

SCIENCE AND TECHNOLOGY PULSE

Bi-Monthly Newsletter



Overview: *Science & Technology Pulse synthesises key policy and industry developments across emerging technologies to identify the forces reshaping technology, innovation and industrial capacity. Each edition examines the policy signals, investment trends and infrastructure shifts that matter for policymakers, industry leaders and strategic decision-makers.*

A Note from the Editor

As the second half of the year moves into a busier policy calendar, this edition of VeK tracks a trend reshaping economic competition at every level of government: the race to own the infrastructure and rules of the digital and emerging-technology economy. From Indian state capitals to Brussels to Washington, governments are moving in parallel -and sometimes in direct competition with one another to capture data centres, AI capacity, and innovation capital before their rivals do.

This issue also looks beyond India to the global dimension of that race: the European Union's push to build sovereign AI compute capacity, the G20's new consensus principles for emerging technologies, and a fresh U.S. presidential directive on space transportation infrastructure.

Over August and September 2026, Gujarat, Uttar Pradesh, Jharkhand and Maharashtra introduced or advanced major technology and industrial policy initiatives, while the EU, G20 and United States announced significant measures on AI, emerging technologies and space infrastructure.

Together, these developments provide a snapshot of how governments are translating technology ambitions into specific targets for capacity, investment and infrastructure

The Data

7.5 GW

Gujarat's new data centre capacity target by 2029, against investor demand already approaching nearly twice that level

2 GW+

Uttar Pradesh's new data centre capacity target under its 2026 policy, alongside ₹2 lakh crore+ in targeted investment

₹1,150 crore

Five-year outlay under Jharkhand's draft AI Policy, alongside the ₹10,372 crore IndiaAI Mission

₹25,000 crore

Investment Maharashtra aims to attract under its new Bioplastics Policy, including ₹10,000 crore for PLA manufacturing

€30 billion+

Investment the EU expects to unlock through its new AI Gigafactories call, on top of €10 billion in public funding

1,000+

Annual U.S. space launches and reentries targeted for support by 2030 under NSPM-17

The Key Developments



Cover Story



THE GREAT COMPUTE RUSH

Gujarat launched its Viksit Gujarat Data Center Policy 2026-29 on July 9, targeting 7.5 gigawatts of capacity even as the state says it has already fielded investor demand for nearly double that figure. Days earlier, Uttar Pradesh's cabinet had approved its own Data Centre Policy 2026, aiming for more than 2 additional gigawatts of capacity and over ₹2 lakh crore in investment, replacing a 2021 policy that had drawn roughly ₹21,343 crore and 644 megawatts of committed capacity.

"Dholera will become the world's largest 'Data Center City.'"

-Harsh Sanghavi, Deputy Chief Minister, Gujarat

What It Means:

India's data-centre expansion is creating room for states to compete for new capacity without necessarily competing for a fixed pool of investment. But as more states offer similar incentives, execution is likely to become a stronger differentiator — including land availability, power reliability, water supply and speed of approvals. Gujarat's emphasis on desalination illustrates how physical infrastructure is becoming as important as fiscal incentives.

VeK Insight:

Both states are converging on nearly identical tools: long tax holidays, single-window clearance, and mandated green power (51 per cent for Gujarat) to court the same pool of hyperscale and AI investors. Gujarat's science and technology minister put the national stakes in context: India currently has only about 200 data centres and 2 to 3 gigawatts of capacity, compared with roughly 5,500 data centers and 30 gigawatts in the United States. Uttar Pradesh, for its part, is layering in incentives specifically for Graphics Processing Unit (GPU)-based and Tier-3/4 facilities, with special provisions for its less-industrialised Bundelkhand and Purvanchal regions.

Policy Watch 1

STATES WRITE THEIR OWN AI PLAYBOOKS

Jharkhand's Draft AI Policy 2026–31, presented for stakeholder consultation in July, proposes a five-year, ₹1,150 crore roadmap built around a State AI Mission, a Jharkhand AI Cloud and an AI-led governance architecture. The draft places particular emphasis on applications across governance, healthcare, agriculture, mining and citizen services, alongside measures to support private-sector technology investment.

The proposed framework sits alongside the national IndiaAI Mission, which has expanded shared compute capacity to more than 45,000 GPUs, with 237 projects accessing subsidised AI computing by August.

VeK Insight:

Jharkhand's approach reflects a wider shift in state-level AI policy from generic technology promotion toward a combination of public-sector applications, shared infrastructure and investment facilitation. The model includes AI infrastructure, innovation support and institutional mechanisms alongside governance use cases.



What It Means:

The proliferation of state-level AI frameworks creates an opportunity to tailor AI adoption to local economic and administrative priorities. It also raises a coordination question: how should state-level compute, data and AI initiatives align with national infrastructure and standards? The states that connect their programmes to national platforms and interoperable standards may have an advantage over those that build entirely parallel systems.

Policy Watch 2



UTTAR PRADESH BETS ON DEEP-TECH STARTUPS

Uttar Pradesh's Startup Policy 2026 increases support across the startup lifecycle, including a ₹1,000 crore Startup Fund, a ₹20,000-per-month sustenance allowance for up to two years, prototype grants of up to ₹10 lakh, seed capital support of up to ₹15 lakh, and matching grants of up to ₹5 crore.

The policy also creates a stronger deep-tech track covering areas such as AI, robotics, quantum technology and space technology, with enhanced prototype and seed support and long-term patient-capital support for capital-intensive ventures.

What It Means:

Uttar Pradesh is positioning its startup policy as a tool for attracting technology ventures beyond the state's established startup centres. The effectiveness of the model will depend less on the headline size of the funds than on the speed, transparency and consistency with which support reaches eligible companies.

VeK Insight:

The policy represents a shift from broad-based incubation support toward a more differentiated funding architecture. For capital-intensive technology companies, the combination of early-stage grants, matching support, compute assistance and longer-duration capital addresses financing needs that conventional startup schemes may not fully cover.

The policy also introduces a four-tier implementation structure comprising a Steering Committee, Empowered Committee, Policy Implementation Unit and Startup Review Committee of Experts, alongside the Startup Mission and Advisory Committee.

Policy Watch 3

MAHARASHTRA BETS ON BIOPLASTICS

Maharashtra's Cabinet approved the Bioplastics Policy 2026 on July 2, with the policy formally approved through a Government Resolution dated July 24. It targets ₹25,000 crore in greenfield investment, including at least ₹10,000 crore for PLA manufacturing. The state aims to create at least 200,000 tonnes per annum of PLA and other major biopolymer capacity and reduce dependence on PLA imports by 50% by 2030.

The state has approved an estimated ₹10,892 crore in incentives over 25 years, comprising ₹782 crore for the first five years and ₹10,110 crore for the subsequent 20 years. A ₹50 crore budgetary provision has been made for FY2026-27.



VeK Insight:

Unlike data-centre and AI policies, which compete for highly mobile digital capital, Maharashtra's bioplastics strategy is anchored partly in local feedstock availability. The policy identifies sugarcane, maize, starch and agricultural residues as potential inputs and links industrial development with standards, certification and end-of-life management.

Maharashtra produced approximately 99.18 lakh metric tonnes of sugar during the 2025-26 season, according to the policy itself, reinforcing the state's argument for developing downstream biopolymer value chains.

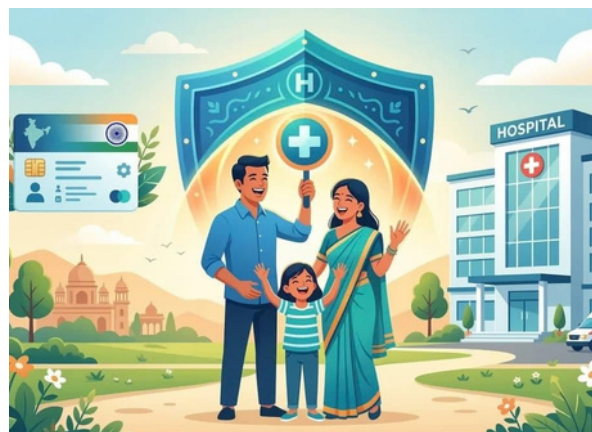
What It Means:

The policy links industrial incentives with import substitution, agricultural linkages and standards-based market development. Its success will depend on whether the state can convert its feedstock advantage into commercially competitive domestic production and downstream demand.

Also In Focus

BEYOND TECH: WEST BENGAL'S NEW HEALTH COVER

West Bengal introduced the Mukhya Mantri Swasthya Bima Yojana, offering ₹5 lakh in cashless, family-floater hospital coverage to residents who fall outside Ayushman Bharat and have annual household income up to ₹8 lakh. Pre-existing conditions are covered from day one, though the scheme is cashless-only, with no reimbursement route for out-of-pocket payments.



Global Lens



THE GLOBAL INFRASTRUCTURE AND INNOVATION RACE

India's state-level race has direct counterparts at the EU and G20 level.

The European Commission's 2026 State of the Digital Decade report found that Member States have committed €289.3 billion across 1,934 digital-transformation measures, including €205.9 billion from public budgets. Yet the EU accounts for only 9% of the global semiconductor market, against a 20% target for 2030.

To strengthen Europe's AI infrastructure, the Commission launched a call on July 30 for up to seven AI Gigafactories. The initiative is backed by up to €10 billion in EU and national funding and is expected to unlock at least €20 billion in private investment.

On September 2, G20 innovation ministers meeting in Chapel Hill, North Carolina, adopted the "Carolina Principles for Emerging Technologies" a six-pillar consensus statement spanning pro-innovation regulation, workforce development, AI intellectual property, and industrial supply-chain investment.

*"Emerging technologies have the potential to unlock prosperity."
-G20 Innovation Ministerial Statement, 2026*

Earlier, on August 20, the United States issued National Security Presidential Memorandum-17, establishing a new National Space Transportation Policy. It directs agencies to strengthen launch and reentry infrastructure, facilitate commercial access, expedite permitting and environmental reviews, and strengthen the U.S. space transportation industrial base. The memorandum calls for U.S. space transportation ranges to support more than 1,000 launches and reentries annually by 2030 and requires U.S. government payloads, subject to specified exceptions, to be launched or transported on U.S.-manufactured vehicles.

"Our space transportation ranges must grow to support more than 1,000 launches and reentries every year."

-National Security Presidential Memorandum-17, The White House, August 20, 2026

VeK Insight:

Across AI compute, semiconductors and space transportation, a common policy pattern is emerging: public intervention is being used to expand strategic infrastructure, crowd in private investment and reduce dependence on external suppliers or capabilities.

What It Means:

Governments are increasingly treating compute, chips and launch infrastructure as strategic economic assets rather than infrastructure that can be left entirely to market forces. The policy challenge is moving from announcing capacity targets to delivering them through reliable power, permitting, skilled labour, supply chains and sustained funding.

The Emerging Pattern

The pattern across every trend in this issue is convergence on tools, not on outcomes. Indian states, the European Union, the G20 and the United States are independently reaching for similar levers fiscal incentives, public investment, anchor-investor strategies, infrastructure support and sector-specific regulation to compete for AI, data-centre and deep-tech capacity.

The differentiator is increasingly likely to be execution. Governments that pair incentives with reliable infrastructure, skilled labour, predictable approvals and interoperable standards will be better positioned to convert policy ambition into productive capacity.

VeK is a policy advisory and research firm, distinguished by data-driven approach to analyse policy and regulatory developments in India and globally.

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