

The India story: prospects in the post-pandemic world

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Key takeaways:

- *As India returns to growth, there are plenty of opportunities for the country to build back better for people and the planet through infrastructure development with a keen eye on elements of ESG, digitisation and serving as the vaccine hub for the world.*
- *The post-COVID-19 world order offers fresh opportunities for India to build an economy that is more resilient, diversified and attractive.*

Almost two years after the World Health Organisation (WHO) declared COVID-19 a pandemic, optimism seems to be returning to the economic sentiment of the country.

The International Monetary Fund (IMF) projects that the global economy will grow by 6 per cent in 2021, and forecasts 9.5 per cent growth for the Indian economy. Even as we return to growth, it is now crucial to reflect on how to build back better for people and the planet. Viewed in India's context, there are plenty of opportunities to do so.

An immediate opportunity is infrastructure development; this will indeed be key to India's economic revival in the post-COVID-19 world. The impact of the pandemic has been uneven across different population groups and geographic areas. Major cities across the country have been impacted significantly. In addition to the re-build, India's infrastructure needs will increase further as urbanisation picks up pace. By 2030, it is estimated that more than half the populations of five states in India—Tamil Nadu, Gujarat, Maharashtra, Karnataka and Punjab—will live in urban settings, while the number of metropolitan cities is expected to increase from 46 listed in Census 2011 to 68 in 2030. Addressing the infrastructure gap will improve ease of living and bolster economic activity, speeding up the process of urbanisation. A post-pandemic India will need cities with quality infrastructure and growth which is sustainable and inclusive, going beyond roads and buildings to essentials such as healthcare and education.

In this context, the role and impact of Environmental, Social and Governance (ESG) issues are clearer than ever. The global pandemic has brought home vividly that issues relating to climate change, public health, and societal impact are existential concerns that affect the well-being, indeed the very survival, of all of us. The approach adopted by countries and businesses to these concerns has never been more vital. Especially for organisations, there is a growing momentum for corporations and financial institutions to move beyond short-term perspectives of risks and returns to embrace ESG concerns that in turn have been associated with superior long-term performance.

The other area which has been accelerated on account of the pandemic and presents tremendous opportunity is digitisation. From the use of contactless digital payments to digitally enabled start-ups, there has been a remarkable rise in the adoption of emerging technologies for solving a host of

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challenges. Equally, as [KPMG in India's CEO Outlook 2021](#) found, CEOs in India are now focussing on building digital resilience along with agility as a means to prevent risks from cyber threats and reputational damage from data privacy issues.

Hybrid models of working will both act as an accelerator and answer to new age digital skills. This can also help strengthen India's already well-recognised position as a talent hub for IT and digital skills. A third prospect for India as it charts its post-COVID-19 recovery is to become the vaccine hub for the world, with ambitious plans of producing more than five billion doses for export next year. India already produces around 20 per cent of the global requirement for generic drugs by volume. By moving up the value chain by focussing on biosimilars and increasing investment in discovery of new molecules and complex generics, India can take advantage of the ongoing shift across countries with respect to supply chain diversification.

The post-COVID-19 world order offers fresh opportunities for India to build an economy that is more resilient, diversified and attractive.

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