

Google to Invest \$10 Billion in India

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5-7 minutes

[Alphabet](#) Inc.'s Google is tightening its ties to India with a \$10 billion fund to profit from the country's digital evolution and prove it shouldn't be shut out by protectionist policies.

India may be one of the last [great untapped digital markets](#) because roughly about half of its 1.3 billion people have yet to get online. It is expected to see the largest increase of new people on the internet in the coming years. Policy makers in New Delhi have been trying to use that opportunity to attract more investment while at the same time support and protect local startups.

Alphabet had been one of the first American tech companies to see the potential for great growth in the South Asian nation, but it hadn't been the one with high profile events and acquisitions promising multibillion dollars investments. The new fund—dubbed the Google for India Digitization Fund—will help policy makers see the benefits of welcoming Google.

As the latest in a line of tech titans to target India, Google said Monday that it has launched the fund to invest the money over the next five to seven years through equity investments and partnerships, as well as in infrastructure.

“This is a reflection of our confidence in the future of India and its digital economy,” said Sundar Pichai, chief executive of Google and Alphabet, said Monday at Google’s annual event showcasing its business in India, which was held online.

He said the investment would focus on four areas: affordable access in local Indian languages, new products and services aimed at Indians, helping businesses get online, and using technology to promote social issues including health and education.

Google, which has had operations in India since 2004, is increasing its commitment to the country as other big America names, including [Facebook Inc.](#), [Amazon.com Inc.](#) and [Walmart Inc.](#), have made [multibillion-dollar investment plans](#) in the country.

“India’s moment has arrived,” India’s Minister of Communications, Electronics and Information Technology, Ravi Shankar Prasad, said at the Google online event. “I am very happy that Google is recognizing the great power of India’s digital empowerment, India’s digital innovation and the

need to create further opportunity.”

Google saw the opportunity in India and the many developing markets in the world—where people have been getting online in growing numbers through their phones—earlier than most.

It has been designing products and modifying its services to better accommodate what it calls [the “next billion users.”](#) These new users are more likely to use inexpensive smartphones with little memory space and be connected to slow cellular networks.

It has created versions of its apps which use less data, let people who are only online occasionally download YouTube videos to watch later and help those less familiar with keypads and English search for content using voice and multiple Indian languages. To accommodate the country’s millions of motorcycle and scooter drivers, it added a Google maps function to calculate how long trips will take on a two-wheeler.

One of its most successful services launched in India has been its [digital payment app, Google Pay.](#) It was designed for the less affluent Indian consumer and has been downloaded more than 180 million times and used to transfer billions of dollars.

While India is stuck in the middle of one of the world’s worst coronavirus outbreaks—with [more than 800,000 people](#) infected only the U.S. and

Brazil have been harder hit—and its economy is shrinking for the first time in decades, Google isn't the only tech titan turning to the country in tough times.

In April, Facebook announced a \$5.7 billion tie-up with an Indian mobile leader in hopes of tapping into the country's vast potential, particularly in e-commerce.

Amazon is investing \$5 billion to expand its India operations. Walmart bought [India's biggest homegrown e-commerce firm](#), Flipkart, for \$16 billion in 2018.

The global brands are laying out massive investment plans even as New Delhi has increasingly been announcing restrictions and requirements on how foreign companies can operate in India and store data.

Some Indian politicians and local tech entrepreneurs would like to see India do more to protect its market from foreign companies like China does so that some local champions could emerge.

Last month, in one of New Delhi's most aggressive moves, it [banned the use of 59 Chinese apps](#), citing cybersecurity concerns. The move was seen as payback for a bloody hand-to-hand battle between the troops of the two countries [at their disputed border](#) high in the Himalayas. At least 20 Indian

troops died.

Beijing-based Bytedance Ltd.'s short video sharing app TikTok, which had been downloaded more than 660 million times in India, was on the list.

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