

**2nd Chindia TMT Dialogue
Beijing
March 16, 2017**

**Remarks at Opening Session by Amit Narang,
Deputy Chief of Mission, Embassy of India**

‘Starting-up a new phase in India-China Collaboration’

**Distinguished entrepreneurs,
Dear friends from India,
Ladies and Gentlemen,**

I am delighted to participate in today’s event. Happier still to see so many Indian faces, faces of the new India; the India of boundless energy and a billion dreams.

Let me first of all convey, on behalf of Ambassador Vijay Gokhale, greetings and best wishes to the Conference.

Distinguished delegates,

In popular perception and to casual observers (and I stress the word casual), bilateral relations between India and China could perhaps be broadly divided into 3 broad phases. The historical context of Buddhism and Xuan Zang; the initially euphoric but tragic turn of events in the first decades of both countries’ independence; and thirdly, the rapid upgradation of trade and economic ties between the two large emerging economies since the start of this century. This is an undoubtedly over-simplistic macro representation of bilateral ties but important nonetheless since popular perceptions matter.

There is a 4th chapter to this narrative; a phase that however is just emerging and can only strengthen in the years to come. It’s a phase that is being written and will be written by the actors present in this room.

This new chapter is about collaboration in new technology; about co-producing innovation.

China has the world's largest internet connected population as well as the largest number of people on the social media. India on the other hand, is today the world's fastest growing market for internet and mobile telephony.

In the tech-driven start-up space, India has outpaced even China and is today the third largest start-up location worldwide with the fastest growing base of start-ups. India is also the youngest start-up nation in the world, with over 70% of founders less than 30 years old. Some truly incredible innovation is happening in Indian cities.

Chinese investments in the Indian internet and mobile technology ecosystem are spiking; just as Chinese hardware is underwriting the rapid growth in India's internet and mobile penetration. Indians are seeking to replicate the Chinese manufacturing miracle while simultaneously leapfrogging to the advanced applications of digital and AI technologies.

What is *not* happening as much as it should is both economies learning from each other. Indian entrepreneurs still seem to get their intellectual stimulation from the West while Chinese interest seems limited to selling more products to India and seeking returns on their capital.

What is needed is a greater enmeshment of the two ecosystems; greater mutual learning and greater collaboration. Chinese and Indian entrepreneurs need to co-produce the story of starting-up a new phase in India-China cooperation.

What could be done, or done better?

The message to the Chinese is quite simple: invest in India, make in India and innovate with India.

Today, our massive push on Digital India, Start-up India, Smart Cities, not to mention Make in India is transforming the very fabric of the Indian economy. Partner with us in these efforts.

As a rapidly developing large economy, not only does India offer an attractive rate of return on your long term investment, India is the only ecosystem that can give you innovations that will bring value to your own economy.

Rather than just selling to India, make India the destination for your manufacturing, do joint R&D with India; and co-incubate ideas with India.

How should India look at China?

Let me relate this with a personal anecdote.

Coming back to China after 10 years (and despite following developments in China all these years from afar) I was positively shocked by two of the advances China has notched up in recent years. The first is in constructing such a large network of high speed rail in such short time. The hard infrastructure.

But even more importantly, in how successful it has been in putting into operation such a comprehensive and expansive mobile payment ecosystem. You can today seamlessly use mobile payments in the large Chinese super-markets as well as with the street side snack vendors. The soft infrastructure.

If you set aside the issue of political oversight for a moment, there is lots to be learned when it comes to the advances made by China even in such soft infrastructure.

For Indian entrepreneurs, they need to therefore start looking at China much beyond affordable imports. China needs to be seen as a source of capital, of industrial manufacturing technology and increasingly of technological innovation as well.

In fact, given its similarities with us in population, a rapidly urbanizing economy and a socially conservative Asian culture that prizes savings and frugality, there is much larger take-away value for us from many of Chinese innovations in new technology as compared to, say those in the advanced western economies.

Clearly then, there is much to learn from each other - be it business models or technology ecosystems; clearly there is much to share with each other - be it

ideas or capital; and clearly there is much work together on - be it producing goods or incubating ideas.

Given the constraints of time, I will desist from going deeper into these issues. I am confident that you will get ample time during the course of the day to discuss these and many other ideas with each other.

Before winding up, I want to thank my good friend and the host of this Conference Li Jian. Not many of you perhaps know that Li Jian is a student of Hindi, and has made good use of his skills and talents in promoting greater India-China cooperation.

Please allow me to conclude by commending each one of my Indian friends for flying all the way to Beijing for this conference.

I do hope you find the time and money spent useful and that you'll carry back much more than Chinese investments.

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

I hope entrepreneurs of both sides will use their energies, their ideas and their capital in co-producing innovation. For not just one billion, but for over 2.6 billion dreams.

And in doing so, starting-up a new phase of friendship between India and China.

Thank you.
