India’.**

What you are seeing is a ‘New India’ where rapid changes are happening. This is a ‘New India’ which now believes in itself.

This is a ‘New India’ which is moving decisively to reform and transform in order to up-scale our economy, get more investments and make India a better place to do business.

The point to my Chinese friends therefore is that **if you are thinking of betting your money on India, please go ahead and bet big.**

Why?

Because India is going to be the biggest growth story in the world for the next few decades.

Because this is a 'New India' which now believes in doing things differently, a 'New India' which believes in doing things in a manner not thought possible before. This is an exciting time to be in India.

Because you need to be in India *today*. If you are in India 5-10 years from now, 15 years from now, the growth story would have matured. You want to be in India now, if you want to make money. If you want to make investments, the **time to go to India is now.**

**Dear Friends,**

Since the topic today is start-ups, let us look at some data on start-ups in the New India.

Prime Minister Narendra Modi launched the Start-up India initiative in August 2015. In just about two-year timeframe, **India is today the 3rd largest tech start-up nation in the world.** We already have over 4200 start-ups set up in the last few years, generating close to 100,000 jobs.

The number of incubators and accelerators has gone up by about 40%. The Indian youth's entrepreneurial energy is now attracting a flow of investment, including venture capital investment. And much of that venture capital investment is coming from abroad, prominently funded by venture capitalists who are foreign-based.

The estimate is that by 2020, about 2-3 years from now, the tech start-ups in India would have crossed 10,000 mark.

The pace of this change is already evident. In the first 6 months of this year, more than 450 tech start-ups deals were signed with a value of over US\$ 5.6 billion.

The point therefore is **if you are betting on start-ups**, and betting on tech start-ups, **there is no better place today than India.**

India has always been a land of ideas.

We know this from India's history; we know this from India's religions, we know this from India's arts, we know this from India's literature, we know this from India's philosophies.

But what is happening today is that the **youth of this land of ideas** are now producing new ideas which are **transforming our tech space**.

The innovations that are happening in India are revolutionizing how Indians live, how Indians think, how Indians work, what Indians do for their leisure.

Much of this innovation is really exciting. But also much of this innovation that is happening in India is transformational not just because it is happening on a huge scale, but also because it is taking place in a low-cost environment.

Because of this, the **applicability of this model** across different eco-systems in the world, particularly large countries like China is hugely important.

So my third message to my Chinese friends is – **if you are looking at India, don't just look at India for return on your money**. Do that of course. But more importantly **if you are looking at India then think long-term, think big**.

**Go to India for incubating ideas, go to India for co-producing innovation, go to India for co-producing value** – not just for the Indian market, also potentially for the Chinese market, and also perhaps for *both* Indian and Chinese markets.

To turn now to my **second story**. This I want to share with my Indian friends.

Last week there was a news story about a report that has been published by a business resource company that produces rankings for top tech cities. And this report released last week ranked Beijing and Beijing's Zhongguancun tech district as the No. 1 tech city in the world, ahead of Silicon Valley.

Among the attributes that they thought important for this ranking, the report talks about a massive market, fast consumer adoption rate, rapid business development timelines and an appetite for innovation. And they also helpfully mentioned of course that the Chinese Government has put in US\$ 1.6 bn in this tech district just last year!

But the point here is that even if you take this report with a pinch of salt – and admittedly there is still a lot going for Silicon Valley - but to a layman, what is quite striking is that this city and this zone in Asia could be in the world's top innovation zones or tech zones.

Much more striking perhaps is that even within Asia, the top tech city is not among the usual suspects that one would readily imagine, that you would normally associate with tech or start-up or innovation in Asia; but Beijing in China. I do not know if you would agree with me, but I found this quite striking piece of news.

What is the message though? What am I trying to get at?

The message is very similar to what I was trying to tell my friends from China.

For a long time we Indians have looked West both for capital as well as for ideas. While we should continue to do so, **our tech entrepreneurs would do well to also look East.**

If you set aside for a moment the political issues, and if you set aside the differences in political systems etc., purely from a tech and entrepreneur point of view I think you will find that much of the innovation that is happening in this ecosystem – here in China - to be quite striking, quite important.

You know of course that China has the world's largest number of people on the internet, as well as the largest number of people on the social media.

But let me share with you three statistics that I came across –

- (i) China now accounts for 40% of the world's e-Commerce transactions, and this has gone up from 1% just 10 years ago.
- (ii) China is now the world's leader in mobile payments. The transaction value of mobile payments in China today is 11 times that of the US. You can see personally when you go out into the streets. It is a fact that today you don't need a wallet in this country. You can use just your mobile phone for buying a car, or even something equivalent of a samosa on the street. It is notable how this entire ecosystem has come up in this country in just the last few years.
- (iii) China is also number one in bike sharing/ride sharing and similar innovations.
- (iv) One in every three of the world's 262 Unicorns is Chinese.

We know that China is one of the largest capital exporting markets today.

You are of course familiar with the spike in Chinese investments, including venture capital investments in India from the likes of Alibaba and Tencent.

But the point I want to make to you is that while **you may have come to China for the cash, don't just look at the money.**

Look for something bigger.

**Look for innovation, look for experience sharing. Look for partnerships.**

Both the Indian and Chinese ecosystems have remarkable similarities. Big market size, rapidly urbanizing fast growing economies, and also a predominantly socially conservative Asian culture.

The Indians who live here understand how similar we are in our mind-sets. So, much of what we innovate, much of what we produce is intended to bring value to our

middle classes, to our poorer people. Our innovations are thus low-cost and tailored to our societal conditions. This does not have applicability in the West, but it does have applicability in these two markets. Look at China from this perspective and I think your take-away from this trip will be much larger.

Let me conclude by saying what I said in a similar gathering in Beijing about two months ago.

I hope that my Indian friends will find time and money spent useful for coming here and that you will carry back much more than only the Chinese investments.

I likewise hope that my Chinese friends will use this opportunity to listen closely to the ideas of their Indian friends and find ways to partner with them.

I hope entrepreneurs on both sides will use their energies and ideas hopefully in coproducing innovation, not just for 1 bn customers on this side or that side, but potentially for 2.6 bn customers.

And in doing so, from our perspective we hope that you will kick-start a new phase of cooperation and friendship between the two countries. A new-tech friendship of which you are the harbingers, you are the leaders.

Since I did not do it earlier in my statement, let me conclude by thanking our partners – the Start-up India Association, Venture Gurukool, Sino Global Capital, Jingdata, Khaitan, KPMG and others, for making this event possible.

We are, of course, delighted that so many of you have come to the Indian Embassy. Do spend the day with us. Do have lunch with us.

Thank you very much for coming and your patient listening.

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