India–UK Relations

India and the United Kingdom upgraded their bilateral relationship to that of Strategic Partnership in September 2004. The Joint Declaration adopted during the visit of Prime Minister envisaged annual Summits and regular meetings between the Foreign Ministers of two countries. The visit of Prime Minister Cameron to India in 2010 laid the foundations for Enhanced Partnership for the Future, which is defined by a high level economic and technological cooperation and close coordination on many regional and global issues.

There has been number of high level visits exchanged between the two sides; the recent ones being the visit of Prime Minister David Cameron in February and in November 2013 and visit of External Affairs Minister of India in March 2014. Other Important visits include that of Vice President of India in October 2013; visit of British Business Secretary in December 2013; visit of Finance Minister of India in May 2013 and visits of Commerce & Industry of India in February, June and September 2013.

Institutionalised dialogues

As Strategic Partners, India and UK increasingly seek to increase their collaboration in foreign policy and have a shared vision for peace, stability, democracy and prosperity. Both sides have institutionalised dialogues in the areas of counter terrorism, cyber security, West Asia, Afghanistan, East Asia, UN and multilateral issues, disarmament and non-proliferation and consular and visa matters at Senior Official Level. Besides, annual Foreign Office Consultations are held between the two sides at the level of Foreign Secretary - Permanent Under Secretary. These regular consultations have ensured an expeditious implementation of the decisions reached at highest levels.

Economic and Commercial Relations

During the first visit of UK PM David Cameron to India in July 2010, the two Prime Ministers decided that our two countries should aim at the doubling of our bilateral trade turnover in the next five years.
During UK PM’s second visit to India in February 2013, he led the largest ever trade delegation to India. He was accompanied by CEOs of over 100 companies, including 30 small and medium sized enterprises. During the Summit level talks, the Prime Ministers of both our countries expressed satisfaction at the progress in our economic engagement, while stressing the need to do more to take the relationship to a new level. They also discussed ways to generate higher growth in our trade. In particular, Prime Minister Dr Manmohan Singh invited increased British investments in India, including in infrastructure and energy.

**Trade:** UK is among India’s major trading partners. Despite the continuing global economic slowdown and the Eurozone crisis, India-UK bilateral trade has been resilient. According to the data published by the Department of Commerce, New Delhi, two-way merchandise trade during 2012-13 stood at US$14.905 billion, whereas it was US$15.724 billion in 2011-12, showing a slight decline of about 5.21%. India’s merchandise exports to UK grew by about 0.26% from US$ 8.589 billion in 2011-12 to US$ 8.612 billion in 2012-13 and imports from UK declined by 11.79% from US$ 7.134 billion in 2011-12 to US$ 6.293 billion in 2012-13. UK’s share in India’s global trade remained at 2.04% during 2010-11, 1.98% during 2011-12 and declined to 1.88% in 2012-13. Whereas, India’s share in UK’s total trade improved from 1.07% in 2010 to 1.17% in 2011 and 1.50% in 2012.

**Investments:** Today the UK is the 3rd largest inward investor in India, after Mauritius and Singapore with a cumulative equity investment of US $ 20,759mn (April ’00- February 2014). The UK’s share which was 5% of the total FDI in 2010-11 jumped to 9% in 2011-12 following a record inflow of US$ 6.499 billion in March 2012. This further increased to 10% as per the data released by DIPP in January 2014 for the period April 2000-November 2013.

As regards inward investment into the UK, India further improved its position among the top investors. About 700 Indian companies have operations in the UK of which about 10% Indian and India-focussed companies are listed on the London Stock Exchange.
According to the figures released by the UK Trade and Investment in their ‘2012/13 Inward Investment Annual Report’ India has 89 FDI projects in the United Kingdom which created 7,255 jobs during 2012-13. As per this Report, India is the fifth largest investor in the UK.

Inter-Parliamentary Contacts

The Parliaments of India and the UK have close relations. The Speaker of LokSabha, Smt. Meira Kumar, visited UK from 17 – 19 January 2011. Speaker of the House of Commons John Bercow paid a return visit the same year in August 2011. There are Friends of India Groups in all the three major political parties. There is an All-Party Parliamentary Group on India in the UK Parliament. Parliamentary exchanges have also taken place under the banner of the Commonwealth Parliamentary Association. The regular exchanges between the Members of Parliament of two countries helped in strengthening cooperation between the fourth pillar of democracy between the two countries.

Education

The UK-India Education and Research Initiative (UKIERI) was set up in 2005 and its second phase was launched in June 2011. This initiative has been able to link 475 schools and higher education establishments in the UK and India. The three main strands of UKIERI initiative are: Higher Education & Research, Schools & Professional and Technical Skills. India-UK Education Forum was set up in 2008 to promote links between British and premier education institutions in India, including collaboration for the establishment of IIT Punjab, Indian Institute of Science & Education, Pune, one IIM and one Central University. India-UK Education Forum holds regular meetings at Ministerial-level. As of now, five meetings of the Education Forum have taken place. The fifth meeting was held in London on 30 January 2013.

Indian students in UK

As of now, India is the second largest source of students in UK. However, there has been a decline in the number of students from India. As per the Higher
Education Statistics Agency (HESA), the number of Indian students in UK was 29,900 in 2011-12. It is now 22,385; a 25% decrease.

PM Cameron during his visit to India in February 2013 reaffirmed that “Britain warmly welcomes Indian students to the UK”. Both sides expressed interest in further enhancing the mobility and exchange of students between India and the UK. However, changes introduced by UK government mean foreign students will only be able to remain in UK after graduating if they get a graduate level job with a salary of at least £20,000 pounds from an accredited employer.

**Defence**

India and the UK have active defence cooperation with dialogue at Defence Secretary and three services level. At the services level, joint exercises and wide ranging exchanges between the three services are conducted on the basis of mutually agreed agenda. Both sides have emphasized the need to look at joint production and joint research rather than just sales and the need to move beyond a buyer-seller relationship. The last India-UK Defence Consultative Group Meeting at the level of Defence Secretary was held on February 3, 2014 in New Delhi.

**Science, Technology & Research**

India-UK signed the Science and Technology Agreement in 1996. The Science and Innovation Council was set up in 2006. Both sides are jointly working in the areas of nanotechnology, biotechnology, telecom, solar energy use and weather forecasting. The co-investments made by both countries in supporting joint research activities has increased from £1 million in 2009 to over £150 million as on date. In March 2013, the two sides have signed India – UK Programme of Cooperation on Industrial Research and Development in March 2013. The POC would for the first time allow government funding (in the form of loan, grant or equity) of industrial collaboration. This is a significant development in the area of science & technology.

Signing of the Letter of Arrangement (LOA) governing the India – UK collaboration in Defence Research & Technology on 15th September 2011 has enabled defence scientists from both the countries to work together through a series of Collaborative Projects in the areas of mutual interest.
Multilateral cooperation

India and UK cooperate at the EU, G-20 and UN. UK supports India’s inclusion in UNSC as a permanent member.

Civil Nuclear & High Technology Cooperation

During the visit of Prime Minister Cameron to India in February 2013, it was agreed to commence negotiations on a Civil Nuclear Cooperation Agreement. Both sides have also expressed interest in cooperation with regard to India in the Global Energy Partnership. Both sides have institutionalised a dialogue on non-proliferation and disarmament issues; the last meeting of which was held in January 2012 in New Delhi.

Britain has committed to make available to India the cutting edge British technology, civil and military, that the UK currently shares with its top international partners.

People to people links

People to people links are acknowledged as central to the relationship between India and the UK. During the visit of Prime Minister Cameron to India in February 2013, both sides reaffirmed to welcome all legitimate travellers; students, tourists, visitors, business people or qualified workers. The two sides have agreed to continue their ongoing discussions on visa, migration and people mobility issues of concern regularly.

The two sides regularly discuss issues relating to visa and other matters in the Consular & Visa Dialogue.

Indian Diaspora

The India diaspora in UK is the largest ethnic diaspora. There is deep appreciation in India for the contribution of the Indian diaspora in the UK, including in the Parliament, government, business, healthcare and education and in furthering bilateral relationship. The Indian Diaspora has acted as a bridge between the two
countries and the Indian High Commission in London remains in continuous touch with the diaspora in seeking their advice on taking India UK relationship forward.

For more information and latest updates please visit High Commission of India, London website: https://www.hcilondon.in/

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