# ‘If It Works For India, It’ll Work Globally’

**Functionality across a big country’s diverse income levels, geographies, languages, and infra constraints is a great test for every technology’s resilience & adaptability, writes ex-CEO of Niti Aayog.**

By -Amitabh Kant

In a watershed moment for India’s technological and economic strategy, the Union Budget 2026–27 has repositioned data centres and AI cloud infrastructure as core national assets. The Budget announced a tax holiday until 2047 for foreign companies that deliver cloud services globally using data centres located in India, providing long-term fiscal certainty that few global jurisdictions can match.

This tax stability marks a key step toward positioning India as a premier AI hub amid surging compute demand. This policy will change the dimensions of AI infrastructure in India, by providing greater impetus for global hyperscalers like Google, Microsoft, and AWS to expand their operations. Coupled with the IndiaAI Mission for compute, datasets, and startups, and broader AI integration in governance, agriculture, and skilling, these incentives will supercharge India's AI momentum, accelerating investments beyond the existing USD 70 billion commitments by majors like Reliance, L&T, and Tata.

AI is now scaling at a pace few technologies have achieved before. Global investment in AI crossed USD 200 billion in 2024, driven by rapid expansion in compute capacity, cloud infrastructure, and applied AI systems across sectors. Data centre capacity worldwide is expected to more than double by the end of this decade, largely to support AI workloads. What was once viewed as an emerging technology has become core economic and strategic infrastructure.

Nowhere is this transformation more consequential than in India. With over one billion digital identities and more than 12 billion digital payment transactions every month, India is home not just to the world’s best digital payments model, but also hosts some of the world’s largest population-scale digital platforms. The country has over 150,000 startups, a globally integrated IT and services industry, and one of the largest pools of software and AI talent anywhere in the world. This scale of digital adoption is translating directly into demand for AI systems that can operate reliably across size, diversity, and real-world complexity.

Alongside this demand, India is witnessing a sharp acceleration in AI and compute investments. Hyperscale data centres, high-performance computing facilities, and AI-focused cloud infrastructure are expanding across multiple states, increasingly powered

by renewable energy. Public and private capital is flowing into digital infrastructure, advanced manufacturing, semiconductors, and AI research. This is not speculative capacity built in anticipation of future demand. It is infrastructure being deployed to support a digital economy that already operates at population scale.

India is also among the world's largest producers and consumers of data. Hundreds of millions of users interact daily across platforms spanning finance, commerce, health, education, mobility, and governance. These data flows reflect real conditions rather than controlled environments. AI systems trained and deployed in India must function across income levels, geographies, languages, and infrastructure constraints. Solutions that work in India are therefore inherently resilient and adaptable. They, in fact, hold the key to bringing about size and scale at a global level.

This combination of scale, infrastructure, talent, and deployment experience gives India a distinctive position in the global AI landscape. If AI solutions can work for 1.4 billion people, they can work for the world. If the world is entering the age of artificial intelligence, this is India's decade to define how that age unfolds. The country's unique strengths in inclusivity and innovation give it both the responsibility and the opportunity to influence what AI stands for, not just technologically, but socially and economically. The global conversation around AI must now evolve, and India is well placed to lead it across five critical dimensions.

**First, the debate must shift from risk to real-world impact.**

Global discourse on AI has largely centred on speculative risks, governance frameworks, and distant scenarios. While these discussions matter, they cannot crowd out the urgent opportunities AI presents today. India's focus is on how AI can improve healthcare delivery, expand access to quality education, enhance agricultural productivity, strengthen public services, and make governance more responsive. The key is now to focus on deployed solutions and scalable models, anchoring the conversation in what is already working and what can be rapidly expanded.

**Second, people, planet, and progress must sit at the heart of AI design.**

Technology cannot be separated from the societies in which it operates. AI systems must be inclusive by design, ensuring access for citizens, small enterprises, and public institutions, not only large corporations. They must support sustainability goals, from climate resilience to resource efficiency. And they must contribute to equitable growth and job creation. These pillars reflect the priorities of emerging economies, where development outcomes remain the central benchmark for technological success.

**Third, democratizing access to AI is essential.**

There is a growing risk that AI capability becomes concentrated in a few countries and companies, reinforcing new forms of dependency. India's approach stresses broad-based access. This includes enabling startups beyond major metropolitan centres, supporting women-led innovation, building public sector capacity, and expanding skills development at scale. AI must function as an enabling layer across the economy, not as an exclusive capability available to a narrow elite.

**Fourth, AI progress must now move from vision to deployment**.

The world has no shortage of strategies. What it needs is execution. India's strength lies in building implementation frameworks that convert ambition into action. Structured innovation challenges, collaborative investment platforms, and working groups connecting policymakers, industry, and academia can all translate dialogue into deployment. The focus must be on scaling what works and on building pipelines for partnerships and applied solutions that deliver measurable value.

This development-first approach also signals a broader shift in the global AI narrative. For much of the developing world, the most pressing questions are not about artificial general intelligence, but about access to healthcare, education, livelihoods, and climate resilience. A singular focus on hypothetical future risks marginalising these priorities. India's experience points to an alternate path grounded in inclusion, application, and shared progress.

**Fifth, AI's energy challenge must be seen as an opportunity for acceleration of clean energy.**

Data centres and clean power are no longer passive inputs for large technology and industrial firms. They are now central to expansion strategies, capital allocation, and long-term competitiveness. Global hyperscalers increasingly plan compute capacity, energy sourcing, and sustainability together, often investing directly in generation, storage, and grid infrastructure. As a result, access to reliable, affordable, and low carbon power has become a decisive factor in where digital infrastructure is deployed, reshaping global capital flows and favouring countries that can offer compute and clean energy as an integrated proposition.

As AI and data centre capacity scale, India must modernize the power system that supports this growth. This means shifting to a flexible, intelligent, and market-driven

electricity ecosystem. Grid modernization must enable real-time balancing, demand response, and markets for ancillary services. AI can optimize power system management by shifting to distributed generation based on real-time trends, forecasting load, dispatching resources efficiently, and integrating storage with variable renewable energy. Data centres should act as anchor customers for long-term renewable projects, including co-located solar and wind paired with storage. Small Modular Reactors will be the next frontiers for reliable energy supply. Aligning digital expansion with clean and resilient energy systems will be critical to India's climate and energy security objectives.

Looking ahead, there are clear opportunities to deepen this impact. Artificial intelligence can significantly enhance the effectiveness of digital public infrastructure. Predictive analytics can improve service delivery. AI-driven systems can reduce leakages, detect fraud, and personalize citizen interactions at scale. At the same time, new forms of digital public infrastructure can be created specifically to democratize AI itself. Shared compute platforms, interoperable models, open datasets, and public interest sandboxes can lower entry barriers for innovators and governments.

India's experience with digital public infrastructure demonstrates that when foundational technology is treated as a public good, it unlocks private innovation at unprecedented scale. Applying this logic to AI can ensure that its benefits are widely distributed rather than narrowly captured. This will require continued investment, open standards, responsible data governance, and sustained international cooperation.

India is already moving to translate its AI trajectory into durable capability and shared progress. This includes initiatives such as the IndiaAI Mission, which is building common national compute capacity, shared datasets, and support for indigenous models and startups, alongside continued investment in digital public infrastructure and open, interoperable platforms. The Budget-2026 tax holiday for AI data centres and enhanced funding for IndiaAI Mission will further propel this trajectory, drawing massive global investments and solidifying India's leadership in scalable AI deployment.

Within this broader effort, the India AI Impact Summit 2026 in February 2026 is also an important step, serving as a platform where governments, technology leaders, startups, researchers, and civil society from across the Global North and South can align around deployment, inclusion, and development, helping ensure that India's AI moment advances the aspirations of much of the world.

By anchoring the global AI conversation in impact, India is offering a model that speaks not only to its own priorities, but to the aspirations of much of the world.

(*The author is ex CEO NITI Aayog and ex G20 Sherpa, Govt of India)*