

## **India-UK Trade and Economic Relations**

UK continues to be among India's major trading partners. Despite the continuing global economic slowdown, the India-UK trade has been growing. According to the data published by the Department of Commerce, New Delhi, the two-way merchandise trade during the first 9 months of the current financial year upto December 2011 stood at USD12.36 billion, almost equaling USD12.537 billion in the whole year in 2010-11. In 2010-11, India's merchandise exports to UK grew by 14.77% from USD6.221 billion to USD 7.141 billion and imports from UK rose by 20.95% from USD4.461 billion to US\$5.396 billion. However, though India's trade with the UK has increased in absolute terms, the share of UK in India's global trade has moved from 2.29% to 2.02% in 2010-11. The UK's position in India's global trade moved from 11<sup>th</sup> place in 2009-10 to 15<sup>th</sup> place in 2010-11 after UAE, China, USA, Saudi Arabia, Switzerland, Hong Kong, Germany, Singapore, Indonesia, Belgium, South Korea, Japan, Iran and Nigeria. Similarly, the UK has moved from third to fourth place among India's trading partners in Europe after Switzerland, Germany and Belgium in 2010-11. In the field of investment, UK maintained its position as India's 4<sup>th</sup> largest FDI investor country. Similarly, India maintained the position as the 3<sup>rd</sup> largest investor in the UK in 2010 and 2011. About 700 Indian companies have operations in the UK. The Tata group is the largest private sector employer in the UK.

2. India-UK bilateral relation was upgraded to a 'Strategic Partnership' in 2004. Bilateral economic relations gained momentum following the landmark visit of Dr. Manmohan Singh, Prime Minister of India to UK in September 2004. A Joint Declaration – 'India-UK towards a new and dynamic partnership' was adopted during the visit. Both sides agreed to upgrade bilateral relations through a comprehensive strategic partnership on 20<sup>th</sup> September 2004. This included holding of annual summits, co-operation in civilian nuclear activities, civilian space programmes, high-technology trade, defence co-operation including co-production of defence equipment, establishing a Joint Economic and Trade Committee to further develop a strategic economic relationship, launching an Indo-British Economic and Financial Dialogue on global issues and financial systems and deepening collaboration in specific areas in Science & Technology, including biotech and bioinformatics, nanotechnology, agriculture and health research. It also provided for co-operation on international trade and environment issues, a development partnership, joint action against terrorism and educational and cultural exchanges.

3. India-UK economic relations received a vibrant upward direction after the establishment of JETCO on 13<sup>th</sup> January 2005. The JETCO has been conceived as a business driven institutional framework to enhance trade and investment between the two countries. It has been effectively working as a mechanism to develop investment through development of business to business relationship.

4. Frequent high level visits have created favourable atmosphere for businesses in both countries to invest and enhance trade for mutual benefits. Dr. Manmohan Singh paid his second visit to UK on 7-8 July 2005 for the “G-8 Plus 5” Gleneagles Summit. Prime Minister Tony Blair visited India the second time in his additional capacity as the President of the EU from 6-8 September 2005. Dr. Manmohan Singh again visited the UK from 9-11 October 2006. Mr. Gordon Brown, Prime Minister of UK made his first visit as Prime Minister to India from 20-21 January, 2008. The fourth visit of Prime Minister Dr. Manmohan Singh to London was for the G-20 London Summit on 02 April 2009. This visit further cemented the strategic and economic relations between the two countries. The President of India, Smt Pratibha Devisingh Patil, visited the UK from 26-29 October 2009 on a State visit on the invitation of HM The Queen Elizabeth II. This visit of the President of India came in 19 years.

5. The present UK coalition Government led by Prime Minister Rt. Hon. David Cameron MP envisaged an ‘enhanced partnership’ with India as enshrined in the Queen’s Speech on May 25, 2010. Mr. David Cameron visited India in July 2010, in two months of taking office of Prime Minister to establish a ‘new special relationship’ with India. He was accompanied by the largest ever business delegation. This was his first visit outside Europe as Prime Minister. His delegation included six Cabinet Ministers including Chancellor George Osborne. He summed up the objective of his visit as “to renew the relationship between India and Britain – to re-launch a relationship that is stronger, wider and deeper”. Mr. David Cameron also described his visit as a ‘jobs mission’.

6. There were several other Ministerial level bilateral visits from the UK to India in 2011. Lord Stephen Green, UK Minister of State for Trade and Investment visited India from 14-18 March 2011. He visited Delhi, Mumbai and Chennai. In Delhi he had meetings with Union Ministers of Finance, Commerce & Industry, Urban Development and Petroleum & Natural Gas to discuss further strengthening of two-way trade and investment between India and the UK. Lord Howell, Minister of State in UK Foreign Office visited India from 29 – 31 August 2011. Mr. Kenneth Clarke, Lord Chancellor and Secretary of State for Justice visited India from 24–28 September 2011. He held bilateral discussions with Shri Salman Khurshid, Union Minister for Law and Justice and Dr. Veerappa Moily, Minister of

Corporate Affairs. Rt. Hon. Caroline Spelman, Secretary of State for Environment, Forest and Rural Affairs (DEFRA) visited India from 3 – 5 October 2011 to attend the Delhi Dialogue on Green Economy and Inclusive Growth which was hosted by the Government of India. Mr. Gregory Barker, UK Minister of State for Energy and Climate Change visited India on 13-18 November 2011. He met Dr. Farooq Abdullah, Union Minister for New and Renewable Energy, Mrs. Jayanthi Natarajan, Union Minister for Environment and Forests, Shri Sushilkumar Shinde, Minister for Power and Shri Jairam Ramesh, Minister of Rural Development and discussed collaboration in low carbon growth. Mr. David Willetts, UK Minister for Universities and Sciences visited India to co-chair the fourth UK-India Education Forum alongwith Shri Kapil Sibal, Union Minister of Human Resources Development in New Delhi on 15<sup>th</sup> November 2011. He also called on Shri Ashwani Kumar, Minister of State for Science and Technology. Mr. Andrew Mitchell, UK's Secretary of State for International Development visited India from 14-16 December 2011. He called on Shri Pranab Mukherjee, Finance Minister and discussed the DFID's development programme in India. He also launched the DFID's first private sector programme in India called 'Samridhi' in Delhi on 16.12.2011 in partnership with the Small Industries Development Bank of India (SIDBI).

7. From India, Shri Anand Sharma, the Hon'ble Commerce and Industry Minister had visited UK in February 2011 for bilateral meeting and the India-UK CEOs Forum in London. The Hon'ble External Affairs Minister, Shri S.M Krishna, visited London on 29-30 June 2011 for bilateral meeting with UK Secretary of State in the Foreign and Commonwealth Affairs, Rt. Hon. William Hague MP. The two sides had wide-ranging discussions that covered the entire gamut of India-UK bilateral relations and other matters of mutual interest. Shri Pranab Mukherjee, Finance Minister of India visited London for the fourth round of the India-UK Economic and Financial Dialogue (EFD) on 25<sup>th</sup> July 2011. Shri Praful Patel, Union Minister of Heavy Industry and Public Enterprises visited London on 14<sup>th</sup> September 2011 for bilateral meeting with Mr. Phipps Hammond, UK Secretary of State for Transport. Union Urban Development Minister, Shri Kamal Nath visited UK to address the UK-India Business Forum in London on 14<sup>th</sup> October 2011. Shri Sachin Pilot, Minister of State for Communications & Information Technology visited London from 01-02 November 2011. He addressed the Cyber Security Summit on 01 November 2011. He also had a bilateral meeting with Mr. Ed Vaizey, UK Minister for Culture, Communications and Creative Industry. Shri Subodh Kant Sahai, Union Minister for Tourism visited London from 07-10 November 2011 leading the Indian delegation at the World Travel Market (WTM) 2011 in London. He also held bilateral talks with Mr. John Penrose, Minister of Tourism and Heritage of UK on 08.11.2011.

## **Bilateral Institutional Mechanisms**

### **1. India-UK Joint Economic and Trade Committee (JETCO)**

India-UK Joint Economic and Trade Committee (JETCO) was established on 13 January 2005 to further develop a strategic economic relationship following the Joint Declaration “India-UK towards a new and dynamic partnership” between the Prime Ministers Dr. Manmohan Singh and Tony Blair in September 2004. The (JETCO) was inaugurated by Indian Commerce & Industry Minister Mr. Kamal Nath and UK Secretary of State for Trade & Industry Rt. Hon. Patricia Hewitt in New Delhi on 13 January 2005. It has met seven times since - the first in January 2005 in New Delhi; second in January 2006 in London with Mr. Kamal Nath and Mr Alan Johnson presiding; third in January 2007 in New Delhi under the stewardship of Mr Kamal Nath and Mr Alistair Darling; fourth meeting in London on 13<sup>th</sup> December, 2007 which was co-chaired by Mr John Hutton, Secretary of State for Business, Enterprise and Regulatory Reform and Shri Kamal Nath, Minister for Commerce and Industry; the fifth meeting was held in New Delhi on 20 January, 2009 co-chaired by Shri Kamal Nath and Lord Peter Mandelson; the 6<sup>th</sup> meeting took place on 4<sup>th</sup> February 2010 in London led by Shri Anand Sharma, Commerce and Industry Minister of India and Rt. Hon Lord Peter Mandelson, Secretary of State for Business, Innovation and Skills of UK; and the 7<sup>th</sup> JETCO was held in New Delhi on 19<sup>th</sup> January 2011, co-chaired by Shri Anand Sharma, Commerce & Industry Minister and Dr. Vince Cable, UK Secretary of State for Business, Innovation and Skills.

### **2. India-UK Economic and Financial Dialogue (EFD)**

In pursuance of the proposals set out in the India-UK Joint Declaration signed by the two prime Minister in September 2004, the India-UK Economic and Financial Dialogue (EFD) was officially established in February 2005. The Dialogue comprises Ministerial and Senior Official level meetings. The Ministerial level Dialogue is led by the Finance Minister of India and the UK’s Chancellor of the Exchequer. The Dialogue serves as a forum for having regular discussions on bilateral and global issues, on financial system and to enhance economic and financial cooperation between the two countries.

During the first Ministerial level EFD on 4 February 2005 in New Delhi, Finance Minister Mr P. Chidambaram and the then UK Chancellor of the

Exchequer Mr Gordon Brown discussed, inter alia, international economic issues, sustainable economic development, and structural reforms in financial systems and markets, improving the regulatory frameworks and cooperation in international development. The second Ministerial level EFD was held in London on 11<sup>th</sup> August, 2008 chaired by Mr. Alistair Darling, the Chancellor of Exchequer on the UK side and Shri P. Chidambaram, the Indian Finance Minister. The third round of Ministerial level EFD was held in New Delhi on 29<sup>th</sup> July 2010 between Finance Minister, Shri Pranab Mukherjee and UK Chancellor of Exchequer, Mr. George Osborne, on the sidelines of the Summit between the Prime Ministers of India and UK. The fourth round of the EFD was held in London on 25<sup>th</sup> July 2011. The Indian delegation was led by Shri Pranab Mukherjee, Finance Minister of India and the UK side was led by Mr. George Osborne, Chancellor. The 5<sup>th</sup> round of EFD was held in New Delhi on 2<sup>nd</sup> April 2012. Shri Pranab Mukherjee, the Hon'ble Finance Minister and Mr. George Osborne, UK Chancellor led the respective delegations.

### **3. India-UK CEOs Forum**

An important initiative taken in 2010 was the establishment of the India-UK CEOs Forum on 29<sup>th</sup> July 2010 during the visit of Prime Minister David Cameron to India. The CEOs Forum will meet alternatively in the UK and India and will make recommendations to the two governments on how to increase the levels of trade and investment in each other's economies. The Forum has ten members on each side, led by prominent businessmen; Mr. Rattan Tata, Chairman of the Tata Group as the Co-chair from Indian side and Mr. Peter Sands, Group Chief Executive of Standard Chartered as the Co-chair from the UK side.

The first meeting of the India-UK CEOs Forum was held in London on February 3, 2011. The UK PM Mr. David Cameron addressed the Forum at 10 Downing Street. The Forum discussed priority areas of collaboration between the two countries for making recommendations to engage enhanced partnership. The Forum also met Shri Anand Sharma, Commerce and Industry Minister of India and Dr. Vince Cable, the UK Secretary of State for Business, Innovation and Skills.

### **4. British-India Infrastructure Group (BIIG)**

Another significant decision taken on 29<sup>th</sup> July 2010 during the visit of Prime Minister David Cameron to India was to set up a British-India Infrastructure Group (BIIG) to attract UK and international investment for infrastructure development in India and how best the two governments could enable and encourage the investment. The BIIG was jointly launched by Shri Pranab Mukherjee, Finance

Minister of India and Dr. Vince Cable, Secretary of State for Business, Innovation and Skills, on 19th January 2011. Addressing the meeting, the Finance Minister informed the Group about the ambitious target of investing US\$1 trillion in the XII Plan period for infrastructure development. He added that nearly half of the investment was aimed to be financed through private sources. Dr Vince Cable, in his remarks, stated that UK could with its experience and expertise in PPPs, in infrastructure financing, consulting, project planning, design, construction, etc. contribute to this effort. He added that many UK private companies are members of BIIG and this forum could help further the infrastructure development in India.

The first meeting of the BIIG was held in New Delhi on 19<sup>th</sup> January 2011. The Indian side was led by Shri Ashok Chawla, Finance Secretary and the UK side was headed by Mr. Martin Donnelly, Permanent Secretary, Department for Business Innovation and Skills (BIS). A brief meeting of the BIIG was also held in London on 25th July 2011 on the side lines of the visit of Shri Pranab Mukherjee, Finance Minister for the India-UK Economic and Financial Dialogue. The meeting was co-chaired by Shri R. Gopalan, Secretary, Department of Economic Affairs and from the UK side by Mr. Martin Donnelly, Permanent Secretary, Department for BIS.

The second meeting of the BIIG was held in London on 26th November 2011. The Indian delegation was led by Shri R. Gopalan, Secretary, Department of Economic Affairs and the UK side was led by Mr. Martin Donnelly, Permanent Secretary, BIS. The Indian delegation included Shri A.K. Upadhyay, Secretary, Ministry of Road Transport & Highways; Dr. Sudhir Krishna, Secretary, Ministry of Urban Development; Shri Gajendra Haldea, Adviser to the Deputy Chairman, Planning Commission of India; Shri Pratip Chaudhuri, Chairman, State Bank of India, the Executive Director of RBI and CEOs of several PSUs and leading private infrastructure companies.

### **Recent Government-to-Government Agreements**

The following bilateral economic agreements were signed in 2010:

- (i) MOU between Department of Science & Technology, Ministry of Science & Technology, India and Department for Business, Innovation and Skills, UK signed in New Delhi on 13 February 2010.
- (ii) MOU between Indian Council for Medical Research and Medical Research Council, UK signed in New Delhi On 17 February 2010.
- (iii) UK-India Cooperation Agreement for Joint Research Initiative on the Changing Water Cycle between the Ministry of Earth Sciences and the

Natural Environment Research Council, UK signed on 17 February in New Delhi.

- (iv) MOU on Cooperation in the Road Transport and Road Sector between India and the UK signed on 27<sup>th</sup> September 2010 in London.

### **High Commission of India, London's Initiatives in recent years**

#### **(i) Manufacturing SME Survey**

The High Commission of India' London conducted a Survey of the manufacturing SMEs in the UK Midlands in May-June 2010 through a professional agency C&R Market Research, Birmingham with the objective of expanding the market, promoting technological collaboration and investment in the manufacturing sector. The UK is the sixth largest manufacturing nation. More than 95% of the manufacturing output in the UK is done by the SMEs. The Survey revealed that about 2000 UK SMEs in the Midlands are already doing business with India, willing to do or are inclined to do business with India.

#### **(ii) Manufacturing SME Conference and BSM at Birmingham**

Encouraged by the findings of the Manufacturing SME Survey, the High Commission organized a successful India-UK Manufacturing SME Conference and Buyer-Seller Meet (BSM) in collaboration with the Birmingham City Council on 11<sup>th</sup> November 2010. More than 150 manufacturing companies from both countries took part in it. This conference and BSM was as part of a series of economic and cultural events planned by the High Commission to celebrate the 60 years of the Indian Republic in 2010-11. The apex trade and investment promotion agencies in the UK like the UK Trade & Investment (UKTI), UK-India Business Council (UKIBC), the Leicestershire Asian Business Association (LABA), the Warwick Manufacturing Group and leading educational institutions and centres of excellence like the Aston University, the Loughborough University and the Tata Motors European Research Centre were partners in this event. From India 45 manufacturing SMEs participated in this Conference and BSM. The prominent Indian manufacturing and trade promotion agencies/associations like the National Small Industries Corporation (NSIC), the EEPC India, the CII, the Council for Leather Exports, the Pharmexcil and the Bombay Industries Association participated. From the UK side more than 100 SMEs attended the day-long event. The full-day event included four break-away roundtable sessions on Advanced Engineering, Life Sciences, Green Technologies, Engineering & Electrical sectors, and the SME Sector in India. After the conference, the Mission organized a field

visit for the Indian CEOs to centres of excellence in the Midlands on 12.11.2010 which gave the opportunity to witness state of the art car manufacturing at the Jaguar manufacturing facilities, and clean and low-carbon energy projects at the Aston University and sustainable and additive manufacturing projects at the Loughborough University.

**(iii) ‘Infrastructure Financing in India’ Conference in London**

Another major event organized by the Mission in 2010 was the “Infrastructure Financing in India” conference in partnership with the City of London on 22.11.2010 at the Mansion House, London. A large Indian delegation led by Shri Ashok Chawla, Finance Secretary participated in this important conference. The Finance Secretary led the daylong proceedings and answered questions pertaining to concerns of investing in India. The delegation from India included Secretary, Ministry of Urban Development, senior officials from the economic Ministries from the Central and State Governments, Chairman of the State Bank of India, CEOs of PSUs and financial institutions as well as CEOs of leading private sector companies in the infrastructure and related sectors. More than 200 leading financing and infrastructure companies participated in this event. From the UK side the Mayor of the City of London; CEO of the Infrastructure UK in the HM Treasury; CEO of 3i, a major international investor in India; Chair of the UKIBC and Chairman of the Policy Planning & Research in the City of London addressed the gathering. The conference included four break-away roundtable sessions on roads & highways, urban infrastructure, ports & shipping and power generation & distribution. This conference was a remarkable success.

**(iv) India-Wales Partnership Conference in Cardiff**

The High Commission of India, London in partnership with the Welsh Assembly Government organized a conference and business-to-business meet at Cardiff, the capital city of Wales on 11<sup>th</sup> March 2011. Rt. Hon. Carwyn Jones, the First Minister of Wales and Shri Nalin Surie, High Commissioner addressed the businessmen. A large SME delegation from the Confederation of Indian Industry (CII) headed by Mr. Ramesh Datla, Chairman of the CII’s National Council for MSME and the Indian companies operating in the UK participated in the conference. Mr. Ramesh Datla and Mr. Gurpal Singh, Deputy Director General of CII also addressed the gathering, took part in the B2B meetings and answered questions. In all, about 120 businessmen attended this business meet. In his address, the First Minister of Wales recognized India as a key global market and expressed satisfaction that the conference brought together business people from India and Wales. He also announced his plans to visit India in the near future to

build on the links that have already been established. It was also decided that a Trade Mission from Wales will visit India in October 2011 to follow up the discussions. After the conference a survey was conducted to obtain the impressions of the participants by circulating a questionnaire. The participants rated this event as very successful and useful as it gave them a platform to identify fields for collaboration. High Commissioner and the First Minister of Wales also had a one-to-one meeting before the conference.

**(v) Second India-UK SME Conference and Business Meet in Loughborough**

The High Commission of India, London organized the Second India-UK SME Conference and Business meet on 13-14 October 2011 in partnership with the Confederation of Indian Industry (CII), the Indo British Trade Council (IBTC) and Leicestershire Asian Business Association (LABA) at the Loughborough University. The CII and the National Small Industries Corporation (NSIC) of India led large delegations of Small and Medium Enterprises at the conference. The main conference was organized at the Henry Ford College, Loughborough University on 13th October 2011. More than 130 SMEs from the UK and India attended the conference. The 25-member CII delegation was led by Shri T T Ashok, Chairman CII Southern Region and the 22-member NSIC delegation was led by Shri Sunil Tyagi, Chief Manager. The focus of the conference was engineering and advanced technology. Shri Rajesh N Prasad, Acting High Commissioner of India and Mr Edward Oakden, Managing Director Sectors Group, UK Trade and Investment (UKTI) were the keynote speakers. Shri C. Gururaj Rao, Consul General of India, Birmingham; Mr Uday Dholakia, Chairman IBTC and LABA; Mr Jaspal Minhas, President of LABA and Prof. Steve Rothberg, Pro- Vice Chancellor (Enterprise), Loughborough University also addressed the gathering.

The programme of the conference included five break-away sessions on collaboration in Auto and Auto-components Sector, Healthcare & Biotechnology/ Chemical Engineering, IT & Engineering/IT in Manufacturing, Sustainable Manufacturing and High Technology and Hardware Engineering/Builder's Hardware. The break-away sessions were followed by one-to-one meetings. The High Commission also organized workshops and visits to the R&D centres and advanced technology development projects in the Loughborough University for the Indian delegates. After the conference a networking dinner was arranged in honour of the Indian delegation at the School of Business and Economics in which the Chief Guest was Councillor David Parsons, leader of the Leicestershire County. Around hundred businessmen from the UK Midlands attended the networking dinner. On 14th October the Indian delegates visited the advanced manufacturing centres in Basildon, Essex County where they were addressed by the Leader of the

Basildon Council Councillor Tony Ball, Mayor Mrs. Mo Larkin and Mr. Jeffrey Van Orden, Member of the European Parliament for the East of England. In Basildon, the delegations visited the Prospects College of Technology, New Holland Agriculture, the largest factory for tractor manufacturing, the Selex Galileo company manufacturing defence and auto components and the Gardener Aerospace. This SME conference, business meet and field visits to the centres of excellence and advanced manufacturing gave the Indian CEOs an opportunity to discuss mutually rewarding business collaborations including joint ventures and transfer of technology.

**(vi) Second “Infrastructure Financing in India” Conference in London**

The High Commission of India, London organized the second “Financing India’s Infrastructure” conference on 25<sup>th</sup> November 2011 at the historical Mansion House in London in partnership with the City of London. The Rt. Hon. David Wootton, the Lord Mayor of the City of London co-hosted the event with Shri Rajesh N Prasad, Acting High Commissioner of India. Shri R. Gopalan, Secretary, Department of Economic Affairs, Ministry of Finance led a powerful delegation of over 50 Indian CEOs at this conference. The delegation from India included the Shri A.K. Upadhyay, Secretary, Ministry of Road Transport & Highways and Dr. Sudhir Krishna, Secretary, Ministry of Urban Development. Shri Gajendra Haldea, Adviser to the Deputy Chairman of the Planning Commission, Shri Pratip Chaudhuri, Chairman, State Bank of India and Shri U.K. Sinha, Chairman, SEBI were among the eminent speakers. Several senior officials from the economic Ministries at the Centre and State Governments, CEOs of PSUs and financial institutions as well as CEOs of leading private sector companies in India took part in the deliberations. Around 200 leading investment and infrastructure companies from the UK participated in this event. The conference, in addition to the inaugural and valedictory sessions, included three plenary sessions and panel discussions on (i) Infrastructure in India - Opportunities and Challenges; (ii) Infrastructure Debt Fund in India and (iii) Development of Corporate Debt Market in India. From the UK side Mr. Edward Oakden, Managing Director Sectors Group, UK Trade & Investment; Mr. Creon Butler, Senior Adviser in the HM Treasury; Mr. Phil White, Senior Partner of 3i (a major international investor in India); Dr. Timothy Stone, Founder of KPMG’s Infrastructure Group; Mr. Richard Heald, CEO of the UK-India Business Council; Lord Karan Bilimoria, the House of Lords; Mr. Stuart Fraser, Chairman Policy Planning & Research, City of London and several CEOs of leading multinationals and corporate majors addressed the gathering and took part in the panel discussions.

The objective of the conference was to attract private sector investment to finance India's infrastructure development requirement of over USD1 trillion in the 12<sup>th</sup> Five Year Plan beginning in April 2012. This conference was a remarkable success as it succeeded in creating awareness in the investor community of the emerging huge opportunities in India and the latest policy initiatives of the Government of India for attracting international investment in India. The Indian delegation also answered the queries and concerns of the international investor community in the UK and EU, which is expected to further improve the FDI inflow into India.

**(vii) India-UK Food & Drink Conference and Buyer Seller Meet in London**

The High Commission of India London organized a very successful Food and Drink Conference and Buyer Seller Meet at the Central Hall Westminster, London on 19<sup>th</sup> March 2012. This was the first initiative by the High Commission to promote exports of food items from India. Over 100 businessmen from the UK participated in this event. Major British food supermarkets, supply chains and retailers attended the event. From India, members of the APEDA, the Tea Board of India, the Rice Exporters Association, the Spices Board of India and a number of food exporters participated. The objective of this conference were to provide a common platform for the food growers and exporters from India to discuss business with food importers in the UK, understand the regulatory issues concerning health and safety in the food sector in order to penetrate the UK market and to provide access in the international supply chain for Indian exporters. It also was an opportunity to inform the UK stakeholders about the initiatives taken by the Government of India for educating farmers and growers about sanitary and phytosanitary standards and the latest scientific farming techniques in India.

The conference was addressed by the UK regulators from the Food Safety Agency (FSA), Chemicals Regulation Directorate (CRD), Health and Safety Executive (HSE) and Local Better Regulation Office (LBRO). The VIPs who addressed the gathering included Dr. Jaimini Bhagwati, High Commissioner of India; Lord Jeff Rooker, Chairman, FSA; Dr. Clive Grace, Chairman, LBRO and Lord Karan Bilimoria, President, UK-India Business Council. From India, Shri Sanjeev Chopra, Joint Secretary, Ministry of Agriculture and Director National Horticulture Board; Shri C.S. Bedi, Chairman, Indian Tea Association, Kolkata and Shri R.S. Seshadri, Director, Tilda Riceland made presentations. From the UK side, Mr. Russell Wedgebury, CRD Executive, HSE; Mr. Alistair Edwards, Imported

Foods Team, FSA and Mr. David Brackston, Technical Director-Food Schemes, British Retailers Consortium made presentations. In the afternoon the businessmen broke away into three Sessions, viz., Rice, Pulses and Spices; Drink and Processed Food and Fruits and Vegetables. The Chairs of the Break-away Sessions presented the outcome of their respective Sessions during the Closing Session. This conference was highly appreciated by all participants and officials in the government circles as it enhanced awareness among the British consumers, suppliers and buyers about the food trade space in India and also the growing opportunities for business in India. Both sides could also discuss mutually beneficial partnerships.

### **Other events**

#### **1. Essex Trade Mission to India**

A Trade Mission from the Essex County led by Councillor Kevin Bentley consisting of 9 Essex companies and universities visited Indian in January 2011. They visited Mumbai, Hyderabad, Bangalore and Ahmedabad and participated in the investment summit 'Vibrant Gujarat 2011'. The delegation had successful meetings with several Indian companies and entered into an internship programme for Essex students with the Tata group.

#### **2. UK-India Business Council's Annual India Summit in Manchester**

The High Commission and a large number of Indian companies participated in the UK-India Business Council (UKIBC)'s annual Summit on March 10, 2011 at Manchester. This was the largest India-focused business conference in the UK in which more than 500 businessmen took part. The theme of the summit was "UK and India: Building a 21<sup>st</sup> Century Special Relationship". A large SME delegation from the Confederation of Indian Industry headed by Mr. Ramesh Datla, Chairman of the CII's MSME National Council participated in the Summit. Shri Nalin Surie, High Commissioner of India to the UK was the Keynote Speaker. Mr. Peter Sands, Group CEO of Standard Chartered, Lord Karan Bilimoria, President of UKIBC and Mr. Ramesh Datla, Chairman, CII National MSME Council were among the speakers. In his opening address, High Commissioner emphasized the importance of SMEs in building the new partnership and called upon the UK companies to grasp the investment opportunities in India.

### **3. Roundtable on the Real Estate Sector in India at India House**

The High Commission and the Federation of Indian Chambers of Commerce and Industry (FICCI) jointly organized a roundtable on the 'Real Estate Sector in India' at the India House on 5<sup>th</sup> May 2011. About 30 businessmen representing the leading UK companies operating in the areas of real estate, architectural design & innovation, and urban planning attended the meeting. A high level Indian delegation from the FICCI comprising Mr. Pranay Vakil, Co-Chairman FICCI Real Estate Committee and Chairman, Knight Frank India; Mr Gaurav Karnik, Director, Tax & Regulatory Services, Ernst & Young India and Ms. Mousumi Roy, Director and Head Real Estate FICCI, visited London for addressing the meeting and answered the questions of the participants. This roundtable meeting provided an excellent opportunity for the UK businessmen to understand the growing real estate space and investment opportunities in India and to clear up their concerns about investing in the real estate sector in India.

### **4. London International Wine Fair 2011**

India participated in the London International Wine Fair (LIWF) 2011 which was held at the London Excel centre on 17-19 May 2011. Fourteen Indian wineries exhibited at this prestigious international wine fair under the Indian Grape Processing Board (IGPB). The Indian delegation to the LIWF was led by Dr. U. Venkateswarlu, Joint Secretary, Ministry of Food Processing Industries from the government side and Shri S.G. Chougule, Chairman of the Indian Grape Processing Board (IGPB). This wine exhibition provided an excellent opportunity to the Indian wine producers to showcase the Indian wines. The Indian pavilion attracted a large number of wine connoisseurs and businessmen from the UK and Europe. The CEOs of Indian wineries were happy that they received good response from hundreds of visitors and also that they could open negotiations with UK businessmen. Several UK-based businessmen and importing agencies expressed interest in importing Indian wines. This was the second year in succession that India took part in the LIWF.

### **5. JETCO Senior Officials Meeting in London**

The JETCO Senior Officials Meeting in London was held in London on June 01-02, 2011 at the UK Trade and Investment (UKTI). Shri P.K. Chaudhery, Special Secretary, Department of Commerce led the Indian delegation. The British side was led by Mr. Edward Oakden, Managing Director Sectors Group, UKTI.

## **6. India-EU BTIA Negotiation in London**

Dr Rahul Khullar, Commerce Secretary visited London for meeting with Director General Trade UK on India-EU negotiations on Broadbased Trade and Investment Agreement (BTIA). The meeting was arranged at the India House on 3rd June 2011. The Indian delegation at the meeting included Shri Nalin Surie, High Commissioner and Shri P.K. Chaudhery, Special Secretary and other senior officials of the Ministry of Commerce.

## **7. International Grains Conference**

India participated in the annual meeting of the International Grains Council (IGC) and the International Grains Conference held in London on 6<sup>th</sup> and 7<sup>th</sup> June 2011, respectively. The Indian delegation was led by Shri T.S. Randhawa, Additional Secretary and Financial Advisor, Department of Food & Public Distribution, New Delhi. The IGC meeting considered among other items the current grains market situation, outlook for grains and oilseeds and recent national policy developments in member countries. In addition to the IGC member nations, the FAO, OECD, UNCTAD and WTO took part in the meeting as Observers and presented reports. From India the Grains Conference was attended by the CEOs of 7 companies operating in the grains trade and the Executive Director of the Food Corporation of India.

## **8. Tourism Roadshows in the UK**

Shri Sultan Ahmed, Minister of State for Tourism led a delegation of senior officials from the Ministry of Tourism and 20 tour operators from India in several for roadshows in the important cities in the UK from 06-12 June 2011. Shri Sultan Ahmed addressed gatherings of 150-100 tour operators and travel industry agents in London (7<sup>th</sup> June), Manchester (8<sup>th</sup> June), Glasgow (9<sup>th</sup> June) and Lake District, Cumbria (10<sup>th</sup> June). The Minister and Secretary(Tourism) also addressed Press Conferences and answered questions from the media. The Press Conference in London which was attended by 25 travel writers and tourism journalists was moderated by the renowned British Indian Sportswriter, Journalist and former BBC correspondent Mihir Bose.

## **9. AP Investment roadshow in London**

Dr. (Mrs.) Geetha Reddy, Andhra Pradesh Minister for Major Industries, Sugar and Export Promotion visited the UK from 17-21 June 2011 for roadshows to attract British investments in Andhra Pradesh. The AP Minister addressed a

gathering of about 50 investors and businessmen at a reception organized in London in association with the Confederation of Indian Industries (CII). Dr. Reddy made a presentation on investment opportunities in Andhra Pradesh. In her presentation the Minister depicted Andhra Pradesh as a state of “infinite investment opportunities” with the emergence of AP as the manufacturing hub of India. She explained the vast opportunities in software industry, bulk drugs & pharmaceutical industry, food processing, iron & steel industry, defence & aerospace, natural gas in the Krishna-Godavari Basin and infrastructure projects. The Minister also visited the Innovation Centre at the Brunel University in London.

#### **10. Launch of Book of Ideas for enhancing India-UK partnership**

Shri Anand Sharma, Commerce and Industry Minister and Lord Stephen Green, UK Minister for Trade and Investment jointly launched the book entitled ‘Reconnecting Britain and India – Ideas for Enhanced Partnership’ at No. 11, Downing Street in London on 20<sup>th</sup> June 2011. The book which was co-edited by Mr. Jo Jonhson, British MP and Dr. Rajiv Kumar, Secretary General of the FICCI contains introductions by Dr. Manmohan Singh, Prime Minister of India and Mr. David Cameron, Prime Minister of the UK. This book is a collection of 34 original essays by thought leaders from both countries from the worlds of academia, business, politics and arts which assess the potential for the two countries to forge an enhanced partnership, elaborating the objective set out by the two Prime Ministers during their Summit meeting in New Delhi in July 2010.

#### **11. CII CEOs’ Delegation 2011**

A high level delegation of CII CEOs visited London for interaction with the captains of British industry on 29-30 June 2011. The 18-member delegation led by Shri B. Muthuraman, President of the CII and Vice Chairman of Tata Steel Ltd. included Shri Adi Godrej, CII’s President-designate and Chairman, Godrej Group and two past Presidents. The CII CEOs participated in a conference jointly organized by the CII, Confederation of British Industries (CBI) and the University College London (UCL) entitled “UK-India: Next steps towards greater Partnerships” on 29<sup>th</sup> June 2011. The keynote speakers at the conference were Lord Stephen Green, the UK Minister of State for Trade and Investment and Shri Nalin Surie, High Commissioner of India to the UK. The CII also signed two MOUs for collaboration with the Imperial College London and the UCL. The delegation called on Dr. Vince Cable, Secretary of State for Business, Innovation and Skills to discuss further strengthening of collaboration between the two countries. Dr. Vince Cable also addressed a reception hosted by the CII President at the prestigious Lancaster House on 29<sup>th</sup> June 2011 which was attended by more than 300 leading

UK businessmen. On 30<sup>th</sup> June 2011 a conference and panel discussion was organized at the Chatham House, the premier British think-tank, in which Lord McNally, UK Minister of State for Justice & Deputy Leader of Lords and Shri Adi Godrej, who also heads the CII's Anti-Corruption Council, made keynote addresses. The Indian CEOs' programme also included several meetings with the British industry and Indian companies operating in the UK. The delegation also interacted with the India Business Forum-UK of which High Commissioner is the Patron under at India House on 30<sup>th</sup> June 2011.

## **12. 10<sup>th</sup> anniversary celebrations of ISB Hyderabad**

The Indian School of Business (ISB), Hyderabad celebrated its 10<sup>th</sup> anniversary in London on 8th September 2011. The ISB was established in 2001 with an aspiration to put India on the global map of management education and the vision to be an internationally top-ranked, research-driven, independent management institution that grooms future leaders for India and world. Shri Rajesh N. Prasad, Acting High Commissioner of India addressed the gathering of ISB alumni, academia and leading businessmen. While welcoming the guests, Shri Ajit Rangnekar, Dean of ISB traced the growth, challenges and achievements of the ISB. The celebration included a Panel Discussion on the theme "Building India's Intellectual Infrastructure". The Discussion was moderated by Dr. Phanish Puranam, Professor at London Business School. Lord Meghnad Desai and Sir Thomas Harris, Vice Chairman, Standard Chartered Capital Market Ltd. were among the panelists. In his opening address the Acting High Commissioner congratulated the Indian industry leaders and the academia who have worked relentlessly to build and nurture the School into one of the top 20 Business Schools in the world in a very short span of 10 years. He also paid tributes to the late Professor Sumantra Ghoshal, formerly Professor at London Business School, who had led the ISB in its early years and gave it the vision and direction.

## **13. Seminar on Doing Business in India**

The High Commission participated in a seminar and panel discussion organized by the UK-India Business Council (UKIBC) and APCO in London on the theme "Making Sense of the Indian Labyrinth" on 14<sup>th</sup> September 2011 at the Royal Institute of British Architects. The Acting High Commissioner, Shri Rajesh N Prasad was the Keynote speaker. In his opening remarks the Acting High Commissioner explained that the topic of the panel discussion was a misconception which is far from appealing. It refers to a business environment having elephantine procedures and the need of handholding at each stage which is opposite the ground realities in India. He clarified that while it may have been true to some extent in the

past, the metaphor has less relevance in a rapidly globalizing Indian economy today. Shri Prasad explained that today India is one of the most favoured global destinations for investment. The Acting High Commissioner urged the companies to visit India to prospect the unlimited business opportunities without waiting any further. He advised the British businessmen to look for reliable Indian partners if they feared going it alone to be a challenge in India.

#### **14. Indian Chamber of Commerce Kolkata Business Forum in London**

The Indian Chamber of Commerce, Kolkata led a 40-member business delegation from the north-eastern states in India to the India-UK Business Forum in London which was organized in partnership with the UK-India Business Council (UKIBC) on 14<sup>th</sup> October 2011. The Union Urban Development Minister, Shri Kamal Nath addressed the Forum. The delegation included Ministers from the Indian states of Assam, Manipur, Meghalaya, and Arunachal Pradesh. This Forum was organized for promoting trade and investment between India and UK and discussed among other things opportunities for UK companies in the east and north-east regions of India on sectors such as infrastructure, education, food processing, mining, engineering and IT. Mr. Gregory David Clark, Minister for Decentralization and Cities represented the UK Government in the Forum and addressed the gathering.

#### **15. Roundtable on Regeneration of Indian Cities**

Shri Kamal Nath, Urban Development Minister chaired a roundtable discussion on regeneration of cities in India on 14<sup>th</sup> October 2011 in which several leading infrastructure companies in the UK took part. The UK-India Urban Regeneration Group consisting of leading British infrastructure development companies and investors made a presentation on possible collaboration for the regeneration of Indian cities. The meeting proposed to prepare a scoping plan for regeneration and development of Kolkata and suburban towns with a view to replicate the success in other towns and cities in India.

#### **16. London Garments Expo 2011**

India participated at the London Garments Expo from 27-29 October 2011. The AEPC Chairman Shri Premal Udani led a large delegation of 27 Indian garment manufacturers to exhibit at this garment fair which was held at the prestigious Olympia exhibition ground. Shri Rajesh N Prasad, Acting High Commissioner inaugurated the India pavilion on 27<sup>th</sup> October 2011. The India pavilion consisted of 28 stalls. In addition to India, leading apparel exporters like China, Malaysia, Turkey, Finland, Thailand, Pakistan, Bangladesh, etc. exhibited in

this fair. This was the first time the AEPC took part in a garment expo in London for several years.

### **17. Cyber Security Summit in London**

India took part in the Cyber Security Summit in London on 01-02 November 2011. Shri Sachin Pilot, MoS for Communications and IT led the Indian delegation. The delegation included Shri Asoke Mukerji, Additional Secretary(Pol), Ministry of External Affairs and senior officials of the Department of IT and NIC. The Summit was chaired by Mr. William Hague, Secretary of State for Foreign and Commonwealth Affairs. Rt. Hon. David Cameron MP, Prime Minister of UK addressed the participants. Shri Sachin Pilot was one of the key speakers. The MoS(C&IT) also held bilateral meeting with his British counterpart Mr. Ed Vaizey, Minister for Culture, Communications and Creative Industries, Department for Culture, Media and Sport.

### **18. World Travel Market (WTM) 2011**

Shri Subodh Kant Sahai, Union Minister for Tourism led the Indian delegation at the annual World Travel Market in London from 07-10 November 2011. He inaugurated the India Tourism Pavilion on 7th November 2011. The Indian Pavilion displayed the works and demonstrations of art and craft by artisans representing the different states of India. A cultural troupe from India also showcased the varied colours of India. India received two awards at the WTM 2011; one for the World's Leading Travel and Tourism destination and the second for the Ministry of Tourism being the World's leading National Tourism Board with its 'Incredible! India' campaign. The Indian participation from 19 states included the State Tourism Ministers of Maharashtra, Jammu & Kashmir, Andhra Pradesh, Tamil Nadu, Puducherry and Kerala.

### **19. Lord Mayor's Show 2011**

The High Commission of India, London facilitated India's participation in the Lord Mayor's Show 2011 which was held in London on 12<sup>th</sup> November 2011 with a 'Kathakali' float under the theme "Kerala - Incredible India". This was the second time India participated in this 8-century old ceremonial parade through the streets of the City of London. The India float was a major attraction and was broadcast live on TV by prime time TV channels including the BBC. The India Tourism London supported the Kerala Promotions based in London to organize the participation. The Secretary Tourism, Kerala was present in the parade. The float

displayed tourist and cultural attractions of Kerala including live performance of Kathakali and Mohiniattom dances by artists in the UK.

## **20. India elected Chairman of International Sugar Organization**

Dr. B.C. Gupta, Secretary, Department of Food & Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, New Delhi was elected Chairman of the International Sugar Organization w.e.f. 01.01.2012 at the 40th Session of the International Sugar Council which was held in London on 2<sup>nd</sup> December 2011. The Indian delegation led by Dr. Gupta also took part in the Administrative Committee MECAS meeting of the ISO on 1<sup>st</sup> December.

### **India-UK Bilateral Trade**

As per the data published by UK's Office for National Statistics (ONS) bilateral merchandise trade in 2011 was estimated to have grown by about 20% to £11.796bn (US\$18.87bn). According to the ONS, India's imports from the UK increased by about 40%, whereas the increase in India's exports to the UK was around 5.5% only. The Balance of Payment position which in 2010 was £1.71 billion in India's favour has moved to £400 million in 2011.

### **Bilateral Trade data published by the ONS (UK) (in million in GBP)**

Year	UK Exports to India	% change	UK Imports from India	% change	Total trade	% change	India's Balance of Trade
2005	2798	+25.25	2781	+21.60	5579	+23.40	-17m
2006	2693	-3.75	3121	+12.23	5814	+4.21	+428m
2007	2968	+10.21	3809	+22.04	6777	+16.56	+841m
2008	4135	+39.32	4490	+17.88	8625	+27.27	+355m
2009	2941	-28.88	4558	+1.51	7499	-13.06	+1,617m
2010	4071	+38.42	5781	+26.83	9852	+31.38	1,710m
2011	5698	+39.96%	6098	5.48%	11,796	+19.73	+400m

**Bilateral Trade during the last six years as per data published by Ministry of Commerce and Industry, New Delhi (in million USD)**

Bilateral Trade	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Last % change
Total exports to UK	5059.28	5622.93	6705.50	6649.53	6,221.39	7,166.35	16.03
Total Imports from UK	3930.30	4177.87	4953.68	5872.32	4,461.67	5,396.78	14.66
Total Bilateral Trade	8989.58	9800.80	11659.18	12521.86	10683.06	12563.13	15.46

**Comparison of UK's share in India's Total Trade  
(Ministry of Commerce and Industry data)**

Bilateral Trade	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
UK's share in India's Total Exports	4.91%	4.45%	4.11%	3.59%	3.48%	2.86%
UK's share in India's Total Imports	2.63%	2.25%	1.97%	1.93%	1.55%	1.45%
UK's share in India's Total Trade	3.56%	3.14%	2.81%	2.56%	2.29%	2.04%

*(Data produced by the MoC and the ONS may vary. The ONS data are calendar year based and the figures indicate CIF value, whereas the MoCI data are on fob and financial year basis).*

**India-UK Bilateral Investments**

**1. Foreign Direct Investments from the UK**

The UK is the 4<sup>th</sup> largest inward investor in India, after Mauritius, Singapore and the USA. The UK's share in 2010-11 was above 5% of the total FDI in rupee terms. The FDI inflow from UK underwent a steady decline from USD 1.878 billion in 2006-07, USD 1.176 billion in 2007-08, USD 864 million in 2008-09 and USD 657 million in 2009-10. The FDI inflow during FY 2010-11 was USD 755 million. However, the FDI inflow from UK registered a record USD2.75 billion

during the first 10 months of 2011-12. This is remarkable when we compare the cumulative total of UK's FDI equity in India till April 2011 of USD 6.643 billion.

### **FDI from UK during the last six years**

2005-06:	US\$ 266 million
2006-07:	US\$ 1,878 million
2007-08:	US\$ 1,176 million
2008-09	US\$ 864 million
2009-10	US\$ 657 million
2010-11	US\$ 755 million
2011-12	US\$ 2,750 million (April 2011-January 2012)

Top sectors attracting FDI inflows from U.K. are services (both financial and non-financial), oil and natural gas, ports, roads & highways, chemicals (other than fertilizers), electrical and electronic equipments including computer software & electronics, telecommunications, etc. Prominent UK insurance companies have operations in India. Leading British oil and gas companies, including British Gas, Shell and Cairns Energy have expanded their operations and increased their investments in India. In February 2011 the UK oil giant BP signed a USD7.2 billion agreement with Reliance Industries for strategic oil and gas partnership in India. An increasing number of British companies have set up BPO operations in India. The Standard Chartered Bank raised US\$750m in IDR in June 2010 in India, the first in India by a foreign bank. The Wellcome Group of Sir Mark Walport has entered into a Joint Venture with the Department of Biotechnology called 'R&D for Affordable Healthcare in India' with a total investment of US\$45 million, of which 50% will be the contribution of the Wellcome Group.

### **Major UK Investors in India**

Sl.No	UK Investor	Indian Collaborator
1.	Cairn UK Holding U.K.	Cairn (I) Ltd.
2.	HSBC Bank Plc	Reliance Ports & Terminals
3.	HSBC Bank Plc	Reliance Holidays & Resorts India Ltd.
4.	Castrol Ltd.	Castrol India Ltd.
5.	Ecom Communications Ltd.	Himachal Futuristic Communications Ltd.
6.	HOC Group Plc	BOC(I) Ltd.
7.	Standard Chartered Bank	Standard Chartered Investment & Loans Ltd.
8.	ENI (UK) Holdings Plc	Hindustan Oil Exploration Company Ltd.

9.	JP Morgan International	JP Morgan Security Pvt. Ltd
10.	Caparo Pvt. Ltd	Caparo India Ltd.
11.	Powergen U.K. Plc	Gujarat Powergen Energy Corporation Ltd.
12.	Scottish & New Castle Ltd.	United Breweries Ltd.
13	BP Plc	Reliance Industries (30% state in 23 oil and gas blocks – agreement signed in February 2011)

Source: DIPP, Ministry of Commerce and Industry.

## **2. Investments in the UK from India**

India has emerged one of the top investors in the UK since 2008. India has been the third largest inward investor in the UK during 2010 and 2011. About 700 Indian companies have operations in the UK. Half of these are based in London. The London Stock Exchange now has about 70 Indian companies listed. Tata Steel Limited, one of the top steel producing firms in the world, was listed in the London Stock Exchange in July 2009. Essar Energy, one of India's fastest growing private sector power and oil & gas companies, raised £1.2 billion (about US\$1.8 billion) by floating shares in April 2010. Sahara India's acquisition of the prestigious Grosvenor House Hotel, Park Lane, London for £470mn (US\$726mn) from the Royal Bank of Scotland was another major acquisition. An Indian take over which drew much public attention was that of the Blackburn Rovers Football Club by the Venky's Hatcheries Limited, the first investment in the British Premier League by India. In August 2011 the Essar Energy bought the Stanlow oil refinery, the 2nd largest refinery in the UK for US\$350 million. The East India Company is now owned by an Indian. The TVS Group has acquired the UK-based Universal Components in March 2012 and re-branded its existing supply chain solutions in Europe into TVS Supply Chain Solutions.

### **Major Indian Investments in the UK**

Sl. No.	Indian Investor	Sectors of operation
1.	Tata Group	Automobile, steel, chemicals, communications, etc.
2.	ICICI Bank Limited	Banking
3.	United Spirits Limited	Spirits and beverages
4.	Bennett Coleman &Co. Ltd.	Advertising
5.	Suzlon Energy Ltd	Investment holding and sale of wind turbines

6.	H C L Technologies Ltd.	IT and software services
7.	Havells India Limited	Lighting products manufacturing and sale
8.	Sahara India	Acquisition of the Grosvenor House Hotel, London
9.	Hindalco Industries Limited	Aluminium products and investment holding
10	Essar Energy	Acquisition of Stanlow oil refinery, 2nd largest refinery in the UK
11	Century Communication Ltd.	Audio, Video and film supply
12	Reliance Group	Telecommunications and investment business advisory
13	India Infrastructure Finance Co. Ltd	Infrastructure investment financing
14	State Bank of India	Banking
15	3i Infotech Ltd	Software services

Source: UKTI

### **Trade in Services**

Trade between India and the UK in services has been at a lower level than trade in goods, but has been growing rapidly since 2003. The Office for National Statistics (ONS) UK in its report for 2011 has published the data for the year 2010. According to the ONS, the top UK exports to India were (i) Financial & Business services (ii) Transportation services, (iii) Travel services (iv) Computer & Information services, and (v) Communications services. India ranked 22<sup>nd</sup> as a source of UK service exports worth £2.060 bn (as against £1.711bn in 2009/18<sup>th</sup> position) and 16<sup>th</sup> as a source of service imports, worth £2.292bn in 2010 (as against £1.942 bn/13<sup>th</sup> position in 2009). The UK is the largest market in Europe for Indian IT services. Many British blue chip companies (about 30) and some smaller companies have off-shored work to India creating over 60,000 jobs. Conservative industry estimates show that British businesses now save upwards of £1 billion every year due to off-shoring, the bulk of which is accounted for by India. As Indian firms win major IT contracts and there is increase in business process outsourcing (BPO) activity to India, India's service exports are poised to increase. Top Indian service exports to the UK include: (i) Travel services, (ii) Computer & Information Services (iii) Business & Financial services (iv) Transportation services and (v) Communication services. In addition to existing areas, the services trade is projected to grow in engineering process outsourcing and knowledge process outsourcing.