Research Report: Indian AI Problems

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# Table of Contents

**1. Overview of AI adoption in India**

**2. Challenges faced by AI in India**

# Overview of AI adoption in India

Key Findings from Deloitte's State of Generative AI Report (India Perspective)  
  
1. Adoption Pressure: Over 95% of businesses feel pressure from stakeholders to adopt Generative AI (GenAI).  
2. Investment in GenAI: Despite growing investments, GenAI constitutes less than 20% of the overall AI budgets for more than 50% of organizations.  
3. Price Sensitivity: Nearly 50% of Indian companies prioritize pricing over performance in adopting GenAI, contrasting with global trends.  
4. Transformative Expectations: 89% of respondents believe GenAI will transform their organization within three years, and 48% foresee industry-wide transformation.  
5. Preparedness Gaps: Over 40% report high levels of preparedness in data management and tech infrastructure, but only 25% are prepared in risk, governance, and talent areas.  
6. Productivity Benefits: 42% indicated that productivity and efficiency are the primary benefits achieved from GenAI initiatives.  
7. Barriers to Adoption: 68% cited concerns over using sensitive data in GenAI models, with 65% expressing worries about data privacy and security.  
  
Expert Insight: S. Anjani Kumar from Deloitte India emphasizes the necessity for organizations to address implementation complexities, investment strategies, and talent gaps to fully leverage GenAI.Overview of AI Adoption in India: The World Economic Forum outlines a blueprint for AI in India by 2030, focusing on inclusive growth and global leadership. This initiative emphasizes the importance of adopting AI technologies to boost economic development, enhance governance, and improve quality of life in India.Overview of AI adoption in India focuses on the current trends, challenges, and advancements in the field. The adoption rates have been increasing significantly across various sectors such as healthcare, finance, and retail. Industries are leveraging AI technologies to enhance efficiency, improve customer experience, and drive innovation. The Indian government is also playing a crucial role by introducing policies and initiatives to promote AI development and integration into the economy. Challenges such as skilled workforce shortages, data privacy concerns, and infrastructure limitations remain significant hurdles to broader adoption.Title: India’s Widespread AI Adoption and 2027 Market Projections  
  
1. AI Market Growth: The global AI market is projected to reach USD 320 billion to USD 380 billion by 2027, with a CAGR of 25% to 35%.  
2. Sectors Involved: India is adopting AI across healthcare, finance, retail, manufacturing, and agriculture, supported by the National AI Strategy and National AI Portal.  
3. Financial Sector Leader: The financial sector utilizes AI for fraud detection, risk assessment, and customer service automation.  
4. Government Initiatives: Initiatives such as Digital India and Make in India promote AI research and startup innovation.  
5. AI Startups: There is significant investment in startups creating tailored AI solutions, with examples like Cropin in agriculture.  
6. Healthcare Innovations: AI supports predictive diagnostics and personalized medicine, exemplified by the Saathealth app for child health education.  
7. Retail Enhancements: Retailers use AI for recommendation engines and personalized strategies.  
8. Manufacturing Efficiency: AI is employed to optimize operations, supply chains, and quality control.  
9. Investment in Infrastructure: STT Global Data Centers has announced a USD 229 million expansion in India.  
10. Challenges: Key challenges include data privacy concerns, regulatory requirements for AI tool approval, infrastructure issues in rural areas, and a shortage of skilled professionals.  
11. Regulatory Changes: New regulations mandate government approval for AI tools before public release, emphasizing reliability and transparency.

## Sources

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# Challenges faced by AI in India

AI Strategy Focus: India aims to balance innovation and risk in its national AI strategy, highlighted at the Global Technology Summit (GTS) 2023.  
  
Government Initiatives: The Indian government promotes AI applications for social welfare, including disease detection and agricultural productivity.  
  
Global Influence: India positions itself as a leader in AI governance, focusing on pro-innovation and welfare-oriented approaches, particularly beneficial for developing countries.  
  
Key Elements:   
- Data: Importance of data for innovation; emphasis on data sharing and the need for structured data in local languages.   
- Compute: Challenges in enhancing computing power; focus on scalable and sustainable compute infrastructure.   
- Models: Debate between small, open-source models versus proprietary models; recognition of the need for both types in India's AI landscape.  
  
Regulatory Risks: India's regulators are cautioned to consider safety risks linked to AI technologies, highlighted by the signing of the Bletchley Declaration.  
  
Holistic Governance Approach: India must adopt comprehensive AI governance, addressing emerging regulatory issues and developing clear strategies for managing risks.  
  
Global Interest: India's approach to AI regulation and its potential model that balances safety and innovation attracts significant global interest, particularly from other developing nations.Challenges faced by AI in India include access barriers to critical information and resources, which are further compounded by issues of security and online protection mechanisms that can obstruct research efforts. These challenges hinder the advancement and implementation of AI technologies across various sectors in the region.Challenges faced by AI in India include issues of data privacy, bias in algorithms, and a lack of infrastructure to support advanced AI technologies. Additionally, regulatory compliance presents significant hurdles, as well as the need for skilled professionals skilled in AI development and deployment.Title: The prospects and challenges of unravelling the influence of AI in India  
  
AI is transforming various industries in India, enhancing productivity and creativity. Generative AI (GenAI) could contribute USD 359 billion to India's GDP by 2029-30, with the cumulative impact of all AI technologies expected to reach USD 967 billion by 2035. AI may create 12 million jobs by 2025, despite displacing some roles. Key sectors affected include healthcare, education, agriculture, finance, and government.   
  
Challenges faced by AI in India include data privacy, skill shortages, infrastructure constraints, and ethical concerns. Government initiatives include NITI Aayog's National Strategy for AI and the establishment of Centres of Excellence for AI. Collaboration among startups and stakeholders is vital for the growth of the AI ecosystem. The future outlook emphasizes responsible and ethical AI deployment.Challenges in AI adoption in India:   
- 31% lack talent for AI development   
- 20% stalled AI projects due to skills gap, governance, and trust issues   
- 92% of executives cite security vulnerabilities as a concern   
- 91% express worries about privacy risks related to AI   
- 89% highlight regulatory uncertainties as a challenge   
- Nearly 50% experience technology integration difficulties   
  
Proposed solutions:   
- Increasing adoption of ready-made AI solutions   
- Upskilling workforce to bridge the skills gap   
  
Key statistics from the survey:   
- 41% of senior managers lack confidence in AI   
- 72% of firms are hiring individuals to ensure ethical AI use.

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