India – United Kingdom Relations

India and the United Kingdom upgraded their bilateral relationship to that of Strategic Partnership in September 2004. The Joint Declaration adopted 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.

The two sides have had number of high level bilateral visits and interactions in the recent past. PM met UKPM Cameron on the sidelines of G20 Summit in November 2014 in Australia; EAM visited UK from October 16-17, 2014 to inaugurate the Regional PravasiyaBharatiyaDiwas where she had bilateral meetings with UK Deputy Prime Minister and Foreign Secretary; MoS (VK) visited London from December 3-4, 2014 to attend London Conference on Afghanistan; CiM visited London from January 18-20, 2015 for the 10th JETCO. FM visited London from 13-14 March, 2015 to unveil the statue of Mahatma Gandhi in Parliament Square. MoS(IC) for Power, Coal and New and Renewable Energy visited UK from 22-23 May, 2015 and held meetings with the Parliamentary Under Secretary, Department of Energy and Climate Change(DECC) and Parliament Under Secretary, Department for International Development.

From the UK side, the then Deputy Prime Minister Nick Clegg visited India from August 25-27, 2014; former UK Foreign Secretary William Hague, accompanied by Chancellor of the Exchequer George Osborne, Minister for Government Policy in Cabinet Office, Oliver Letwin and the then Head of Downing Street Policy Unit Jo Johnson visited India in July 2014; the then Business Secretary Dr. Vince Cable visited India in October 2014 and the then Minister for University, Science and Cities visited India in November 2014. UK FS Philip Hammond visited India from 12-13 March, 2015 for bilateral consultation.

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, Foreign Office Consultations are held regularly 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 Cooperation: There is tremendous focus being given by the policy makers in the UK to strengthen economic and commercial cooperation between the two countries. 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 former Finance Ministers of the two countries to strengthen the financial and economic relationship between India and the UK, in the light of each country’s economic policy agenda and within a global economic perspective. A UK delegation led by Rt Hon George Osborne, Chancellor of the Exchequer of UK visited India to participate in the 7th round of the Economic and
Financial Dialogue (EFD) between India and the UK on July 8, 2014. Shri Arun Jaitley, Hon’ble Finance Minister of India and the Chancellor of the Exchequer had a bilateral meeting. The 7th round of EFD covered discussions on topics such as Macroeconomic Risks and Policy Responses, Trade and Investment Issues, Infrastructure Financing and Financial Services and Regulations. During the 7th EFD, an accord was signed between Ministry of Finance and Her Majesty’s Treasury to formalise the cooperation between the India and UK on infrastructure and Public-Private Partnerships. The ambitious package of measures to support investment in Indian infrastructure will include a £1 billion line of credit from UK Export Finance (UKEF) to support Indian infrastructure projects, such as Bengaluru-Mumbai Economic Corridor (BMEC). This will be supported by 10 global banks to deliver government funded loans through the £3 billion Direct Lending Scheme. The two leaders also launched the UK-India Financial Partnership to strengthen links between the Financial Services industries of both countries and deepen cooperation between London and Mumbai, two of the World’s leading Financial Centres.

The JETCO is a business driven institutional framework established on January 13, 2005 to develop a strategic economic relationship. The 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) alternating in both capitals. The 10th JETCO meeting was held on January 19, 2015 in London. The meeting saw both industry and government come together for productive discussions in the three Working Groups constituted on the themes of Education & Skill Development, Smart Cities and Technological Collaboration, Advanced Manufacturing and Engineering.


India-UK Bilateral Trade in Services: According to UK’s Office for National Statistics, the India-UK bilateral trade in services (excluding travel, transport and banking) in the calendar year 2013 amounted to approx. £2.2 billion. India’s exports to the UK in services (excluding travel, transport and banking) in the calendar year 2013 amounted to £1355 million and India’s imports from the UK in services (excluding travel, transport and banking) in the calendar year 2013 amounted to £863 million.

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 semi-precious stones, silver, metalliferous, aircrafts and parts, beverages and spirits, machinery, engineering goods, and other professional instruments other than electronics, non-ferrous metals and chemicals.
India-UK Bilateral Investment: The UK is the 3rd largest inward investor in India, after Mauritius, and Singapore with a cumulative equity investment of US $ 22.21 billion (April 2000- March 2015). UK ranks first among the G20 and accounts for around 9% of all investment into India for the period April 2000 – March 2015. In 2013-14, UK invested $3.2 billion in India, more than any other G20 country and more than Japan ($1.7 billion) and the US (just under $1 billion).

FDI from UK during the last 4 years

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<th>Year</th>
<th>Investment (US$)</th>
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<tr>
<td>2010-11</td>
<td>2.7 billion</td>
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<tr>
<td>2011-12</td>
<td>7.8 billion</td>
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<td>2012-13</td>
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<td>2013-14</td>
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<td>2014-15</td>
<td>1.1 billion</td>
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India continues to be one of the largest investors in the UK. According to the figures released by the UK Trade and Investment in their ‘2013/14 Inward Investment Annual Report’ India had 74 FDI projects in the United Kingdom which created 4,482 jobs during 2013-14. According to UNCTAD, the value of Indian FDI Flows into the UK was US$ 552 million in the year 2012, an increase of 50% from previous year (US$ 368 mn in 2011). The cumulative flow of Indian FDI in UK from the year 2010 to 2012 was US$ 1.32 billion. The UK attracts more Indian investment than the rest of the EU put together.

Inter-Parliamentary Contacts: The Parliaments of India and the UK have close relations. There are Friends of India Groups in all the three major political parties. There is an All-Party Parliamentary Group on India and on British Hindus 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 third phase was launched by HRD Minister and the visiting UK Minister for Universities and Science at the bilateral Education Forum in New Delhi on November 13, 201. Phase-3 will comprise of four strands of collaboration on both higher education and further education. 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. The UKIERI Phase III, which was jointly launched included Research Partnership Incubation, Skill Development and Leadership Development as the three strands. It propose to have the same level of funding committed for Phase III as in Phase II, i.e. £ 2.5 million per annum by each side.

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. In 2013-14, it has reduced to 19750. Changes introduced by the 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.
**Cultural Linkages between India and UK:** Cultural linkages between India & UK are deep & extensive. The Nehru Centre is the cultural outreach of The High Commission of India in UK. The Centre organises a wide range of cultural evenings at its premises, showcasing Indian music, dance and theatre, besides a range of activities aimed at strengthening and deepening the intellectual dialogue between the two countries, such as exhibitions, lectures, illustrated talks, book launches, film screenings, seminars and round tables. Indian & British Cultural Institutions signed an MoU in 2010 on collaboration in areas related to museology (management & administration, research development of skills, loans & exhibitions digitisation of collections, etc.). The respective cultural institutions are taking this initiative forward and proactively pursuing specific projects in order to enhance cooperation between the two countries. The British Council – the British counterpart of ICCR - is working on a 5 year arts and cultural initiative – Reimagine – to build new creative connections between the peoples of the UK and India. Under the initiative, several bilaterally relevant projects are being financed and supported by the British Council. The report is also under preparation and is expected to be released shortly.

**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. The 8th Regional Pravasiya Bharatiya Diwas (RPPBD) was organised in London from October 16-18, 2014. It was jointly inaugurated by EAM and UKFS and saw participation by around 800 Indian-origin people from around the UK. The High Commission in London remains in continuous touch with the diaspora in seeking their advice on taking India UK relationship forward.

**Useful Resources:**

- High Commission of India, London website: [https://www.hcilondon.in](https://www.hcilondon.in)
- High Commission of India, London Twitter: [https://twitter.com/HCI_London](https://twitter.com/HCI_London)

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