Weekly Brief

August 27, 2026

India’s Next Chapter

Even after more than 20 years of traveling to India to meet with leaders, I am still surprised and inspired by the pace of change between each visit.

In my conversations with business leaders there this past week, I sensed a new energy to capitalize on the country’s opportunities—and an urgency to shore the economy up against potential emerging challenges.

India’s structural advantages are significant—enviable demographics, a young and talented tech workforce, a strong entrepreneurial culture, a supportive business policy environment, and a strengthening manufacturing base. India has experienced 33 years of over 6.5% annual growth and will add $5 trillion to global GDP in this decade—the third country to do so after the US and China.

India is experiencing several structural tailwinds, but three stood out to me:

Demographic Advantage. While many other countries confront aging workforces, more than 65% of India’s population is under the age of 35. Estimates put India’s share of the world’s specialized AI talent, those with hands-on skills in building and deploying AI, at roughly 10% to 15%. India’s young population is fueling another advantage: consumer-driven GDP growth. Private consumption hit roughly $2.1 trillion in 2025. And with consumption per capita at just $6,740 on a purchasing-power basis—less than half the global average—there's ample room to grow.

Stabilizing Business Reforms. A decade of sustained reforms has strengthened the foundations for investment and growth. The Goods and Services Tax replaced a patchwork of central and state taxes with a more streamlined framework. The Insolvency and Bankruptcy Code gave lenders more confidence to extend credit. And India's digital public infrastructure such as Unified Payments Interface (UPI), which enables digital payments; and Aadhaar, which provides digital identity, have helped shift more of the country's economic activity into the formal, trackable system. India's ongoing reform process aims to build on these advances.

Strengthening Manufacturing Base. Production-linked incentive (PLI) schemes, which pay companies based on their increase in manufacturing volumes, have been a key factor in attracting investments into the country's manufacturing base. Greenfield foreign direct investment in areas such as infrastructure, communication, and renewable energy hit $358 billion between 2021 and 2025, a 61% surge from the prior five-year period. That pace, however, may be moderating in 2026 amid rising global uncertainty and investor caution—a reminder that capital flows alone won't easily expand India's manufacturing. The country's business leaders are focused on the next imperative—increasing productivity and hence competitiveness.

Near-Term Disruptions

India draws heavily from global energy markets, particularly in crude oil. Higher energy prices, therefore, could dampen economic growth. Meanwhile, the country's widening network of free trade agreements, which now cover 38 countries, will give Indian businesses access to a broader set of markets—but also open the door to new competition. While India is emerging as one of the AI "middle powers" and an effective deployer of the technology, the country's large IT services industry is impacted by AI. The question now is how quickly India can capture higher-value work as AI commoditizes a share of traditional tech services.

The Takeaway for Business Leaders

India enjoys significant advantages that continue to make it a compelling growth story and business opportunity. For leaders in India, additional good news is that corporate balance sheets are clean. That will enable them to focus on tapping into all that India has to offer—the ambition, talent, and structural advantages that can make them winners on a global stage. For leaders outside, now is the time to find ways to participate in and find value in India's growth.

Until next time,

Christoph Schweizer
Chief Executive Officer

Further Insights

Mahindra's Anish Shah on Leading with Purpose

The Mahindra Group has seen its market capitalization increase twelvefold in just five years. In this episode of Moments of Truth, CEO Anish Shah explains how he has chosen to think big and lead with purpose.

Watch the Interview

[Six Winning Go-to-Market Strategies for Emerging Economies]

Companies have a huge growth opportunity in emerging markets, but only if they have the right approach to get their products onto store shelves and into consumers' hands.

Discover the strategies

[What Gen Z Wants—and Why It Should Inspire You]

Gen Z is often reduced to trends and clichés, but consumer expert Kanika Sanghi paints a more detailed picture. She reveals three behaviors that are core to how Gen Z is reshaping the world—and what that means for brands trying to keep up.

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