

MINT CURATOR

China's carmakers had better not spark off price wars abroad

India should act to reverse this slump before inadequate productive investment gets in the way of its economic ambitions



This is precisely what is going on in today's India. The first part of the link reflects the 'quality' of investments. In simple terms, it asks whether the money being spent actually creates productive assets. If a factory produces at world standards, its efficiency is high. If a highway sharply reduces travel time, its efficiency is high. But if a bridge is built where few people travel or if a company raises funds but deploys them poorly, efficiency falls. India today faces increasing concerns on this front. The recent IPO boom provides a stark example. In 2023-24 and 2024-25, India recorded more than ₹60,000 crore in fundraising from initial public offering (IPOs), the highest since the 2021 startup frenzy. Yet, several high-profile listings, from consumer tech to fintech, have been marked by weak post-listing performance, unclear profitability paths and swift price corrections. Efficiency falls

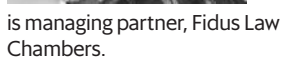


The next stage, turning investment funds into actual capital, is just as worrying. India's gross fixed capital formation has fallen from 34% of GDP a little over a decade ago to about 30% today, versus China's 41%. Private corporate investment, once touted as the engine of India's growth story, remains stuck near 10% of GDP from a peak of 27%

India has long sought to escape the 'middle-income trap.' A strong and efficient investment engine is the surest way out. Reversing the capital formation slowdown is not only an economic imperative, it is the foundation upon which India's long-term aspirations rest.

THEIR VIEW

SHWETASREE MAJUMDER



A 2024 McAfee Labs survey found that 75% of Indian respondents had encountered some form of a deepfake in the past year and 38% had been targeted by a deepfake-enabled scam. Understandably, policymakers want stronger safeguards. The government's proposed amendments to the Intermediary Guidelines attempt to address these dangers by creating a category of "synthetically generated information" and imposing identification and disclosure obligations. Platforms must permanently label such content through visible markings covering a tenth of the screen or the first tenth of an audio clip and also embed unique metadata

The difficulty is not only legal, but practical. Even advanced detection technologies struggle to reliably distinguish deepfakes from edited or enhanced content. Meta has invested in adversarially trained detection models, yet acknowledges their limitations. YouTube requires creators to disclose AI-generated content but relies on user declarations, given the inadequacies of automated detection. Google's SynthID watermarking tool embeds signatures into images and audio clips at the point of creation and offers a promising pathway for provenance.

Other jurisdictions have taken a more calibrated approach. The EU's AI Act requires creators to disclose artificially generated or manipulated content, but not rigid watermarks or screening. It focuses on transparency without distorting content. In the US, which has stronger free speech protection, lawmakers have focused on specific harms, such as election interference or porn. Even China, despite its reputation for strict internet regulation, does not demand visible labels covering fixed portions of a screen or ask platforms to authenticate all user declarations. India's proposal is not just more stringent, it

Critically, public awareness must be central to any regulatory strategy. With over 800 million internet users in India, many encountering sophisticated fakes for the first time, no watermark can replace the

improving, can help identify malicious content without screening everything.

India's AI ecosystem deserves the space to develop through compliance sandboxes and supportive frameworks. Punitive burdens that only large corporations can absorb need a rethink. Deepfakes are a serious threat, but our policy response mustn't create new ones. Security can't be bought through overcorrection. Our task is to build a regulatory framework that strengthens trust, enhances transparency and retains the openness that has defined India's digital growth.

