Why India will be one of the world's most competitive economies in the decade ahead

Mridul Kumar, Ambassador of India to Switzerland

Over the last few years, I have had the opportunity to engage with business leaders, policymakers, investors, academics, and entrepreneurs across the world. One theme comes up repeatedly: in a world that is becoming more uncertain, where will the next engines of growth and competitiveness come from?

My answer is increasingly clear: India is uniquely positioned to be one of those engines.

This is not just a statement of national pride. It is an observation based on the structural shifts taking place in the global economy and the unique strengths India brings to the table.

We are living through a period of extraordinary change. Technology is transforming industries. Supply chains are being redesigned. Artificial intelligence is reshaping business models. Demographic trends are altering labor markets. Sustainability is influencing investment decisions. At the same time, geopolitical developments are forcing businesses and governments to rethink long-held assumptions.

In such an environment, competitiveness is no longer about being the cheapest producer or the largest market. It is about adaptability, innovation, talent, resilience, and trust. When I look at India through that lens, I see a country whose competitive advantages are becoming stronger, not weaker.

The first advantage is our people.

India remains one of the youngest major economies in the world. Our median age is around 28 – significantly lower than that of the United States, China, and most European countries. At a time when many economies are grappling with aging populations and shrinking workforces, India will continue to contribute talent to the global economy for decades to come.

But youth alone does not create competitiveness.

What gives me confidence is the scale of ambition and capability that I see among young Indians. Whether in engineering, technology, management, science, healthcare, or entrepreneurship, there is a generation that is confident, globally connected, and eager to solve problems.

Every year, India produces millions of graduates, including one of the largest pools of STEM talent in the world. Increasingly, this talent is not only serving global companies but also leading innovation within them.

This is one reason why multinational corporations are expanding their global capability centers in India. What began as back-office operations has evolved into centers for product development, artificial intelligence, cybersecurity, research, and strategic decision-making.

The second advantage is India's digital transformation.

In my view, this is one of the most underappreciated competitive strengths in the world today.

Over the past decade, India has built digital public infrastructure at an unprecedented scale. Digital identity, instant payments, and digital service delivery have transformed how citizens, businesses, and government interact.

What is remarkable is not just the technology itself, but its inclusiveness. India has demonstrated that digital transformation can happen at population scale and reach people across income groups and geographies.

For businesses, this means lower transaction costs, faster innovation, broader market access, and greater efficiency. It creates a platform on which future growth can be built.

The third advantage is entrepreneurship.

Whenever I travel across India, I am struck by the energy and confidence of entrepreneurs. Innovation is no longer limited to a handful of large cities. It is emerging from smaller towns, universities, technology hubs, and manufacturing clusters across the country.

The problems being addressed are real and meaningful: financial inclusion, healthcare access, agricultural productivity, clean energy, logistics, and education.

This entrepreneurial culture is changing India's economic identity. We are moving from being known as a service provider to being recognized as a source of innovation and value creation.

A fourth area where India has a significant opportunity is in global supply chains.

Businesses today are looking for resilience as much as efficiency. They want diversification, stability, and trusted partnerships.

India offers a compelling combination: a large domestic market, a skilled workforce, democratic institutions, improving infrastructure, and growing manufacturing capability.

No single country will replace existing global production networks. However, many companies are building a "plus one" strategy, and India is increasingly becoming a preferred destination for investment, manufacturing, and growth.

Perhaps most importantly, India's growth story is not dependent on a single sector.

It is supported by consumption, infrastructure investment, manufacturing expansion, services exports, entrepreneurship, and digitalization. This diversity makes the economy more resilient and creates multiple opportunities for businesses and investors.

Of course, India still has work to do. We must continue improving productivity, investing in research and innovation, strengthening manufacturing competitiveness, building world-class urban infrastructure, and ensuring that growth remains inclusive and sustainable.

But what gives me confidence is India's ability to adapt. It has shown that it can absorb change, embrace new technologies, and scale solutions in ways that few countries can match.

India's future competitiveness will not be defined by low costs. It will be defined by capability, innovation, resilience, and trust – precisely the qualities that will matter most to the global economy in the decade to come.

Key takeaways

1 Do not view India simply as a market. View it as a strategic growth partner.

2 Talent will increasingly be India's defining competitive advantage. Organizations that invest early in Indian talent ecosystems will benefit disproportionately.

3 India's digital infrastructure is creating entirely new possibilities for business innovation and customer engagement.

4 Supply-chain diversification is not a temporary trend. It is a long-term structural shift, and India is well positioned to benefit from it.

5 The convergence of demographics, digitalization, entrepreneurship, and economic growth creates a window of opportunity that is rare in economic history.

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About

Mridul Kumar has served as Ambassador of India to Switzerland since 2023. A career diplomat, he previously held senior positions in India's Ministry of External Affairs, including responsibility for European affairs, and has represented India in Malaysia and South Africa. His career has focused on advancing India's economic, political, and strategic relationships across key regions.