

Davos Summit 2023: Event For Impact Or Stage For Dressing And Talking?

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At the World Economic Forum's (WEFs) annual meeting in Davos, experts talked about trade, tech and climate crisis and the way forward amid the global economic slowdown and a possible recession



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by Abhishek Sharma

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Once again, global political leaders and business tycoons dressed up in fancy clothes arrived in snow-covered Davos to discuss various aspects of the cascading and connected crises that threaten a polycrisis at the World Economic Forum's (WEFs) annual meeting.

As fear of a possible recession is high along with a global economic slowdown, Davos decked up to host the WEF's annual jamboree—touted as one of the biggest summits of the year where politics meet business to talk, talk and talk for a few days before departing to their respective countries.

PM Modi sent out central ministers like [Smriti Irani](#), the Minister of Women and Child Development, and Ashwini Vaishnaw, the Minister of Railways and Communications, to sell India's growth narrative. From the business sector, Tata Sons Chairman Natarajan Chandrasekaran and [Sunil Mittal](#), Chairman, Bharti Enterprises also took the central stage.

Abhinay Muthoo, a Fellow at the National Institute of Economic and Social Research (NIESR) and Visiting Professor of Economy, MDAE stated that despite all the talk of the growth story, the mega event would only provide a limited opportunity to attract investments, particularly if attempted by those in attendance from the national and state leadership of India.

Maharashtra, however, bagged an investment commitment worth Rs 88,420 crore. CM Eknath Shinde added that on the first day, a memorandum of understanding (MoU) for an investment totaling more than Rs 45,000 crore was signed.

India story—

From the economy to the energy transition, India's action on crucial global issues was a major topic of discussion at Davos 2023.

According to the World Economic Forum's Chief Economists Outlook, some economies in South Asia, including Bangladesh and India, may benefit from global trends such as a diversification of manufacturing supply chains away from China.

Surprisingly, the view aligns with predictions from the London-based consultancy Center for Economics and Business Research (CEBR), which says that India will become the third USD 10 trillion economy by 2035.

More than half of India's population, estimated to have already overtaken China's, falls in the working age group of 15-64 years— the segment known as the demographic dividend. Can it use this demographic dividend in stride?

On a panel discussing 'India's Road to a USD 10 Trillion Economy', Vaishnaw highlighted that for India it is important to make sure the economy is resilient and there is a consistent 6-8 per cent growth rate for a complete decade with moderate inflation.

On the energy transition, the Modi government has pledged to reach net-zero emissions by 2070 at COP26. Raj Kumar Singh, Minister of Power and New and Renewable Energy said, "India is the only major economy whose energy transition is consonant with a sub-2 degree rise in global temperature.

India met its NDCs nine years ahead of schedule; we promised to have 40 per cent of our capacity come from non-fossil fuels by 2030, and we did so in 2021, the official said.

Private sector—

At Davos, Airtel announced that it would establish a data centre through an investment of Rs 2,000 crore in the state of Telangana. The hyperscale data centre will have a capacity of 60 megawatts (MW) of IT in the first phase.

There's a palpable excitement brewing amongst Indian leaders in technology, according to Sunil Mittal, Chairman at Bharti Enterprises. "India is undoubtedly progressing. Consumption is increasing, and nearly every sector of our economy is doing well.

Mittal went on to expand on the rollout of 5G services in India but said its use case is still limited. "The greatest benefit of 5G will be from industrial applications, which is what we're most excited about."

On the question of how much India has benefited from the tech tensions between the United States and China, Mittal pointed to a renewed focus on manufacturing capability. India is now committed to spending very large amounts of money over the next 5-10 years to finally attract the semiconductor base, which we could never build over the last several decades.

In the middle of global challenges like a possible recession, economic slowdown and war, India is uniquely positioned in digital, energy and supply chain or geopolitical transitions, said Natarajan Chandrasekaran, Chairman, Tata Sons.

Last year's summit—

Last year, states such as Maharashtra, Andhra Pradesh, Telangana and Karnataka signed MoUs with several companies for investment in their states. In fact, Maharashtra received an overwhelming response from investors for its Magnetic Maharashtra 2.0 Program at Davos last year.

"This mega event is one of the promising events to showcase trade and investment potential in India among the participating delegates," said Vijay Kalantri, Chairman, MVIRDC World Trade Center Mumbai. It is a great chance for state governments to draw attention to new business opportunities in their states, to be more precise.

This year's summit was more concerned about Europe, especially Ukraine. Though less concerned about Covid-19 than in the last two years.

While talking about if such big events meet their target or they just become a platform where global leaders show up and just talk, Muthoo said, "Indeed, these are just talking platforms and this one is even less wide-ranging or important than some others.

Kalantri, on the other hand, holds a different perspective and argued that the WEF is more than just a gathering place for world leaders to speak. According to him, India has had a formal relationship with the WEF since 1985, and this relationship has benefited India not only in terms of trade and economic development but also in areas like education and healthcare.

So far, 33 India Economic Summits have been held in India under the aegis of the World Economic Forum and these summits served as a platform to project India's emerging business opportunities to global companies.

In 2022, the India chapter of the Alliance of CEO Climate Action Leaders was launched to promote industry participation in reducing carbon emissions and protecting the environment.