



*\*As of 30.07.2024*

## **Backgrounder**

It took India 60 years after Independence to arrive at the milestone of a trillion-dollar economy. Remarkably, the next trillion dollars were added in merely seven years by 2014, followed by the third trillion dollars by 2019. In line with this rapid growth trajectory, the government has set an ambitious target of a seven trillion-dollar economy by 2030. However, that will require a meticulously crafted plan and unwavering business and consumer confidence.

Driven by increased capital expenditure and robust domestic consumption, the economy is slated to grow at more than seven percent this year. As companies seek to diversify, India stands to benefit from heightened global trade and investment. However, critical turning points such as epoch-defining geopolitical realignments, the urgent need for climate and energy transition and the impact of new and emerging technologies, including Artificial Intelligence, will require extra attention.

Over the last decade, [Annual Forum](#), the flagship event of [Public Affairs Forum of India \(PAFI\)](#), has established itself as a premier venue for in-depth discussions on long-term policy and economic issues with voices from across the spectrum of stakeholders.

Over the last decade, PAFI's Annual Forum has become the preferred setting for ministers and officials representing the centre and state governments, legislators, CEOs, shapers of opinion, thought-leaders, members of global and multilateral organisations, media, think tanks, academia, and social and young entrepreneurs.

**The partner state for PAFI's 11<sup>th</sup> Annual Forum is Karnataka**, which was at the top of the Ease of Doing Business ranking in 2022 and is home to the global technology hub, Bengaluru. With an aim to be India's first trillion-dollar state by 2032, the state is prioritising policies that will help it grow at 15 per cent annually, focusing on key sectors, including startups, SMEs, manufacturing, technology, automotive and electric vehicles, pharmaceuticals and green industries. Karnataka is spearheading its current efforts through Mission Startup Karnataka, the Rajiv Gandhi Entrepreneurship Programme, and the Karnataka Fund for Infrastructure Strengthening in Science and Technology.

In its 11<sup>th</sup> year in 2024, immediately following the general elections and formation of a new government at the Centre, the marquee event will focus on India's growth journey under the theme '**India@ 2030: Doubling the Economy to \$7 Trillion**'. Through two days of rigorous discussions, participants will delve into the details of three strategic areas—**Policies, Partnerships, and Priorities**, aiming to chart the course for sustaining and accelerating India's progress.

### **Policy Interventions:**

- **Ease of Doing Business (EoDB):** While recent years have seen India make rapid strides, turning the Ease of Doing Business into the pleasure of doing business is essential. The World Bank has advocated simpler business processes for India to improve its EoDB ranking and attract significant FDI.
- **Cooperative Federalism:** Unlocking India's full potential by empowering states as true collaborators to the centre is vitally important. This requires strengthening centre-state discussions, implementing data sharing with the states for evidence-based policy, and streamlining decision-making on concurrent list issues.
- **Promoting cutting-edge R&D:** Initiatives such as the National Quantum Mission, India AI Mission and India Semiconductor Mission are poised to help India technologically leapfrog and accelerate development. While the National Research Foundation can directly target the funding gap, fully unlocking the private sector's potential will require simplifying regulations and expediting commercialisation.
- **Enhancing Infrastructure Development:** Efficient logistics and robust connectivity options beyond dedicated freight corridors, modernised ports, and multi-modal transportation systems are necessary. Artificial intelligence and machine learning can be leveraged to develop digital infrastructure and optimise logistics solutions.
- **Skill Development & Education Reform:** India's working-age population is projected to reach 600 million by 2030. Equipping this workforce that allows them to stay relevant for the coming decades with opportunities for reskilling is essential to meet the demands of the evolving job market.
- **Healthcare for All:** The National Health Policy envisions public investment in health to reach 2.5 percent of GDP by 2025. While Ayushman Bharat has expanded health insurance coverage, affordable and accessible healthcare concerns persist. Leveraging private sector expertise and resources in digital health, infrastructure development, and essential diagnostics is crucial. Policies prioritising MedTech adoption, relaxing licensing procedures and streamlining regulatory approvals can incentivise this.
- **Fiscal Consolidation and Tax Reforms:** Sustainable economic growth needs measures to control inflation and efficiently utilise public funds to ensure long-term fiscal sustainability. Simultaneously, streamlining the tax structure and offering incentives to sunrise sectors such as renewable energy, electric vehicles, and startups will boost economic activity.

### **Strong Partnerships:**

- **Strategic Alliances:** Collaborating with global partners through plurilateral frameworks like the QUAD or the IPEF and bilateral initiatives such as iCET with the United States can mitigate the effects of geopolitical and geoeconomic headwinds. Such coalitions can counteract protectionist measures, resist overdependence on specific countries, and promote open, rules-based trade and investment regimes.
- **Cooperation on Trade and Technology:** In the last decade, India has signed 14 FTAs and six preferential pacts and is negotiating over 30 more. Such partnerships allow diversification of trade and, alleviate the impact of geopolitical tensions or economic downturns in specific regions and propel India's global competitiveness. They indicate India's keenness to be closely engaged in the global economy, signalling a pro-growth, pro-business, and pro-jobs approach.
- **Partnering with the Private Sector:** It is crucial to recognise the private sector as the primary driver and not just a contributor to India's growth story. Fostering an ecosystem that empowers domestic businesses to innovate and invest can create inclusive growth and job creation for India's vast workforce. Innovative policies and a supportive environment can

expand the scope of public-private partnerships and spearhead economic diversification across sectors.

- **Diaspora Engagement:** The over 18 million-strong Indian diaspora holds immense potential for knowledge sharing and investment opportunities. Deeper partnerships with them can aid in investment in critical sectors. Additionally, their expertise can lead to collaborations with Indian institutions and research and development facilities.

#### **Prioritising Key Growth Drivers:**

- **Boosting Manufacturing:** To increase the manufacturing sector's contribution to the GDP from 17% to 25% under the Make in India initiative, strategic sectors such as electronics, pharmaceuticals, and automobiles must be incentivised through targeted incentives and fostering innovation.
- **Innovation & Entrepreneurship:** Fostering a culture of innovation through R&D support and promoting technological advancements is vital for sustained economic growth. Establishing incubation centres, providing seed funding for startups, and increasing public and private investments in artificial intelligence, biotechnology, and nanotechnology must be prioritised.
- **Agriculture Transformation:** Modernising agricultural practices is crucial for enhancing farm productivity and empowering rural communities. This includes optimising resource utilisation and crop yields, creating efficient marketing channels, and establishing a robust agricultural credit system.
- **Financial Inclusion:** Initiatives like Pradhan Mantri Jan Dhan Yojana have increased financial literacy and economic participation. As a follow-up, fintech solutions offering financial services and inclusion along with financial education need to be deployed.
- **Sustainable Development:** Environmental considerations must be prioritised for long-term economic sustainability. This includes encouraging the adoption of clean technologies, implementing environmental regulations, and promoting sustainable practices to address climate challenges.

PAFI is the country's primary platform for corporate public affairs practitioners. It aims to align businesses, society, and governments on long-term priorities, foster trust between industry and stakeholders, help implement innovative regulations, and develop the necessary talent to navigate evolving trends.

#### **Call to Action**

Please block your calendar for **18-19 September 2024** for **PAFI's 11<sup>th</sup> Annual Forum**. Sponsorship opportunities are available.

You may also peruse the proceedings and session recordings of [PAFI's 10th Annual Forum](#), held on **26-27 October 2023**.

View glimpses of a decade of Annual Forums [10 Years of Annual Forum](#).

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