

**High Commission of India
London**

India-UK Bilateral Relations

India and the United Kingdom share a modern partnership bound by strong historical ties. The bilateral relationship that was upgraded to a strategic partnership in 2004, was further strengthened during the tenure of British Prime Minister David Cameron to India who visited India thrice in his first term (July 2010, February 2013 and November 2013). The successful visit of Prime Minister Modi to the UK in November 2015 gave further impetus to the bilateral relationship. UK Prime Minister Theresa May's visit to India in November 2016, which was her first overseas bilateral visit after assuming office in July 2016, reflects the continuity of interactions at the highest political level. The Commonwealth Summit scheduled in London in April 2018 presents another opportunity for both countries to infuse fresh momentum to the bilateral engagement through a meeting at Heads of Government-level.

PM's visit to UK in November 2015: Prime Minister Narendra Modi's visit to UK from 12-14 November, 2015 took the relationship between the largest democracy and the oldest democracy to new heights. During the visit, the two Prime Ministers endorsed a Vision Statement setting out the fundamental principles on which UK-India partnership is built and outlined a roadmap for deepening cooperation. Both Prime Ministers resolved to hold biennial PM-level Summits to advance the partnership and agreed on a new Defence and International Security Partnership aimed to intensify cooperation on defence and security, including cyber security, counter-terrorism and maritime security. They also endorsed a Joint Statement on Energy and Climate Change and issued a Statement of Intent to scale up bilateral cooperation to a global partnership for development cooperation in third countries.

UKPM's visit to India in November 2016: UK Prime Minister Theresa May visited India from 6-8 November 2016 on her first overseas bilateral visit outside Europe. This reflects the continued importance that UK attaches to its bilateral relationship with India even after UK's decision to leave the European Union. Over 30 British business delegates mostly representing the Small and Medium Enterprise segment accompanied her for the visit. UKPM was also accompanied by Secretary of State for International Trade Dr. Liam Fox, MoS for Trade and Investments Greg Hands and National Security Adviser Mark Lyall-Grant. During the visit, the two Prime Ministers agreed to work together on a contemporary and forward-looking global partnership. The two leaders also witnessed signing of two MoUs viz. MoU on Cooperation in Ease of Doing business and MoU on Cooperation in the field of Intellectual property rights. Business contracts worth £1.2 billion between British and Indian companies were concluded.

Bilateral engagements: The two countries continue to have a number of bilateral visits and interactions at the highest level. Before UKPM Theresa May's visit to India in November 2016, the two Prime Ministers met on the sidelines of the G-20 Summit, Hangzhou (September 2016) and subsequently at the G-20 Summit in Hamburg (July 2017). There have been several high-level visits from the UK to India that included those by the Chancellor of the Exchequer Philip Hammond (6-7 April 2017), Secretary of State for Defence Michael Fallon (13 April 2017), Secretary of State for Business, Energy and Industrial Strategy Greg Clark (10 August 2016 and 6-7 April 2017), Minister of State for Defence Procurement Harriet Baldwin (13 February 2017), Minister of State for Immigration Brandon Lewis (6-7 November 2017), Secretary of State for International

Development Priti Patel (12-14 August 2016), Secretary of State for International Trade Dr. Liam Fox (28-30 August 2016), Minister for Asia Alok Sharma (24 July 2016), Secretary of State for Business, Innovation and Skills Sajid Javid (8 July 2016) and FCO Minister of State for Asia Hugo Swire (30 May 2016). From the Indian side, high level visits included Commerce & Industry Minister Suresh Prabhu (11-14 January 2018), Minister of State for Home Affairs Kiren Rijiju (11-14 January 2018), Finance Minister Arun Jaitley, (26-28 February 2017), Minister of State for Power, Coal and New & Renewable Energy Piyush Goyal, (19-20 April 2016 and 12-14 May 2017), Minister of Road Transport & Highways and Shipping Nitin Gadkari (11-12 May 2017 and 27-29 November 2017), Minister of State for External Affairs MJ Akbar (23-24 October, 2017), Minister for Science and Technology and Earth Sciences Dr. Harsh Vardhan, (15 June 2016), Minister for Steel Chaudhary Birender Singh, (27-31 August 2016), Minister for Food Processing Industries Harsimrat Kaur Badal, (5-8 September 2016), Raksha Rajya Mantri Dr. Subhash Bhamre, (7-9 September 2016), Minister of State for Petroleum and Natural Gas Dharmendra Pradhan (11-15 September 2016), West Bengal Chief Minister Mamata Banerjee (11-17 November, 2017) and Chief Minister of Madhya Pradesh Shivraj Singh Chouhan, (26-28 September 2016).

Institutionalised dialogues: India and UK have a number of bilateral dialogue mechanisms in place, covering a wide spectrum of areas including political, trade, education, science & technology, defence etc. The important ones are Economic and Financial Dialogue at Finance Minister-level (last held in April 2017), Joint Economic & Trade Committee at Commerce Minister-level (last held in January 2017), Strategic Dialogue at NSA-level (last held in January 2016), Foreign Office Consultations at Foreign Secretary-level (last held in June 2013), Home Secretary-level Dialogue (held in May 2017 and July 2017), Defence Consultative Group at Defence Secretary-level (last held in October 2017) Cyber Dialogue (last held in September 2016) and Counter-Terrorism Dialogue (last held in October 2017) and other thematic dialogues between the two Foreign Offices.

Economic engagements- Bilateral cooperation on economic and commerce matters are guided by institutionalised dialogues of India-UK Joint Economic & Trade Committee, Economic and Financial Dialogue and India-UK Financial partnership. The 12th JETCO meeting was held in London on 11 January 2018 between Commerce Minister Suresh Prabhu and UK DIT Secretary Dr. Liam Fox and both Ministers asked officials and business to take forward the recommendations contained in the Joint Trade Review and to identify opportunities for increasing bilateral trade. Both sides reviewed the progress held in the Joint Working Groups i.e. "Smart Cities" and "Technological Collaboration, Advanced Manufacturing & Engineering" under the aegis of JETCO. The 5th meeting of the Joint Working Group on Trade was held wherein delegation members discussed resolve trade related issues, with two subgroups on trade in goods and trade in services.

The CEOs Forum that was renewed during PM Modi's visit to UK in 2015, also met in November 2016 on the side-lines of UKPM's visit to India. It was agreed that the two Governments, together with the CEO Forum, would review how the forum can better support an enhanced economic and commercial relationship, alongside government dialogues. The Co-Chairs of the India UK Financial Partnership (IUKFP), Mr. Uday Kotak and Sir Gerry Grimstone called on Finance Minister Arun Jaitley on 7 November 2016 to

appraise him on the progress of the partnership and presented two papers on 'Financial Inclusion' and 'Responsible Shareholder Engagement – An Indian Stewardship Code'.

Pursuant to the announcements made during PM Modi's visit to the UK in November 2015, over \$3.5 billion of rupee-denominated bonds have been issued in London since July 2016, that includes bond issuances by HDFC (INR 3,000 crore) and NTPC (INR 2000 crore). National Highway Authority of India raised INR 3000 crore at a price yielding 7.3% annually through its masala bond on 12 May 2017. Indian Railway Finance Corporation raised \$500 million through its first green bond. The ten year dated green bond with an annual yield of 3.835% was listed on the London Stock Exchange's International Securities Market on 6 December 2017. Both Governments announced that an anchor investment of up to £120 million each will be made in the India-UK Sub-Fund under the National Investment and Infrastructure Fund. UK has subsequently announced new technical assistance for the redevelopment of Varanasi railway station under the Varanasi Smart City Development Plan. To support the Start-up India initiative, UK will be investing £160 million across 75 start-up enterprises, apart from an additional £20 million for a Start-Up India Venture Capital Fund. State Bank of India (SBI) launched India's first bond index series for overseas investors at the London Stock Exchange (LSE). The FTSE SBI Bond Index Series was launched by the State Bank of India with global index and data provider FTSE Russell at the London Stock Exchange on 22 September 2017. This index is positioned as a first-of-its-kind transparent benchmark for investors in international markets to analyse India's government bond market.

Trade: UK is among India's major trading partners and during the year 2016-17, UK ranked 16th in the list of India's top 25 trading partners. As per trade statistics of MoC&I, India's trade with UK in 2016-2017 was US \$12.21 billion. UK's Office for National Statistics noted that total UK-India bilateral trade in goods and services was £16.33 billion in 2015-16 as compared to £19.09 billion in 2014-15. India's main exports to the UK are Articles of apparel & clothing accessories, power generating machinery & equipment, petroleum, petroleum products & related materials, miscellaneous manufactured articles, textile yarn, fabrics, made up articles, footwear, medicinal & pharmaceutical products, manufactures of metal, road vehicles and other transport equipment. The main imports from the UK to India are Power generating machinery & equipment, non-ferrous metals, ferrous ores & metal scrap, general industrial machinery and equipment & machine, transport equipment, beverages, electrical machinery and appliances & electrical parts thereof, professional, scientific and controlling instruments and appliances, chemical materials & products.

Investment: UK is the 4th largest inward investor in India, after Mauritius, Singapore and Japan with a cumulative equity investment of US \$24.37 billion (April 2000- December 2016), accounting for around 7% of all foreign direct investment into India. India continued to be the third largest investor in the UK and emerged as the second largest international job creator with Indian companies having created over 110,000 jobs in the UK. About 10% of these 800 Indian and India-focused companies based in the UK are listed on the London Stock Exchange. According to the UK Trade and Investment (UKTI) in their '2015/16 Inward Investment Annual Report', Indian companies created 127 FDI projects in the UK in 2016-17, and created 3,999 new jobs and safeguarded 7,645 jobs.

Defence- Cooperation in defence sector is another important pillar of bilateral cooperation. At all the three services level, joint exercises and wide ranging exchanges between the three services are conducted regularly. The last Army Joint Exercise 'Ajeya

Warrior’ was held in Bikaner from 1-14 December, 2017. The Indian Air force participated in the Exercise ‘Indradhanush-IV’ in the UK from 21 July – 1 August, 2015. The Joint Navy Exercise ‘Konkan 2017’ was held in May 2017 at Plymouth in the UK that witnessed participation by INS Tarkash. A 66-member Naval Band participated in the Royal Edinburgh Military Tattoo in August 2017. During Prime Minister’s visit to UK in November 2015, the two countries agreed to elevate their Defence relationship by establishing capability partnerships in strategic areas. The institutionalised dialogue to discuss defence cooperation viz. Defence Consultative Group Meeting, is held annually at Defence Secretary level. The 18th DCG meeting was held on 9-10 October 2017 in London. Cooperation in defence intelligence commenced with the visit of Director General, Defence Intelligence Agency and interactions with his counterpart in London on 3-5 December 2017.

Education: Education is an important plank of the India-UK bilateral relationship. Over the last 10 years, the relationship has grown substantially with the introduction of bilateral mechanisms such as the India-UK Education Forum, UK-India Education and Research Initiative (UKIERI), Joint Working Group on Education, Newton-Bhabha Fund and Scholarship schemes. During the visit of Prime Minister to UK in November 2015, the following announcements relating to education were made:

- (i) 2016 was announced as the UK-India year of Education, Research and Innovation;
- (ii) Virtual partnerships would be initiated at the school level to enable young people of one country to experience the school system of the other country and develop an understanding of the culture, traditions and social and family systems.
- (iii) UK’s plans for 25,000 UK students to go to India through the Generation UK-India programme by 2020, including 1000 UK interns with Tata Consultancy Services in India by 2020.
- (iv) Launch of the 3rd phase of the UK India Education and Research Initiative.

The UK-India Education and Research Initiative (UKIERI) entered its third phase in April 2016. Additional investment of £20 million in the UKIERI up to 2021 expected to create 50 new partnerships was announced during UKPM Theresa May’s visit to India in November 2016. 35 British faculty members have visited India under the Global Initiative for Academic Network (GIAN) programme. UK also supports the Skills India Mission and announced a fresh commitment of up to £12 million.

Science and Technology- Science and Technology sector is the fastest growing element of our bilateral relationship. Joint investment in UK-India research has grown from less than £1 million in 2008 to over £200 million. During UKPM Theresa May’s visit to India, a India-UK Clean Energy R&D Centre with a focus on solar energy storage and a collaborative R&D programme in energy efficient building materials were announced. The two sides have also announced projects to address post-harvest losses that will benefit the farmers and the launch of the second phase of joint research in women’s and child health in low-income settings. New research partnerships worth £80 million including a new Joint Strategic group on Anti-Microbial Resistance (AMR) with a joint investment of up to £13 million have also been established.

Cultural Linkages: Cultural linkages between India and UK are deep and extensive, arising out of shared history between the two countries. There has been a gradual mainstreaming of Indian culture and absorption of Indian cuisine, cinema, languages, religion, philosophy, performing arts, etc. There are several Indian cultural organisations

in the UK, which have been actively promoting Indian culture by involving the Indian Diaspora, British organisations and people. The Nehru Centre is the cultural wing of the High Commission of India in UK which was established in 1992, and is currently one of ICCR's flagship cultural centres abroad. 2017 was celebrated as the India-UK year of Culture to mark the 70th anniversary of Indian independence. Many activities and programmes including an exhibition of Indian science in the Science Museum in London, and highlighting 400 years of Shakespeare in India were held in 2017. Her Majesty The Queen hosted a grand reception at Buckingham Palace in February 2017 to launch the activities under the Year of Culture which culminated with the Bharat Symphony by Dr. L. Subramaniam and London Symphony Orchestra on 28 November 2017 at the Barbican, London. A Midnight Freedom Run was organized in London by the High Commission of India in the midnight hours of August 14-15, 2017 to commemorate of 70 years of India's independence.

Indian Diaspora: The Indian Diaspora in UK is one of the largest ethnic minority communities in the country, with the 2011 census recording approximately 1.5 million people of Indian origin in the UK equating to almost 1.8 percent of the population and contributing 6% of the country's GDP. During the visit of Prime Minister to UK, a community reception was organized on 13 November, 2015 at Wembley Stadium which was attended by over 60,000 persons of Indian origin. The reception was addressed jointly by the Prime Minister along with British PM David Cameron. Government of India awarded Pravasi Bhartiya Samman to British MP of Indian origin Priti Patel and British MEP of Indian origin Neena Gill in Bengaluru on 9 January 2017. Fifteen British delegates (3 MPs, 9 Lords, 2 Baronesses and 1 Mayor) participated in the 1st PIO-Parliamentary Conference on 9 January 2018 in which former DFID Secretary Priti Patel gave the speech of behalf of UK delegation.

Useful Resources:

- (i) High Commission of India, London website: <http://www.hcilondon.in>
- (ii) High Commission of India, London Facebook page: <https://www.facebook.com/pages/High-Commission-of-India-LondonUK/136451336470879?sk=wall>
- (iii) High Commission of India, London Twitter: https://twitter.com/HCI_London
- (iv) High Commission of India, London, You Tube account: <https://www.youtube.com/channel/UCHezrCkoHy9MqUwQcXexfkw>
- (v) The Nehru Centre, London website: <http://www.nehrucentre.org.uk/>
- (vi) The Nehru Centre, London, facebook page: <https://www.facebook.com/nehrucentreindia/?fref=ts>
- (vii) The Nehru Centre, London, Twitter: @NehruCentre- <https://twitter.com/NehruCentre>
- (viii) India Digest, A Publication of High Commission of India: <https://www.hcilondon.in/digest.php>
- (ix) Weekly Economic Newsletter of High Impact Economic News: https://www.hcilondon.in/bulletin_view.php?id=1484