

Trading with India: strengthening a time-tested partnership



Amarjit Singh, CEO of the India Business Group, a leading bilateral trade and investment consultancy, discusses the importance of UK-India trade partnerships to achieve the vision of 'Global Britain'.

In every village, town, city and state in India and the UK someone is either coming up with ideas or making something in their bedroom, garden shed, or on their computer, which is going to change the world. I'll never forget the moment when I truly realised India's rich potential, and Britain's opportunity to capitalise on it. Don't get me wrong, as a British-Indian, I had known for decades that India could do a lot for Britain when it came to business. But at that moment, at that time, the 'Damascus vision' became clear, and a strategy was hatched.

It was 2013 and I had been asked to accompany the then Prime Minister, David Cameron, on a trade mission to India. It was the largest ever trade mission of its kind. One hundred delegates spanning the world of commerce, professional services, government, culture and education, were in attendance and they had one common purpose: to create long-lasting trade relations to benefit India and the UK. And at the Hindustan Unilever offices in Mumbai, Prime Minister Cameron spoke to a room of over 200 people.

My mind went back to the origins of this august manufacturer, now known as Unilever. How, in the summer of 1888,

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those in Calcutta, as it was known then, saw crates full of soap with the words “Made in England by Lever Brothers” printed upon them. Someone then had the brilliant realisation that partnerships relied on what the consumer needed. It required the foresight of potential, the necessity of liberal trade tariffs, and a codified understanding of what each side would do for the other. Today, 130 years on from that moment in Kolkata, Hindustan Unilever is an international profitable brand.

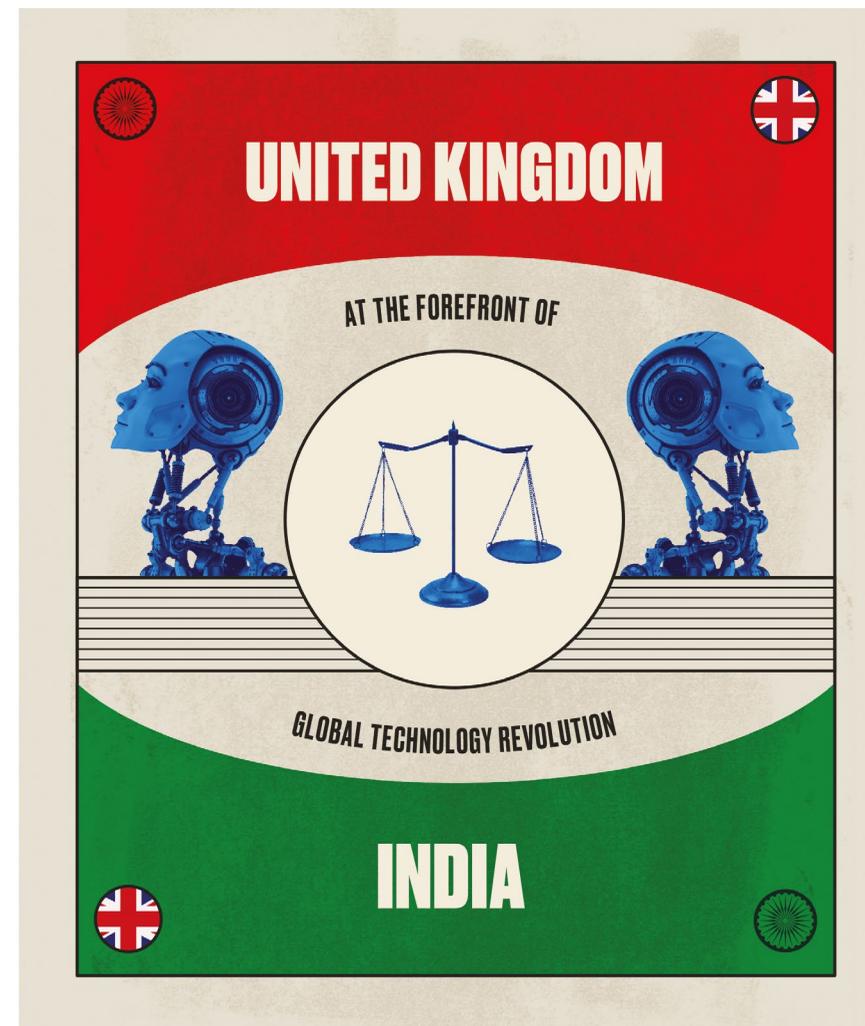
It is the same across the country and the facts speak for themselves. India continues to be the fastest growing major economy in the world. Bilateral trade in goods and services between the UK and India has grown rapidly over the past 10 years. It stood at £18 billion in 2017,

a 15 per cent increase from 2016. Britain remains the largest G20 investor in India, with over 270 British companies operating there, including the likes of Rolls-Royce, JCB and Vodafone, supporting almost 800,000 jobs across a broad spectrum of sectors. The International Monetary Fund confirmed India would grow from 7.4 to 7.8 per cent in 2019. But trade is not unidirectional. India is now the fourth largest foreign investor in the UK, with approximately 800 Indian companies here, supporting around 110,000 jobs with Indian digital giants such as TCS, Infosys, Wipro and HCL having a strong foothold in Britain.

And the story does not end there. Together, the UK and India are at the forefront of a global technology revolution. Growth will come from knowledge intense industries and emerging sectors such as digital technology, life sciences and fintech. Also, it will come from key areas where Britain's expertise is world class and where India requires support in implementing flagship programmes such as smart cities and digital India. The Indian Prime Minister, Narendra Modi, has called the links between India and the UK a 'living bridge' and rightly so. There are countless personal and professional ties between our two countries, including the estimated 1.5 million Indian diaspora, active in all walks of life and who act as natural ambassadors between our two great nations.

As part of the 'Make in India Strategy', promoted by the Government of India, life sciences, ICT and fintech are key untapped sectors for UK-India collaboration. India recognises fintech as a major priority for the development of its financial and digital infrastructure, based on recent in-country reforms such as the demonetisation of Indian currency and implementation of fiscal reforms.

India is an emerging tech powerhouse, and it is the world's second largest smartphone market. Both countries



are keen to develop investment and innovative collaborations in emerging technologies such as artificial intelligence, robotics and big data. For example, BT recently opened a new global cyber security operation centre in India which will provide services for global businesses on threat assessment, intrusion investigations, detection, prevention and penetration testing.

I could cite more examples where the cultural bonds which tie us can be transformed into areas of successful trade. But to generate this increased trade, we do need to be mindful that a lot of work remains to be done.

Unless there is greater movement of people, true potential cannot be realised, something which until recently the United States understood and exploited to great benefit. Britain can now learn from the United States in this regard.

Diversity of talent comes from the acceptance that we don't have all the answers at home. Bilateral trade between Britain and India is 19 per cent cheaper, according to research from the Commonwealth Secretary-General Patricia Scotland. So, as the UK prepares to leave the European Union, we have a timely and fresh opportunity to strengthen further these bonds and convert the UK's idea of 'Global Britain' into a tangible reality through an India-UK Free Trade Agreement (FTA).

While it might seem easier to negotiate than the EU-India FTA, which has been ongoing since 2007, contentious issues such as immigration and mobility will need to be addressed through a higher degree of flexibility and pragmatism on both sides. That can only be achieved if the country understands that the Home Office needs to ease the UK visa restrictions for Indian nationals, with freer movement for skilled workers and students.

Despite former Prime Minister Cameron's challenge to civil servants to ease visa barriers for Indian students, higher education institutes still complain about the hurdles they face to recruit. Reducing these obstacles is one way to win over Prime Minister Modi and New Delhi. After all, we are the world's fifth and sixth largest economies, and we are a natural fit for delivering real innovation, jobs, skills and developing new technologies which will enhance our cities and improve the lives of our citizens.

That moment in Mumbai made clear what is possible. Indian traders saw an opportunity, they exploited it and it has grown into a multi-billion-pound venture. That chance has now come full circle, and one question remains, will Britain grasp the opportunity for a relationship with India to create a mutually beneficial partnership? ■