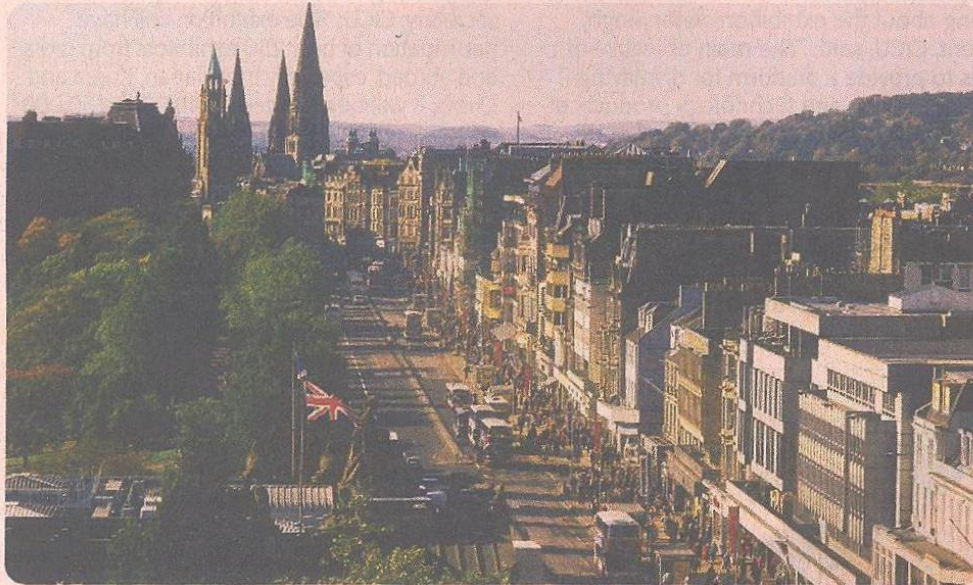


FUTURE OF INDIA-UK RELATIONS: TECH, TRADE, TALENT AND TOURISM

THE UK IS KEEN TO LOOK TO INDIA, THE FASTEST GROWING LARGE ECONOMY AND A MASSIVE MARKET, AS A KEY PARTNER TO DEEPEN TRADE AND INVESTMENT TIES



Chandrajit Banerjee

The visit of Hon'ble Prime Minister Narendra Modi to the UK in November 2015 was a major milestone in the India-UK relationship, which set forth, for the first time, a vision statement for the two countries. The statement acknowledged the "special partnership" of the world's oldest and largest democracies, lauded the "natural partnership" for progress and prosperity, outlining skills, health and education, infrastructure, advanced and digital technologies, and clean technologies as some strategic areas for partnership.

Exactly one year on, in November 2016, Rt Hon Theresa May, Prime Minister of the UK, will be visiting India. This will be her first bilateral visit outside the European continent, indicating the strength and significance of this partnership. As the UK prepares for its historic exit from the EU, the country is keen to look to

India, the fastest growing large economy and a massive market, as a key partner to deepen trade and investment ties.

I strongly believe that the future of a robust partnership between the two nations lies in the four "Ts" on the economic cooperation roadmap: Technology, Trade, Talent and Tourism.

TECH

India is progressing rapidly towards a knowledge-led, knowledge-driven economy. Our youth are increasingly internet-connected and tech-savvy. Combined with their innate sense of creativity and entrepreneurship, they are leading the change to a new India. Frugal engineering, innovative thinking, and tailored solutions are the hallmarks of the new knowledge economy in India.

The UK enjoys leadership strengths in technology and innovation. It has much to offer to India, as also much to gain from partnering with

India. The two countries would need to jointly address policy instruments in order to maximise the gains from their partnership.

TRADE

India-UK trade has experienced slow and steady growth over the last decade. However, bilateral trade has been on a downward slope since 2013. Total trade has slipped from GBP 20.6 billion in 2013 to GBP 16.3 billion in 2015—a decline of over 20 per cent in two years. Primary decline is in trade in goods; services trade has held up. While the slump can be attributed in part to the overall global economic slowdown, it urges us to consider measures to help boost exports both ways.

TALENT

Apart from access to markets, a very important element that underpins the trading relationship is access to global, highly skilled talent. With UK's policy indica-

tion towards tightening of regulation on professional labour mobility, salary thresholds and mandating companies to disclose or submit foreign worker employment ratios, there is concern over facilitating access to global talent for both UK and Indian companies operating in the UK. In fact, a future India-UK economic cooperation agreement should negotiate good mobility provisions for Indian companies operating in UK. Visas, social security norms, and short-term contract facilities should be offered for Indian companies.

TOURISM

Further to professional labour mobility, the larger movement between the two nations remains vital to the special relationship between India and the UK. The 1.5 million-strong Indian diaspora is the largest in the UK. Over 4,00,000 Indians visited the UK last year spending a total of £433m—nearly half of which was contributed by business visitors.

While the two countries must be prepared to consider a fundamental recalibration and re-engineering of its economic relations, the 4 "T" formula—of facilitating Technology collaboration, building a robust bilateral Trade regime, nurturing and enabling the movement of global Talent and providing a strong boost to Tourism—can really pave the way for an exciting and dynamic future partnership.

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