



India

Pumping the brakes on transportation technologies

With a booming population of more than one billion — second only to China — and a growing tech industry to match, India has extraordinary potential for innovation.

Unfortunately, although India is one of the world’s largest auto markets, self-driving vehicles face a host of challenges there. Traffic congestion, pedestrians crossing major thoroughfares and unpredictable behavior by drivers all present challenges for SDVs that the Indian tech sector has yet to overcome.

Self-driving vehicle entrepreneurs and engineers also receive a icy reception from the Indian government. Transportation Minister Nitin Gadkari actively opposes self-driving vehicles, telling reporters in 2017 that India will not allow them on roads because they would result in lost jobs for drivers.

Ridesharing services in India face similar challenges. In 2014, the government banned Uber in New Delhi. It later relented, reforming some rules to allow app-based ride-hailing services but require drivers to obtain the same licenses as taxis. Similar scenes are playing out in other Indian cities, with regulators in Karnataka also requiring rideshare drivers to be licensed.

Short-term rentals, on the other hand, are allowed throughout India without undue burdens, and the industry has boomed in recent years. In 2015, Indian listings on Airbnb grew by 115 percent over the previous year, and bookings soared by 185 percent.

Sources: (Economic Times) (Times of India) (Library of Congress)

WHAT DID WE DO RIGHT?

India allows short-term rentals to operate throughout the country, with only some regional restrictions limiting the industry.

WHAT CAN WE DO BETTER NEXT YEAR?

India can support the development of self-driving vehicle technology; lower its 30 percent corporate tax rate; loosen rules that hamper drone operation and prevent the growth of the ridesharing industry; and improve air quality, which currently falls well below World Health Organization standards.

Diversity	D
Freedom	C+
Broadband	C+
Human Capital	C-
Tax Friendliness	D
R&D Investment	C
Entrepreneurial Activity	D
Drones	D
Ridesharing	F
Short-Term Rentals	B
Self-Driving Vehicles	F
Environment	D+



Human Capital

India's annual new business entry rate is just 0.12 per 1,000 people, but the country is home to 14 unicorns.



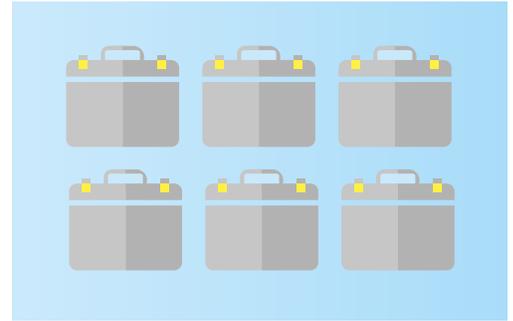
Broadband

In all of Asia, India has the slowest internet speeds, averaging 5.7 mbps, at an average monthly cost of \$17.05.



R&D Investment

India's research and development spending makes up less than one percent of the country's GDP.



Entrepreneurial Activity

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MUMBAI

Already established as India's economic hub, Mumbai has increasingly found favor with financial technology entrepreneurs, thanks in part to a wave of locally-backed investment.

Bitgram, which uses blockchain technology to protect consumer data, secured funding from Mumbai-based ICICI Bank and the Reserve Bank of India, as did Dobox, a marketing and customer retention system. Fellow fintech venture mTrakr also brought in funding from ICICI Bank to bolster development of the personal finance app.

All three were part of the inaugural SBC FinTech in Mumbai and were among a cluster of other FinTech companies to earn funding following the event. Following the boot camp, participants can take advantage of alumni programs and one-on-one investor meetings to spur growth.

The State Bank of India has also joined in the investment push, funding several fintech companies through the Startupbootcamp financial technology accelerator.

Local FinTech talent has attracted outside interest as well. Marketing and data analytics company M.paani launched in 2014 and three years later was one of four Mumbai startups to join Google's Launchpad Accelerator Programme. The six-month accelerator matches growing businesses from emerging tech ecosystems with training, mentorship and support from Google to help the participants scale up.

Sources: (CNBC) (Inc 42) (Google Launchpad) (Startupbootcamp)



Financial technology entrepreneurs have found a home in India's economic hub of Mumbai, and the city has already produced fintech success stories. Local fintech startup M.paani was one of four Mumbai companies to join Google's six-month Launchpad Accelerator Programme.