

India – United Kingdom Relations

India and the United Kingdom share close and friendly ties. The bilateral relationship that was upgraded to a strategic partnership in 2004 was further strengthened with the visit of British Prime Minister Cameron to India in 2010 during which the foundation for Enhanced Partnership for the Future was laid. In his first term as Prime Minister, he visited India thrice viz. in 2010, in February 2013 and again in November 2013 to reinforce UK Government's commitment to further relations with India.

Prime Minister Narendra Modi's visit to UK from 12-14 November, 2015 took the relationship between the largest and the oldest democracies 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.

The India-UK economic engagement was further reinforced by several important initiatives in this area during PM's visit to UK. It was agreed that the City of London could play an important role in channeling investments into Indian infrastructure projects, leveraging its capital and expertise. Government of India announced its intention to issue the first Government-backed Rupee Bond in London and several private sector entities including HDFC, Bharti Airtel, State Bank of India and Yes Bank announced their plans to raise finance through the City of London. The inaugural meeting of the revived India-UK CEO Forum was convened by the two Prime Ministers. Commercial deals worth over £9.3 billion between Indian and British companies were announced. It was decided to establish a fast-track mechanism to facilitate UK's investments into India and to set up an India-UK Partnership fund under the National Infrastructure Investment Fund (NIIF) to facilitate global investments through the City of London for Indian infrastructure projects. UK has announced its interest in partnering with India in the development of Smart Cities in Indore, Pune and Amravati.

The two sides have had a number of high level bilateral visits and interactions, the most recent ones in the year 2016 being Finance Minister Arun Jaitley's visit to UK in January 2016 to attend the 8th India-UK Economic and Financial Dialogue, , UK NSA's visit to India on 18th January, 2016, UK Immigration Minister James Brokenshire's visit to India on 16-19 February 2016, UK Economic Secretary to the Treasury, Harriet Baldwin and UKPM's Special Envoy for Infrastructure Alok Sharma's visit to India on 15-18 February, 2016 and UK MoS for Defence Procurement Philip Dunne's visit to India on 18-19 February, 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 significant ones are Economic and Financial Dialogue at Finance Minister-level, Joint Economic & Trade Committee

at Commerce Minister-level, Strategic Dialogue at NSA-level, Foreign Office Consultations at Foreign Secretary-level, Defence Consultative Group at Defence Secretary-level, Cyber and Counter-Terrorism Dialogues at Senior Officials-level and other thematic dialogues between the two Foreign Offices.

Inter-Parliamentary Contacts: The Parliaments of India and the UK have close relations. There are Friends of India Groups in the two major political parties (Labour and Conservative). There is an All-Party Parliamentary Group on relations with India. Parliamentary exchanges have also taken place under the banner of the Commonwealth Parliamentary Association.

Trade: UK is among India's major trading partners and during the year 2014-15, UK ranked 18th in the list of India's top 25 trading partners. As per data published by Department of Commerce, two-way merchandise trade during 2014-15 was US\$14.33 billion, marking a decrease of 9.39% as compared to 2013-14. UK's share in India's global trade has gone down from 2.07% in 2013-14 to 1.89% in 2014-15. India's main exports to the UK are garments and textiles, machinery and instruments, petroleum products, footwear and leather, manufactures of metals, gems and jewellery, engineering goods, transport equipment and parts, spices, drugs & pharmaceuticals and marine products. The main imports from the UK to India are machinery and equipment, ores and metal scraps, precious and semiprecious stones, silver, metals, aircrafts parts, beverages and spirits, machinery, engineering goods, and other professional instruments other than electronics, non-ferrous metals and chemicals.

Services: As per UK's Office for National Statistics, India-UK bilateral trade in services (excluding travel, transport and banking) in the calendar year 2014 amounted to approx. £2.5 billion. India's exports to the UK in services (excluding travel, transport and banking) in the calendar year 2013 amounted to £1.5 billion and India's imports from the UK in services (excluding travel, transport and banking) in the calendar year 2014 amounted to £975 million.

Investment: UK is the 3rd largest inward investor in India, after Mauritius, and Singapore with a cumulative equity investment of US \$22.56 billion (April 2000-September 2015). UK ranks first among the G20 countries and accounts for around 9% of all foreign direct investment into India for the period April 2000 – September 2015. Foreign Direct Investment in the last five years has dropped from US\$7.8 billion in 2011-12 to US\$1.4 billion in 2014-15. India continues to be one of the largest source markets for FDI projects in the UK. According to the UK Trade and Investment (UKTI) in their '2014/15 Inward Investment Annual Report', India undertook 122 FDI projects in 2014-15 in the UK, marking an increase of 65 per cent over last year and making it the UK's third largest source of FDI, accounting for over 9,000 new jobs. According to UK Office for National Statistics, the value of Indian FDI into the UK has registered a notable increase between 2004 and 2013, from £164 million to £1.9 billion. UK attracts more Indian investments than the rest of the EU altogether.

Economic Dialogue: Bilateral mechanisms like India-UK Economic & Financial Dialogue (EFD) and India-UK Joint Economic and Trade Committee (JETCO) form the basis of institutional engagements between the two countries. The India-UK Economic and Financial Dialogue (EFD) was officially established in February 2005 through signing of an agreement between Finance Ministers of the two countries to

strengthen the financial and economic relationship between India and the UK. The 8th India-UK EFD co-chaired by Finance Minister Arun Jaitley and the UK Chancellor of the Exchequer George Osborne, explored new areas of cooperation in the financial services sector. The Dialogue covered discussions on Global Economic Challenges, Macroeconomic Risks and Policy Responses, Infrastructure Finance and Financial Services. UK Government agreed to support the delivery of major infrastructure projects in India across key sectors including smart cities, renewable energy and railways, all of which are vital for India's future economic growth. Both India and the UK welcomed the prospect of a pipeline of Rupee Bond issuance in London by Indian companies and agreed that the first such public sector issuance would be made by the Indian Railway Finance Corporation. Both sides agreed to substantially strengthen links between the leading Fin-Tech communities in India and Britain and made significant joint commitments to high-profile Fin-Tech trade missions between the two nations and major steps towards UK Fin-Tech companies helping to deliver 'digital India', covering priority areas like access to finance for micro-enterprises.

In the last India-UK Financial Partnership (IUKFP) meeting held in London on November 2, 2015, it was decided that the Partnership would focus on the following work-streams - Development of Corporate Bond Market, Mutual sharing of expertise on Financial Sectors and Market Regulations (with an initial focus on India's Insolvency Regulation), Pensions, Infrastructure Funding, Financial inclusion, Internationalization of the Rupee, Cross-border Provision of Financial and Insurance Services (with an initial focus on Re-insurance), Enhancing financial training and qualification and Divestments

India-UK Joint Economic and Trade Committee (JETCO) represents a business driven institutional framework which was established on January 13, 2005 to develop a strategic economic relationship. JETCO delegations meet annually under the leadership of the Minister of Commerce and Industry (CIM) and the Secretary of State for Business, Innovation and Skills (BIS), alternately in Delhi and London. The 10th JETCO meeting was held on January 19, 2015 in London which witnessed both industry and Government stakeholders coming together for productive discussions in three Working Groups constituted on the themes of Education & Skill Development, Smart Cities and Technological Collaboration, Advanced Manufacturing and Engineering.

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 would be 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.
- (v) Commitment to achieving mutual recognition of UK and Indian qualifications.

Secretary of State for Business, Innovation and Skills, Sajid Javid and the Minister for Universities and Science, Jo Johnson visited Delhi, Hyderabad, Mumbai and Bangalore from 9-11 December, 2015, accompanied by a large academic delegation including Vice Chancellors of Universities of Birmingham, Warwick, Nottingham and Leicester. During the visit, an event to launch 2016 UK-India Year of Education, Research and Innovation was held which was attended by Human Resource Development Minister, senior Indian officials and faculty, school and college principals, education agents, students, business organizations and media.

Indian Students: UK has traditionally been a favourite destination for international students. Management, computing, engineering, media studies, art and design are the preferred courses of the Indian students. At present, there are approximately 20,000 Indian students pursuing Undergraduate and Postgraduate courses in the UK. In the last few years, the number of Indian students enrolling in the UK Universities has come down by around 50%. One factor is the closure of the old Tier 1 Post Study work route in 2012. Changes introduced by UK Government necessitate that non-EU students will only be able to remain in UK, if they get a graduate level job with an annual salary of at least £20,800 or going rate for the job.

2016 was announced as the UK-India Year of Education Research and Innovation during the visit of Prime Minister's visit to UK in November 2015 with the aim to celebrate the achievements between the two countries to date, take stock and use this campaign to plan the transformational future of the important partnership for the next decade. The agreed activities include placements under Generation UK-India including TCS sponsored 12-month internships supporting mobility of UK students to India; launch of UKIERI Phase 3; 40 Newton-Bhabha PhD students placements in UK and India; Academic conferences; UK academics to teach in India under Global Initiative Academic Network. The culminating event for the Year will be 2016 Technology Summit in Delhi with UK as the partner country.

Global Initiative of Academic Network (GIAN) is a new network in Higher Education aimed at tapping the talent pool of eminent scientists and academicians, internationally to encourage their engagement with the Institutes of Higher Education in India, during Summer/Winter term, so as to augment the country's existing academic resources, accelerate the pace of quality reform, and elevate India's scientific and technological capacity to global excellence. An announcement was made to confirm UK's plans to send 100 academics to India over the next two academic years as part of the GIAN during PM's visit to UK. National launch of GIAN was done by Human Resource Development Minister on 30 November, 2015 at IIT Gandhi Nagar and simultaneously at IIT Kharagpur through webcast. As on date, 337 courses have been approved for engagement with foreign faculty and out of 337 foreign faculties, 31 are from the UK.

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. There is also a Memorandum of Understanding on Cultural Cooperation signed at Minister-level between India and the UK in October 2014 that is effective till end October 2019.

During PM's visit to the UK in November 2015, both Prime Ministers announced that a UK-India Year of Culture will be organised in 2017 to celebrate our deep cultural ties and mark the 70th anniversary of Indian Independence. They also committed support to the digitization of the shared archival collections housed in the British Library and the National Archives of India.

Indian Diaspora: The India 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 Hon'ble PM along with British PM. Independence Day celebrations organised jointly by the Mission with the cooperation of prominent community leaders and Indian associations on 16 August, 2015 was a record success with an attendance of over 12,000 persons. The Mission also organized the Pravasi Bharatiya Divas-2016 on 9 January, 2016 with live video interaction with the External Affairs Minister. A presentation/reception was held in the evening of 9 January 2016 which was attended by about 150 prominent community leaders. The Mission continues to remain in touch with the Indian Diaspora in seeking their advice on taking India UK relationship forward.

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) The United Kingdom Visit - Highlights of Prime Minister's Visit to UK
<http://www.mea.gov.in/in-focus-article.htm?26066/The+United+Kingdom+Visit++Highlights+of+Prime+Minister+Visit+to+United+Kingdom>

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