

India's Foremost Outbound Investment Magazine

SPECIAL EDITION

INDIA GLOBAL BUSINESS

Published by



ENGAGING LEADERS
INCISIVE CONTENT
IMPACTFUL EVENTS

May 2017

www.indiaincorporated.com

Launching



Yeh Dosti Where are we heading?



28

EXCLUSIVE
Not a time to pull up the drawbridge
by Liam Fox, UK Secretary of State for International Trade



76

BOOK REVIEW
Winning Partnership: New road for India-UK ties
by Arnab Mitra



86

PROFILE
The woman behind calls for 'Scexit'
Nicola Sturgeon, First Minister of Scotland



Celebrate Connect Inspire

Follow us: @inBritish
#UKIndia2017



uk-india.britishcouncil.in

Photo credit James Gifford-Mead



UK & India: Where are we heading?

Our cover story this time is aptly titled 'Yeh Dosti'. Indian readers will be familiar with the eponymous song from the iconic Bollywood blockbuster 'Sholay', which, even 42 years after its release, remains synonymous with undying friendship and renewal of relationships.

To dwell a little further on the renewal analogy, here in the UK, we have the custom of spring cleaning, where in anticipation of sunny times, and coming out of the winter months, we clear out the clutter and put our house in order.

The tide of history has brought India and the UK to such a turn in the road. Coincidentally, PM Narendra Modi's vision of embracing globalisation to expand India's economy and realise its ambitions of taking its rightful place at the global high table has some resonance with PM Theresa May's ambition of a post-Brexit "Global Britain."

There are, or will emerge, vast areas of synergies the two countries can exploit for mutual benefit as well as for the greatest common good of all humanity. Or, in Narendra Modi's language: "Sabka Saath, Sabka Vikas". But it will not be a straight and easy road. The challenge is to prevent the relationship from becoming transactional. There will always be the clear and present danger that we may have become too comfortable. India and the UK need to re-imagine the relationship, re-calibrate the scales by which we judge proximity and warmth and do it fast.

Trade is the obvious area of synergy. India is the third-largest source of FDI into the UK and the UK is the largest G20 investor in India. Despite this, UK trades more with Sweden, which has a GDP that's just about a fourth of India's, than with India. We can obviously do better. And, despite my view that the UK should have remained in the EU, Brexit could just offer that opportunity.

A renewed relationship also means May's government must show greater empathy for Indian demands for concessions on immigration, as higher education for its youth and free movement of its professionals are key to keeping the wheels of its services-dependent economy

greased. At the same time, India must accept the compulsions of Her Majesty's government to respect the Brexit sentiment, which was, in essence, a vote against untrammelled immigration.

But movement has been slow. For instance, several months ago Britain's international trade minister, Dr Liam Fox, announced a working group to start pencilling in the contours of a new post-Brexit trade and investment relationship with India. This is a welcome step forward. But we must avoid bureaucratic fudges. Its work must be open, transparent, and allow a wide cross-section of stakeholders to engage in a meaningful manner.

Modi has called the Indian diaspora in the UK the "living bridge" between the two countries and has actively sought to engage them in the process of bilateral cooperation. But does the DTI or British High Commission in India have a strategy for diaspora engagement? Taking a leaf from

Modi's book, May's government, too, can reach out to this living bridge – and the ongoing India-UK Year of Culture presents just the right platform.

My fabulous team has made a small beginning by recognising and celebrating the achievements of such people with the India Inc. curated 'UK India 100' list of most influential people.

The potential is there for all to see. The tide is right and if May and Modi can take it at the flood, it can lead on to a great future for both countries. History is replete with examples of individual leaders transcending their situations to lead their countries to ever greater heights. In the UK and India alone, there are examples such as Winston Churchill, Mahatma Gandhi and, potentially, Modi himself.

Can he and May move to the melody of 'Yeh Dosti'? If they do, they will have re-written the future of UK-India ties in golden letters.

Manoj Ladwa
Publisher & CEO, India Inc.
@manojladwa



OUR ZINC PROTECTS
STRUCTURES FOR
FUTURE GENERATIONS



AND GENERATIONS
FOR OUR FUTURE

Pledging 75% of wealth to social good. As India's largest integrated zinc-lead producer, and the world's second largest, our zinc ensures the longevity of our nation's infrastructure. It also funds healthcare and nutrition programs for hundreds of thousands of children throughout the country. Which is transforming India for a stronger, sustainable future. www.vedantalimited.com

OIL & GAS | POWER | ZINC-LEAD-SILVER | ALUMINIUM | IRON ORE | COPPER

DISCOVER THE FASTEST WAY TO INVEST IN ONE OF THE WORLD'S FASTEST GROWING ECONOMIES.

Invest India is the first point of contact for investors. As the national investment promotion and facilitation agency, under the Government of India, Invest India works closely with Central and State governments, acting as your partner through the entire investment journey.

We work to ensure successful business establishment and expansion in India.

Our services include market entry strategy, facilitation of investments, policy advocacy and start-up advisory.

Facilitated **74,000** business requests through **Make in India** and **Start-up India** with investments worth **USD 71 Bn.**
WINNER, WORLD'S BEST PRACTICE INVESTMENT PROMOTION AGENCY (2016)
– UNCTAD



#startupindia

Website: www.investindia.gov.in
Email ID: contact@investindia.org.in



INVEST INDIA
NATIONAL INVESTMENT PROMOTION AND
FACILITATION AGENCY

CONTENTS

This **Special Edition** of 'India Global Business' celebrates the "special" relationship between India and the UK. It is packed with exclusive interviews and columns that capture the essence of the bilateral engagement.

An all-weather relationship

10



INDIA-UK

18 As May files for EU divorce, wooing India must be a priority
by Manoj Ladwa, Founder & CEO, India Inc.

20 A dealmaker's guide to getting things done
by Alpesh Patel, UK Government Dealmaker

FACE TO FACE

22



Blended finance is the answer to sustainable development

Exclusive with Suma Chakrabarti, President, European Bank for Reconstruction and Development (EBRD)

26 Indian companies propel Brexit-bound UK

28

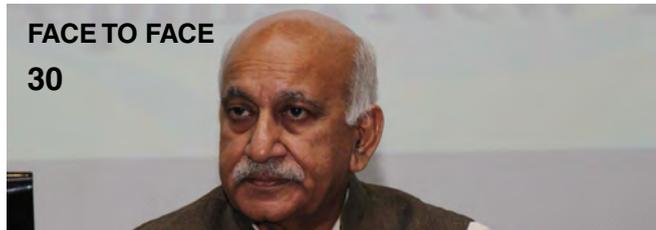
EXCLUSIVE



Not a time to pull up the drawbridge
by Liam Fox, UK Secretary of State for International Trade

FACE TO FACE

30



India has become a pivotal power of the 21st century

by M.J. Akbar, MoS External Affairs, India



32 UK-India can capture a carbon collaboration

by Aniruddha Sharma, CEO, Carbon Clean Solutions Limited (CCSL)

COMMONWEALTH



34 A Commonwealth agenda for growth

by Lord Marland, Chairman, Commonwealth Enterprise and Investment Council

36

INDIA-CANADA



Canada and India can take Commonwealth lead
Exclusive with François-Philippe Champagne, Canada's Minister for International Trade

40 India must share leadership of the Commonwealth

by Lord Jitesh Gadhia, UK-based businessman and investment banker

43 India is a major Brexit trade priority

by Tim Hewish, Director, Policy & Research, Royal Commonwealth Society

THE AMERICAS

47 H1B: The visa that bites

by India Inc. Staff



53 Indian investment flow rests on openness of US economy

by Chandrajit Banerjee, Director-General of the Confederation of Indian Industry

INDIA-AFRICA



56 Innovation is in the Godrej DNA

Exclusive with Vivek Gambhir, Managing Director, Godrej Consumer Products Limited



60 A renaissance of India-South Africa ties

by Kingsley Makhubela, Chief Executive Officer, Brand South Africa

INDIA INVESTMENT JOURNAL

62 India is the most open, least protectionist economy today

Exclusive with Arun Jaitley, Indian Finance Minister

EXCLUSIVE



66 In aid of a collaborative new relationship



68 Indian-made jet engines all set to take flight

Exclusive with Chris Cholerton, President - Defence Aerospace, Rolls-Royce

72 Britain holds on to position as largest G20 investor into India

BOOK REVIEW



OUT SOON

76 Feature :
New road for India-UK ties
by Arnab Mitra

HOTSPOT

80 Scotland vies for Indian investments



86 The woman behind calls for 'Scexit'
Nicola Sturgeon, First Minister of Scotland

GLOBAL INDIAN



89 Being a Global Indian is part of my DNA

Exclusive with Baroness Usha Prashar, Deputy Chair, British Council

OTHER HIGHLIGHTS

95 Indian fever catches on in Britain



98 Tips for a stress-free passage from India to the UK

by Anirudh Singh, Head - UK & Europe, VFS Global

100 Sedentary work life, pain killers and therapy
by Keerti mathur, Associate, Gait and Posture

102 Robust growth in external trade to drive GST success



TEAM



Chief Executive

Manoj Ladwa

manoj.ladwa@indiaincorporated.com



Editor

Aditi Khanna

aditi.khanna@indiaincorporated.com



Commercial Director

Erik van Kaathoven

erik.vk@indiaincorporated.com



Operations Director

Sanjay Kara

sanjay.kara@indiaincorporated.com



VP Operations

Rajvi Singhi

rajvi.singhi@indiaincorporated.com



Special Projects Director

Nomita Shah

nomita.shah@indiaincorporated.com



Events Manager

Dina Ladwa

dina.ladwa@indiaincorporated.com

www.indiaincorporated.com

© India Inc. Limited, all rights reserved. Reproduction in whole or in part without our written permission is prohibited. Views expressed by our contributors are their own and do not necessarily represent the views, policies of India Inc. While every effort is made to achieve total accuracy India Inc cannot be held responsible for any errors or omissions.

Follow us:

@indiaincorp

/company/india-inc

/indiaincorporated

NOT FOR SALE
PUBLISHED IN LONDON

Yeh Dosti... [THIS FRIENDSHIP]

Everyone agrees that UK-India relations have tremendous potential. Everyone involved in its daily workings also say ties between the two countries can only get better. But almost every such person also admits that the relationship is falling seriously short of potential.

This is a paradox as the breadth and depth of the relationship is significant and much more can be done. It is actually surprising that a lot of the engagement does not actually materialise into concrete results.

The areas in which the two countries can – and do – cooperate are clearly evident and obvious for everyone to see. Trade, defence technology transfers, fundraising in London, people-to-people ties and soft power exports are the obvious areas of convergence.

Our cover package, Yeh Dosti... [meaning “this friendship”] follows the theme song of the iconic 1975 Bollywood blockbuster ‘Sholay’, which tracks the adventures and friendship of two young men who live and die for each other while overcoming all manners of hurdles.

That is the kind of bonding that we foresee between the UK and India – with very good reason.

British Prime Minister Theresa May’s vision of a Global Britain that does not retreat into isolation after Brexit has huge synergies with Indian Prime Minister Narendra Modi’s vision of a globalised India, fully integrated into the international supply chain, finding its place at the global high table. Reimagining the Commonwealth as a modern 21st century-ready free trade bloc is another obvious area of cooperation.

Then, India is the third largest foreign investor in the UK and the UK the largest G20 investor in India but bilateral trade has flattered to deceive. Even Sweden, which was ranked as the UK’s 14th largest trade partner in 2016, ranked higher than India.

This needs to change... and fast. The real engines of this change will have to be the many famous personalities and some unsung heroes who work tirelessly to fulfil the dream of closer UK-India ties. In the following pages, ‘India Global Business’ honours 100 such individuals for their contributions to forging closer ties between these two countries.

Read on to find out more.



LEGEND MEETS LUXURY

THE LALIT LONDON

Traditionally Modern, Subtly Luxurious, Distinctly LaLiT

For reservations: +44 (0) 20 3765 0000 | res.london@thelalit.com

181 Tooley Street, London, SE1 2JR | www.thelalit.com | Stay Updated:   

An all-weather relationship



'India Global Business' analyses UK-India relations and identifies key areas of cooperation that the two countries must build upon and key areas of divergence that they must bridge in order to fulfil the potential of the relationship.

The potential of the relationship is massive, but India and the UK are barely scratching the surface. The optimism that the two countries would sign a trade deal in the immediate aftermath of Brexit and signal closer all round ties has waned considerably but leaders and analysts on both sides remain confident about the future.

The two countries share too much in history, culture, people-to-people ties for the relationship to head anywhere else but closer. But realists also admit that despite the synergies in thinking and world views, there are also considerable areas of disagreement between the two governments. As British Prime Minister Theresa May leads her country into an unscheduled election seeking a freer hand on the Brexit negotiations and her Indian counterpart Narendra Modi, strengthened by a mid-term

electoral endorsement, embarks on implementing the next generation of economic reforms, we take a look at three areas where the UK and India

BRITAIN HAS BEEN AT THE CENTRE OF THE GLOBALISED WORLD SINCE THE VERY BEGINNING OF GLOBALISATION FIVE CENTURIES AGO AND CAN HELP INDIA, AMONG THE LAST COUNTRIES TO BE CONVERTED TO THIS MANTRA, IRON OUT THE ROUGH EDGES IN ITS STRATEGIES.

can cooperate with each other and three other areas that need lots of hard work before the two sides can

eye to eye on them.

Global Britain, globalised India
May has made it clear that she views the Brexit vote as a mandate for making Britain even more global and integrated with the world and asserted in no uncertain terms that she does not want her country to retreat into isolationism.

"We all want to live in a truly global Britain that gets out and builds relationships with old friends and new allies around the world," she had said shortly after setting in motion the process for Britain to exit from the European Union.

This vision fits very well into Modi's own worldview that sees India as a globalised economic and strategic power that finds its seat in the global high table. This convergence of the visions of the two prime ministers

offers a great opportunity for the two countries to cooperate with each other on a range of issues.

Britain has been at the centre of the globalised world since the very beginning of globalisation five centuries ago and can help India, among the last countries to be converted to this mantra, iron out the rough edges in its strategies.

Improved trade ties

Trade was *raison d'être* of bilateral ties that were first established four centuries ago. Since then, it has been trade that has been the main lubricant greasing the moving parts of this relationship.

As Britain's International Trade Minister Liam Fox said, the two countries' "current trading relationship is strong but, more importantly, there is so much future potential!"

The figures look good at first sight. In the decade starting 2004, bilateral trade between the two countries grew 170 per cent. That looks impressive – till you measure it against the 800 per cent growth in India's overall trade during this period. The massive relative underperformance is accentuated by a decline of about 8 per cent in 2014-15.

The potential remains massive and this is further increased by the fall in the pound sterling relative to the rupee since the Brexit vote. The 15-20 per cent depreciation in the British currency has made UK exports to India that much cheaper, benefiting a host of goods and services such as Rolls Royce, Bentley and Jaguar cars to Hawk trainer jets, Lee Perkins Worcestershire sauce to global investment banking mandates.

UK's trade with India is currently at a level lower than its trade with Sweden. Something obviously is amiss.

The two countries are aware of this. Prime Ministers Modi and May inaugurated the India-UK Tech Summit in New Delhi on November 7 last year, which will provide a platform for the two countries to explore further

cooperation in entrepreneurship, technology, innovation and IPRs. And British International Development Secretary Priti Patel had promised help for the Prime Minister's ambitious Smart Cities initiative.

Another area where Indo-UK trade can look for exponential growth is in the area of micro, small and medium enterprises (MSME), which forms the backbone of every country's industrial base and which generates the maximum number of jobs.



EDUCATION IS VITAL FOR OUR STUDENTS AND WILL DEFINE OUR ENGAGEMENT IN A SHARED FUTURE. WE MUST THEREFORE ENCOURAGE GREATER MOBILITY AND PARTICIPATION OF YOUNG PEOPLE IN EDUCATION AND RESEARCH OPPORTUNITIES.

*Narendra Modi,
Prime Minister of India*

There is no doubt that for Modi's ambitious Make in India initiative to succeed, India's fragmented and mostly uncompetitive MSME segment has to pull itself up to global standards and become part of the international value chain. And collaboration with British industry

and greater trade ties with its MSME segment is one way of achieving this goal.

Soft power exports

Bollywood is the most popular form of entertainment not only in India but also in several parts of Africa, Middle East, Central Asia and South East Asia. Rajnikanth is the most popular film star in Japan. And steamed rice and curry is Britain's most popular soul food.

Despite this massive groundswell of support from local communities across the world, India has fallen woefully short in leveraging its soft power. Before Modi's rise to the office of Prime Minister, no Indian government ever considered integrating the influence of the Indian diaspora with the country's foreign policy goal.

Then, unlike the British Council, which is at the forefront of spreading British soft power all over the world, the Indian Centre for Cultural Relations (ICCR) has been used by successive governments as a cushy sinecure for a few favoured bureaucrats and cultural personalities. Many Indians complain that the Nehru Centre in the UK has become a parking lot for authors, artistes and retired bureaucrats who the government of the day in New Delhi want to reward for favours done.

India has recently overtaken the UK as the world's sixth largest economy, India and Japan are stepping up their economic and strategic partnerships, the gulf monarchies are increasingly pursuing closer ties with New Delhi and India is emerging as Africa's favourite global partner.

There's so much the ICCR can do to push India's interests – in the UK, the US, in Western Europe and the rest of the world. In fact, instead of trying to reinvent the wheel, it can actually cut and paste the British Council template and then tweak it to align with India's own geo-strategic goals.

That would give India's cultural diplomacy some real teeth. In a fast



There is a considerable amount of interest in India, particularly after Brexit. Correspondingly, my discussions in the past have also indicated that both investors and the government here (Britain) are looking for expanding opportunities of trade with India.

Arun Jaitley, Indian Finance Minister



They [UK] are eager to have an FTA [free trade agreement]. They certainly look at India as one of the potential FTA partners. We are also happy to engage with them... Once the process of informal discussion starts, then we will get into discussions in detail.

Nirmala Sitharaman, Commerce and Industry Minister



With Britain's departure from the EU, India will have to negotiate a Free Trade Agreement with the UK which may be easier to accomplish at a bilateral level... This could well be the best era for our industries to collaborate.

Chandrajit Banerjee, CII Director-General

changing globe, where countries are jockeying intensely to secure for themselves leadership roles in the emerging new world order, India's soft power could be the thin end of the wedge for New Delhi.

Closer cooperation in the three areas shortlisted above will go a long way in fulfilling the potential of the Indo-UK relationship.

But as we said at the beginning, there are also areas where the two countries need to narrow the gap in their understanding.

Warm rhetoric, little substance

The biggest issue is to put some substance into their relationship. Analysts are unanimous that India's ties with the UK will remain warm and stable. May's visit last year, her first as UK's Prime Minister, was keenly watched as it was considered a test case on the direction she will take as the UK forges ahead with its relationships with major economies in the post-Brexit phase.

There are significant areas of cooperation that the two sides broadly agree they should pursue. Defence equipment, strategic affairs, counter-terrorism, climate change, renewable energy and science and technology are the obvious sectors of collaboration. These are being pursued and this will continue but the big picture seems to be lacking. To use a cricketing analogy, the match is on halt due to a rain-induced break. But it has not yet been abandoned. The full potential will unfold only when there is clarity on the fine print of the UK's divorce settlement with the EU.

Visas for Indian students

India wants an easier visa regime for its students and professionals who want to pursue higher studies or careers in the UK. But the UK government, on its part, has to respect the Brexit sentiment, which was largely driven by anxiety about unchecked immigration into the UK.

So, both governments have to be sensitive about where the other is coming from, but at present that does not seem to be the case.

The UK announced – just three days prior to May's maiden visit India last year – fresh visa restrictions on overseas students including new two-tier visas that place a premium on the quality of the courses the students wish to pursue in Britain. Her government also announced fresh restrictions on the issue of work visas to control immigration.

"The UK will consider further improvements to our visa regime if at the same time we can step up the speed and volume of returns of Indians with no right to remain in the UK," May had said.

That is obviously not what her Indian interlocutors wanted to hear but she seemed oblivious to the fact that her reluctance to ease the strict visa restrictions on students, professionals and visitors from India will make it difficult for the Modi government to proceed with any meaningful trade deal since any concessions to Britain would become politically contentious.

Over the last few years, the UK has tightened visa rules for Indians. Since she took

office as Home Secretary in the David Cameron led government, the number of Indian students in the UK has fallen from 40,000 to about 25,000. During this time, the number of Chinese students in the UK has jumped almost 60 per cent from 55,000 to 90,000.

A massive increase in visa fees, a strict clampdown on issuing work permits to Indian students who complete their higher education in the UK and tougher norms for people to visit family members settled in Britain are the main causes for this decline.

Since taking office in 2014, Indian Commerce Minister Nirmala Sitharaman and other functionaries of the Indian government have taken up this issue with their counterparts in London but the UK government has shown no signs of relenting on the matter.

May did not indicate that she was thinking of any ways of addressing Indian concerns. Instead, her assertions on stepping up the “speed and volume of returns of Indians with no right to remain in the UK” point to a continuation of the hard line approach she had adopted in her previous role as Home Secretary.

Sections of the Indian establishment have already begun murmuring about Britain wanting Indian trade but not Indian professionals. The two governments have to quickly bridge this chasm before this sentiment gathers political strength and makes it difficult for negotiators from both sides to engage in meaningful talks.

Ease of doing business in India

India is a vastly different country from what it was even three years ago when Modi swept to power. But to vast swathes of UK industry it remains, at least in perception, a very difficult country to do business in.

This is strange, considering that the UK is the largest G-20 investor in India and its companies employ more than 100,000 people in India. To improve India's image, the government of India has to take effective steps to highlight the changes already made in Indian systems and procedures and embark on further reforms to improve the operating environment in India.

The UK-India Business Council (UKIBC) and the Confederation of Indian Industry (CII) have shortlisted the following four areas where improvements could lead to immediate benefits:

*** Tax cuts:** A quick reduction in corporate tax rates to 25 per cent as announced by Finance Minister Arun Jaitley in Budget 2015

*** GST rollout:** Fast and smooth GST implementation. This will improve ease of doing business, cut corruption and improve GDP growth.

*** Stable tax regime:** Having simple, fair and predictable tax regime

*** Clarity on govt plans:** Long-term clarity in areas like defence and infrastructure expenditure

Clarity on Brexit
India also wants a clear sense from Britain on the terms of its ongoing divorce with Europe. Indian



The UK is perfectly placed to be India's financial partner of choice, helping it to raise the nance needed for its continued rapid growth and my message will be 'Make in India, finance in the UK.

Philip Hammond, UK Chancellor of the Exchequer



We have now concluded a deal to set up a trade working group with India to look at how we will remove barriers to trade before we negotiate a free trade agreement on our exit from the European Union.

Liam Fox, UK Secretary of State for International Trade



One of the very important steps forward of Theresa May's (India) visit last November was that we now have a government-to-government working group with the Commerce Secretary and the International Trade Secretary in charge that is looking at the totality of the relationship.

Patricia Hewitt, Chair, UKIBC

companies such as the Tatas, Birlas, Essar, Infosys and others have invested billions of pounds in the UK not only to gain a foothold in that country but also to serve the European Union market from their British bases.

Following Brexit, their plans of serving the Continental market from across the English Channel have been thrown into disarray. Clarity will emerge only when the roadmap and the fingerprint for Britain's exit from the EU become clear.

Till then, senior India Inc executives say, Indian companies aren't likely to embark on big-ticket investments in



Trade is an important part of our relationship with India. India is the third-biggest investor into the UK – second-biggest creator of private sector jobs in the UK. And the UK is the biggest G20 investor into India, but there is more we can do.

Theresa May
Prime Minister of the UK

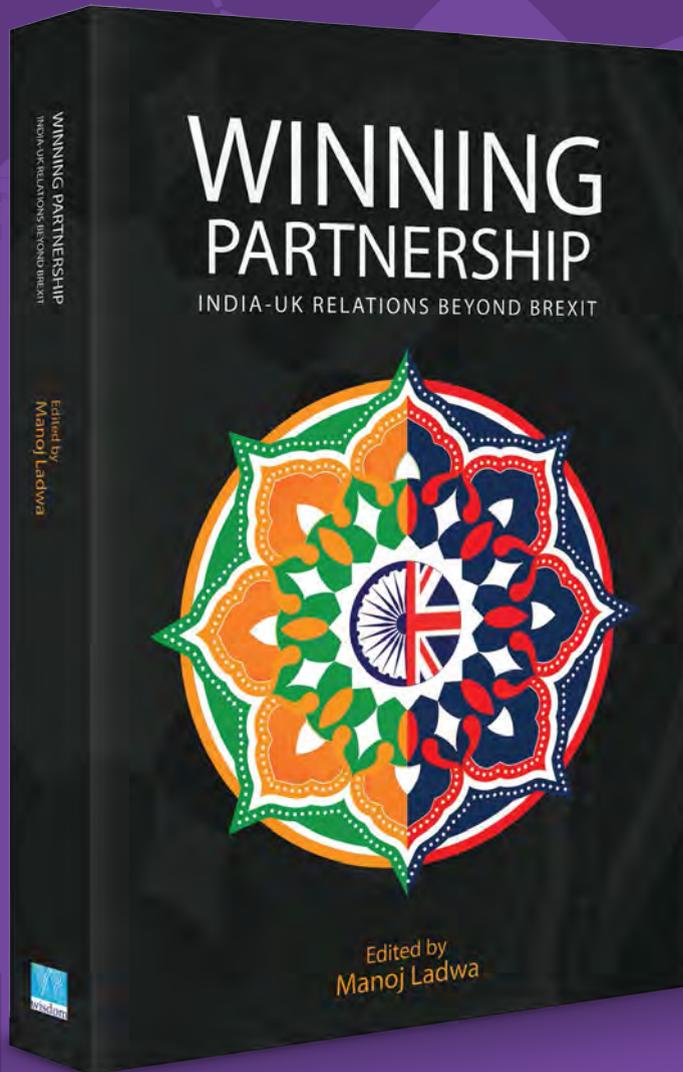
Britain unless a really attractive deal – involving a company with marquee brands or really high technology – comes along.

But India would still want May to ensure the interests of the Indian companies that have invested in

the UK. Given the lack of clarity on the future of British companies themselves, the May government may not be in a position to ensure such security and that could emerge as another area of divergence between the two countries.



LAUNCHING SOON



Contributors

- Manoj Ladwa ■ Sadiq Khan
- Meghnad Desai ■ Patricia Hewitt
- Karan Bilimoria ■ Jonathan Marland
- Usha Prashar ■ Barry Gardiner
- Jitesh Gadhia ■ Ranjan Mathai
- Michael Arthur ■ Asoke Mukerji
- Ashok Malik ■ Syed Ata Hasnain
- Rahul Roy-Chaudhury ■ Gareth Price
- CB Patel ■ Chandrajit Banerjee
- Jyotsna Suri ■ Nikhil Rathi
- Anuj Chande ■ Rajiv Memani
- Nawal Prinja ■ Richard Gubbins
- Gopika Pant

winning-partnership.com

 [@manojladwa](https://twitter.com/manojladwa)

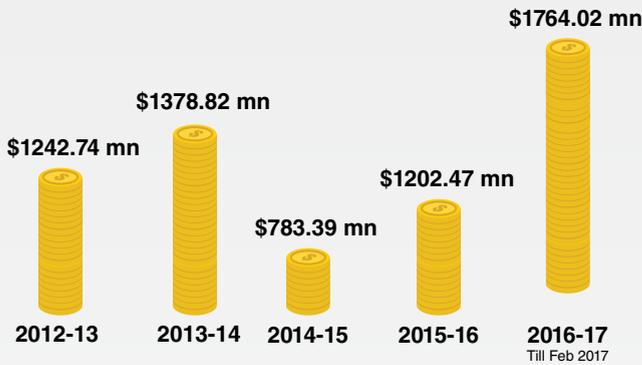
'Winning Partnership' is a collection of essays on what a modern India-UK partnership could mean.

The book comes at a critical juncture in global affairs. India and its engagement with the world is being transformed under the leadership of Prime Minister Narendra Modi. Whilst the United Kingdom, one of the most prosperous nations in the world, is going through tumultuous change following its epic decision to leave the European Union.



INDIA-UK FACT SHEET

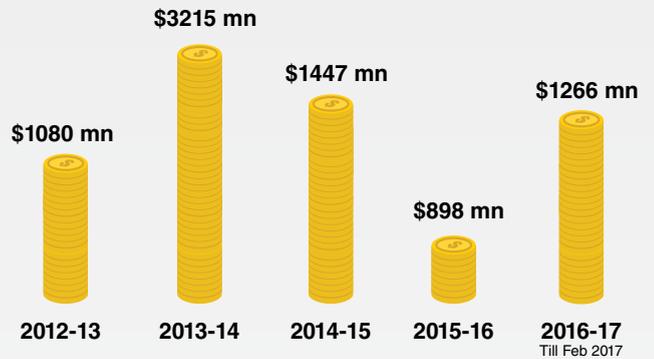
ODI* from India into UK



*Overseas Direct Investment

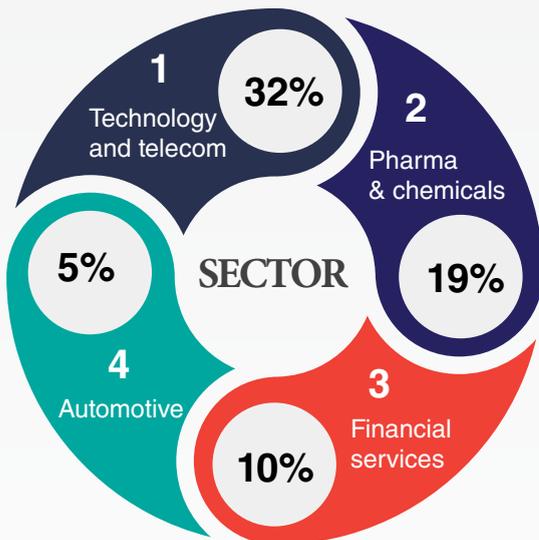
Source: Reserve Bank of India

FDI from UK into India



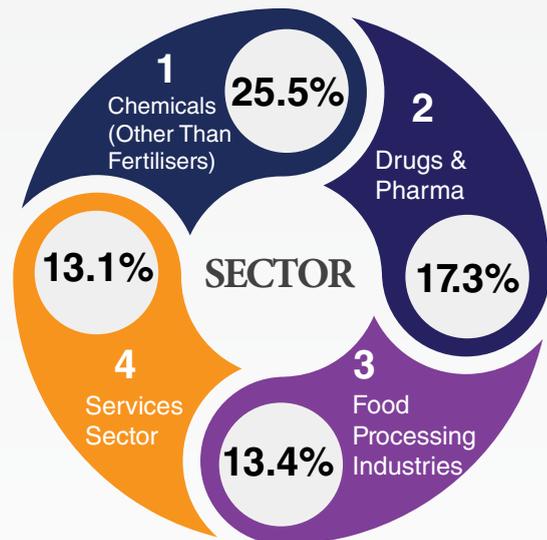
Source: Department of Industrial Policy & Promotion

Top Sectors Attracting FDI from India (Over the last one year)



Source: Grant Thornton

Top Sectors Attracting FDI Equity Inflows from UK (From Jan 2000 to Dec 2015)



Source: Department of Industrial Policy & Promotion

India in UK

- India was the **3rd largest country** to create new jobs in UK at 7,105 jobs
- 6 of the largest** Indian employers are based in London
- The Automotive and Industrial Products sectors scored **high on job creation**



UK in India

- UK remained the **largest job creator** in India via direct FDI
- 1 in 20 jobs** in the organised private sector was provided by UK
- The **Food Processing and Chemical sectors** scored high on job creation

The India-UK dynamic has been steady but in some cases rather slow. The new post-Brexit reality offers a fresh perspective on this historic relationship, with some estimates indicating any new free trade agreement (FTA) could result in a massive 26 per cent annual trade boost.

India in UK

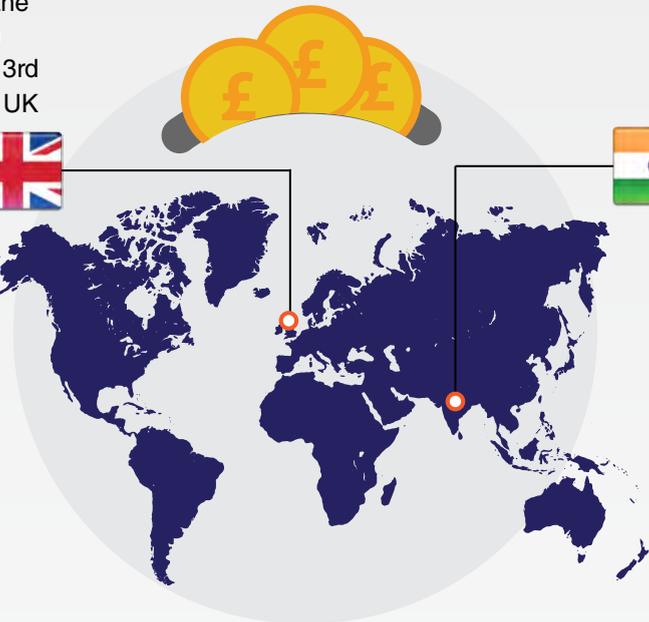
India ranks **5th** in terms of the number of FDI projects from India at **140 projects** and 3rd largest source of **FDI** in the UK



India was the **3rd largest country** to create new jobs in UK at **7,105 jobs**

Combined revenues of 800 Indian companies in the UK were **£47.5 billion in 2016**

Key Investment Facts



UK in India

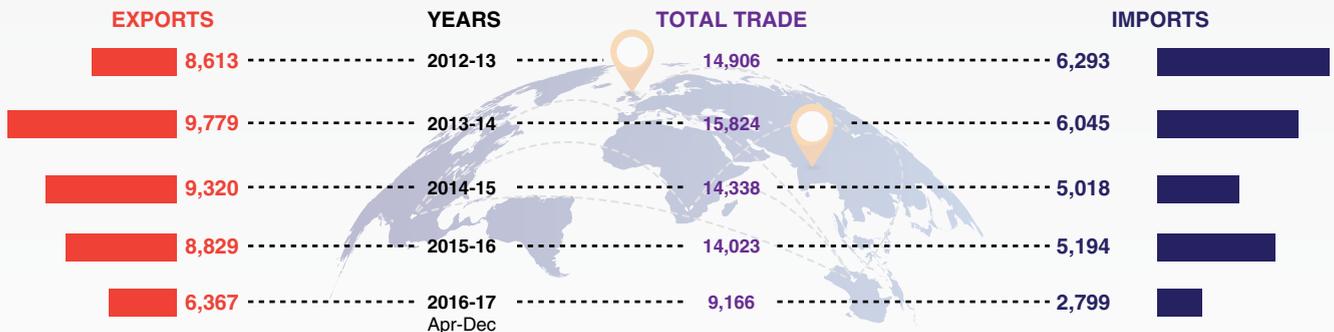
UK remains the **largest G20** investor in India



3rd largest investor in India after offshore international financial centres

One in every ten jobs created by FDI in India between **April 2000** and **September 2016** were created by UK FDI

Bilateral Trade (Amounts in US\$ mn)



Source: High Commission of India in London & Ministry of Commerce and Industry, India.

Regions

In India: Maharashtra, Delhi NCR, Tamil Nadu and Karnataka have been major recipients of UK equity FDI.

In UK: London, South, North and Midlands have attracted investments from Indian companies.

Source: Various

As May files for EU divorce, wooing India must be a priority

by Manoj Ladwa



Now that Mrs May has triggered formal divorce proceedings with the EU, India Inc. CEO Manoj Ladwa explains how the UK could learn a lesson or two from the Japanese on getting up close to Modi's India.

The late Sir James Goldsmith, the billionaire financier who spent a considerable part of his personal fortune on a campaign to force Great Britain out of the European Union, once famously said: "When a man marries his mistress, he creates a job vacancy."

Without getting into a debate on the issue, I just want to point out that when a man divorces his wife, he creates a job vacancy as well. So as not to sound sexist, let me add that two, not one, vacancies are created.

Prime Minister Theresa May's decision to trigger Article 50 of the Lisbon Treaty, which signals the start of the messiest and most costly divorce in world history – the exit of the United Kingdom from the EU – is, to quote EU Council President Donald Tusk, "not a happy day for him or for the EU."

It isn't a particularly happy day for the UK either, but as Mrs May said, it wasn't also a "move towards

isolationism but rather, an opportunity to become even more global and internationalist in action and spirit."

Britain is hoping its negotiators can get a good divorce settlement from the EU while many fear that the bureaucrats in Brussels are determined to pull out all stops to deny Mrs May and her team exactly that.

Let me not beat about the bush. The UK needs to urgently cut mutually beneficial trade deals not only with EU but also with its other trading partners and this is where India and the so-called "job vacancy" comes in. At this point, the British government needs to demonstrate, in no uncertain terms, that it can find alternative markets and tie up trade deals that compensate for the likely losses that will accrue from Brexit.

This, most observers believe, is the minimum condition Mrs May has to fulfil to get a fair trade deal from Brussels. And that is why this may be a good time for the UK and India

to announce that they are BFF (best friends forever, to use the lingo of today's youth).

India and the UK have very robust trade and cultural ties that are cemented by a centuries old relationship that has, as its bedrock, a common language and warm people-to-people relations that is unmatched.

More than 800 Indian companies are present in the UK making them the third largest foreign investor group in the UK and the second largest job creators. The Tata Group, is, in fact, Britain's largest manufacturer-employer. And the UK is the largest investor in India among G-20 countries.

Most of these Indian companies have chosen the UK as the base for their European operations. Their fate – and those of the thousands they employ in Britain – is in the balance.

There are times in history when a confluence of many factors forces leaders and nations towards a

particular course of action. I believe that UK triggering Article 50 to exit the EU and Prime Minister Narendra Modi's assertive outreach to the rest of the world are creating conditions for the two countries to come closer to broaden their trade, diplomatic and strategic engagements at a time when much of the Western world is being buffeted by the winds of isolationism.

The UK as a global financial powerhouse and technological leader can find many synergies with India, the world's fastest growing major economy, with a billion-plus aspirational consumers.

Mrs May's choice of New Delhi for her first foreign visit as the head of Her Majesty's Government gave out the right signal even if her visit didn't quite live up to the heightened expectation it had generated in its run-up.

The hopes of a quick conclusion to a UK-India trade deal have since been tempered. And the Joint UK-India Working Group that UK's International Trade Minister Liam Fox announced last year is yet to meet. India's economy is overwhelmingly service-oriented and depends critically on the skills and talents of its people. Given this, India is unlikely to acquiesce to British overtures in this respect unless London agrees to its demand for freer movement of professionals as part of any deal to liberalise the terms of trade for British industry.

But several analysts I have spoken to say Mrs May's earlier track record as Home Secretary, when she put in place new rules to curb immigration and scrapped the two-year post-study work visa that many Indian students in the UK used to stay on in the country, as well as the fact that anti-immigrant sentiment was a key factor behind the Brexit vote, are stumbling blocks in the path of a UK-India trade pact. Now that, in my opinion, is a real pity. Foreign – and especially Indian – immigrants have immeasurably enriched UK's economy, culture and public life.

Pulling up the drawbridges to this influx of talent – and also shutting to the doors to a win-win trade deal with India as a consequence will signal

pretty poor returns given the potential. Notwithstanding the above, I believe there is immense scope for cooperation between the two countries, especially in the defence sector. Prime Minister Modi wants to build up an indigenous defence industrial base in India and his government is looking for partners who can help the country achieve this goal.



MRS MAY'S CHOICE OF NEW DELHI FOR HER FIRST FOREIGN VISIT AS THE HEAD OF HER MAJESTY'S GOVERNMENT GAVE OUT THE RIGHT SIGNAL EVEN IF HER VISIT DIDN'T QUITE LIVE UP TO THE HEIGHTENED EXPECTATION IT HAD GENERATED IN ITS RUN-UP.

Three decades ago, Japanese two-wheeler makers like Honda, Kawasaki, Yamaha and Suzuki collaborated with relatively small and some then practically unknown companies to set up motorcycle assembly units in India. That enabled India to build a domestic manufacturing base for two wheelers. Today, Hero MotoCorp, the erstwhile

Indian partner of Honda, is the world's largest motorbike company and competes with the Japanese giant in markets across Asia, Latin America and Africa.

Suzuki Motor Company did the same with the Indian passenger car industry, which is now among the world's largest. From a small beginning in the early 1980s when SMC set up a joint venture to assemble some 50,000 cars every year in India, Maruti Suzuki India is today larger than its Japanese parent and India has emerged as the undisputed global hub for the design and manufacture of small cars.

Like Honda and Suzuki, if Britain can help India develop a domestic ecosystem for a viable defence industrial base – with linkages to India's robust MSME sector – it will not only have helped India build a new industry almost from scratch and generate millions of new jobs as the automobile sector has done but also created for itself a very large market. Note: Japanese companies have a combined share of more than 65 per cent of India's two-million-cars-a-year market. Such a defence collaboration, I believe, can become a textbook case of a win-win collaboration.

But Mrs May may have made a mistake in linking security cooperation to a trade deal with the EU. Such statements will have raised concerns in the corridors of Delhi as Modi is a man who has from day one made it clear that there must never be any compromise or bargaining on matters of security and the global fight against terrorism.

But as the saying goes: No one can stop the idea whose time has come. I believe the time is ripe for the UK and India to forge closer trade and strategic ties – and maybe even reimagine the Commonwealth as the vehicle for such cooperation.

I remain optimistic about a positive outcome.

Manoj Ladwa is the Founder and CEO of India Inc.

A dealmaker's guide to getting things done



A Dealmaker for the British government does some tough-talking to explain the secret behind clinching a good deal.

For the past decade as the UK government's Dealmaker within UKTI's [UK Trade and Investment] Global Entrepreneur Programme, I have been responsible for bringing the most innovative young companies from India, China and South East Asia to the UK. I have had an unusual insight into what help they need, and a lot of success in helping them do it, so I've put together some of my thoughts for those of you looking to make UK connections and secure that expansion deal.

Introductions don't matter; first impressions do

I've got news for you. Yes, I know sometimes the right introduction does matter, but it has to be in person, with someone you have a long-standing rapport, probably over drinks and dinner late in the evening.

I see around 150 people in person

MAKE INTELLECTUAL PROPERTY IN INDIA, FOR YOUR INDIAN COMPANY. THEN YES, TAKE THAT COMPANY GLOBAL (PREFERABLY FROM THE UK) AND SELL, RENT, LICENCE, LEND, FRANCHISE THAT INTELLECTUAL PROPERTY.

about their technologies annually. Those are the ones who get past the filtering. The vast majority fail for the following reason:

- They are solutions looking for problems. You have a limited amount of time to impress me or anyone else. So going on about how brilliant your solution

is, without addressing what the global problem is that it solves wastes time and let me think you can't run a company.

- Scientists who want to be control freaks. So it's your baby and you want to run the company – really? Not gonna happen, Einstein. The guy with the money calls the shots – not you. Don't like it, go ask someone else for the money.
- Focus, be professional, be on time, remember the correct day, arrive early, set up your laptop, find the location, have my number, tell me where you are seated in advance.

All of this saves about 50 per cent of your allocated 30 minutes of fame. ONLY one person ever got all these things right when he came to meet me. His name? Peter Cruddas, now

a billionaire. He came to see me at Bloomberg. Would not take no for an answer. Got everything set up beforehand without bothering me. Trust me, I interview you well before we've met.

The way you see things matters

Train yourself to see only opportunities in everything – the UK is constantly looking to boost

excitement. Excitement is good. I love that. But focused controlled excitement and a sure idea of the target you are aiming for is better.

Being Indian matters

Make intellectual property in India, for your Indian company. Then yes, take that company global (preferably from the UK) and sell, rent, licence, lend, franchise that intellectual property.

that you learnt from those who never made you successful to begin with?

And finally, what is the first commandment of a successful entrepreneur or company? Thou shalt be optimistic. Getting things done requires a positive outlook and a motivated mind. Find the positives and capitalise on those, mitigate as much as possible the uncertainties



Train yourself to see only opportunities in everything...

its economy, and what better way than attracting innovative talent from abroad. The two scarcest resources on earth are not diamonds or oil, but money and blood – or to be specific entrepreneurial gene. Governments around the world are in a fierce war to capture as much of those genes as possible. Use this to your advantage!

Your approach matters

Sealing the deal requires patience. I will have trading apprentices who will just start trading straight away without filling in even my simple one page business plan. So they will not set a goal. They will therefore throw away a massive opportunity to create an income because of their premature

You see, if you make pharmaceuticals for an American company, it's the company which takes its profits abroad. But then the Indian company owns the intellectual property, it takes that global and profits from it from everywhere.

The long term goal matters

Always remember to see the big picture – the business plan, the long term goal. Being professional as a business means knowing not everything always wins. That all you have learnt before which has not won you that great deal or contract was probably wrong. Stop and ask yourself this question: are you too busy repeating the mistakes of the past

and negatives, and do not indulge in wishful thinking, but rather plan and succeed.

Alpesh Patel is a UK Government Dealmaker, seeking outstanding entrepreneurs to land their companies in the UK. He is also a barrister, CEO of hedge fund/private equity firm Praefinium, author of 18 books on business and investing and a Visiting Fellow in Business at Oxford University.

A professional portrait of Suma Chakrabarti, a middle-aged man with a receding hairline, wearing a dark grey suit, white shirt, and a red tie with a small blue pattern. He is smiling slightly and looking towards the camera. The background is a blurred office interior with large windows.

BLENDED FINANCE IS THE ANSWER TO SUSTAINABLE DEVELOPMENT

Suma Chakrabarti has been charged with one of Europe's leading development banks for five years and has spent considerable energy in striking a strong connect with India. Sir Suma tells 'India Global Business' how Indian companies can take the lead in re-defining the world's development agenda.

What is your bank's engagement with India like?

The European Bank for Reconstruction and Development (EBRD) already works with a number of Indian companies in our countries of operation and we want to engage even more with the Indian private sector. We have shown the way with Indian companies in our region. We have brought in Tata Beverages, Tata Power, the Jindal Group, SREI, among others, and they have all worked with us on projects in Russia, Georgia and other places. There is a real opportunity for Indian businesses. When we look at the BRICS [Brazil, Russia, India, China and South Africa], very few of their companies are global leaders. One of the interesting things about India is that it does have some global names. There is a real opportunity for India with this shift in development practice towards more of a private sector approach to be first and through the door.

What is your message for Indian companies with global ambitions?

We wanted a nice mapping of the EBRD's 36 countries of operation and Indian business interests in those countries. It showed that Indian businesses could use EBRD more to leverage greater involvement in those regions.

We are in Russia, Central Asia and Eastern Europe, but we are also now in Turkey, Greece, Cyprus, Middle East and North Africa. One example is Egypt, where India has traditionally been very strong but not through the EBRD. There is scope of collaboration there. The list for the future is also interesting with countries like Kazakhstan, Ukraine and Georgia. Indian companies need the help of multilateral banks like us to invest in risky markets. They need to have a partner who knows the country well, knows all the political and economic risks and the EBRD is the answer. Our message is that we are here to offer that knowledge to Indian companies.

What are some of the banking synergies with India?

Being asked to give one of the opening speeches at the annual meeting of the New Development Bank (NDB) in Delhi [March/April 2017] symbolises the strong partnership between EBRD and NDB.

ALL COUNTRIES HAVE SIGNED UP TO THE SUSTAINABLE DEVELOPMENT GOALS BY 2030 AND NONE OF US BELIEVES THAT THOSE GOALS CAN BE ACHIEVED WITHOUT LEVERAGING PRIVATE SECTOR FINANCE.

NDB has five shareholders, two of whom are also our shareholders – Russia and China. So, there is a common platform. When the NDB was set up, along with the Asian Infrastructure Investment Bank (AIIB), they wanted us to share lessons as the last development bank set up in 1991. We took part in a number of workshops with them, for example on how governance works in the bank, how the project process is run, the evaluation systems, the finance and treasury functions.

We engaged on senior management level and also with Mr K.V. Kamath [NDB President], who I share a very close professional and personal relationship with, which also led to the MoU [between EBRD and NDB to collaborate on sustainable development and infrastructure projects in emerging markets of their respective regions of operations].

What role do you see for the private sector in the global development agenda?

We are very much a private sector based bank. Other regional banks tend to focus more on the public sector. The NDB is quite interested in

developing a private sector line of business and are particularly interested in how EBRD did this and is running on nearly 80 per cent private sector lending.

That model is going to be more and more important for the world. All countries have signed up to the Sustainable Development Goals by 2030 and none of us believes that those goals can be achieved without leveraging private sector finance. EBRD has a model that does that very well and other banks are very interested in learning from that model. The development agenda of the future cannot be met by grant aid alone. It is just not feasible. Hence we are making this big case for blended finance; getting the private sector to involved alongside grant funding.

What role do you see for India within this model?

India will be one of the leading proponents of this model. The current Indian government, which is very private sector friendly, will be very interested as a shareholder in all the major multilaterals – ADB [Asian Development Bank], World Bank and now NDB. They would be keen to see if that model can be made a reality in the other banks as well.

Also, because Indian companies are increasingly very competitive – not just the big ones, but the mid-sized ones too – in many parts of the world, it is in India's commercial interests as well to pursue this model.

Is India's membership of EBRD on the anvil?

It's been on the agenda since 1991. It is very much a decision for the Indian government.

These issues do take a long time. In the mean-time, India has joined the AIIB and the NDB – which shows India is very interested in multilateral development banks. On EBRD, they have to talk to the shareholders and it does come up in all our discussions. China joined last January and I think that is of great interest to India, given

the partnership with China in the G20. Lebanon will be joining in a few weeks, so our Middle East reach is widening.

Will Brexit have an impact on EBRD?

In formal governance terms, it does not impact on us because we are not an EU bank but a global bank; the US is our largest shareholder. However, the impact might be on some of our countries of operation. It depends on the kind of Brexit.

Our analysis shows that if it's a relatively soft Brexit, the impact on our countries of operation will be very little. But if it's a hard Brexit and the UK stops paying into the EU budget, then particularly south-

eastern Europe gets hit much more through the economic chain. That has implications for the EBRD and whether we invest more to substitute for the economic shock. We are waiting to see what kind of a Brexit it will be.

On a more personal level, what are some your highlights as President?

The bank, which in around 2005 was being dubbed a sunset bank without a long-term future, is now very much a sunrise bank. Last year, we made a profit of nearly €1 billion. The bank is in a very healthy state and very much a model bank for the future. I am personally very proud of EBRD's success in the Middle East and North Africa. Another great success has been Central Asia. I am very

proud of what we have been doing in Ukraine and the western Balkans, which has had a terrible history, but we have managed to make an impact. There have also been some notable changes in some of our members. Uzbekistan, which was in the deep freeze for many years, we are set to restart operations in. Lebanon is set to join and China joined last year.

I am particularly proud about our record in the energy efficiency sector and our Green Economy Transition (GET) approach, which seeks to increase the volume of green financing from an average of 24 per cent of EBRD annual business investment in the 10 years up to 2016 to 40 per cent by 2020.

EBRD INDIA CONNECT

- Indian companies work with the EBRD in its region of focus with a joint investment of around €1bn

- EBRD working on a solar project in Kazakhstan with Haryana-based ACME Cleantech Solutions

- Tata, SREI, Jindal and Mahindra & Mahindra among key names

- EBRD works closely with the Confederation of Indian Industry (CII), Associated Chambers of Commerce & Industry of India (ASSOCHAM) and Federation of Indian Chambers of Commerce & Industry (FICCI)



- EBRD signed an MoU with the New Development Bank, or so-called BRICS Bank, in April 2017 to collaborate on sustainable development and infrastructure projects in emerging markets of their respective regions of operations

- EBRD was founded in 1991 to create a new post-Cold War era in central and eastern Europe and operates in over 30 countries from eastern Europe to Central Asia and the southern and eastern Mediterranean

- EBRD also works closely with India's Exim Bank to highlight business and procurement opportunities

- EBRD has an initiative to share energy efficiency knowledge with banks in India

India makes cross-sector mark in UK

From the mega Vodafone deal with Idea Cellular to healthcare acquisitions, Indian firms have had a significant impact on the UK economy in recent weeks.

Piramal buys UK firm's drugs



Mumbai-headquartered Piramal Enterprises has clinched a deal to acquire UK-based Mallinckrodt LLC's portfolio of intrathecal (administered via the spinal column) spasticity and pain-management drugs in an all-cash deal worth \$171 million.

The portfolio acquired includes Gablofen (baclofen), a severe spasticity management product, currently marketed in the US, and two pain-management products that are under development.

There will be additional milestone-related payments of \$32 million, depending on the financial performance of the acquired assets over the next three years.

Ajay Piramal, Group Chairman, said: "This will be our seventh pharma acquisition in the last two years, taking our investment for inorganic growth to ₹3,000 crore [\$450mn] across our pharma businesses."

The latest transaction is subject to regulatory approvals in the US and certain other conditions.

Indian banks in UK set for growth

Indian banks in the UK are set for a new phase of growth in the UK as they prepare to expand operations into subsidiaries, according to the UK chief of State Bank of India (SBI).

Sanjiv Chadha, who is SBI's Regional Head for the UK and chair of the Association of Indian Banks in the country, said that the move will lead to a wider range of products for the Indian diaspora.



He said: "Indian banks have always followed the diaspora and just as the diaspora has transformed and grown, the Indian banks are also being asked to subsidiarise as we have also grown."

"State Bank of India and Bank of Baroda will have both branch operations and subsidiary operations. The importance of this move is a wider balance sheet size."

Chadha confirmed that SBI and Bank of Baroda are set to make the transition from a branch to subsidiary in the next three to six months, following which they will have a dual presence in the UK.

Idea merges with Vodafone



British telecom major Vodafone and India's Idea Cellular are to merge to create the country's biggest phone company by subscribers.

The Kumar Mangalam Birla owned Idea's merger with Vodafone will dislodge Bharti Airtel, which has been at the top for 15 years. The new crore entity will also be the world No. 2 after China Mobile.

The deal will see Aditya Birla Group gradually raising its stake in the combined entity while the Vodafone Group will reduce its own, with the aim of both holding equal stakes over a period of time.

As a first step, AB Group will acquire 4.9 per cent from Vodafone to take its stake to 26 per cent, with Vodafone holding 45.1 per cent. Further, the company will have the right to buy another 9.5 per cent in the combined entity over four years from the British telecom firm.

Kumar Mangalam Birla will be the chairman of the new entity. Vodafone will name the chief financial officer while the two companies will jointly name the CEO and operations head before the closure of merger, expected within 24 months.

Indian companies propel Brexit-bound UK

As many as 800 Indian companies in the UK generated £47.5 billion in combined revenues in 2016 and contributed significantly to Brexit-bound UK's economic growth outlook, a new report reveals.

The 'India meets Britain Tracker 2017', released annually by professional services major Grant Thornton in collaboration with the Confederation of Indian Industry (CII), has found that Indian companies employ around 110,000 employees in the UK and last year had a combined capital expenditure of £4.25 billion.

Anuj Chande, Head of South Asia Group at Grant Thornton UK LLP, said: "With around 800 Indian companies now operating in the UK, it is clear the UK remains a highly attractive destination for Indian investors. The Modi government's pro-business agenda is creating the right environment for Indian businesses to pursue and realise growth at home and overseas.

"With continued political stability and leadership on its reform programme,

India is poised for significant economic growth and prosperity.

"WITH AROUND 800 INDIAN COMPANIES NOW OPERATING IN THE UK, IT IS CLEAR THE UK REMAINS A HIGHLY ATTRACTIVE DESTINATION FOR INDIAN INVESTORS. THE MODI GOVERNMENT'S PRO-BUSINESS AGENDA IS CREATING THE RIGHT ENVIRONMENT FOR INDIAN BUSINESSES TO PURSUE AND REALISE GROWTH AT HOME AND OVERSEAS."

"Whilst it is still too early to predict what impact Brexit will have on the

UK's attractiveness as an investment destination for Indian companies, the many advantages the UK can offer are not set to disappear. The UK government is also clearly keen to strengthen the UK's ties with India and since the Brexit vote, a number of UK political representatives, including the Prime Minister [Theresa May], have made various visits to India with the hope that Brexit will open up a new free trade deal between the two countries."

The Tracker highlights 55 of the fastest-growing Indian companies in the UK, as well as the top Indian employers, and provides insight into the evolving scale, business activities, locations and performance of the Indian-owned companies making the biggest impact in the UK.

To be included in the Tracker, now in its fourth year, Indian corporates must

India meets Britain 2017 Tracking UK's top Indian companies



55 companies identified as the fastest-growing Indian companies in the UK



These companies achieved an average growth of 31%



Size: 24 SMEs, 29 Mid-size corporates, 2 Large corporates



Top 3 Sectors: 31% Technology and telecoms, 24% Pharmaceuticals and chemicals, 11% business services



Location: 44% in London, 24% South, 15% North, 11% Midlands, 4% Wales, 2% West

have a minimum two-year track record in the UK, turnover of more than £5 million and year-on-year revenue growth of at least 10 per cent, based on the latest published accounts filed as at February 28, 2017.

Datamatics Infotech Limited topped this year's list with a growth rate of 103 per cent, while overall companies from the technology and telecoms, and pharmaceuticals and chemicals sectors made up 31 per cent and 24 per cent of the list respectively. These are the two key sectors where Indian

we are seeing greater influence of pharmaceuticals, business services, financial services, engineering, and energy sectors.

"The report identifies £4.25 billion of new investment last year by the Indian companies, and further jobs being created as part of their continued investment programmes. Given that the report only tracks companies set up as subsidiaries, not branches, we believe the employment numbers are even higher than 110,000."

continuing expansion of Indian companies' footprint in the UK, the UK must not take their presence for granted.

"In the years ahead, as the Indian economy develops to become one of the largest and most powerful in the world, the opportunities to boost investment into the UK will grow. To realise these opportunities the UK must ensure that, as it attends to its relationship with the wider world post Brexit, it protects and promotes the factors that make it such an attractive

Major Indian employers in the UK

| Ultimate parent company | UK subsidiaries | Latest employee number |
|----------------------------------|--|------------------------|
| Tata Motors Limited | Tata Motors European Technical Centre Plc, Jaguar Land Rover Automotive Plc, Incat International Plc | 37,832 |
| Tata Steel Limited | Tata International Metals (UK) Limited, Tata Steel Europe Limited | 29,814 |
| Essar Global Fund Limited | Essar Energy Limited, Essar Capital Services (UK) Limited, Aegis Outsourcing UK Limited | 4,576 |
| CESC Limited | Firstsource Solutions UK Limited | 3,687 |
| HCL Technologies Limited | HCL Bpo Services (Ni) Limited, HCL Technologies UK Limited, HCL Insurance, BPO Services Limited, HCL Great Britain Limited, Axon Group Limited | 2,804 |
| Cox & Kings Ltd | Holidaybreak Limited, Holidaybreak Education Limited, Cox & Kings (UK) Limited | 2,503 |
| TVS Logistics Services Limited | Circle Express Limited, TVS Logistics Investment UK Limited | 1,506 |
| Tata Chemicals Limited | Tata Chemicals Europe Limited, Homefield Pvt UK Ltd, Brunner Mond Group Limited, Tata Capital Plc | 1,414 |
| Hinduja Global Solutions Limited | Hinduja Global Solutions Europe Limited | 1,265 |

Source: *India Meets Britain Tracker 2017*

businesses are continuing to find growth opportunities by diversifying into new spheres of activity, the report found. The business services sector entered the top three for the first time with 11 per cent, up from 6 per cent in 2016 and just 3 per cent in 2015.

Shuchita Sonalika, Director and Head of CII UK, said: "The report shows that Indian companies continue to strengthen their economic impact in the UK. While IT and telecom sector retains the largest composition,

Among the other Indian firms listed in the tracker include Ksk Power Ventur Plc, ranked second with a 90 per cent growth rate, and Bharti Airtel (UK) Ltd, ranked third with 84 per cent growth. Of the 55 that made the fastest-growing list, 23 are new entrants while 32 featured in last year's list. Just under half the companies included in this year's tracker recorded a 25 per cent growth rate or above.

Chande, however, cautioned that while the 2017 Tracker shows a

destination for Indian investment. The UK and India have much to offer each other and both countries should commit to re-forging their historic relationship for a prosperous future," he said.

London continues to strengthen its dominance as the leading destination for Indian investment in the UK. Of the fastest-growing Indian companies, 44 per cent are now based in the British capital, up from 39 per cent last year and 25 per cent in 2015.



Not a time to pull up the drawbridge

by Liam Fox

I hosted the inaugural Commonwealth Trade Ministers' Meeting, an event that brought together politicians, officials and policymakers from over twenty Commonwealth nations. It is a testament to the strength of the Commonwealth that so many of its countries were represented at this landmark meeting, during which we discussed the opportunities for trade, investment, and enhanced friendship that lie ahead.

We met at a time of great change for the United Kingdom. As we begin the process of leaving the European Union, there will be challenges ahead, yet also unprecedented opportunities. For the first time in over 40 years, we will have our own, independent trade policy, allowing us to renew bonds of trade and commerce with our partners across the globe. As the Chancellor said recently, we are opening a new chapter in our country's history.

This country has long been associated with both the concept and practice of free trade. We are the nation of Adam Smith and David Ricardo; a small island on the edge

of Europe that became a leader of world trade. It is the government's ambition to reclaim that crown, building a truly global Britain. Our Commonwealth partners are integral to this vision.

Many of the Commonwealth nations have witnessed the transformations that trade can bring. We may be economically diverse, but the free flows of goods and resources that are the hallmark of an interdependent global economy have impacted the lives of billions of people, as prices fall and new products become available.

Yet free trade has also been the means by which we have liberated millions of our fellow human beings from poverty. Across the world, the last three decades have seen the single greatest decrease in material deprivation in all of history.

I have long believed that free trade is the most powerful tool at our disposal to help those in need around the world. As the United Kingdom leaves the European Union and recasts its place in the world, we will proudly carry the standard of free and open trade as a badge of honour; a commitment to spread prosperity to all mankind.

Yet trade cannot be an isolated policy objective, and commercial freedoms do not exist in a political vacuum. A free and open trading environment is only part of a continuum that extends through security to political and social stability.

Trade can only truly flourish

where there is good education, a developed financial sector and sound governance. Here, the diversity of the Commonwealth is its strength. Trade is never a zero sum game, and closer commercial ties between the Commonwealth nations will not only spread prosperity, but knowledge, research and expertise as well.

Sadly, the benefits of free trade all too often go unrecognized, and a rising chorus of protectionism threatens to drown out the case for a free and open global trading system.

Protectionism may be politically seductive, yet it is economically damaging and socially regressive, with tariff costs falling most heavily on the poorest in society, those whose standard of living relies on the competitive pricing of a global market.

Those nations who have long benefited from free trade must not pull up the drawbridge and deny those same benefits to others. All nations of the Commonwealth have the opportunity to work together, championing free trade to improve the lives of our citizens. At the same time, we must ensure that we have the tools in place to help and protect those who have not materially benefitted from the global age.

Every system has its limitations, and it is only by recognising and alleviating the inequalities of globalisation that we can build a fairer, more prosperous world. The Commonwealth's 52 member states include some of the largest and richest countries on earth, as well as some of the smallest and least developed. It is time to lead the world on a new path, building upon our shared experience, friendship and values to embrace economic and commercial freedoms and spread prosperity to every corner of the globe. The Commonwealth may be a product of history, but we are ready, and willing, to meet the challenges of the future.

Liam Fox is Secretary of State for International Trade in the UK Cabinet.



According to the IMF, the Commonwealth countries whose imports of goods and services are likely to grow fastest over the next five years are Mozambique, Bangladesh, India, Brunei, Ghana and Sierra Leone. Many more countries represented here today are also experiencing rapid economic development.

This represents not only a great opportunity for their citizens to share in the proceeds of global prosperity, but it represents tremendous opportunities to importers and exporters from across the whole Commonwealth, a genuinely win-win situation.

It is not the concept of globalisation, nor the liberalisation of free-trade, that should be the target of those who rightly want to see the elimination of the scourge of global poverty but the elimination of corruption and the improvement in governance in many developing countries. But at the same time we need to ensure that we have the tools in place to help and protect those who do not materially benefit from the global age.

Our 52 member states include some of the largest and richest countries

on earth, as well as some of the smallest and least developed. While our diversities might make a single trading model difficult, if we work together to communicate the benefits of free trade, while addressing the challenges of globalisation, then we have the opportunity to build a global economy that works for everyone.

This Commonwealth of Nations has the opportunity to lead the defence of free trade, working together to shape new policies and approaches, showing the world a route to prosperity that lies through partnership, not protectionism.

Our trade ministers' meeting is the first step in realising this vision. Our joint discussions and bilateral meetings will be a foundation upon which to build. Every agreement that we reach and every barrier that can subsequently be removed will materially improve the lives of our peoples across the globe. Indeed, the Secretariat has also organised a summit designed to help developing Commonwealth nations benefit from India's global value chains, tapping into the diversification of their export markets and improvements to their supply chain capacity.

There is not only an economic but

a moral dimension to our mission. Liberation from poverty and the sharing of prosperity are both achieved by the same policy of free and open trade in a liberal, rules-based system.

At a time when there are renewed threats to the achievements of recent years, we – some of the world's oldest and most resilient friendships and partnerships – can provide the leadership that will guarantee the opportunities that the next generation deserve to have and with them our own prosperity and security.

We have seen, in our own time, what can be achieved by a free and open global economy with the support of our international partners.

Our diversity is our strength – we have much to learn from one another, and a vast wealth of experience, knowledge and talent to draw upon. We must leave no stone unturned and no challenge avoided on our quest to ensure that those who come after us are given every opportunity that we can leave to them, a world rich in prosperity, security and opportunity.

I cannot conceive that there is a more worthy challenge for us to face and conquer together.

India has become a pivotal power of the 21st century



'India Global Business' caught up with India's minister of state for external affairs, M.J. Akbar, during a recent London visit to attend the Commonwealth Ministerial Action Group (CMAG) meeting.

The Commonwealth must become more people-centric and find ways of creating meaning for the citizens of the 52 member countries, India's minister of state for external affairs M.J. Akbar believes.

In his message at the Commonwealth Ministerial Action Group (CMAG), the minister also highlighted India's hope that the organisation will work towards increasing the things it has in common.

"The Commonwealth should not just be an exercise in meetings between governments. It must become more people-centric," Akbar said. "We have no hostility towards any one. We believe that the Commonwealth is a values-based organisation and should really keep on doing what its name suggests...

it should increase the things that it has in common, rather than reduce, and certainly it should add something to the wealth of this group and find ways of cooperation and creating meaning for the people who live in the Commonwealth," he noted.

The author and Rajya Sabha MP also held talks with UK ministers Priti Patel and Alok Sharma and addressed an audience of MPs and peers at the House of Commons complex on 'India in the changing world.'

"India is on a mission that is a search for prosperity. But prosperity and its first cousin development are not enough to describe what Indians want. India wants a prosperity that is shared, it wants it within and internationally," Akbar said.

Making a reference to Prime Minister

Narendra Modi's first speech in Parliament, he articulated the government's vision as "poverty elimination" over poverty alleviation.

"And, this is not an open-ended objective but one defined within a time-frame... to take India to the high table of world affairs and knowing that the steps to that high table are not built by a military framework or war but built through economic policies and people's prosperity," he said. The senior BJP leader highlighted how Modi's "radical thinking" had led to reforms across different sectors, which were transforming the lives of ordinary people.

"Miracles are happening ... the mobile phone is becoming the greatest instrument, not only of literacy but economic transaction. The digital revolution is bringing about a radical

change in the lives of the poor,” he said.

Singling out terrorism as the major obstacle to such a prosperity, Akbar stressed that India will not allow the forces of violence in its neighbourhood to succeed.

“India has become the pivotal power of the 21st century because this century will be controlled by which shape Asia takes... If the forces that inspire violence begin to expand, the implications are very grave. We won't allow it, because of our security prowess, our belief system, our philosophy. The world must recognise, participate and join India in this battle,” he said.

The minister also expressed dismay at the United Nations' continued struggle to find a definition for terrorism since 1996.

“How do we fight an enemy we can't define,” he questioned, calling on

to India's aspirations for a permanent seat in the UN Security Council. At the CMAG meeting in London earlier in March, India reportedly pushed for sustained support for

WE HAVE NO HOSTILITY TOWARDS ANY ONE. WE BELIEVE THAT THE COMMONWEALTH IS A VALUES-BASED ORGANISATION AND SHOULD REALLY KEEP ON DOING WHAT ITS NAME SUGGESTS... IT SHOULD INCREASE THE THINGS THAT IT HAS IN COMMON, RATHER THAN REDUCE, AND CERTAINLY IT SHOULD ADD SOMETHING TO THE WEALTH OF THIS GROUP

stressed that this must be expanded to nine, to include “sustained support for terrorism and radical extremism.” India was also successful in keeping action against Bangladesh off the agenda against Pakistan's concerted efforts at the CMAG meeting.

It was also agreed that India will play a key role with the Maldives, which had left the Commonwealth last year after CMAG had put it on notice for undermining democratic institutions. The CMAG decided that regional countries should continue to engage with the island nation to try and bring it back into the fold of the Commonwealth.

Pakistan ruled itself out from playing a role until the Maldives government improves its conduct. However, the Indian side was in agreement with other member countries to play the role of interlocutor and continue the process of dialogue in the region.

The central message from the Indian



Akbar at House of Commons

multi-lateral frameworks like the UN to recognise the need to reflect the realities of the 21st century.

“No international institution can remain mired in the past. We believe that there has to be, in all international fora, a re-examination and finding a purpose for the 21st century,” he said, making a reference

terrorism and radical extremism to be added on as grounds for disqualification from the Commonwealth.

There are currently eight grounds on which the Commonwealth can take action against a member-country, including violation of democratic values and good governance. India

side was of a more “people-centric” approach within the Commonwealth, with a focus on development and poverty elimination.

The CMAG is held for ministers from the 52 Commonwealth countries to raise important issues and action points for the benefit of the organisation's membership.



UK-India can capture a carbon collaboration

by Aniruddha Sharma

Carbon capture and storage is a field India and the UK have great potential to collaborate on, writes the founder of a clean carbon company.

The UK and India have a history of collaboration when it comes to energy, something which looks set to continue for the foreseeable future. Notably, ahead of the November 2015 Paris climate summit, the two countries penned a comprehensive package of collaboration on energy and climate change, including commercial deals worth £3.2 billion, and a £10-million joint research partnership into new low-carbon technologies.

Energy collaboration is also a key focus area of the India-UK Strategic Partnership. As a UK-based company with Indian roots (my co-founder, Prateek Bumb and I were college students at IIT Kharagpur when we came up with the idea for Carbon Clean Solutions), we have a lot of experience to draw from in both India and the UK.

From what I have seen, I believe both countries can learn from and

help each other when it comes to promoting carbon capture technology – something which will be vital to tackling both countries' respective climate change challenges. While the concept of CCS (carbon capture and storage) is already familiar in both markets, being widely referenced in the media, the concept of CCU and the idea of putting the captured carbon dioxide to practical use is less well known, but arguably more commercially important. It is this re-use element that I would like to focus on, as I believe it has huge economic potential for both countries.

In standard carbon capture processes, the captured carbon dioxide (CO₂) is usually buried deep underground. But it can be used to make useful products as well – this process is called carbon capture and utilisation (CCU). CCU is a vital technology, allowing industries such as power and coal to decarbonise themselves profitably and sustainably. The UK's relationship with carbon

capture has been a tricky one, notably with the cancelling of a £1 billion grant for developing new CCS technology in 2015. But as beneficiaries of a UK government grant in the past, we know that there is a real desire to explore the opportunities that carbon capture affords. However, there are clear barriers in the way of successful development. For example, unlike India, the UK has no proven demonstration in place, while some industries are poorly incentivised, or not incentivised at all, to take up or at least consider CCU.

In India, we were able to successfully launch the first unsubsidised, industrial-scale example of CCU in operation in the world today, at the end of 2016. We are helping Tuticorin Alkali Chemicals (TAC) a soda ash producer, to capture CO₂ from their own thermal plant in Tuticorin, Tamil Nadu, and convert it to soda ash.

Our technology enables us to capture not just CO₂, but soot and other



pollutants from the plant. Therefore, TAC has now been able to completely decarbonise their plant, and capture 60,000 tonnes of CO₂ per year in the process. The soda ash produced from the converted CO₂ is then sold as a raw material to the glass industry. In a nutshell, CCU has allowed TAC to become a completely self-sufficient soda ash producer.

We currently have more projects like this in the pipeline in India, and we think there is real potential for India to become a leader in clean carbon technologies – a strategic win in achieving the goals set at COP21. The reality is that, despite the rise of renewable energy in India, the country will continue to depend on coal and gas for much of its energy needs, as nuclear is unlikely to provide a large share in a rapidly developing country with an ever-growing population. Therefore, CCU is crucial.

Now that we have overcome the demonstration barrier and proved that CCU can work in India, our goal is to take this model to other markets, including the UK. However, before we can get the technology off the ground in the UK, there is other big barrier we need to overcome: Financing. This is another area where I think the UK can learn from our experience in India. We have proved that CCU does not need to be funded by subsidy: If someone can build a plant in India based on funding rates in excess of

IN STANDARD CARBON CAPTURE PROCESSES, THE CAPTURED CARBON DIOXIDE (CO₂) IS USUALLY BURIED DEEP UNDERGROUND. BUT IT CAN BE USED TO MAKE USEFUL PRODUCTS AS WELL – THIS PROCESS IS CALLED CARBON CAPTURE AND UTILISATION (CCU). CCU IS A VITAL TECHNOLOGY, ALLOWING INDUSTRIES SUCH AS POWER AND COAL TO DECARBONISE THEMSELVES PROFITABLY AND SUSTAINABLY.

10 per cent interest, then surely there is an opportunity to get something off the ground at a more modest, say, 4 per cent level. The economics of CCU have radically changed in a short space of time.

It's worth remembering the scale and size of the opportunity at stake: Estimates put the size of the CO₂ reuse market at more than \$1 trillion per annum. CO₂ can now be converted into over 25 different products, transforming it into an asset rather than a burden. I believe that effective CCU could lead to a wave

of new green and clean products for UK and EU markets where carbon intensity reduction targets already exist.

So does India have all the answers to commercialising carbon capture technologies? Not quite.

Our business was able to thrive thanks to grants from the UK and US governments, and research facilities in the UK and Europe.

Indeed, Western countries have the infrastructure to support new technology ideas and that's what needs to be developed in India.

It needs to provide more physical settings for innovators to start working on products - labs, product shops, idea workplaces, and so on. India also needs to allocate significant national budget to R&D and partnerships with start-ups. Last but not least, it is imperative that IP (intellectual property) grants and enforcement is strengthened, in order for India to become a true destination for IP-based product innovators such as ourselves.

This is why I think collaboration between India and the UK is so important, as there are lessons the two countries can learn from each other in order to meet their respective energy challenges. The UK has expertise from its world-leading services sectors that can help deliver key Indian priorities – one of which is sustainable energy and related infrastructure development.

On the other hand, India has demonstrated that CCU is in fact commercially viable, and has proof that it works, and projects that the UK can learn from and hopefully emulate.

We are hoping that the UK's ties to India could potentially enable CCU projects to commercialise in the UK in the not too distant future.

Aniruddha Sharma is CEO, Carbon Clean Solutions Limited (CCSL), and represents CCSL in the Carbon Capture Storage Association (CCSA).



A Commonwealth Agenda for Growth

by Lord Marland

The Commonwealth held a first-of-its-kind trade ministers' meet recently to inject much-needed vigour into the organisation. The man behind the summit writes exclusively for 'India Global Business'

The inaugural Commonwealth Trade Ministers Meeting (CTTM) on 9th March 2017 was an important moment for the Commonwealth. As many as 35 trade ministers from across the world, including Australia, Bangladesh, Canada, Kenya, Malaysia, Malta, New Zealand, Nigeria, Singapore, South Africa and the UK, came together not just for the sake of old ties, but to consider how the network can build an "Agenda for Growth" that will challenge economic stagnation and a growing protectionist clamour in global markets.

It is encouraging to see that India is leading the push to ensure trade and investment is a priority for the Commonwealth. We were delighted to welcome Commerce Secretary, Rita Teatoria, standing in for Commerce Minister Nirmala Sitharaman, who was unable to attend due to responsibilities during the Budget. We

are grateful for the minister's support and early advocacy for the meeting to go ahead. Out of the day's six roundtable discussions came many important proposals that we will be looking to develop in the run up to next year's Commonwealth Heads of Government Meeting (CHOGM) in London.

Firstly, we are proposing to appoint a Commonwealth Trade Ambassador to gauge the trade and investment priorities of member countries and to scope the potential for the development of a "Commonwealth Trade and Investment Accord", which would underpin the development of trade and investment agreements between them.

The CTTM was also an opportunity for member states to reaffirm their commitment to the full implementation of the WTO Trade Facilitation Agreement, which has the opportunity

to reduce trade costs worldwide by 17.5 per cent. The focus now should be on facilitation of trade in services and India has already shown global leadership on this issue.

In the digital age, the Commonwealth recognises that countries that do not harness the power of new technology and innovation based means of doing business can be left behind. We will be exploring the possibilities of new trade technologies such as blockchain and developing an ecommerce legislative toolkit with the view to breaking down trade barriers further.

The SME sector is of vital importance to modern economies and the Commonwealth is committed to doing what it can to improve the business environment for SMEs and help SMEs find a route to market. The Commonwealth Enterprise and Investment Council (CWEIC)

WE ARE PROPOSING TO APPOINT A COMMONWEALTH TRADE AMBASSADOR TO GAGE THE TRADE AND INVESTMENT PRIORITIES OF MEMBER COUNTRIES AND TO SCOPE THE POTENTIAL FOR THE DEVELOPMENT OF A “COMMONWEALTH TRADE AND INVESTMENT ACCORD”, WHICH WOULD UNDERPIN THE DEVELOPMENT OF TRADE AND INVESTMENT AGREEMENTS BETWEEN THEM.

Foreign Trade Policy of 2015) it will require a step change in international commercial diplomacy and the export performance of its companies. With Indian exports contracting by almost 17 per cent - from \$314 billion in fiscal 2013-14 to \$261 billion in 2015-16, now is clearly an important time to try to bring this change about. With five Commonwealth countries, Bangladesh, Malaysia, Singapore, Sri Lanka and the UK, featuring amongst the top fifteen importers of Indian goods and services, and Australia, South Africa and Kenya also amongst India's fastest growing trade partners there are some clear opportunities from better utilisation of the network. The Commonwealth's positive brand in its eighteen African member states could also help India realise a \$90 billion African trade target which, in 2015, materialised in an actual figure of only \$56.67 billion.

The Commonwealth also stands as a global champion for the promotion of democracy, peace and security, good governance, sustainable development and gender equality – all values that India shares. A strong Commonwealth underpinned by a successful trade and investment agenda can help India to project these values, and India's soft power around the world, giving it a long term competitive advantage.

To conclude, a UK finally able to turn its attentions to the world outside of Europe alongside an ambitious India increasingly ready to take its place on the global stage can work together to harness the momentum generated by this month's Trade Ministers Meeting and lead a Commonwealth Trade and Investment agenda. As the build-up to the Commonwealth Heads of Government meeting in London in April 2018 begins, the Commonwealth has a huge opportunity to finally seize its potential and become a force for prosperity and free trade around the world.

Lord Marland of Odstock is Chairman of the Commonwealth Enterprise and Investment Council (CWEIC).

will therefore look to expand its Commonwealth First SME export programme. We also welcome the Government of India's proposal to host a Commonwealth SME Summit later this year and the support India has shown in establishing the Commonwealth Trade Finance Facility. We will also do more to support young entrepreneurs, through the Commonwealth Alliance of Young Entrepreneurs, which CII Young Indians were instrumental in establishing, and also encouraging female economic empowerment.

The data puts the Commonwealth's huge trade and investment potential into context. Between 2003-2013, trade in goods and services between Commonwealth countries exploded from \$266 billion to \$592 billion, registering an annual growth rate of about 10 per cent. It is estimated that intra-Commonwealth trade in 2015 was \$687 billion and is projected to surpass \$1 trillion by 2020. That is the target that we have recommitted ourselves to at the Trade Ministers Meeting. Achieving it will bring greater prosperity to all our countries and highlight the Commonwealth's

ability to create growth in difficult circumstances. In Britain, there has been a historic reluctance to truly engage with the Commonwealth as a vehicle for trade and investment growth, something our membership of the EU has also impeded. But as the UK looks to a new future outside the EU, there is clearly an enormous opportunity for greater engagement with the Commonwealth. However, the UK cannot lead such an agenda alone, one from which all member countries could stand to benefit.

As the country with over half of the Commonwealth's population, a hugely dynamic economy and a growing global leadership role, I know that Commonwealth members would be delighted to see India engage even more fully with our trade and investment agenda.

This is in India's interests as well as the Commonwealth's. If the Indian Government is to hit its goal of doubling the country's exports to \$900 billion and elevating its share of world trade from the current 2 per cent to 3.5 per cent by 2020 (as announced in India's Five Year

CANADA AND INDIA CAN TAKE COMMONWEALTH LEAD

François-Philippe Champagne is Canada's Minister for International Trade with over 20 years' experience working for major companies worldwide. 'India Global Business' caught up with the minister soon after the inaugural Commonwealth Trade Ministers Meeting in London recently to explore the potential of India-Canada ties within a broader multilateral context.



What is the status of the Canada-India free trade agreement?

The negotiation of the Canada-India Comprehensive Economic Partnership Agreement (CEPA) began in November 2010. Nine rounds of negotiations have been held to date; the latest of which was in March 2015. And, last fall, my predecessor, Chrystia Freeland, met with her Indian counterpart, Nirmala Sitharaman, Minister of State for Commerce and Industry, during the 3rd Ministerial Dialogue on Trade and Investment in Toronto.

In early March, during my first visit to India, I met with Minister Sitharaman and we discussed the Canada-India CEPA, in view of increasing bilateral trade and investment. We also exchanged views on the way forward for a Foreign Investment Promotion and Protection Agreement (FIPA.) While I cannot speak to the details of the ongoing negotiation at this time, I can confirm that I took this opportunity to highlight the benefits of signing and implementing a modern and ambitious FIPA.

An FIPA would provide greater predictability and certainty for Canadian investors considering investment opportunities in India and serve to promote both India and Canada as destinations for investment. It would protect investors through the establishment of a framework of legally binding rights and obligations, while ensuring governments retain the right to regulate in the public interest. We look forward to continued work with India towards finalising the agreement.

Why has India-Canada trade remained at low levels? What can help step up bilateral trade?

The fact is, between 2012 and 2016, total trade between Canada and India grew by 53 per cent. Two-way merchandise trade between Canada and India reached \$8.0 billion in 2016, and bilateral trade in services

rose 8.8 percent to nearly \$2.2 billion in 2015, as both services exports (up 10.1 percent) and services imports increased.

CANADA IS PURSUING A NUMBER OF APPROACHES TO PROMOTE TRADE AND INVESTMENT WITH INDIA. OF COURSE, THIS INCLUDES THE NEGOTIATION OF A COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT (CEPA). WE ARE ALSO PURSUING THE NEGOTIATION OF A FOREIGN INVESTMENT PROMOTION AND PROTECTION AGREEMENT

Canada is pursuing a number of approaches to promote trade and investment with India. Of course, this includes the negotiation of a Comprehensive Economic Partnership Agreement (CEPA). We are also pursuing the negotiation of a foreign investment promotion and protection agreement. These agreements will help position both Canada and India as important destinations for trade and investment. They would establish a framework of legally binding rights and obligations while ensuring that governments maintain the right to regulate in the public interest. For Canada, any free trade agreement must reflect Canadian values and help to strengthen trade by providing new commercial opportunities.

The Government of Canada also values the ongoing advice and commitment of the various business associations that promote the Canada-India commercial relationship with small and medium-sized businesses. During my recent trip to India, I also met with several Canadian and Indian business leaders and we discussed the impressive growth in trade

and investment between our two countries.

They expressed a real desire for our governments to further deepen this partnership. As International Trade minister, I also have a mandate to focus on growing trade opportunities, particularly for Canadian small and medium-sized businesses. I look forward to continuing to work with India toward that end.

Can the Commonwealth be leveraged to improve the situation?

As you may know, the UK hosted the inaugural Commonwealth Trade Ministers Meeting on March 9 and 10, 2017 in London. During this meeting, myself and my colleagues, discussed areas where Commonwealth member countries could collaborate to pursue transparent, free and fair trade relationships and to promote trade, investment and job creation in member countries.

Canada enjoys a strong partnership and shared values with its Commonwealth partners, including India. The Government of Canada is firmly committed to opening new markets and to creating new sources of prosperity, and we see a lot of potential to expand our trade with India.

Which sectors will Canada welcome Indian businesses to invest in?

Priority sectors for the attraction of foreign direct investment into Canada include ICT, agri-food, automotive, aerospace, chemicals and plastics, clean tech, life sciences, and oil and gas. To ensure that Canada makes the most of every opportunity to attract global investment and the jobs that come with it, the Government of Canada is creating a new federal body, an "Invest in Canada Hub." This new organisation will employ a dedicated high-impact sales force to promote Canada and will be supported by an increased number of Trade Commissioners focused

INTERVIEW

on investment attraction in strategic markets around the world.,

What are your plans for marketing Canada as an attractive centre of higher education for Indian students?

For many Indians, Canada is perceived as an attractive immigration option rather than a destination for a top-notch education. The fact that Canadian educational institutions rank with the best in the world is a bit of a secret in India and we want to change that. That is why we are reaching out to top-quality Indian students through activities like the EduCanada Undergraduate Outreach Tour and the EduCanada MBA Showcase Tour to promote our institutions and the amazing opportunities they offer. In addition, many Canadian institutions participate in a broad range of other education events across all of India.

Canada is home to some of the top universities in the world. Times Higher Education's 'World University Rankings' counts a total of 26 Canadian institutions among the world's best, including eight Canadian universities in the top 200. In addition, compared with the US and others, Canada provides more affordable study options, simpler application processes and more opportunities for permanent residency.

For all of these reasons, I welcome this opportunity to spread the word about Canada's strengths in education in general, and research, development and innovation in particular. Canada is a world leader when it comes to investing in research at post-secondary institutions, ranking first among G7 nations and seventh among OECD nations. Through the recent federal budget, the Government of Canada is proposing to invest \$117.6 million over eight years to create approximately 25 Research Chairs. This will attract top-tier international scholars and researchers to Canada, and enhance Canada's reputation as a global centre for innovation, science, and research excellence.

Canada and India have much in common; isn't it time the two governments took steps to forge closer ties?

Canada and India have long-standing and positive bilateral relations built upon shared traditions of democracy, inclusion and strong interpersonal connections through an Indian diaspora of more than 1.2 million in Canada. We also enjoy a Strategic Partnership underpinned by Ministerial Dialogues on Foreign Policy, Trade and Investment, Finance and Energy.

The Government of Canada is committed to strengthening the

bilateral relationship with India, as demonstrated by the many ministerial visits in both directions over the last few months. By deepening our commercial relationship and working together on our shared priorities, we can ensure continued growth and prosperity and offer real opportunities to our private sector stakeholders and citizens.

There is a school of thought that says the Commonwealth should be re-imagined as a trade bloc. What do you think?

Canada believes that the Commonwealth's real added value is to help build the pillars of trade – promoting stability, predictability and rule of law in member countries. Moving forward, the Commonwealth, with its diverse group of member countries, could be a great forum for further discussions and work on elements of Canada's progressive trade agenda.

As anti-globalisation and hostility to trade agreements rises, we need to ensure that the legitimate concerns of our citizens are taken seriously and addressed concretely. Canada is currently pursuing a progressive trade agenda that ensures the benefits of trade are more widely and equitably shared between all segments of society. Canada will continue to work together with its Commonwealth partners to create the right conditions for our businesses to thrive.





BRITISH ASIAN TRUST

TRANSFORMING LIVES TOGETHER



YOUR TRUSTED PARTNER FOR SOUTH ASIA
HELP US MAKE A LASTING DIFFERENCE

Visit our website for more information
and to donate www.britishasiantrust.org



The British Asian Trust is a UK Registered Charity (1127366)

India must share leadership of the Commonwealth

by Jitesh Gadhia

It is time for the Commonwealth to introspect on its role for the 21st century and look at adding new members and acquiring a sharper financial focus.



As a British citizen of Indian origin born in Uganda, I enjoy a triple connection with the Commonwealth. I was therefore drawn towards speaking in a recent debate on the Commonwealth in the House of Lords — almost like a magnetic field.

The focus of my remarks was on two themes. Firstly, the relative roles of Britain and India as two linchpins among the Commonwealth's 52 members and, secondly, suggestions on some bold steps which the Commonwealth should consider to secure its relevance well into the 21st century.

Britain's interest in rejuvenating the Commonwealth is self-evident. It suits the country's post-Brexit narrative and objectives, particularly on trade.

However, multilateral organisations are not fashionable at the moment, given the rise of nationalistic and protectionist tendencies, so we should legitimately ask: why would 51 countries want to play ball with Britain? As part of addressing this fundamental question, it is critical that we examine India's future role.

The modern Commonwealth effectively started in 1949 with the London Declaration, which allowed India to remain a member even though it was no longer a dominion, and thereby it became the first republic to do so. As part of this settlement, India agreed to accept the British sovereign as a symbol of the free association of its independent member nations and, as such, as Head of the Commonwealth.

This pragmatic solution secured the participation of India, which could easily have taken a more anti-imperialist stand. To its credit, India's leadership was more far-sighted and adopted Mahatma Gandhi's philosophy of "forget and forgive"

Speaking on 17 May 1949 to the Indian Parliament, Prime Minister Nehru —previously an arch opponent of continued Commonwealth membership — said that: "I had a feeling when I was considering this matter in London ... in a small measure perhaps, I had done something that would have met with the approval of Gandhiji"

Today, India represents more than half the Commonwealth population of 2.4 billion and is the joint largest economy alongside the UK. For

obvious reasons, Britain has historically been seen as *primus inter pares* among Commonwealth members but I believe it is a mantle that should now be shared with India.

This might be seen as a sensitive subject but we should not be afraid to address it directly. This is not to dilute the equal value and status of every member but it recognises the geopolitical realities and choices open to an emerging superpower such as India, for which a seat on the UN Security Council is long overdue and only a matter of time.

The second area which we should assess candidly is the future

attract Japan or the Gulf states, or even some European countries—perhaps those sitting outside the Eurozone? Given the shifting plates of the world geopolitical order, this is an opportune moment to be brave and think big.

The second proposal is to create a sharper financial focus that provides some more glue to bind the Commonwealth together. Despite the relative unpopularity of multilateral organisations it is interesting to note that two new bodies have been created in recent years, both of them banks: the Asian Infrastructure Investment Bank and the BRICS' New Development Bank. The idea of a

of Secretary-General should be seen as one of the top global roles that public servants covet in the same way that there is fierce jockeying for position to become the UN Secretary-General, the head of the IMF or president of the European Council.

We should absolutely aspire to entice a David Cameron or a Stephen Harper; a Kevin Rudd or a Manmohan Singh to become Secretary-General. This would be a worthy ambition and help to take the organisation to the next level.

It is an interesting thought experiment to apply the “visitor from Mars” test to the Commonwealth and



Commonwealth Trade Ministers' Meet in London

ingredients of success. Yes, the Commonwealth enjoys some alluring features: scale, growth, youth and diversity. All these are certainly necessary but in my view not sufficient to take the organisation to the next level. I believe the Commonwealth should consider three specific suggestions.

The first is to aggressively add new members. As statisticians would confirm, the power of any network is proportionate to the square of the number of nodes, so that each new member is of increasing value to the others. It is hugely positive that Mozambique and Rwanda have joined in recent years and that South Sudan and Gambia are in the queue. However, the Commonwealth needs to be much more ambitious. Why not

Commonwealth bank has been doing the rounds for some time but there is little point in creating a copycat entity. However, the other two are focused on infrastructure and development respectively, so there does appear to be a gap in the market for an institution focused on global trade finance. This would provide a sharper and more practical focus for the Commonwealth and should be considered very carefully.

Thirdly, I believe that it is appropriate to review the leadership profile of the organisation. In doing so, I am in no way criticising the current or previous secretariat of the Commonwealth and support the laudable reform agenda advocated Baroness Scotland.

However, I feel strongly that the role

ask whether we would create the organisation if it did not exist today? My heart, influenced by my triple Commonwealth identity, would, of course, say yes, but my head would hesitate a little more. However, given that the Commonwealth does exist, we should unequivocally build and strengthen it further so that it achieves its full potential.

In this effort, India must take a leading role.

Lord Jitesh Gadhia is a UK-based businessman and investment banker and was made a Life Peer last year

ONE STOP DESTINATION FOR ALL NEWS FROM INDIA



The
UK
edition 2.0

**SAT 8 PM &
SUN 7 PM**



the
CRUX

**WEEKNIGHTS
AT 8:30 PM**



FACE OFF
AT 9

**WEEKNIGHTS
AT 9 PM**



VIEWPOINT

**WEEKNIGHTS
AT 10 PM**

NEWS 18

**YOUR WINDOW
INTO INDIA**

AVAILABLE ON SKY, EPG 577



India is a major Brexit trade priority

by Tim Hewish

A London-based policy expert weighs up the challenges and opportunities thrown up by Brexit to strike a stronger India-UK dynamic.

Talk of Brexit is never far from the headlines in the UK press. Theresa May triggering Article 50 signaled the start of the process. This presents significant challenges and opportunities for Commonwealth countries, with India being a prime example.

New research from my organisation, the Royal Commonwealth Society, reveals an overwhelming majority of British businesses want to see the Government prioritise trade deals with the Commonwealth. It is significant that nearly three quarters of all UK businesses want an Indian trade deal. India is in fourth place as a priority for the UK's business community for trade opportunities with Commonwealth countries post-Brexit.

As many as 72 per cent of British businesses think that the Government should prioritise trade with India. Australia tops the rankings on 90 per

cent. India climbs the rankings to a strong second with businesses in the Midlands, the North, and the South East of England as well as those in

A NOTE OF CAUTION, AUSTRALIA, CANADA, AND NEW ZEALAND HAVE TRIED TO BROKER TRADE AGREEMENTS WITH INDIA WHICH HAVE STALLED ON THE BACK OF LABOUR MOBILITY. MANY OF THESE DISCUSSIONS HAVE CONTINUED FOR FIVE YEARS WITH LITTLE RESOLUTION. THE UK MAY FIND ITSELF IN THE SAME POSITION WITHOUT FACTORING IN THIS ISSUE.

Scotland. This priority is also reflected with large UK companies. We have had positive feedback from a number of countries, such as Singapore, stating that these findings will be useful when engaging the British Government. I encourage the Indian Government to do the same.

I have also made the case in a joint pamphlet on Commonwealth trade with British MP James Cleverly and supported through a foreword by the former Australian Prime Minister, Tony Abbott, that India is one of the major Brexit trade priorities. As of last year, India was the UK's largest Commonwealth export destination and twinned with its 1.4m diaspora spread across every city in the UK - the personal, cultural, and economic ties run deep.

There is also published evidence which estimates that two-way trade would increase by 26 per cent through the cutting of tariffs with the



UK Chancellor Philip Hammond with Indian External Affairs Minister Sushma Swaraj

authors suggesting that an India-UK deal would be easier to negotiate than the current EU-India discussions.

However, conversations I have had often note the issue of greater visa liberalisation for Indian nationals as a stumbling block to any trade deal. This is encapsulated in the new Indian High Commissioner to the UK's statement that: "For India – mobility is key".

That is why, in partnership with other leading aviation and tourism groups, we have recommended that Indian visitors to the UK be given the same special deal as Chinese tourists – a two-year visa costing £87. The UK-Indian Year of Culture, launched at Buckingham Place last month, provides the opportune time to introduce such a scheme. This would help generate further goodwill and signal British intent on the seriousness of its attempts to court India.

Addressing the falling international Indian student numbers heading to

Britain is of equal importance. Much has been made of this decline notably from the University of Birmingham's Chancellor, Lord Bilimoria.

There is a booming market supply of young Indians keen to study at elite global universities. This will continue to grow with 41 per cent of Indian's billion plus population under the age of 20. The UK will lose out in educating Indian talent and the economic and social values this presents if reform does not take place.

Policy solutions acceptable to the Home Office will need to be found to counteract this reverse in a post-Brexit era. The now Foreign Secretary, Boris Johnson, offered one such idea in 2015 when he called for a Commonwealth student visa for Indian nationals allowing them to work for two years post-study.

Therefore, he can do so again from a senior Cabinet position. An offering of visitor and student work visas can help grease the gears of a future

bilateral trade deal. There must also be more voices championing India in the Cabinet as this is whether the decisions will be won and lost. A note of caution, Australia, Canada, and New Zealand have tried to broker trade agreements with India which have stalled on the back of labour mobility. Many of these discussions have continued for five years with little resolution. The UK may find itself in the same position without factoring in this issue.

Furthermore, in the UK we often see how Brexit can benefit us; however, we should pause to think how India can gain in a partnership of equals. Clearly India has global ambitions. The UK presents India with an opportunity to complete a deal with a Permanent Member of the UN Security Council and its first agreement with a western member of the G7, so far it only as an FTA with its regional neighbour Japan. This is political and diplomatic prestige that India desires. Britain can be the country which helps India enhance that level of esteem.

However, perception is crucial in politics. In his review of Shashi Tharoor's book, 'The Times' columnist Matt Ridley is astute in identifying that Brexit can present an opportunity to renew UK-Indian relations as: "More than almost any other country, India will matter to Britain in the coming years: as a market, an ally, an innovator, a source of talent and — despite everything — a friend."

What is clear is that a trade deal is there for making. British business have shown demand but the UK Government must make an offer mindful of the historic ties, which delivers a meaningful contemporary and lasting relationship that enables the connections of our two peoples working together.

Tim Hewish is Director of Policy & Research, Royal Commonwealth Society.



INDO UK INSTITUTE OF HEALTH

WWW.IUIH.CO.UK

Largest Healthcare Infrastructure Project in the World

Joint statement of Hon'ble Prime Minister Shri Narendra Modi Ji of Republic of India and
Past Prime Minister Mr David Cameron of the United Kingdom - 12th November 2015.

1st year anniversary celebrated at INDO UK TECH SUMMIT inaugurated by
Hon'ble Prime Minister Shri Narendra Modi Ji of Republic of India and Ms Theresa May
Prime Minister of the United Kingdom - 7th November 2016.

- Affordable NHS Quality healthcare for 1.2 Billion Indians
- 40 Global Healthcare Industry partners

MR AJAY RAJAN GUPTA

MBBS, MS (ORTH), MRCS, FRCS, FRCS (TR & ORTH), MCH (ORTH)

Managing Director and Group CEO

For details
Ms Victoria Lusher
Stakeholder lead
victoria.lusher@iuih.co.uk



“We’re bringing in BDO. The partner’s already on it.”

BDO India Advisory

The India Advisory Services team is a unified network of people with experience in serving UK businesses looking to grow within the Indian market and Indian businesses looking to invest in the UK and Europe. It brings together dedicated cross-service-line and sector experts who focus on ensuring that your business receives seamless services customised to your immediate, short and long term business needs across borders.

ARBINDER CHATWAL
+44 (0)238 088 1940
arbinder.chatwal@bdo.co.uk

Audit | Tax | Advisory
www.bdo.co.uk

BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.
BDO is the brand name for the BDO network and for each of the BDO Member Firms. © 2017 BDO. All rights reserved.



H1B: The visa that bites

by India Inc. Staff



As the Donald Trump administration begins to deliver on his poll promise of cracking down on the alleged misuse of H1B visas, Indian IT companies are feeling the pinch.

Donald Trump's election rhetoric is returning to bite the Indian IT sector as policy formulations of the new US administration.

First, here are some updates on the bad news on H1B visas, the visa category mainly used by Indian IT companies to ship Indian IT professionals to the US.

Tougher norms for H1B visas
In keeping with his election pledge to crack down on companies using the H1B visa to import Indian IT professionals into the US, his government has changed the relevant guidelines not only to make it more difficult for Indian companies to ship sorely needed foreign talent to the US but also to increase their costs of operations in other ways.

The US Citizenship and Immigration Services (USCIS) agency has

recently said "an entry-level computer programmer position would not generally qualify as a position in a specialty occupation". This means Indian IT companies can no longer send personnel from India to fill up such a position in the US.

Nomura Research analysts have found that about half of labour condition applications filed by Indian IT companies were for entry level or Level1 positions last year. These applications are sine qua non for H1B visa applications.

Probe into misuse

In another advisory issued to US companies, the USCIS agency has said it will "rigorously" use its authority to investigate H1B visa violators, indicating a hardening of attitudes in the Trump administration on the issue. The US Labor Department became the third US government

department after the USCIS and the Justice Department to say it will coordinate more closely with other US government departments in its efforts to protect US workers and, if necessary, prosecute offenders.

It also joined the Justice Department in cautioning US employers not to use H1B visa holders to discriminate against US workers, and pointed out that this particular visa category can be utilised to import foreign workers only if workers with relevant qualifications were not available in the US.

Meanwhile, two top US Senators, Chuck Grassley and Dick Durbin, supported the US government's actions and said: "The President should continue using his authority to prevent outsourcing companies from displacing American workers."

Hitting where it hurts

Indian IT companies are the largest user of H1B visas. In 2018, the US plans to issue 85,000 H1B visas, but experts said a change in the minimum wage criteria for issuing such visas would hit the bottomlines of Indian IT companies, which grew at a record slow 9 per cent in 2016-17.

There is little likelihood of any great improvement in the current financial year.

Indians are job creators in the US. Rational arguments often get lost when fears of job losses to foreigners leads to isolationist political rhetoric. In the US, too, more and more people are increasingly viewing protectionism as a panacea for its domestic economic problems, including joblessness.

But a study titled "Indian Roots, American Soil" by the Confederation of Indian Industry (CII) and Grant Thornton (GT) last year, about 100 Indian companies have invested \$15 billion in US industry and created 91,000 direct jobs in that country.

The highlights of the report are:

- About 100 Indian companies have invested \$15.3 billion and created 91,000 direct jobs across the US
- The top five states in terms of job creation by Indian companies are New Jersey (9,278 jobs), California (8,937 jobs), Texas (6,230 jobs), Illinois (4,779 jobs) and New York (4,134 jobs)
- The top five states in terms of FDI by Indian companies are Texas (\$3.84 billion), Pennsylvania (\$3.56 billion), Minnesota (\$1.8 billion), New York (\$1.01 billion) and New Jersey (\$1 billion)
- The average investment per state is \$443 million
- Six out of seven Indian companies present there plan to invest more in the US
- 90% of the companies plan to hire more employees locally in the next five years.

Low hanging fruit

The US accounts for 60 per cent of the Indian IT sector's annual revenues of about \$150 billion. That is why

an easy US visa regime is vitally important for its health. And Indian IT professionals are the biggest beneficiaries of the H1B visas, which allow professionals to work in the US.

Worryingly, a substantial portion of their revenues still come from relatively lower end work, which give steady margins, but which can no longer generate high levels of growth for the Indian IT sector. And despite their best efforts, Indian IT companies have failed to move up the software services value chain.

The politically incorrect secret is that Indian IT companies still focus primarily on "exporting" IT professionals to remote locations to address their clients' needs.

INDIAN IT COMPANIES ARE THE LARGEST USER OF H1B VISAS. IN 2018, THE US PLANS TO ISSUE 85,000 H1B VISAS, BUT EXPERTS SAID A CHANGE IN THE MINIMUM WAGE CRITERIA FOR ISSUING SUCH VISAS WOULD HIT THE BOTTOMLINES OF INDIAN IT COMPANIES, WHICH GREW AT A RECORD SLOW 9 PER CENT IN 2016-17.

Contribution to US economy

"Indian Roots, American Soil" is CII's flagship event on Capitol Hill and is part of our ongoing effort to highlight the positive stories of Indian companies' contributions to the US economy and society.

Our aim, through this event, is to highlight the range and depth of Indian investments in the United States. India is now the fourth-fastest growing source of investments into America – this is a very critical aspect of the burgeoning bilateral US-India business story and one that has an immediate and visible positive impact on the local communities where these companies operate. It's a story that needs to be told and re-told," CII

Director General Chandrajit Banerjee has said in a statement.

"A cornerstone of relations between India and US is the thriving commercial exchange between the countries. As India surges forward to become the fourth fastest growing source of FDI into the US, it is critical that we recognise the positive impact of Indian business investments in the country. In Virginia, Indian companies have been key players in creating jobs and engaging communities. I hope to see this trend continue in the future, with increased Indian business operations in the country," Senator Warner, Virginia, Co-Chair, Senate India Caucus, was quoted in another statement.

Another report by Indian IT industry lobby Nasscom, released in 2015, pointed out that the much maligned Indian IT sector supported more than 400,000 jobs in the US and contributed more than \$20 billion in federal taxes over the last five years.

"The Indian IT industry has definitely made a big contribution to the US economy," Indian Commerce Minister Nirmala Sitharaman has said.

"There has always been a popular apprehension that Indian IT industry benefits from the United States and takes away job from the US."

Busting the cheap labour myth Another study by the Brookings Institute has also belied the myth that cheaper Indian IT professionals are snatching jobs from qualified Americans in the US. The study points out that most Indian workers on H1B visas generally earn more than comparable US workers with similar educational qualifications.

Indian IT companies create and protect jobs in the US in the following ways:

- They provide us businesses with advanced IT services and support, which helps US companies maintain their global competitiveness, enter new markets, gain market share and remain profitable
- Indian IT companies have invested billions of dollars in

- setting up facilities in the US and created thousands of direct jobs there
- Indian IT companies directly employ about 100,000 US citizens and support jobs for three times as many Americans
- Over the last four years, job creation by Indian IT companies in the US grew 10 per cent annually compared to a 1.7 per cent overall job growth in that country.

Why then is there the outcry in the US against foreign businesses in general and the Indian IT sector in particular? Empirical evidence suggests that people turn insular and politicians turn protectionist in times of economic hardship and slowdowns. The US and, indeed, the entire western world has yet to recover from the sub-prime crisis of 2008.

This has allowed politicians and other purveyors of doom the space to peddle populist and protectionist slogans based on demonising “foreigners who steal US jobs”

Such rhetoric, which would usually be ignored by most Americans in prosperous times, is finding takers because jobs are difficult to come by.

Two pronged remedy

Speaking to India Incorporated for a report on the issue in the run-up to the US presidential elections, Sitharaman had said: “We have discussed the visa-related matter with the US at various levels. We have talked to US Trade Representative and US Commerce Secretary both during our strategic dialogue and later. We have also made it public that we may approach the WTO on

increase in visa fees as this could be viewed as a non-tariff barrier. This is against the spirit of free trade practices on the movement of personnel. So, we make take the US to WTO.”

The issue is bound to come up for further discussions when Prime Minister Modi meets President Trump later this year.

Simultaneously, the Indian IT sector will also have to climb up the value chain and develop more proprietary software and other knowledge processes that it can then leverage for revenues.

Till then, allegations of Indian professionals “stealing” jobs of US citizens would remain a political hot potato.





Business Banking

Enabling you to make
International Payments online.

Online Forex Payment Service

- Transfer to over 175 countries online
- Access to forex rates 24 hours/5days a week
- Real time exchange rates
- Payment in more than 130 currencies

Charges apply.

To learn more,

- 🏠 Visit any UK branch and speak to a Relationship Manager
- ✉ uk.business@icicibank.com
- 🌐 www.icicibank.co.uk



United Kingdom

Terms and conditions apply.

ICICI Bank UK PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (Registration Number: 223268).



ABU DHABI
ATHENS
BEIJING
CENTURY CITY
CHICAGO
DUBAI
FRANKFURT
HONG KONG
HOUSTON
KAZAKHSTAN
LONDON
LOS ANGELES
MIAMI
MUNICH
NEW YORK
PARIS
PHILADELPHIA
PITTSBURGH
PRINCETON
RICHMOND
SAN FRANCISCO
SHANGHAI
SILICON VALLEY
SINGAPORE
TYSONS
WASHINGTON, D.C.
WILMINGTON

We help our clients adapt to what lies around the corner – navigating not just the **now**, but the **next** as well.

Reed Smith's India Business Team comprises of more than 50 lawyers with a detailed understanding of the legal and business environment in India.

Through the firm's long-standing relationships, international outlook and collaborative structure, we are a go-to partner for the timely resolution of complex disputes and the implementation of a wide range of transactions.

Gautam Bhattacharyya
Co-Chair India Business Team
Partner, London
T: +44 (0) 20 3116 2838
gbhattacharyya@reedsmith.com

Ranajoy Basu
Co-Chair India Business Team
Partner, London
T: +44 (0) 20 3116 2827
rbasu@reedsmith.com

reedsmith.com

ReedSmith

Driving progress
through partnership

THE WARNING

The US Department of Homeland Security has issued a stern warning to prevent the misuse and/or fraudulent use of H1B visas by employers in the US.



“US Citizenship and Immigration Services (USCIS) today announced multiple measures to further deter and detect H-1B visa fraud and abuse.”

The H-1B visa program should help U.S. companies recruit highly-skilled foreign nationals when there is a shortage of qualified workers in the country. Yet, too many American workers who are as qualified, willing, and deserving to work in these fields have been ignored or unfairly disadvantaged. Protecting American workers by combating fraud in our employment-based immigration programs is a priority for USCIS.

Beginning today, USCIS will take a more targeted approach when making site visits across the country to H-1B petitioners and the worksites of H-1B employees.

USCIS will focus on:

Cases where USCIS cannot validate the employer's basic business information through commercially available data;

H-1B-dependent employers (those who have a high ratio of H-1B workers as compared to U.S. workers, as defined by statute); and

Employers petitioning for H-1B workers who work off-site at another company or organization's location. Targeted site visits will allow USCIS to focus resources where fraud and

abuse of the H-1B program may be more likely to occur, and determine whether H-1B dependent employers are evading their obligation to make a good faith effort to recruit U.S. workers.

THE H-1B VISA PROGRAM SHOULD HELP U.S. COMPANIES RECRUIT HIGHLY-SKILLED FOREIGN NATIONALS WHEN THERE IS A SHORTAGE OF QUALIFIED WORKERS IN THE COUNTRY. YET, TOO MANY AMERICAN WORKERS WHO ARE AS QUALIFIED, WILLING AND DESERVING TO WORK IN THESE FIELDS HAVE BEEN IGNORED OR UNFAIRLY DISADVANTAGED. PROTECTING AMERICAN WORKERS BY COMBATING FRAUD IN OUR EMPLOYMENT-BASED IMMIGRATION PROGRAMS IS A PRIORITY FOR USCIS.

USCIS will continue random and unannounced visits nationwide. These site visits are not meant to target nonimmigrant employees for any kind of criminal or administrative action but rather to identify employers who are

abusing the system.

Employers who abuse the H-1B visa program negatively affect U.S. workers, decreasing wages and job opportunities as they import more foreign workers.

To further deter and detect abuse, USCIS has established an email address which will allow individuals (including both American workers and H-1B workers who suspect they or others may be the victim of H-1B fraud or abuse) to submit tips, alleged violations and other relevant information about potential H-1B fraud or abuse.

Information submitted to the email address will be used for investigations and referrals to law enforcement agencies for potential prosecution.

Existing H-1B Fraud Measures
Since 2009, USCIS has conducted random administrative site visits to ensure that employers and foreign workers are complying with requirements of the H-1B nonimmigrant classification. USCIS refers many cases of suspected fraud or abuse to U.S. Immigration and Customs Enforcement (ICE) for further investigation.

Additionally, individuals can report allegations of employer fraud or abuse by submitting Form WH-4 to the Department of Labor's (DOL) Wage and Hour Division or by completing ICE's HSI Tip Form.

Indian investment flow rests on openness of US economy

by Chandrajit Banerjee



The chief of one of India's leading trade bodies, the Confederation of Indian Industry (CII), traces some of the lesser known facts behind India's positive impact on the US economy in this 'India Global Business' exclusive.

Over the past two decades, the bilateral partnership between India and the United States had grown in leaps and bounds. Looking back at the trajectory of the relationship, we have truly come a long way – from the cloud of suspicion that hung after India conducted its nuclear tests in the 1990s to the landmark US-India civil nuclear agreement in 2006 – which helped spur sustained engagements at the very highest levels – till today and the establishment of an array of official dialogues encompassing all aspects of our bilateral relationship. The US-India partnership is one that enjoys broad bipartisan support in both countries – largely because of the 'balance of values' that defines it, as well as our strong people-to-people ties.

The India-US trade relationship has grown exponentially over the past decade, crossing the \$100-billion mark. India is the US' ninth largest merchandise trading partner and source of imports as in June 2015. However, in the broader narrative on the US-India relationship, Indian industry's foray into the US economy remains a largely untold story. India has today emerged as the fourth

fastest growing source of Foreign Direct Investment (FDI) into the US economy, according to Select USA.

This investment covers a range of sectors such as IT, Manufacturing, Pharmaceuticals, Financial services, Telecommunications etc. According to a CII survey conducted in 2015, we found that 100 Indian companies made tangible investments in excess of \$15.3 billion in the United States, generating 91,000 jobs. Indian companies are spread across all 50 US states with tangible investments in 35 states. Some of the top states receiving Indian FDI are Texas, Pennsylvania, Minnesota, New York & New Jersey. The highest concentration of job creation is also seen in New Jersey, California, Texas, Illinois and New York.

These highly innovative and increasingly multinational companies from India are not only investing in the US economy and creating jobs across the wide sectoral spectrum, but they are also positively impacting the local communities in which they operate through corporate social responsibility initiatives that include funding school programmes,

collaborations with universities and research institutions, engaging with charitable organisations and helping with disaster management and building local capacity.

Among Indian companies in the US, IT companies today are some of the most innovative and technologically advanced global players.

These companies are not only helping their US partners become more efficient and globally competitive, but they are also engaged in meeting the various challenges within the US economy as responsible corporate citizens. According to the US Bureau of Labour Statistics, by 2020 there will be more than 1 million computer science related jobs in the United States and not enough qualified students to fill them.

The Indian IT industry understands the very critical importance of enhancing the talent pool in its areas of operations and building a robust research and development environment to stay on top of the very vibrant tech industrial space – they are hence investing heavily in STEM [Science, Technology, Engineering

and Mathematics] education in an effort to transform the education system and prepare the American youth for jobs in the fast-paced and technologically advanced market space.

For example, Wipro is collaborating with University of North Texas at Dallas (UNT Dallas) for the Wipro Science Education Fellowship programme in the US, which will focus on training educators to build leadership skills and teaching excellence within STEM disciplines, by leveraging research-validated expertise from UNT Dallas' College of Education, and designing transformative and innovative instructional experiences for DFW area's K-12 schools that traditionally are under-funded.

Tata Consultancy Services (TCS), in collaboration with Discovery Education, has recently launched "Ignite My Future in School", a multi-million-dollar initiative to use computational thinking as a catalyst to transform education in America.

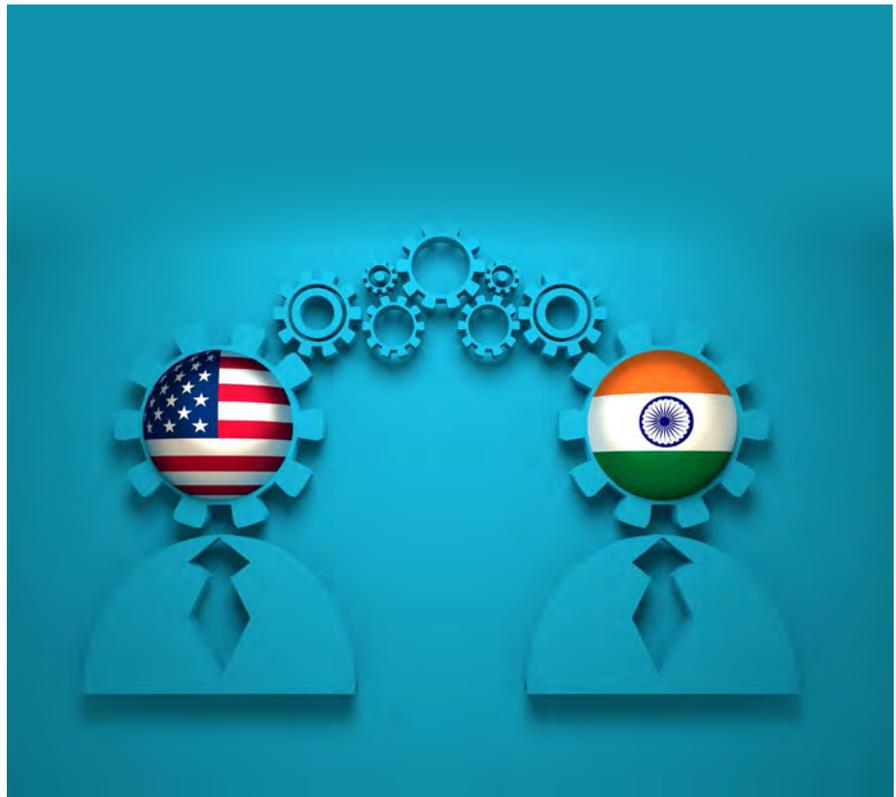
It will engage 20,000 teachers and more than 1 million students over the next five years, offered free of cost to them and their school districts, starting with 10 cities. "goIT" is TCS North America's signature community engagement programme, where its employees, partners and educators teach computer programming, design thinking, robotics, app development, and mentor youth to increase STEM education and career awareness.

In an effort to promote skill development, HCL Technologies launched the Technology Service Corps (TSC) – a free IT workforce development programme designed to meet the needs of under-served, low-income young adults and unemployed veterans which further helps them in obtaining jobs in the technology industry. These are just some examples in the broad array of initiatives undertaken by Indian IT companies to enhance skill and talent building in the US.

The US-India economic and

INDIAN COMPANIES ARE SPREAD ACROSS ALL 50 US STATES WITH TANGIBLE INVESTMENTS IN 35 STATES. SOME OF THE TOP STATES RECEIVING INDIAN FDI ARE TEXAS, PENNSYLVANIA, MINNESOTA, NEW YORK & NEW JERSEY.

economy and its people – the only ask is that any reforms to the existing system be made in a manner that creates a level playing-field without discrimination against a specific industry or business model. As Indian companies continue investing in the American economy and its people, such as real and tangible investments and job creation, skill building programmes, tie-ups with research institutions and so forth, the US remaining an open and credible market economy would be critical to spur future FDI from India.



geopolitical partnership is important today in the global arena, whether in aligning our complementarities to boost growth in sectors such as manufacturing, defense, technology, innovation or infrastructure in our countries or maintaining global peace around the world.

There has been some uncertainty looming over the legal and mobility aspects of high skilled workers with an impending overhaul of the H1-B & L1 visa regime and changes in the immigration process in the US. Indian IT has always been and remains committed to the US market,

Indian industry remains bullish on the US-India economic partnership and believes in continuing the momentum that was created in the last few years. This burgeoning relationship can only benefit our nations and our people in the long run, creating a sustainable developmental environment that will uplift our business and society.

Chandrajit Banerjee is Director-General of the Confederation of Indian Industry (CII).

India's Foremost Inbound Investment Magazine

'India Investment Journal' (IJ) is the flagship inbound publication of India Inc. The magazine published every other month focuses on the world's engagement and contribution to India's transformation.

EDITORIAL THEMES

- Inbound investments into India
- Strategic Imports
- World's perception of India and its strategic role in India's growth
- India attracting investments from global investors & corporate expansion
- In-depth look at states and union territories of India
- Policies & key initiatives

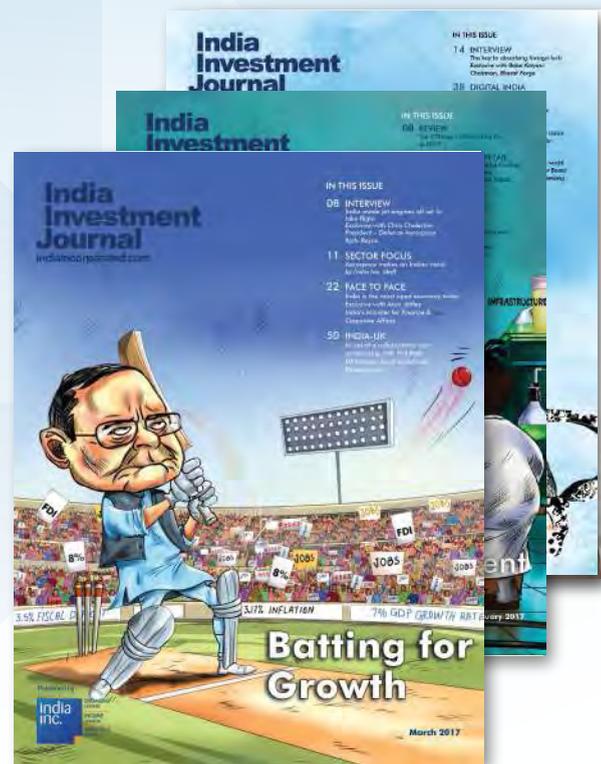
KEY FEATURES

Online-published every other month

Each cycle to promote one/two states

Insights from key stakeholders & advisors

Focused on key sectors and initiative



Sign up: www.indiainvestmentjournal.indiaincorporated.com

For business development and advertising opportunity email: info@indiaincorporated.com

INNOVATION IS IN THE GODREJ DNA

Vivek Gambhir is Managing Director, Godrej Consumer Products Limited (GCPL), and the key architect of the firm's 3x3 strategy to drive international expansion. He talks 'India Global Business' through the strategy and the consumer giant's over-arching goals with a specific eye on emerging markets like Africa.

How would you describe GCPL's Africa strategy and how does it fit into the 3X3 plans?

Over the past few years, we have been scaling up our international presence with acquisitions that fit well in our "3 by 3" strategy – a presence in emerging markets in Asia, Africa and Latin America through three core categories – hair care, home care and personal care. These strategic acquisitions have strongly aided our growth story. Through them, we have both extended our core businesses and implicitly broadened our presence to a wider canvas.

Establishing a strong foothold in Africa is a key part of our strategy, both in terms of business size today, as well as potential for the future. Africa contributes 31 per cent of

products from the Godrej portfolio to the African consumer.

What are the kind of acquisitions you would highlight in the continent in recent times?

In 2006, we made our foray into Africa with the acquisition of the Rapidol hair care business. Today, Godrej South Africa as it is called, is a leading hair care company. Our products are available in over 16 countries in Africa. In fact, it would be rare to find a household in Africa, which has not been touched by our brands.

We have exciting and ambitious plans of being a dominant player in both the ethnic and Caucasian segments in Africa. Our flagship brand, Inecto's permanent hair colour, is the market leader in ethnic hair care and has been offering African women up to

woman to transform the way she looks. It has tremendous affinity with salons and is the preferred brand for stylists across Africa. Darling enjoys market leadership in most of the countries that it operates in and dominates the landscape in East Africa, where it has been consistently ranked a 'Superbrand'. We manufacture locally and our products are used by over 100 million African consumers.

To further consolidate our leadership position in South Africa, we acquired Frika, which enjoys a premium positioning in the South African hair care industry, in 2015. Last year, we acquired Canon Chemicals Limited, a Kenya based company, which manufactures and distributes products in the personal and home categories.

We also acquired, Strength of Nature



WE BELIEVE AFRICA AND INDIA HAVE A LOT IN COMMON IN TERMS OF CULTURE, ENTREPRENEURSHIP AND FRUGAL INNOVATION.

our revenues from international businesses, with annualised revenues of \$200 million. We now have a growing business presence in South Africa, Mozambique, Nigeria, Kenya, Ghana, Uganda, Tanzania and Angola in the hair extensions, hair cosmetics, hair colours, household insecticides and personal wash categories.

We are making our largest investment outside of India, in Africa. We are convinced about the tremendous potential that Africa offers; it has one of the fastest growing consumer markets in the world, with a young population. This provides tremendous opportunities for both driving penetration and increasing consumption across our core categories. Our hair care and hair extension businesses are performing well and we have learnt a lot about what it takes to be successful in the region. We also believe that these can, over time, provide a strong distribution and marketing platform for taking other home and personal care

100 per cent grey coverage for over 60 years now. Our Inecto Superblack guaranteed permanent hair colour, is the number one selling SKU in the African ethnic hair industry.

We added Kinky, a leading brand in dry hair, to our portfolio in 2008. In 2010, we acquired Tura, a prominent beauty brand.

In 2011, we entered into a partnership with Darling Group Holdings, a leading pan-African hair care company, and acquired a 51% stake in the business. Darling, which has operations in 14 countries across Africa, is a market leader in hair extension products; a category which it has pioneered in the continent, with a comprehensive presence across West, East and South Africa. Our plan was to gradually acquire the remaining stake over the next five years.

The Darling brand stands for beauty and is an enabler for every African

LLC (SON), a leading company of hair care products for women of African descent. This acquisition helps scale up our presence in Africa by being at the forefront of serving the hair care needs of women of African descent. SON complements our portfolio in Africa by building on our leadership position in dry hair care and hair colours in the region. The acquisition also enables us to turbo-charge creating a strong platform for wet hair care products in Africa and forge a stronger presence in the \$1.8 billion global wet hair care category.

SON's strong presence in the USA, with deep distribution and world-class manufacturing, additionally provides attractive opportunities for this growth.

Would you say Godrej is a popular name in the region? If so, what are the factors behind this popularity?

As a company, we follow a multi-local strategy. This means that we focus on maximising the potential of all

our local brands in their respective geographies. In Africa, we parent many strong brands like Inecto, Darling, Kinky, Frika and Valon. These will be very popular either across Africa or in the specific markets that they serve. Darling, for example, would be the largest brand pan- Africa in the hair category.

These brands have been invested in and built over the last few decades and enjoy strong equity with their consumers. Godrej, for us, is much more of a corporate and employer brand. It represents that parentage that supports and nurtures our businesses across the world.

The Indian government has identified Africa as a thrust area for economic cooperation. What support, if any, do you expect from the Indian government?

Through CII and the Exim Bank, the government has been very supportive of investments and exports into Africa, especially in the infrastructure space.

A stronger focus on partnerships within the government will create tremendous equity for both India and Indian companies in Africa. This will go a long way in nurturing economic cooperation between the two nations.

How receptive are African governments to investments from Indian companies?

The African government has been very receptive and encouraging of our investments in the country. Most governments particularly support investments that result in employment, manufacturing and technology transfer.

We believe Africa and India have a lot in common in terms of culture, entrepreneurship and frugal innovation. There is also a meaningful Indian diaspora in many parts of Africa. We haven't faced any challenges as a group from a regulatory or government stand-point. Our experience has encouraged us to continue to invest in Africa and

accelerate our growth trajectory.

What are some of your CSR initiatives in Africa?

Giving back to the community has always been very important to us. Brighter Giving, our skill- based volunteering program, provides Godrejites with volunteering opportunities.

In East Africa for example, our teams

WE ARE MAKING OUR LARGEST INVESTMENT OUTSIDE OF INDIA, IN AFRICA. WE ARE CONVINCED ABOUT THE TREMENDOUS POTENTIAL THAT AFRICA OFFERS; IT HAS ONE OF THE FASTEST GROWING CONSUMER MARKETS IN THE WORLD, WITH A YOUNG POPULATION.

have empowered girls through vocational training. Facilitated hair dressing and beauty therapy training, along with entrepreneurship, soft and life skills, enables these girls to find sustainable employment opportunities. Over 1,600 girls have been trained since we started this programme in 2012. We plan to train 3,000 girls in the next two years. In South Africa, our team members volunteer time to teach volleyball, cricket, soccer, table tennis, athletics and gardening. Robert Reilly, Exports Manager at Godrej South Africa, now juggles travelling across Africa and coaching soccer to 30 young children.

Similarly, in West Africa, Godrejites partner with local schools to teach children and help schools improve infrastructure. Many volunteer with the local government on blood donation and tree plantation drives.

During Godrej Global Volunteering Day in December, 2016, over 250 Godrejites volunteered their time for social activities ranging from school

adoption drives to spending time with the homeless.

What are your future plans and which are some of the countries of focus?

Africa is a key priority market for us and hair care is one of our core focus areas. So, in that sense, this fits in well with our 3 by 3 approach - a presence in three business categories (personal care, hair care and home care) in three geographies (Asia, Africa and Latin America).

Having said that, 3 by 3 is not a static definition. It has been evolving over time. For instance, air care was not a big area for us 5-6 years ago. Now, it contributes 6 per cent to our revenues and is an important part of our home care portfolio. Air care could be an interesting category to explore, given that we have knowledge of building the category in India and Indonesia. Given our focus on serving the hair care needs of women of African descent, we are now adding a consumer overlay to our 3 by 3 approach. This is a very underserved market and provides significant opportunities for us, globally. So, we are extending our focus from hair care for women in Africa to include hair care for all women of African descent. In our household insecticides business, Good knight is currently sold in the aerosol format in Africa. We are evaluating more formats to introduce in Nigeria and in other countries.

What sets Godrej apart in international markets?

Over the last couple of years, we have organised our international business operations into clusters - India & SAARC, Africa, Latin America & Europe and Rest of Asia. The purpose of this restructuring was to drive more agility, provide greater focus and enable more cross-pollination, while sustaining the entrepreneurial spirit of our unique multi-local model.

Our operating model is quite unique. We follow an approach of 'cooperative federalism', which is

centred on values-based partnering and operational autonomy at the local level. Unlike traditional MNCs, we have a multi-local model, where operational accountability and P&L ownership rests with the country head. This helps sustain the entrepreneurial spirit that has made these companies successful, while providing the benefits of strong processes and scale that Godrej brings.

Our premiumisation approach is also very calibrated. It is about offering superior quality products at affordable prices. As middle-class incomes increase and as the mass population increasingly seeks products with

higher order benefits, we feel that we are well positioned to grow with the desires of our consumers. Core to our premiumisation approach, is what we call democratisation in our categories. We want to be able to provide benefits and products hitherto not considered affordable by mass consumers. We believe that this makes our approach quite distinctive – bringing great quality and delightful products to the masses and convincing consumers to up-trade to these products.

Innovation is in our DNA as a company and since our innovation team is entirely in-house, we are agile and prepared to launch a new variant within a week of picking-up a style.

Most MNCs are typically modelled on selling the same brand across different countries. They have global categories and tend to centralise management of these brands.

Our approach however, is not to copy and paste. We have strong local brands in our different geographies and our focus is on investing in and making them much stronger. This, we believe, is our competitive advantage.

We understand and can cater to local consumer needs and preferences and create high quality, affordable products, tailored specifically for African consumers.



A renaissance of India-South Africa ties

by Kingsley Makhubela

India is a crucial partner for South Africa's economy which offers enormous trade and investment opportunities, writes an expert from the region.

South Africa and India relations are enjoying an unprecedented renaissance, founded on shared economic interests and longstanding historical ties since the latter lifted economic sanctions against South Africa after the end of apartheid.

Both countries are major players in the global economy and share a common vision of shaping the development agenda through multilateral engagements such as the Brazil, Russia, India, China, South Africa (BRICS) and the India, Brazil, South Africa (IBSA), and other related platforms.

Growing trade relations between the two emerging economies have achieved thriving business partnerships, and as such South Africa has identified India as a strategic partner due to the fact that its economy presents enormous trade

and investment opportunities for South African businesses.

The current challenging global economic climate, and the need for BRICS countries to stimulate their economies, develop trade markets, and grow job opportunities for their citizens, see South Africa, India and other member countries having a shared commitment towards deepening cooperation.

With South Africa being India's largest export market in Africa accounting for over 22 per cent of India's merchandise exports, and India emerging as the fourth largest exporter to South Africa – bilateral trade between the two countries which has grown by 380 per cent over the past ten years is anticipated to reach a target of \$18bn by 2018.

In 2015, over 100 Indian companies

were reported to have operations in South Africa. These were mainly engaged in mining, general manufacturing, information technology (IT) and financial services.

Although fewer than 50 South African companies currently operate in India – Foreign Direct Investment (FDI) to India from South Africa is growing at an impressive pace. South African companies such as Tiger Brands, the Airports Company South Africa, Bidvest, Anheuser-Busch InBev (formerly known as SABMiller), FirstRand Bank, Standard Bank, Old Mutual, Balela Leisure, Anglo American, Sasol, and Nando's Group Holdings have made great investments strides in the Indian market.

Premised on this, South Africa recognises the magnitude of Indian investment to its economy,

and acknowledges that economic optimisation opportunities and increased government support initiatives should be strengthened as these are the key enablers that will promote economic growth for both countries.

To this end, platforms to enhance business relations between the two countries have been established in recent years – with Indian business organisations working with Business Unity South Africa and the Black Business Chamber. These business platforms, alongside the respective countries' governments, have developed initiatives to escalate India–South Africa relations.

For example, the India-South Africa CEO Forum, originally led by Ratan Tata (chairman of the Tata Group) and Patrice Motsepe (chairman of African Rainbow Minerals), was relaunched in 2010 after being largely inactive for several years. Four sectoral working groups have since been established in the areas of energy, financial services, mining and infrastructure.

In addition, the two emerging economies partook in the South Africa – India Business Forum in July 2016. This forum served to identify trade and investment opportunities through closer strategic cooperation for socio-economic advances for the countries.

In response to growing FDI in South Africa – the government of South Africa has numerous measures to broaden, diversify and attract additional investment, and these include the formation of the Special Economic Zones in value-added manufacturing sectors which offers unparalleled opportunities for foreign investment from countries such as India.

South Africa is definitely open for business, with its globally competitive expertise and products in a range of value-adding sectors such as renewable energy, infrastructure development, agriculture, transport infrastructure, mining, defence, and tourism. This presents opportunities

to strengthen multi-lateral trade and economic relations and the potential for stronger investment relations between South Africa and its BRICS partners.

THE CURRENT CHALLENGING GLOBAL ECONOMIC CLIMATE, AND THE NEED FOR BRICS COUNTRIES TO STIMULATE THEIR ECONOMIES, DEVELOP TRADE MARKETS, AND GROW JOB OPPORTUNITIES FOR THEIR CITIZENS, SEE SOUTH AFRICA, INDIA AND OTHER MEMBER COUNTRIES HAVING A SHARED COMMITMENT TOWARDS DEEPENING COOPERATION.

Moreover, South Africa's Department of Trade and Industry launched the 8th Industrial Policy Action Plan (IPAP) in mid-2016, which aims to strengthen efforts that promote long term industrialisation and diversification beyond traditional commodities.

As a country, South Africa is guided on its growth and developmental trajectory by the National Development Plan. This plan is supported by, amongst others, the 9-point plan for reigniting economic growth, which presents new focus sectors for private sector investments in areas such as the oceans economy through Operation Phakisa, support for SMME's, as well as building the agriculture and agro – processing value chain systems.

South Africa is a key middle power, and the only African country represented in various regional economic international groupings such as the G-20 and BRICS. The country uses its membership at such multilateral fora to champion

the African development agenda which is underpinned by three critical elements, namely: market integration, industrial and infrastructure development.

Africa's time has certainly come with the continent working towards holistic growth and development through Agenda 2063 - the strategic framework to achieve continental development goals which was adopted in 2015. A fundamental component of this - is improved regional integration. This will be driven by increased trade and investment between African states, through initiatives such as the Tripartite Free Trade Area and the Continental Free Trade.

The South African government has put in place initiatives to aid the realisation of the objectives set by Agenda 2063. These include measures to relax cross-border regulations and tax requirements. Similar measures are in place for foreign companies wanting to invest in African countries using South Africa as their regional headquarter.

Against this backdrop – it is evident that there is a growing consensus and a paradigm shift that sees South Africa playing a centralised role in solidifying Africa and India relations in the global economy. Our fraternity in the continent transcends geographical borders and we are confident that the spirit of partnership for mutually beneficial relationships with the international community such as the one we share with India will inspire positive change for sustainable socio-economic solutions for our nations and the people we serve.

Dr Kingsley Makhubela [@klmmakhubela] is the Chief Executive Officer of Brand South Africa, set up in 2002 to create a positive brand image for the country.



INDIA IS THE MOST OPEN, LEAST PROTECTIONIST ECONOMY TODAY

India's Minister for Finance and Corporate Affairs, Arun Jaitley, just completed a packed tour of the UK during which Prime Minister Theresa May dropped in to a Downing Street meeting with his British counterpart, Chancellor Philip Hammond. 'India Investment Journal' caught up with the senior Indian Cabinet minister in London to explore his message for foreign investors, a possible free trade agreement (FTA) with post-Brexit Britain and the next phase of his dramatic reform agenda for the Indian economy.

Is post-Brexit UK a more, or less, attractive trading partner?

There is a considerable amount of interest in India, particularly after Brexit. Correspondingly my discussions in the past have also indicated that both investors and the government here [Britain] are looking for expanding opportunities of trade with India.

In our discussions with the government of Britain, what we have understood is that they are keen to send a message that there will be no move towards any form of protectionism.

As for expanding the nature of economic relations between our two countries, that can take place after Article 50 is invoked, Brexit negotiations are complete and the UK is legally entitled to enter into other negotiations.

Any formal dialogue on an FTA [with the UK] is yet to begin. A formal dialogue can only commence once the exit from the EU is complete and that will mean an Article 50 notice, three years after that once formalities of the exit are complete.

Once we get into that negotiation process, it is obvious that every country has its own set of priorities. There is a time schedule before any action can commence but notwithstanding that there is a very strong opinion in both countries to expand trade to the extent possible and explore all possibilities.

This outreach [the UK visit] will help us in further strengthening the perception that globally is gaining ground that in the midst of a global slowdown, India remains one of the bright spots as far as potential destinations of investments are concerned.

Is the mobility of Indian professionals and students likely to impact any new trade deal with the UK?

As far as the services sector is

concerned, conventionally we have had a very proactive position and always stood for expansion as far as that sector is concerned. There is a considerable amount of concern in India, particularly in sectors like IT. We believe that trade helps in expanding economies.

While there is a debate on across the world, India remains one of the few countries which has opened up significantly and the so-called protectionist debate is least audible in India today. Indians are dominating various economies of the world and one of our major points of global discussions today is about the movement of human resource.

WHILE THERE IS A DEBATE ON ACROSS THE WORLD, INDIA REMAINS ONE OF THE FEW COUNTRIES WHICH HAS OPENED UP SIGNIFICANTLY AND THE SO-CALLED PROTECTIONIST DEBATE IS LEAST AUDIBLE IN INDIA TODAY. INDIANS ARE DOMINATING VARIOUS ECONOMIES OF THE WORLD AND ONE OF OUR MAJOR POINTS OF GLOBAL DISCUSSIONS TODAY IS ABOUT THE MOVEMENT OF HUMAN RESOURCE.

They [Britain] have to realise that when international students come here [Britain] they subsidise the educational costs here. We already have a reality where the quantum of students coming into the UK is declining and other jurisdictions are available. The UK also is part of that competitive market.

What is your message to foreign investors on the aftershocks of demonetisation on the Indian economy?

It is a subject which is of keen interest to everybody and in my meetings I have tried to explain what our object was. One of the principle objectives was to integrate the informal and shadow economy which exists outside the system into a more formal one and make India's economy more compliant.

Therefore, a movement towards digitisation of the economy is of significant help. Initial trends indicate that it has been an important step in that direction and investors in the UK have been keen and curious to know about our experiences of demonetisation and the extent of remonetisation that has taken place. We have almost completed the demonetisation process and it has been the smoothest possible replacement of currency anywhere in the world.

Demonetisation was a move to change the Indian normal; a new normal had to be created. A predominantly cash economy has now to be substituted with a digital economy, which will bring more money into the banking system and lead to better revenue generation. I see India becoming a less-cash economy as a result.

The post-demonetisation regime is actually going to generate a far bigger GDP in the long run.

Can investors feel confident about GST passing through smoothly?

Despite teething problems, hopefully GST will come up for implementation by July 1. The entire process has to be completed by September 15. GST is the biggest tax reform since Independence and once implemented, it will be a far more efficient tax system. The quantum of taxation will go up and GST will make generation of cash more difficult.

The first requirement is the constitutional amendment, the law has been passed unanimously and by September 15th the curtain will be down. We have resolved most of the critical issues; legislations have been

drafted.

Democracy does delay some decisions but at the end of day, a sense of responsibility does win. Most decisions are being taken unanimously and we will hopefully hit the July 1 date.

You plan to spend about \$90 billion on building infrastructure in 2017-18; what role do you envisage for foreign companies in these projects?

potential for investors therefore to invest in infrastructure, from a point of view of long-term investments, also exists.

India has one of the largest infrastructure building programmes anywhere in the world.

What is your forecast for private sector investments and growth for this year?

In the overall investment pattern in India, public investment has

investment into the rural areas, ability to push up economic activity through reduction of tax as far as the smaller companies are concerned, the implementation of GST by the middle of the year, more resources with the banking sector and the ability of the banks to lend more. All this will spur growth and therefore, hopefully, revive private sector investment.

Where is the focus of the government's next phase of reforms?



Jaitley with UK Foreign Secretary Boris Johnson (left) and International Trade Minister Liam Fox

This year we have allocated the largest amount for infrastructure out of our resources. Over and above that infrastructure also involves a public-private partnership, so the projects executed in the PPP mode will also have private sector investment coming in.

Additionally, infrastructure is one area where long term lending also takes place. There are a large number of international funds etc which like to invest and want a reasonable level of return over a long period of time. I think because there is an infrastructure deficit in India, the

increased, FDI has increased, but private sector investment has not increased significantly.

One of the reasons for that is that the private sector during the boom period had expanded significantly and today with global demand a little low, they already have surplus capacity.

Therefore, they have to first utilise that surplus capacity before they can think in terms of additional investments.

An uptake in private sector investments will take place on the back of infrastructure investment, good agriculture growth this year,

The global economy continues to face its own challenges. Any slow growth in the world impacts us also; but 7-8 per cent growth rate is the new Indian norm and if we get the support of the global economy, that figure has a scope of shooting up. There is a huge mind-set change in India with much greater support for reform activity. India is a very important story to tell because in the midst of global uncertainties and the relative slowing down of the global economy, India has been able to carry on its reform programme fairly actively.

// The UK-India investment relationship is hugely important. India is now the third-largest investor and second-largest job creator in the UK; the UK is the largest G20 investor in India and plays an important role in building skills in the Indian workforce. And the UK government is committed to deepening this relationship further. In my first months as Secretary of State for International Trade, I've been lucky enough to visit India twice – most recently accompanying the Prime Minister [Theresa May] on her first bilateral visit outside Europe, as well as her first trade delegation.

In the words of Prime Minister Modi, India and the UK are an 'unbeatable partnership'. And I'm very glad that our Prime Ministers recently committed to 'building the closest possible commercial and economic relationship'. //

Dr Liam Fox, UK Secretary of State of International Trade

Jaitley opens
London Stock
Exchange



In aid of a collaborative new relationship



Priti Patel took charge of the UK government's Department for International Development (DfID) at a time when the country's aid programme for India was evolving from the traditional hand-outs system to a more collaborative one. 'India Investment Journal' caught up with the minister as she completed six months in Britain's Cabinet.

“We don't give traditional aid to India but if we look at the facts – the UK is one of the largest investors in India and India is one of the largest investors in Britain. India invests more in the UK than whole of the European Union (EU) put together.

“That says a lot about the strength of the private sector working relationship. We have many UK and Indian businesses working collaboratively together,” says Patel, when asked how the India-UK aid relationship is working in 2017.

“Joint working on key initiatives in areas like smart cities, the technical assistance we are able to give, the energy side to meet development objectives and urbanisation, cleaning

up waters and rivers – all strengthen and re-state our collaboration. It is an opportunity to bring the expertise and experience that the UK has more to the forefront,” says the senior minister in the Theresa May led Cabinet. The Gujarati-origin minister, who has served as the Indian Diaspora Champion in the UK Cabinet previously, also expressed her excitement over the launch of the UK India Year of Culture 2017 celebrations at Buckingham Palace in February.

“Throughout the year, we are going to see great works of art, great collaborations, all the cultural aspects coming together and a real demonstration of how strong our cultural ties are. It is going to be really exciting,” she said. The Conservative Party MP has completed just over

six months in office as minister in the Department for International Development (DfID) but has already been on countless visits to war-torn regions and has just returned from Lebanon and Jordan, countries at the heart of the Syrian refugee crisis.

She said: “It's been pretty humbling, my first six months; particularly where I have been and the state of the world in general. My focus has been on many of the humanitarian crises that have concentrated all our minds, in particular Syria.

“The UK has been at the forefront of dealing with the crisis. We have committed 2.3 billion pounds since the start of this conflict. It is our biggest ever response to humanitarian crisis and makes us the



Priti Patel during a recent tour of Lebanon

second-largest bilateral humanitarian donor. We have helped to get over 250,000 Syrian children into schools and get them educated.”

Asked about some of the negative rhetoric around refugees coming out of countries like the US under President Donald Trump, she said: “The US are a huge supporter to the refugee crisis, we should not lose sight of that. They are the number one contributor in the region.

“We have to make sure that we work together with the international community, whether it is UN agencies or other country donors. It is about how we work together to provide the right support on the ground. “I think the British public should be incredibly proud of the fact that their generosity is saving lives and changing lives in difficult parts of the world, from north-east Nigeria, Ethiopia, Somalia to South Sudan.”

When she was appointed as the DfID minister as Theresa May took charge of Downing Street in July 2016 just weeks after the Brexit referendum,

Patel had declared her goal as ensuring that British aid delivers the country’s global vision outside the European Union (EU). She sees her job as making sure the international aid system “does what it says on the tin” and delivers for the world’s poorest.

She explains: “The British public should be proud and feel confident in the way in which their development

THE BRITISH PUBLIC SHOULD BE PROUD AND FEEL CONFIDENT IN THE WAY IN WHICH THEIR DEVELOPMENT SYSTEM AND AID IS SPENT.

system and aid is spent. I am not afraid to stop things that I think don’t work in our national interest or may not fit with our strategic priorities in Britain post-Brexit.

“I want to demonstrate that our aid is working in our national interest and

global interest, certainly in terms of supporting our place in the world.” However, it is no secret that her job hasn’t been easy as she holds firm against a growing tide against the UK’s aid programme.

“While I appreciate that some might want to paint a particular point of view about aid, we should never lose sight of the fact that we have great values in the UK and the way we are there on the frontline supporting countries and people that are vulnerable and poor and need our help and assistance.

“But at the same time, I am not afraid to challenge the aid system and the international development system and that is exactly what I am doing – challenging this department, the way we spend money, re-prioritising how we spend funds in some quarters.

“I am also challenging the multi-lateral systems, large aid agencies, getting them to cut back on their overheads, deal with fraud.”



INDIAN-MADE JET ENGINES ALL SET TO TAKE FLIGHT

Rolls-Royce started its relationship with India over 80 years ago with its engines powering the first civil and military aircraft in the country. Chris Cholerton, President – Defence Aerospace at one of the world's leading manufacturers in the sector, tells 'India Investment Journal' how a focus on technology and capability transfer has contributed towards India's sustainable growth.

How is Rolls-Royce supporting the India growth story?

Today, as an investor, a high skills employer and a supplier of power systems across aerospace, marine, nuclear and industrial, we are developing a significant portfolio of activity in India to undertake progressively more complex activity across the engineering, manufacturing and supply chain domain. We believe in India's inherent strengths and are well-positioned to support the government in its commitment to 'Make in India' and in other socio-economic initiatives such as 'Smart Cities' 'Skilling' etc.

This year, R-R's theme at the Aero India show was "Co-creating the future together". Can you elaborate on what this means?

This theme recognises the deep relationships we have developed over many years, moving beyond just 'making in India' and looking for opportunities to truly co-creating, co-designing and co-developing the future together to support India's infrastructure and growth requirements. Developing a truly indigenous gas turbine capability is a long and difficult task for any country.

In fact, India has great indigenous capacity and capability to design, develop and manufacture a combat aircraft engine which can naturally be accelerated by technology transfer and close collaboration with trusted international partners, such as Rolls-Royce. We will also explore opportunities for co-creation for other products, not limited to gas turbines.

We believe we are uniquely placed to support India's future requirements as we are the only engine company to have transferred a full capability outside of our home market and to have executed successful international combat engine programmes. Also, our roots and partnerships are deep and long in this country.

Our collaboration with HAL for over

60 years proves that we have the partnering capability, technology and the heritage to support the government's Make in India initiative. We are proud to be a leading provider of power to the Indian Armed Forces and our commitment to support India to achieve its goals of indigenisation and self-reliance remains as strong as ever.

Overall, our long-term strategy in India is based on leveraging India's capabilities across engineering, manufacturing, supply chain and services activities and capturing indigenous market opportunities.

Where does India fit into Rolls-Royce's global value chain?

India fits as a supplier of products and services, as a partner to support design and manufacture for our global business, as a source of engineering talent and an important customer for our products and services for all our businesses. For example, at Manyata Technology Park in Bengaluru, we are showing real commitment by already employing over 500 engineers on complex component and concept design work. Our Supply Chain team in India is involved in providing inputs on capabilities to inform the component sourcing strategies, the introduction of new suppliers and the development of special process capabilities within the region.

The journey started with HAL (Hindustan Aeronautics Limited) forging division for the procurement of Ring Forgings, followed by partnering with HAL in our IAMPL (International Aerospace Manufacturing Private Limited) joint venture in 2012. The facility manufactures rings, shrouds and cones for a wide range of aero engines including the Trent family. Since then, India has evolved into a key supplier of multiple commodities centred upon core machining and fabrication capability.

This journey will see us expand into other component types and we have ambition to continue to grow the technical complexity and breadth of component manufacture, helping us

meet our customer requirements with the right cost, quality and delivery of our products.

Do you have any plans of setting up a manufacturing centre in India?

Our engines have been manufactured in India since the start of our partnership with HAL on the Orpheus in 1956. HAL now manufactures Adour engines that power Jaguar and Hawk AJT aircraft with our support. Over our long-standing presence in India, we have invested time and resources to build best-in-class supply chains, manufacturing and excellent engineering capabilities which support the development of the Indian industries.

We already have component manufacturing capability in country with HAL, through our IAMPL Joint Venture, which produces parts for our aero engines and is an important part of our global supply chain. We have also set up two engineering centres in India, one in Bengaluru where we carry out a range of aerospace design and engineering work, and the other in Pune to support our Marine and Power Systems business.

In Marine, our dedicated spares warehouse and a ship repair unit in Mumbai provide technical support to over 270 vessels using our equipment in India. Our Power Systems business, comprising of MTU and Bergen Engines, is active in the distributed power generation market in the areas of product investment and partnership opportunities for pursuing growth. The MRO workshop and Engine Test facility for MTU Engines in Pune is equipped to provide special tooling and trained manpower to overhaul all engine types.

The skill, the talent and the motivated workforce in India places it at the heart of our global strategy and, naturally, we are always on the lookout for opportunities to further expand our industrial footprint in India.

India has been struggling for



“ The skill, the talent and the motivated workforce in India places it at the heart of our global strategy. ”

decades to make a viable jet engine to power its indigenous fighter plane. Do you see any role for R-R in this?

Absolutely. India has made great strides already in this direction and there's an excellent pool of talented engineers and scientists. But a modern gas turbine engine is a hugely complex system and so developing indigenous capability is difficult and time consuming for anyone. Leveraging the existing skills and capabilities of trusted partners, such as Rolls-Royce and the UK government, will naturally help.

As I mentioned above, Rolls-Royce is unique in that it is the only whole engine company to have successfully transferred a complete capability outside of our home markets and has worked on many international engine collaborations. And our long heritage in the country and future global strategy, which places India at the heart of those ambitions, underlines that we have been and will remain fully committed to a successful India.

How can R-R help India in setting up a domestic eco-system for design and manufacture of high performance engines?

From a team of two, we now have around 800 (and still growing) highly-skilled and talented people in India capable of driving business growth and have ambitious plans to create a broader ecosystem that includes co-design, co-development and co-manufacturing. With our partners - QUEST and TCS - we develop high quality engineering solutions and services across the entire engine product development cycle in India. Our growing engineering and supply chain footprint will enable us to build an ecosystem that engages in co-creation across the entire value-chain – from research, design and development to manufacturing, maintenance and repair. For India, it would provide further impetus to the 'Make in India' initiative to strengthen its R&D and access to advanced technologies and products.

In addition, our partnerships with the Strategic Manufacturing Skills Council for defence sector, the Aerospace & Aviation Sector Skills Council, Karnataka Aerospace Technology Centre and Rajiv Gandhi National Aviation University (RGNAU) emphasises our commitment to build future skills and competencies required by the Indian aerospace industry. Through our STEM outreach of over 30,000 in 2016-17, we are

building and nurturing future talent pipeline. This demonstrates our long-term commitment to strengthen our distinguished legacy and play a major role in helping develop India's capabilities.

What critical technologies do Indian Tier 2, Tier 3 suppliers have to master for the above? Can R-R's vendors help achieve this?

Advancing capability in primary forming capabilities, including more complex forging and casting processes will provide an advantage for India. This will allow greater vertical integration and a route for greater control of cost, logistics efficiency and open up possibilities for future innovation.

Advancing areas of current strength in both machining and fabrication will also be advantageous in exploiting new opportunities in increasingly complex commodity areas. Aerospace demands the highest levels of quality standard – development and confidence in the application of these standards within the second and third tier of the Indian supply chain is an absolute requirement. This is a key enabler to future growth and an area where Rolls-Royce partnership can bring value.

A world leading IPO market

£5.5bn

2016 saw a total of £5.5bn raised through IPOs on the Main Market and AIM

65

There were 65 IPOs in 2016

40

There are 40 Indian companies quoted on the London markets with a combined market value of £158bn

78%

78% of 2016 IPOs have ended the year above their IPO price

42

Over £7bn raised by 42 green bonds

17

There are 17 Masala bonds listed in London





Britain holds on to position as largest G20 investor into India

Britain beat off tough competition from Japan to hold on to its position as the largest G20 investor and biggest job creator in India, a new report revealed.

Between 2000 and 2016, the UK invested \$24.07 billion in India and created 371,000 jobs, the Confederation of British Industry (CBI) finds in its 2017 'Sterling Assets India' report. Japan by comparison invested around \$23.76 billion, followed by the US at \$19.38 billion as the top G20 investors into India.

"The top reasons British firms invest in India are the size and growth potential of the market, the easy

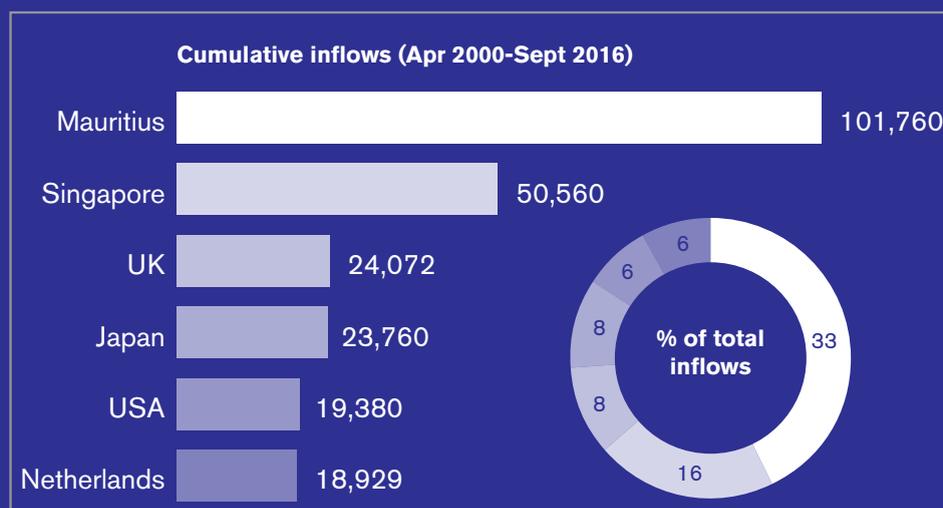
availability of talented workers and the stable political system," it notes.

The analysis, supported by PricewaterhouseCoopers (PwC) and UK India Business Council (UKIBC), found that Britain had increased its investment into India by \$1.87 billion between 2015 and 2016, representing 8 per cent of all foreign direct investment (FDI) into the country.

"These figures reflect the thriving

commercial links that Britain's businesses – large and small, and from a whole host of sectors – have built in India, and which the Prime Minister saw on her first visit outside the EU [in November 2016]," said Carolyn Fairbairn, CBI Director-General. "From strengthening the UK's leading position as the largest G20 investor in India to being the biggest Indian job creator through direct investment, it's clear the country is a magnet

Equity FDI in India by G20 nations, Apr 2000-Sept 2016 (US\$m)



Source: Department of Industrial Policy and Promotion

for British firms... Further reductions in India's corporate tax rates and improvements to the ease of doing business will see the relationship between India and the UK go from strength to strength," she said.

"India offers excellent opportunities for UK businesses looking to engage in a fast-growing emerging economy. Building ever closer business ties with India will be critical, especially at this current time, given the changing global and European stage," he said.

efforts to improve the business environment are clearly bearing fruit, and British businesses of all sizes and from across sectors have continued to spread right across this exciting and fast-changing market. "As Prime Minister Modi said, the

Employment generated by foreign companies in India (Apr 2000-Sept 2016)

| Country | Numbers (000) |
|-----------|---------------|
| UK | 280 |
| Japan | 276 |
| Germany | 107 |
| France | 62 |
| US | 226 |
| Mauritius | 1185 |

The chemicals sector receives the lion's share of British investment in India at \$6.1 billion (25 per cent of UK FDI), followed by drugs and pharmaceuticals at \$4.1 billion (17 per cent) and food processing at \$3.2 billion (14 per cent).

The total number of people employed by British companies in India currently stands at 788,000, representing 5.3 per cent, or one in 20, of private sector jobs.

Kevin Burrowes, executive board member and head of clients and markets at PwC UK, said the findings offer a good base for India-UK ties to build on in a post-Brexit era.

"It is encouraging to see that confidence among British and Indian business leaders has increased in comparison to last year. According to PwC's latest CEO Survey, 75 per cent of Indian CEOs are 'very confident' about their company's prospects for revenue growth over the next three years, compared to 41 per cent globally, adding to India's attraction as a place to invest," he added.

UKIBC chair Patricia Hewitt described the findings as a sign of the UK "solidifying" its place as the number one G20 investor and job creator in India through FDI.

She said: "The Indian government's

UK and India are an 'unbeatable combination'" Delhi proved the most popular investment destination for British firms in recent months. Between April 2015 and September 2016, nearly a quarter (22.35 per cent) of British investments chose Delhi. The state of Maharashtra, with the city of Mumbai, attracted the largest share of British investment (\$7.47 billion) between 2000 and 2016.

The 'Sterling Assets India' report marks the start of a series of events planned by the CBI and UKIBC on the UK-India trade relationship to take place in both the UK and India over the next two years.

Sterling Assets India

Calculations this year are a sum of three categories of UK funds inflow

Equity FDI that came from the UK directly

Through re-investment from British firms already in India

Through firms of UK parentage, a majority of which are the top 25 investors from offshore financial centres like Mauritius and Singapore.

This research estimates that UK companies re-invested \$7.9bn between April 2000 and September 2016. It is estimated that one in every ten jobs created by FDI in India between April 2000 and September 2016 were created by UK FDI.



SHAPING A VIBRANT ECONOMY

At Grant Thornton our underlying purpose is to build a vibrant economy, based on trust and integrity in markets, unlocking sustainable growth in dynamic organisations, and creating communities where businesses and people flourish. We work with banks, regulators and government to rebuild trust through corporate renewal reviews, advice on corporate governance, and remediation in financial services. We work with dynamic organisations to help them grow. And we work with the public sector to build a business environment that supports growth, including national and local public services.

Visit granthornton.co.uk/vibranteconomy to find our more and to help shape the conversation.

For further information, please contact:

Anuj Chande

Partner

T +44 (0)207 728 2133

E anuj.j.chande@uk.gt.com



Grant Thornton

An instinct for growth™

Indian firms on mission to expand

Indian companies carried on their expansionist mode this year and here is a brief snapshot of the variety of sectors covered.

Hero plans South-east Asia solar unit

Hero Future Energies is planning to set up a large grid-connected solar plant of up to 100 MW capacity in South-east Asia, the Hero Group firm's founder and MD Rahul Munjal has confirmed.

The project is backed by \$125-million investment by the World Bank's International Finance Corporation (IFC).

IFC, together with IFC Global Infrastructure Fund, a private equity fund managed by IFC Asset Management Company, will invest \$125 million in equity that will enable the company to set up 1 GW Greenfield solar and wind plants in the next 12 months.

Mengistu Alemayehu, regional director, IFC South Asia, said: "With this partnership with Hero Future Energies, IFC is helping accelerate the transition of the renewable energy generation business to mainstream power sector. Through the Global Infrastructure Fund, IFC is also bringing in the support of international institutional investors. "Such a development will boost confidence of other large business groups and international investors to contribute to India's ambitious renewable energy targets and make a significant difference in ramping up renewable-energy capacity in the country."

Hero Future Energies has plans to expand its presence in Africa and across India, according to Indian media reports.

Aurobindo Pharma plans US factory

India's Aurobindo Pharma plans to set up a factory in the US for injectable products.

India's roughly \$15 billion pharmaceutical industry supplies about 30 per cent of the medicines sold in the US and relies on the country for the bulk of its export revenue. However, the new Donald Trump administration has been pushing for greater local production.



"With the current landscape of what's happening with the US White House administration, and some of the things that may change there, clearly, we don't think having capacity in the US would be detrimental at this point," Aurobindo Pharma's US chief, Bob Cunard, told an earnings briefing.

India's fourth biggest drugmaker by sales, makes more than half its revenue in the United States selling everything from HIV/AIDS medicines to anti-bacterials to schizophrenia drugs. It makes tablets in New Jersey but much of its US supply still comes from its six factories in India.

India plans to Zoomcar overseas



Bengaluru-based, self-drive car rental start-up Zoomcar is planning an overseas foray, targeting South Asian and African nations, including Indonesia, Vietnam, Thailand, Philippines, Kenya, Senegal and Cameroon.

According to Greg Moran, CEO and co-founder of Zoomcar India Pvt Ltd, the company is yet to finalise the expansion countries but that overseas growth was central to its agenda.

The growth in these geographies as well as domestically in India will be driven by its asset-light marketplace model, which it has branded as 'ZAP'. An asset-light model for Zoomcar will mean not owning a fleet of its own but playing the role of an aggregator which connects the owner of a car to a prospective customer.

"We are looking to expand in India and overseas. But we are not looking at any particular market as of yet," Moran told reporters on the sidelines of the launch of ZAP in Kolkata recently.

NEW ROAD FOR INDIA-UK TIES

by Arnab Mitra

'Winning Partnership' edited by Manoj Ladwa, takes a fresh 360 degree look at a 400-year-old relationship and comes up with several interesting suggestions for keeping it relevant in the 21st century.



What can you say after everything has already been said? Not much, right? Wrong.

With so much literature on UK's relationship with the former jewel in its crown, it takes a very intrepid intellectual to gather all his bravery to attempt to shed new light on the subject. But Manoj Ladwa and his team of heavyweight contributors – like, diplomats Sir Michael Arthur and Ranjan Mathai, strategic experts Lt Gen Syed Ata Hasnain and Rahul Roy Chaudhary, political commentator Ashok Malik, London's Mayor Sadiq Khan, Commonwealth Enterprise and Investment Council Chairman Lord Jonathan Marland, India expert Dr Gareth Price, several members of the UK political establishment and top business experts, among other equally notable names – wade into the topic with a gusto and a freshness that make for a very stimulating read.

The book is structured into easily comprehensible and logical sections such as Foundations for the Future, Enhancing Strategic Collaboration, Unleashing the Great India-UK Partnership and Business Voices that allows the flexibility to navigate forward or backward depending on one's areas of interest.

Everyone agrees that the time is ripe for India and the UK to re-imagine their relationship and rewrite the rules of bilateral engagement. Ladwa's team of statesmen, politicians, diplomats, businessmen, political commentators and strategic experts offer their vision for the future and, in some cases, tentative steps to get there.

This book is being published in a year when the UK and India are celebrating the cultural cross-pollination that mark each of their societies with a Year of Culture to highlight the vibrant cultural histories and the bonding between two great civilisations on the 70th anniversary of Indian Independence.

As several eminent writers point out in 'Winning Partnership', both countries

have come a long way since their destinies parted on August 15, 1947. Over the last seven decades, India has gone from being the basket case of the world to its fastest growing major economy and the hottest investment destination.

The relative balance of power between the former colonial master and the erstwhile jewel in its crown has also changed. As in 1612 AD, when Sir Thomas Roe, Ambassador of Queen Elizabeth I, presented his credentials to Emperor Jehangir and sought his blessings to establish trade relations with what was then the richest empire in the world, the UK is again looking for a win-win trade deal with India to deal with the expected Brexit shock.

LADWA'S TEAM OF STATESMEN, POLITICIANS, DIPLOMATS, BUSINESSMEN, POLITICAL COMMENTATORS AND STRATEGIC EXPERTS OFFER THEIR VISION FOR THE FUTURE AND, IN SOME CASES, TENTATIVE STEPS TO GET THERE.

At this point, the British government needs to demonstrate, in no uncertain terms, that it can find alternative markets and tie up trade deals that compensate for the losses that will accrue from its divorce with the European Union.

This, most observers believe, is the minimum condition Theresa May has to fulfil to get a fair trade deal from Brussels. And that is why, to quote Ladwa from the book, "this may be a good time for UK and India to announce that they are BFF (best friends forever), to use the lingo of today's youth."

Sure, India needs the UK for defence technology and access to global finance as much as the latter needs India's market for its goods and services. But in a stunning reversal of fortunes, New Delhi is in the happy

position of being wooed not only by London but also by May's rivals in Brussels, as well as individual EU members such as Germany and France. The UK, on the other hand, is looking for friends.

It doesn't need a genius to figure out who holds the aces.

That's what most of the authors also say.

But this book is a lot more than a commentary on the balance of power between the UK and India. It looks at varied facets of the storied, sometimes bitter-sweet but always highly celebrated relationship such as the need to now join forces for the greatest common good of the world, the necessity of reimagining the place, relevance and future of once useful but nearing their sell-by-date global bodies such as the United Nations and the Commonwealth and the imperative of a shared security vision.

It also explores the possibility of cooperation between the UK and India on deepening as well as revamping the developmental paradigm across countries that need such assistance the most and delves deep into the structures of the soft power each country exercises and raises flags on the lack of cooperation, despite ample opportunities, between Indian government organisations such as Indian Centre for Cultural Relations (ICCR) that have only recently entered the arena of proactively using India's soft power as the thin end of the country's diplomatic wedge and the British Council and DfID that have been in the game for decades.

Ladwa suggests very boldly that India can assist other emerging and developing countries by helping them roll out schemes like the Jan Dhan Yojana, the financial inclusion programme initiated by the Narendra Modi government to provide every Indian family with a bank account, which receives all government subsidies, doles and scholarships due to family members. This has reduced

corruption and improved lives across the length and breadth of India. The Unique Identification Number called Aadhaar and the digitisation of the economy are helping reduce corruption, leakages and wastage

this small group of expatriates is at last getting the credit that has been due to them for decades. Ladwa, who hails from a family of such immigrants, adds a personal touch to this otherwise scholarly work by

of goods like Scotch whisky, luxury cars and some value added services such as opening up the legal services and retail sectors to FDI have caused heartburn in Westminster.

Amidst this, there is a perception that the bilateral relationship is drifting, with neither side able to firmly push it in the direction of a closer clinch.

Ladwa and his team of commentators suggest that this drift can be arrested and the perception in New Delhi that "Britain is interested only in Indian trade but not in its people" nipped in the bud only if both sides step in quickly to stem the rot.

And this can be done only by being sensitive to each other's perspective – India must look at the anti-immigrant sentiment that drove the Brexit vote with empathy and the UK must be more receptive of India's need to expand its services sector.

Trade, trade and more trade! The authors emphasise that commerce has to be the bedrock of the new, emerging UK-India friendship. It makes eminent sense. India has recently overtaken the UK as the world's sixth largest economy but the book very rightly points out that India still has miles to go before it can get anywhere close to the levels of welfare the latter provides its people.

And this, the large list of business-contributors point out by drawing on their own impressive experiences, could be the driving force of the relationship going forward.

'Winning Partnership' contains several very interesting and mostly doable suggestions to take the UK-India relationship to the next level. So, it will be of interest to politicians and practising diplomats as well as to business people, academics and lay readers.

Arnab Mitra is a senior executive in a large European energy company.

This may be a good time for UK and India to announce that they are BFF (best friends forever, to use the lingo of today's youth).

Manoj Ladwa, Founder & CEO, India Inc.



further, enabling the government to better target benefits at those who need them most.

"This initiative, in my opinion, could, in time, become India's most influential export since the internationalisation of the zero and help reform the power dynamics and political economies not only in Asia, Africa and South America but also in the developed nations of Europe and North America," Ladwa says in his introduction.

The contribution and the still untapped potential of the Indian diaspora in the UK is a theme that resonates through several chapters of the book. Dubbed a "living bridge" by Prime Minister Narendra Modi,

recounting some personal anecdotes from his own fascinating life as a British Indian, born and brought up in inner city Birmingham, engaging in a successful legal and business career, to becoming a widely respected communications strategist and one of Prime Minister Modi's most trusted sounding boards.

Despite the huge synergies, the contributors are also mindful of the areas of divergence that mark the relationship. In recent times, restrictions on visas for Indian professionals and students have caused angst in the corridors of power in New Delhi. Likewise, the Indian government's apparent reluctance to ease barriers for exports

Great Moments.
Great Brew. Always Typhoo.



Typhoo's team of expert tea buyers and blenders carefully select only the finest tea leaves to ensure great taste, quality and freshness from every cup of Typhoo.

Typhoo
Great British Tea since 1903



#TyphooMoments

www.typhootea.co.uk

f /typhootea

t /typhoo_tea

SCOTLAND VIES FOR INDIAN INVESTMENTS

The northern part of the United Kingdom is making a strong case for Indian businesses to choose Scotland as a base for their UK expansion plans.



Scotland's people are famous for the warmth of their welcome. Home to just over five million people, it is estimated that for every person living in Scotland, another five people living across the world have Scottish ancestry. With such close and extensive connections to every corner of the world, it is no wonder that overseas visitors to Scotland are made to feel like they are returning home!

English is Scotland's main language although Gaelic is actually the country's native language. Spoken by only one per cent of the population today, you will still find road signs in Gaelic (as well as English) throughout the Highlands and Islands of Scotland. Failte is Gaelic for welcome.

Today, as throughout its history, Scots have made their impact felt on the world including in the fields of medicine, engineering and science, politics, history, the arts and sport. Scotland's legacy of great innovators includes the inventor of the telephone,

Alexander Graham Bell, in the nineteenth century and John Logie Baird, an alumnus of Scotland's universities, who invented the television. Today, our great innovators include Professor Higgs, who first posited the existence of the Higgs Boson particle whilst a professor at the University of Edinburgh.

Outside of academia, famous Scots can be found in sport, acting and music. Britain's most successful Olympian, Sir Chris Hoy, the six-times gold medallist is a proud Scot as is tennis-player Andy Murray, currently ranked third in the world. Other famous Scots include actor Sean Connery, Ewan McGregor, James McAvoy (who studied at the Royal Conservatoire of Scotland), musicians Annie Lennox, Franz Ferdinand, Paulo Natini, Susan Boyle and violinist Nicola Benedetti.

There are seven cities in Scotland: the capital Edinburgh, Glasgow, Dundee, Stirling, Aberdeen, Inverness and Perth. The most densely populated area of Scotland is known



as the 'central belt' which runs west to east and includes the urban areas of Glasgow and Edinburgh. Outside the central belt, the Highlands and Islands include 90 inhabited islands and the region is frequently placed in the top five most desirable places to live in the UK. Inverness, Scotland's most northerly city is reached within three hour's drive from Edinburgh or Glasgow.

TRADE & INVESTMENT

A long history of innovation and invention, easy connections, both physical and virtual, to global markets and access to dynamic industry clusters and connected supply chains makes Scotland a strong bet for international investors.

According to the latest Ernst & Young Attractiveness Survey, Scotland secured 119 foreign direct investment

SOME OF THE TOP INDIAN COMPANIES LIKE TCS, WIPRO, GENPACT, PIRAMAL, HINDUJA GLOBAL SERVICES LIMITED ETC. HAVE A PRESENCE IN SCOTLAND AND CONTINUE TO GROW THEIR BUSINESSES SUCCESSFULLY.

their current Scottish operations since the Brexit vote – all of which are clear votes of confidence in Scotland as a investment location of choice now and in the future.

Some of the top Indian companies like TCS, Wipro, Genpact, Piramal, Hinduja Global Services Limited etc.



Expanding our presence in Scotland with this strong government partnership advances our strategy of strengthening both our onshore delivery and digital solutions capabilities. "The Glasgow metro area has provided an exceptional talent base and favourable economic climate, especially for our financial services business. Our planned expansion will further leverage these benefits as we drive more digital-led transformation business impact for our clients."

Mohit Thukral,

Senior vice-president and business leader, Banking, Financial Services and Insurance, Genpact

projects in 2015. This amounted to a 51 per cent increase on the previous year and compares with 20 per cent for the UK as a whole. Indeed, Scotland has overtaken the south-east of England as a destination for foreign investment and only London beats Scotland on this count now.

Over 3,900 investors have chosen to make their home in Scotland. Many including Dexcom (medtech), Cezanne (Cloud HR), The Mortgage Lender (financial services), Televerde (telemarketing and marketing solutions), Red Rock (investment), Farmflo (software), Asystec (big data), having decided to invest and build their European operations from Scotland recently. Existing investors GSK, Semefab, Howden Compressors, Asensos, Stream Technologies and Tokheim have also announced major new investment into

have a presence in Scotland and continue to grow their businesses successfully.

Every year for the last five years the number of expansion projects by existing investors has increased (over 200 in total) – which shows that once here investors are enjoying ongoing growth. Companies looking to internationalise can take advantage of a highly educated, skilled workforce with a strong work ethic and get access to a wide range of business support through Scotland's connected public and private sectors.

There are a few unique strengths offered by Scotland that set it apart from other investment locations around the world.

It is up to 40 per cent more cost effective to locate in Scotland than in other parts of the UK.

- Scotland enjoys a highly competitive taxation environment that offers low levels of corporation tax – Scotland's 20 per cent corporation tax is a joint G20 low and there are R&D and new patent tax breaks as well.
- Scotland boasts a successful talent attraction scheme, TalentScotland, which aims to bring skilled individuals to Scotland.
- Scotland has 16 Enterprise Areas where investors in sectors including life sciences, low carbon, renewables and general manufacturing can benefit from financial incentives such as discounted business rates, business tax relief and enhanced capital allowances.
- Scotland's cities are operating as a connected network, through the Scottish Cities Alliance, joining up Scottish Development International's approach to potential investors looking at different sites across Scotland. Scotland is home to a thriving, globally connected network of successful companies in leading industries such as oil & gas in Aberdeen, renewables R&D in Glasgow, life sciences in Edinburgh and financial services in Edinburgh/Glasgow.

Supporting the trade & Investment mandate of the Scottish government is Scottish Enterprise and Scottish Development International (SDI), the international economic development arm of Scottish government.

Scottish Development International (SDI) has had a presence in India since 2000 and its existing office is co-located within the British High Commission premises in New Delhi, the British Deputy High Commission in Mumbai and the British Deputy High Commission in Hyderabad.

SDI's focus in India runs across; Water, Oil & Gas, technology and IT, Financial & Business Services, Education, Food & Drink and Life



Tata Consultancy Services (TCS) has been engaged in Scotland since the early '80s with several long standing customers. Scotland is an important market for TCS and Scotland is our preferred location for investment and growth. Scotland offers global IT firms like TCS, a powerful combination of highly skilled talent, pro-growth regulation and a great environment in which to do business. Also, the consistent support from Scottish Enterprise and Scottish Development International supports our growth agenda immensely.

Gopalan Rajagopalan

Head – Scotland Region & UK Public Sector TCS

Sciences sectors.

Companies can expect support from Scottish Development International (SDI) before, during and after they locate in Scotland with support in identifying premises and investment opportunities and access to funding for employment creation, R&D and training programmes.

Starting with personal interactions with companies after gaining an understanding of their ambitions and pain points, SDI teams in India and Scotland work closely together to bring in the relevant expertise to ensure that the best package of support can be offered. This includes ongoing support through dedicated

Source: Scottish Development International

account management, innovation and international specialist support and possible reviews through Scottish manufacturing Advisory Service for those companies manufacturing in Scotland.

This package can include financial support packages through Regional Selective Assistance, Research and Development grants or training support. Regional Selective Assistance (RSA) is a discretionary grant available for businesses who want to develop a project in Scotland and is open to any company that wants to locate and grow in Scotland.

The amount offered depends upon:

- The size of business

- The location of the project
- Scottish Enterprise's assessment of how much is needed for the project to go ahead

Regional Selective Assistance funding continues to help companies realise their ambitions while supporting investment in Scotland's economy and creates jobs for our people - in fact, Scotland now has fourth lowest economic inactivity in the whole EU and outperforms the rest of the UK both in terms of female and youth employment, unemployment and inactivity rates.

Many companies, including Indian companies have benefitted from RSA grants. A recent example is of the Global professional services firm Genpact that plans to create more than 300 new jobs in Glasgow over the next five years, following a decision to expand its European operations in Scotland.

This investment has been supported by a £3.1 million Regional Selective Assistance grant from Scottish Enterprise.

AN INDIAN IN EDINBURGH

Edinburgh is the capital of Scotland known worldwide for its castles, gardens and hilly terrain. It houses the devolved administration's political seat of power, Holyrood, with its medieval old town sitting at the heart of a more modern landscape. It has a considerable Indian population, with many of the Indian festivals now part of the annual calendar.

Currency



Scotland uses the UK's Pound Sterling
1 GBP = 82.7 INR* (*May 2017)



Consulate General of India, Edinburgh (United Kingdom)

Mrs. Anju Ranjan

Consul General of India, Edinburgh

Email: cg.edinburgh@mea.gov.in

Address: 17 Rutland Square, Edinburgh EH1 2BB
Working hours: 0900 hours to 1730 hours (Monday to Friday)

Telephone: 0131 229 2144

Fax: 0131 229 2155

Website: www.cgiedinburgh.gov.in

Top 5 Business Hotels in Edinburgh

The Chester Residence

Website: www.chester-residence.com

Address: 9 Rothesay Place, Edinburgh, EH3 7SL

Email: reservations@chester-residence.com

Telephone: +44 (0) 131 226 2075

The Raeburn

Website: www.theraeburn.com

Address: No 112 Raeburn Place, Stockbridge, Edinburgh, EH4 1HG

Email: info@theraeburn.com

Telephone: 0131 332 7000

Edinburgh City Centre (York Place)

Website: www.premierinn.com

Address: 44 York Place, Edinburgh, Scotland EH1 3HU

Telephone: 00871 527 9618



Prestonfield

Website: www.prestonfield.com

Address: Prestonfield House, Priestfield Road, Edinburgh, Scotland EH16 5UT

Email: reservations@prestonfield.com

Telephone: +44 (0)131 225 7800

Old Town Chambers

Website: www.lateralcity.com/property/old-town-chambers

Address: Roxburgh's Court, 323 High Street, Edinburgh, EH1 1LW

Telephone: +44 (0)131 510 5499



Tourist Info

Scottish banks issue their own bank notes but they have exactly the same value as those issued by the Bank of England and they are legal tender in all parts of mainland UK.

Shops are usually open Monday-Saturday 09.00-17.30, with late night shopping on Thursday until 19.30 or 20.00.

Since April 2006, smoking is banned in all enclosed public spaces throughout Scotland, including conference venues, shops, restaurants, pubs and hotel bedrooms.

Very few restaurants include a service charge. Where a service charge is not included and where the service has been good, it is customary to leave a tip of 10-15% of the bill.

No vaccinations are required for visiting Scotland or any other part of the UK.

VAT is charged on all purchases in shops, hotels and restaurants at a rate of 20%.



A regular 24-hour bus service to Edinburgh Airport operated by Airlink100

Visitors can plan their journey within Edinburgh with Lothian Buses or with First Group for those coming from further afield.



WiFi friendly trams run 14 km from York Place in the City Centre to Edinburgh Airport

Wheel chair accessible, ramps and lifts are provided at the stops along the route.

There are over 1,000 black cabs which can be hailed in the street or picked up from one of the taxi ranks within the City Centre.



The majority of taxis can carry up to 5 passengers and are accessible for wheelchairs

Accolades

Best UK City: Telegraph Travel Awards 2015

Edinburgh Airport Voted Best Airport, 5-10 Million Passengers



Edinburgh University Ranked 21st In The World

Best Times to Visit Edinburgh



The best time to visit Edinburgh is June through August, when the average high temperatures rise to a balmy 18 degrees Celsius.



But this is also the city's busiest time for tourism, especially in August when festivals fill up the calendar.



To avoid spending a small fortune, the winter months of November to March offer the best low-season deals, except during the city's famous New Year's celebration, Hogmanay.



Spring and early Autumn are ideal with relatively mild weather and thinner tourist crowds.



Going to Edinburgh

Major flight operators to Edinburgh include Jet Airways, Etihad Airways, Qatar Airways, Air India, Virgin Atlantic, British Airways, Lufthansa, Emirates, KLM Royal Dutch, Air France, Turkish Airlines, Brussels Airlines.



Travellers can avail flights to Edinburgh from major Indian cities but there are no direct flights from India to Edinburgh.

The woman behind calls for ‘Scexit’



Nicola Sturgeon is the outspoken First Minister of Scotland who has been campaigning for a voice for Scotland in the post-Brexit scenario. Her call for a second referendum on Scotland's independence from the United Kingdom has raised the spectre of a new kind of exit – Scotland's exit from the UK (Scexit).

Nicola Ferguson Sturgeon is the first woman to become leader of the Scottish National Party (SNP) and First Minister of Scotland, a post created in 1999 when the Scottish Parliament was reconvened following a referendum in support of devolution from the UK in 1997.

Born in Irvine, North Ayrshire, in 1970 and educated at Greenwood Academy, she studied law at the University of Glasgow. Before entering the Scottish Parliament as a regional Member of the Scottish Parliament (MSP) for Glasgow in 1999, she worked as a solicitor in the Drumchapel Law and Money Advice Centre in Glasgow.

She is currently MSP for Glasgow Southside having been, before boundary changes, MSP for Govan between 2007 and 2011.

In government, she served as Cabinet Secretary for Health and Wellbeing between May 2007 and September

2012 and then Cabinet Secretary for Infrastructure, Investment and Cities with responsibility for government strategy and the constitution until November 2014. Throughout this period she also served as Deputy First Minister of Scotland.

She became SNP Leader in November 2014 and was sworn in as First Minister later that month.

In recent months, Sturgeon has been at the forefront of the Brexit debate – demanding a strong voice for Scotland, which voted to remain within the European Union (EU) in the June 2016 referendum in stark contrast to the rest of the UK.

Therefore, being forced to exit the economic bloc against its people's wishes has led to her seeking the Scottish Parliament's backing to demand her own referendum on Scotland's views on remaining within the United Kingdom.

If it gets the go-ahead, this will be

the second such independence referendum since 2014 – when the country voted to remain a part of the UK.

She said: "I believe in the independence of nations – Scotland included. But I believe just as strongly in the interdependence of nations – the need for countries to work together to tackle challenges and seize opportunities that few can do alone.

"That is why an independent Scotland would always seek to work closely with others, across the British Isles and beyond.

"Brexit – especially the hard Brexit shaped by May's inability to shake off the agenda of the Ukip-tinged right wing of her own party – threatens to be an act of self-harm on a scale barely understood. In Scotland alone,

Brexit could cost the economy more than £11bn a year by 2030, and is predicted to lead to 80,000 job losses



over the next decade. Those effects can be multiplied significantly for the UK as a whole.”

Earlier in March, Sturgeon won the Scottish Parliament’s backing to hold an independence referendum, 69 votes to 59. But British Prime Minister Theresa May has already said she will block such a referendum until after the Brexit process is complete.

May, who had met Sturgeon for talks in Glasgow just before formally triggering Article 50 of the Lisbon Treaty on March 29 to set the two-year clock ticking on Brexit negotiations, has repeatedly insisted that “now is not the time”, and that all efforts should be on securing the best deal for the whole of the UK after she formally triggers Article 50 on Wednesday.

“I hope the UK government will respect the will of this Parliament. If it does so, I will enter discussion in good faith and with a willingness to compromise,” Sturgeon said, warning the Westminster Parliament

in London to accept the Scottish Parliament’s wishes.

“However, if it chooses not to do so I will return to the parliament following the Easter recess to set out the steps that the Scottish government will take to progress the will of Parliament,” she warned.

Sturgeon’s motion calls for a referendum between later next year and early 2019, but has indicated she would be willing to negotiate the timing.

She is confident of winning an independence referendum this time around because of the implications of Brexit for the country and to resist being forcibly taken out of the EU single market.

“I have been genuine and sincere about trying to reach a compromise agreement with the UK government. We have not met with a Government and a Prime Minister who is willing to meet us half way on that... they

have moved away from compromise with language that has appeared to become harder and harder,” said Sturgeon.

She claims the economic benefits of staying in the UK in a post-Brexit landscape are “significantly more challenging” than they were last time the independence vote was held in 2014.

Now that Britain has set itself on the path of an exit from the 28-nation economic bloc, the collision course with Scotland also seems to have been drawn up.

“As Britain leaves the European Union, and we forge a new role for ourselves in the world, the strength and stability of our Union will become even more important,” said the British PM on her last visit to Scotland.

But the strength of the Union is undoubtedly under considerable strain, with Sturgeon holding many of the cards in the game.

Understanding different ethnicities is not good enough

At least that is what we believe. One needs to live and breathe the culture to unravel different layers and nuances that make each culture, each ethnicity unique.

Now you know what we have been up to for the last 11 years!



02079932541

info@hereandnow365.co.uk

www.hereandnow365.co.uk

 @hereandnow365

 @hereandnow365

 hereandnow365limited



Being a Global Indian is part of my DNA

Baroness Usha Prashar straddles the worlds of politics and arts with comfort and ease. 'India Global Business' explores what being a Global Indian means to her.

How would you say the India-UK dynamic has evolved over the years?

India and UK have always had a special relationship but like any relationship it has had its ups and downs. In recent years the relationship has matured. India has become important economically and the relationship is beginning to change.

There is now much more reciprocity and a recognition that the relationship has to be based on equal footing. It is gaining a different dynamic. India @ 70 is more confident and its 70th anniversary is being marked by the UK India Year of Culture. It is interesting that people are coming together to celebrate and ensure that there is better understanding, particularly among the young, about contemporary India and contemporary Britain.

It feels very positive. A positive relationship between India and the

UK has the potential of making two countries a formidable force for good.

What attracted you to public life in Britain?

I came to Britain in 1964, at the age of 15, as a student from Kenya. I had all the intentions of going back but the political situation in Kenya changed and I stayed on.

I became very interested in race relations and immigration which in the 1970s was a controversial issue.

My first job was with the then Race Relations Board, I then moved to be the Director of the Runnymede Trust, an organisation which was set up after Enoch Powell's inflammatory 'Rivers of Blood' speech against Commonwealth migration to the UK. My time at Runnymede Trust also coincided with significant public policy developments in the fields of race and immigration. Runnymede Trust was an influential body which made significant contributions to the

development of policy in this area, so I was almost catapulted into public life.

Through my work at the Runnymede Trust I became very interested in organisational change designed to promote equality of opportunity. But I realised that to bring about institutional and organisational change I had to mainstream myself, that is, not just work in an exclusive race-related organisation but in a mainstream organisation. In 1984, I was appointed as a Director of the National Council for Voluntary Organisations.

I am a great believer in people organising themselves to bring about change and voluntary activity really appeals to me, as Margaret Mead said: 'Never doubt that a small group of thoughtful committed citizens can change the world; indeed it's the only thing that ever has.' After the NCVO I went on to be Chairman for the Parole Board, and in 2000 I was appointed the First Civil Service

Commissioner, and in 2005 I became inaugural chairman of the Judicial Appointments Commission and most recently served as a member of the Iraq Inquiry.

I have always had passion for the arts, I enjoyed my time as a member of the Arts Council, and I Chaired the Royal Commonwealth Society and set up the National Literacy Trust. Such diverse experience has convinced me that it is important to bring different experiences together to affect change; working in silos is not very effective.

How do you see Brexit having an impact on the immigrant experience?

The slogan 'taking back control' has led to anti-immigrant sentiment; it has made people from minorities feel very insecure. This is a great shame; I have been working in the field of race relations for over forty-five years and I have devoted most of my career to promote equality and fight discrimination. This regression makes me very sad.

UK has a good record in promoting equality and combatting discrimination, it is therefore deeply regrettable that the debate around Brexit was so negative with regard to migrants. However, I remain hopeful, the minorities are resilient and I have faith in this country's sense of fair play.

What drew you to your British Council role?

I have been an admirer of the British Council for many years. Before leaving Kenya to come to Britain, my first port of call was the British Council Offices in Nairobi. It was part of my orientation for life in the UK. So, I was delighted when I was approached to be its Deputy Chair. The work which the British Council does in intercultural relations is very effective. It is a force for good. It operates in over 100 countries and has enormous influence in education and the arts. The world is becoming



THE WORLD IS BECOMING MUCH MORE INTERCONNECTED AND THERE IS GREATER NEED FOR US TO WORK TOGETHER TO BRING BETTER UNDERSTANDING BETWEEN COMMUNITIES THROUGH CULTURAL EXCHANGES. WITH THE ADVENT OF DIGITAL, A GREAT DEAL OF INNOVATION IS TAKING PLACE WHICH IS VERY EXCITING. INTERACTIONS THROUGH ARTS AND CULTURE ARE NEEDED MORE THAN EVER BEFORE.

a much more interconnected and there is greater need for us to work together to bring better understanding between communities through cultural exchanges. With the advent of digital, a great deal of innovation is taking place which is very exciting. Interactions through arts and culture are needed more than ever before.

What are some of the highlights of the UK India Year of Culture for you? The British Council has enormous experience of running Years of Culture. Bilateral years of culture enable countries to focus on cultural activity in its widest sense and strengthen cultural and people to people connections.

UK/India Year of Culture is not a one-year wonder, it the basis for a

step change in establishing a new dynamic partnership. It is about laying the foundations for the next 70 years for a refreshed relationship between India and the UK and getting younger generations to understand contemporary India and Britain.

I hope through these activities and connections, we will not only celebrate the longstanding relationship between the two countries but inspire people to innovate and arouse curiosity.

The one highlight is a new digital initiative, specifically aimed at engaging young people in both countries, it is called 'Mix the City', an interactive digital platform which will showcase the diversity of sound and music in four Indian cities, featuring 12 Indian musicians and four UK curators. It basically celebrates a joint love of music, arts and culture. The other exciting project is the Science Museum's upcoming exhibition of history of Indian science.

What does being a Global Indian mean to you?

Being a global citizen, is part of my DNA. Born in Kenya, of Indian origin and having lived in the UK I regard myself as a global citizen. Being a global citizen is about being clear about one's own identity and appreciating and understanding other cultures and having the ability to navigate one's way through different cultures with ease, and seeing the world through the eyes of other cultures.

Baroness Usha Prashar is the Deputy Chair of the British Council and an Independent member of the House of Lords. She has made significant contribution to public policy and public life in the UK and India.

Not just a partner of choice, but a partner for life

First and foremost, we at Accord guarantee that there's nothing generic about our passion and dedication to being a leading supplier of generic medicine in Europe. In fact, you'll find that our scale of operation is one of the largest in the UK, and with four sites manufacturing, packaging and testing and releasing our products plus increasing headcount, it's little wonder that we've become a key player in this field. And currently, with commercial activities in 35+ European countries, we hope you'll agree that we aren't just the partner of choice for now, but for always.

accord
The Evolution of Generics

PRIVATE EQUITY HIGH-FLIERS WITH A WEALTH OF EXPERIENCE

Private Equity investments, which provide much needed funds for the wider business of job creation, is an extremely specialist field. Here India Inc. profiles some of the very experienced Global Indian players in this field.



Gaurav Bhandari
Managing Partner, Long Arc Capital

Base: New York

Education: BS in Computer Science, Columbia University

Past Companies: MD, Goldman Sachs & Co

Expertise: Media & Technology Sector

Achievements:

- Goldman Sachs in various capacities for more than 25 years
- Director in several companies – Media Rights Capital II L.P, Oberon Media, Tikona Digital Networks Private Limited, Franklin Holdings, among others.
- Extensive experience of investing in media & tech companies

Highlight:

After over 25 years with Goldman Sachs, he left to set up his own successful fund.



Somit Varma
Managing Director, Warburg Pincus

Base: New York

Education: MBA, Boston University, & Executive Development Program, Harvard Business School

Past Companies: Global Head of the Natural Resources Group and Chemicals Group at the International Finance Corporation (IFC)

Expertise: Energy Sector

Achievements:

- Managed \$4 billion in equity and debt investments worldwide
- Focused on investing in emerging markets, including Latin America, Africa and Asia
- Director in several companies – Delonex Energy, Anemka Resources, Zenith Energy Management LLC, among others.

Highlight:

His energy sector investment expertise goes back 18 years.



Sonali De Rycker

General Partner, Accel Partners

Base: London

Education: MBA, Harvard Business School

Past Companies: Atlas Venture, Venture Group at Deutsche Bank AG, Equity Capital Markets, Goldman Sachs

Expertise: Consumer, Software and Financial Services Sectors

Achievements:

- Worked for more than 14 years in the European venture business, especially investing in start-ups.
- Led investments in Avito (Naspers), Lyst, Spotify, Wallapop, KupiVIP, Calastone, Wonga, SilverRail, among others
- Director in several firms – Shift Technology SAS, Calastone Ltd, uSwitch Communications Ltd

Highlight:

She co-founded the Business Development Group at Goldman Sachs.



Rajeev Misra

Head – Softbank Vision Fund, SoftBank Group Corp

Base: London

Education: BS in Mechanical Engineering & MS in Computer Science, University of Pennsylvania, & MBS from MIT Sloan School of Management

Past Companies: Fortress Investments Group, UBS, Deutsche Bank, Merrill Lynch

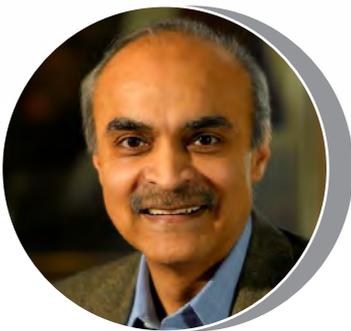
Expertise: Strategic Finance Sector

Achievements:

- Heads a \$100 billion tech fund, one of the few large funds globally.
- Helped build Deutsche Bank's massive credit-derivatives business in the 2000s.

Highlight:

He has a non-profit outfit in India called Vahani, which helps fund under-privileged youth get higher education at global universities.



Vindi Banga

Partner, Clayton Dubilier & Rice

Base: London

Education: BTech in Mechanical Engineering, Indian Institute of Technology - Delhi (IIT-Delhi), & MBS from Indian Institute of Management (IIM-A)

Past Companies: Unilever ■ **Expertise:** Finance Sector

Achievements:

- On the Prime Minister of India's Council of Trade & Industry between 2004 and 2014
- Member of the Indo-UK CEO Forum.
- Recipient of the Padma Bhushan, one of India's highest civilian honours.

Highlight:

During his long stint with Unilever, he led the creation of 'One Unilever' agenda



Sun Global
Investments

Sun Global is
proud to
sponsor the UK
India Awards
2017

Sun Global is an idea-centric wealth and investment management firm for Professional Investors, specialising in Emerging Markets.

Our financial solutions are tailored to client's needs across each of the firms divisions: Wealth Management, Investment Advisory, Securities Trading & Corporate Finance.

We offer strategic insight and provide access to a wide scope of investment opportunities across all asset classes.

www.sunglobal.co.uk

#sunglobal

@SunGlobalInvest



Launch of UK India Year of Culture 2017 in London

INDIAN FEVER CATCHES ON IN BRITAIN

From a silent film set to the tunes of the sitar at the Taj Mahal to a travelling exhibition celebrating Indian achievements in science, this year promises to take India-UK cultural collaboration to a whole new level.



Matt Hancock, UK Minister for Digital & Culture

The Taj Mahal will form the backdrop of a rare screening of a silent film set to live music by sitar maestro Anoushka Shankar as part of a wide range of celebrations to mark UK India Year of Culture 2017.

'Shiraz' is a 1920s' film made by Indian pioneer Himanshu Rai as a co-production with the UK and Germany and tells the love story of Shah Jahan and Mumtaz Mahal. It is currently being restored by the British Film Institute (BFI) for its UK premiere in October followed by the screening at the iconic monument in Agra towards the end of the year. "It spans the rural to the majestic, providing much scope to play with that scale. And, the Taj Mahal is such an iconic and romantic venue for a project like this," said Shankar at the programme launch for the year-long celebrations in London.

The year 2017 had been declared UK India Year of Culture during Prime Minister Narendra Modi's visit to the UK in November 2015. Its official launch took place on Monday night with a gala reception hosted by Queen Elizabeth II in Buckingham Palace, which was lit up in peacock colours to mark the occasion.

Indian Finance minister Arun Jaitley, who represented the Indian government at the reception, was all praise for the "heavy calendar" of events lined up for the year. "We have had an excellent relationship with the UK and this will help strengthen that for the future," he said.

A series of institutions in Britain and India will be collaborating throughout the year to present a host of screenings, travelling exhibitions, literary festivals, music and dance performances, and sporting events. "Through the year of culture we will celebrate modern India and the long-standing relationship between both countries, rooted in our flourishing people-to-people links. I hope through this series of cultural events we can connect the next generation of Britons and Indians and inspire people to play their part in shaping UK-India relations over the next 70 years," said

UK foreign secretary Boris Johnson. India@UK2017, organised by the Indian High Commission, the Indian Ministry of Culture, and Indian festival producer Teamwork Arts, in association with the UK's Globe Theatre, British Library, Young Vic, Birmingham Rep, Barbican Centre, Sadler's Wells, Tramway, Edinburgh Festival Theatre, and the Royal Festival Hall, will present five iconic strands in the UK to showcase the cultural diversity of India through the year.

A SERIES OF INSTITUTIONS IN BRITAIN AND INDIA WILL BE COLLABORATING THROUGHOUT THE YEAR TO PRESENT A HOST OF SCREENINGS, TRAVELLING EXHIBITIONS, LITERARY FESTIVALS, MUSIC AND DANCE PERFORMANCES, AND SPORTING EVENTS.

These will include the Jaipur Literary Festival at British Library in London, a range of Indian events in Edinburgh, an Independence Gala at the Southbank Centre in London, and the UK premiere of the Freedom Symphony by Dr L. Subramaniam and the London Symphony Orchestra. Matt Hancock MP, UK Minister of State for Digital and Culture, said: "The UK and India have deep bonds, born of a shared history, and focussed on our close economic and cultural ties now and in the future.

"The diverse array of cultural events that will be held in both countries over the coming year will strengthen these bonds and raise awareness about contemporary British and Indian culture, encouraging tourism and trade between our two great nations. I am delighted to say that as part of this year of culture we will also help increase access to historic works in both countries, through the digitisation of the British Library's

South Asian collection and films in the BFI National Archive." In addition, India@UK2017 will be supporting several high-profile events being held in the UK during the course of 2017, including the late Pandit Ravi Shankar's first opera 'Sukanya', the London Indian Film festival and Darbar Festival.

Indian High Commissioner to the UK Y.K. Sinha said: "The Year of Culture assumes special significance in light of the 70th Anniversary of India's independence.

"These celebrations indeed offer our two countries a unique opportunity of renewing and revitalising the common threads of our cultural heritage and to enhance our engagement at the people to people level." Besides the BFI, some of the other UK institutions involved in the celebrations include the British Museum, Science Museum and British Library. It is backed by the British Council and Arts Council England, which has invested more than £2.5 million pounds in collaborations between artists in England and India. Over £1.8 million have been awarded from the lottery-funded Reimagine India fund to help English artists and organisations exchange ideas and develop partnerships with their counterparts in India. A range of grants schemes in collaboration with Creative Scotland and Wales Art International will also generate opportunities for younger organisations and companies.

Darren Henley, Chief Executive of Arts Council England, said: "Our support for UK-India 2017 will help artists and arts organisations across the country develop partnerships in India and attract new audiences in the UK. "The role that English artists from the South Asian diaspora are playing in many of the projects is a particular cause for celebration."

The British Museum will stage a landmark exhibition – 'India and the World: A History in Nine Stories' - showcasing some of the most important objects and works of art from museums across India, in dialogue with iconic pieces from the British Museum collection.



Kingston Smith:

Partnering with Indian businesses to help them reach their potential

Kingston Smith is a **multi-disciplinary professional services firm that has been partnering with businesses to help them grow for over 90 years**. We work with clients in India, the UK and beyond to understand their potential and ambitions, and provide all the information and support they need to achieve them. We have 60 partners and more than 500 professional staff focused in and around London, where our commitment to the more entrepreneurial types of business has created long-lasting successes.

Our firm's close relationship with India started over two decades ago, when we began advising one of India's leading commercial enterprises doing business in the UK. Building on that success, **our India Group today advises and assists a large number of Indian businesses on their international operations**, encompassing the delivery of compliance services and advising on international business structures, taxation issues and corporate finance matters. We serve a wide range of Indian businesses, working with brand new start ups to established blue chip enterprises, across multiple sectors.

Our **founder membership of Morison KSi offers our clients the strength and experience of 156 firms spread over 84 countries** across the globe to support their international reach. That combination of geographic knowledge, commercial expertise and client empathy has given us a great track record in helping Indian clients open and grow their businesses in the UK.

Kingston Smith is proud to be a finalist at the UK India Awards 2017, a testament to our commitment to the UK-India corridor.

Find out more about how we can help you grow your business at www.ks.co.uk/india or contact:



Chandru Iyer,
Head of International Business Development
Clyer@ks.co.uk
020 7566 3682



Tips for a stress-free passage from India to the UK

The Europe chief of the world's largest outsourcing and technology services specialist for diplomatic missions worldwide offers his insight into the India-UK travel landscape.

As we celebrate 2017 as the UK-India Year of Culture alongside the 70th anniversary of Indian independence, travel between the UK and India is thriving like never before. Britain is the largest G20 investor in India – with a total inflow of \$23.12 billion, while India invests more in the UK than it does in the rest of the European Union (EU) combined. There are over 100 flights from India to Britain a week, with over 30,000 seats capacity. Such powerful and deep links between the two countries make smooth, seamless and simple travel essential.

The UK has 16 visa centres in India, more than in any other country. As we enter the peak seasonal travel time of year from April to September, what other tips are useful to know as a traveller to the UK from India?

Plan where you can

Pre-planning is always helpful. Around a month before you plan to travel, check what documents you will need and the process you need to start going through here. Although it is much quicker in practice, we always advise people to start applying three weeks before they travel - this way any unexpected hiccup in the process can be spotted early enough for travellers to take the necessary remedial action to find or update any missing or out-of-date personal paperwork.

Online is fine

You can fill in a form online to apply for your visa, and pay for it online too. Many people find this the most convenient method. You will have to go to a visa centre in person to enrol your biometrics, but check what is involved in this online first.

Lounge in comfort

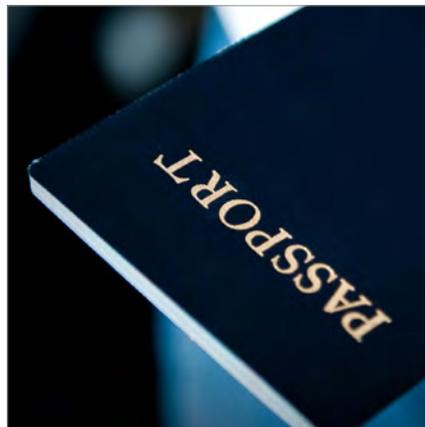
A Premium Lounge offers privacy and comfort, with a range of premium services that can make the whole process stress free – from a chauffeur service to and from the Visa Centre, to assistance from staff in completing the application form.

More than one visa?

If you're travelling to the UK but also

plan to visit European countries in the Schengen Area while on your travels, you'll need a separate visa for there too. The UK and Schengen Area visa offices are mostly located next to each other, so if you are making a visit in person with your passport and paperwork, you can always apply for both types of visas. There is now a 'Keep my passport when applying' service that allows you to apply for a visa without leaving your passport and worrying about whether you will get it back in time to make an application for another country.

PERSONALISATION COMBINED WITH SPEED AND CONVENIENCE HAS TRANSFORMED THE OLD 'ONE SIZE FITS ALL' EXPERIENCE OF APPLYING FOR A VISA. THE QUEUES, THE DELAYS AND THE INCONVENIENCE THAT ONCE WERE PART OF THE EXPERIENCE OF APPLYING FOR A VISA HAS BEEN CONSIGNED TO THE PAST.



The personal touch

You will need to go to an application centre in person to register your biometric details, which involves taking your photograph and a digital scan of your fingerprints. (If you have any henna on your fingertips, you should remove it, or allow it to fade, as this may prevent us from getting a clear scan). You can make

an appointment to visit the Centre, or if you prefer a time of your choice then 'walk-in' service is also available. Always check online in advance you have all the correct paperwork with you before you make such a visit.

Visa at your doorstep

If you are travelling in a corporate group or delegation, you may find it more convenient to have an 'on demand' service where staff will travel to your home, office, campus or hotel to accept the application and enrol biometrics of you and your colleagues on a single day.

Go premium

If time is against you and you have to get a visa at short notice you can opt for a Super priority or priority service, you can have travel documents delivered to you – even direct to the airport. We also offer a personalised form-filling assistance, and an SMS service to keep you updated on the stage your application has reached so that you don't have to check up yourself.

Shop in advance

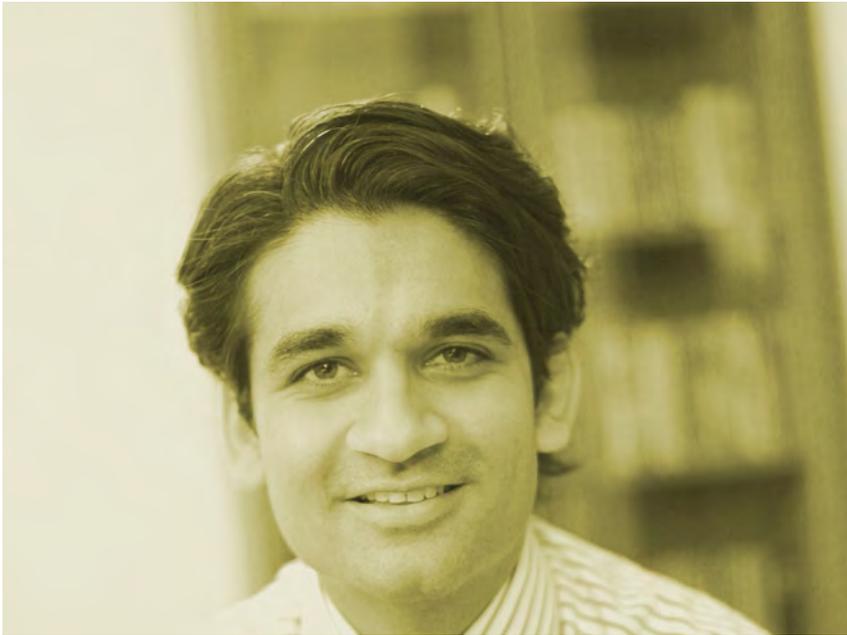
There are VisitBritain kiosks at most visa centres in India, so while you are there they are useful for buying Oyster cards in advance for London's public transport, and booking accommodation and sightseeing trips before you travel. This will save you queuing up at Heathrow or Gatwick when you are tired after a long flight.

Personalisation combined with speed and convenience has transformed the old 'one size fits all' experience of applying for a visa. The queues, the delays and the inconvenience that once were part of the experience of applying for a visa has been consigned to the past. And as customer expectations and technology continue to leap ahead, so expect the experience of applying for a visa to change with it.

Anirudh Singh is Head – UK & Europe, VFS Global.

Sedentary work life, pain killers and therapy

by Keerti Mathur



Our expert explains why a sedentary office-bound lifestyle is like a ticking time bomb and how yoga therapy can help counter the effects on our joints.

Studies suggest we are all sitting for an average of 5.5 hours a day. We then go home and sit for a further 2.5-4 hours. The development of Osteoarthritic (joint wear & tear) conditions are a direct result of such a lifestyle.

The management of such low to medium grade conditions is through medication such as Ibuprofen and Celebrex, which are NSAIDS (non-steroidal, anti-inflammatory) medicines and help to manage chronic and acute pain. But they are also known to increase the prevalence of major cardio vascular incidence by as much as 37 per cent. This could be in the form of a stroke or a heart attack.

These stats are largely linked to people that are using the medicines on a long-term basis to manage their pain, which is common because of the gap in treatment between pain killers, physical therapy and having surgery. These epidemiological concerns are only prevalent in industrialised populations where people sit for the best part of

their day. Such issues have been described as ticking time bombs waiting to explode.

Modern medicine is turning towards a biopsychosocial approach, which embraces the idea that there are biological, behavioural and social factors to people suffering from back pain and that unless all aspects are treated, the results will not be comprehensive. Companies and institutions are now tackling the problem head-on by introducing employee wellbeing plans, which encourage better nutrition and access to care that will have a more holistic approach. Yoga and meditation plays a major role in this strategy.

One National Health Service (NHS) trust in the UK found that the health-related work absences across 7,000+ employees were as follows: Anxiety, stress and depression related concerns resulted in 14 per cent of the absences and back pain and musculoskeletal problems were at 12 per cent. These numbers and stats are alarming because of the route orthodox medical treatment would

take to treating these conditions.

Activity is the key and as I've mentioned in previous articles, you need to 'move it or lose it'. Hitting the gym twice/thrice a week and thrashing it out for 45 minutes doesn't help and can often hinder the situation as you're stressing structures that are already brittle or delicate from lack of use. However, regular practice of yoga provides movements to the body in a way that encourages and promotes function. So rather than exercise a particular muscular group in the body, yoga encourages an entire section of the body to move and stretch in relation to the other structures it interacts with. Eg. Organs in the abdominal cavity being compressed and stretched within their confines, which enables better circulation of nutrient carrying blood and drainage of the organs by-products. Through deep breathing in asana (yogic postures), lung tissue is manipulated altering transpulmonary pressure, enabling gaseous exchange between the lungs and the outside environment to happen more deliberately.



Practised on a regular basis, yoga regulates and restores function therefore promotes health and wellbeing. In prescriptive terms, yoga enables the individual to take responsibility for their own health. Facilitating this is easily done by employers, healthcare providers and practitioners.

Hopefully the concepts we're talking about here are familiar to you; but are you putting any of it into practice? Let's focus on one single factor here. Sitting! Are you sitting in a position and in a manner that will enable you to function physically, mentally and emotionally to the best of your ability?

Let's see...

Sit at your desk or place of work/rest, any place where you do most of your day to day sitting.

Rest your feet flat on the floor and relax your toes. Ensure your legs are uncrossed to begin with and later you can adjust them to whatever you're comfortable with.

Slouch your shoulders forwards and slouch your upper body including your head and neck to the point where you're almost tipping forwards. Now gripping or supporting yourself with the base of the seat or an armrest if you have one, push yourself upright without lifting your bottom off the seat.

This will elongate your spine and stretch your torso up to the level of your shoulders.

Feel all 33 of your vertebra stacking one above the other forming a nice deep curve in the lower back and a rounded curve around the shoulders. This is the natural curve of the spine.

Now raise your chin up to face in front of you and maintain a level gaze with your eyes.

Relax your shoulders and let your arms rest.

Relax your stomach and abdominal area.

Relax your thighs and your feet.

Notice the position and the posture of your body.

Check to see where you are in terms of the position of the things you need in front of you like your key pad, computer, TV monitor. Is the key pad too high, too far, too low? If so, adjust your seat and re-establish your sitting position. Is your monitor too low or too far; do you really need to stop working from a laptop or get a wireless keyboard and mouse?

Adjust your seat and re-establish your position. Are you sitting square on to your working environment? Or are you at an angle and therefore twisting your body? Adjust your seat and re-establish your sitting position.

If you choose to sit with your legs crossed at the ankles or at the thighs, be aware that will influence the position of your pelvis and may introduce lateral curvature in your

spine and offset your shoulders. This isn't a big problem but it can compound over time and lead to scoliosis and joint pain.

Sitting upright and in a relaxed position will help your blood circulation, it will help your breathing and it will improve your function. Remember you're sitting in this position for approximately five hours. You will need to shift and get up, move around every once in a while. Set yourself an alarm that reminds you every 30 minutes or so to adjust your seat and re-establish your sitting position. The more you do it, the less you'll stray from that upright yet relaxed position.

Always remember. Adjust and re-establish your position, physically, mentally and socially.

Keerti Mathur is an associate at the Gait and Posture Centre at Harley Street in London and has been practicing Osteopathy for 10 years. He is part of the Art of Living faculty and a keen musician. Under the guidance of Art of Living Founder Sri Sri Ravi Shankar, Keerti worked to set up India's first school of Osteopathic medicine in Sri Sri University Orissa.

Robust growth in external trade to drive GST success

A US Federal Reserve report forecasts that the Goods and Services Tax (GST) has the potential to hike India's GDP by nearly \$100 billion.

The US Federal Reserve has confirmed what many people, including Prime Minister Narendra Modi and Finance Minister Arun Jaitley, have been saying for a long time.

Countering nay-sayers, they have maintained that the Goods & Services Tax (GST), which will come into force from July 1 this year, will push India into a higher growth trajectory and improve India's GDP growth rate to 8 per cent and beyond.

Now, an International Financial Discussion Paper (IFDP) at the US Federal Reserve (FED) has calculated that the rollout of GST could increase India's GDP by Rs 6.5 lakh crore (\$100 billion) or 4.2 per cent. It did not mention the time frame by which this will be achieved. The additional output is almost double the government's borrowing programme of Rs 3.48 lakh crore (\$54 billion) for the current financial year.

The growth will be led by a surge in manufacturing and is expected to lead to a 32 per cent improvement in external trade and 29 per cent rise in internal trade.

This is significant as the growth in external trade is bound to lead to greater flows of outbound investments from India. This will not only increase India's share of global trade, which is currently pegged at a little more than 2 per cent, but also facilitate further integration of the country into the global supply chain – a key prerequisite for shared regional and global prosperity.

And ironically, at a time when some countries are pulling up the drawbridges on foreign investments



etching national boundaries in cast iron, this expansion in India's global trade and investments will come on the back of stitching together India's 29 states and seven Union Territories, which currently operate as discrete trading zones, into one common market.

The FED estimate of GST's growth potential is higher than any other study. The National Council for Applied Economic Research had earlier calculated a 1-2 per cent improvement in GDP growth rates over three to five years as a result of GST.

"We find that the GST is expected to raise overall Indian welfare, and is projected to be an inclusive policy in that it would be welfare improving for all Indian states," the IFDP said.

As we have pointed out several times in the past, the falling barriers to internal trade, the resultant lowering of corruption and increase in efficiency and logistics will drive this uptick in economic performance. This improvement in manufacturing and external as well as internal trade can lead to a spurt in jobs – the missing part of the otherwise buoyant Indian

economic equation so far.

This will provide a tremendous boost to the economy and take it past the 8 per cent threshold – subject, of course, to the Monsoon god obliging the country with another bountiful year.

If these *ceteris paribus* conditions are fulfilled – and there are reasons for optimism on this count – Modi will have delivered on his promise of ushering in *achche din* (good times).

A caveat will be in order here: Modi's party, BJP, and the coalition he heads, NDA, still don't have a majority in the Rajya Sabha, the Upper House of Indian Parliament. As a result, he still needs to carry the Opposition with him to get Bills passed. It has been calculated that the BJP-lead NDA will get close to a majority in the Rajya Sabha only in 2019, when the next general elections will be due.

So, big ticket but politically contentious legislative reforms such as an easier land acquisition law to replace the one brought in by the previous Congress-led UPA government in 2013 will have to wait for the new government that will take office in May 2019.



Go Global
Expo & Conference

Organisers



Confederation of Indian Industry

www.goglobal-india.com

Go Global Expo-Conference 2017

December 2017 ▪ India Expo Centre & Mart ▪ Greater Noida

JOIN US

What is Go Global?

Go Global is a one of its kind mega Expo and Conference for Indian companies who wish to expand their business internationally. The event will be staged in New Delhi in 2017. It is being organised by London based Global Trade & Investment Events Limited, in association with India Global Business magazine and India's apex business body, the Confederation of Indian Industry.

For Business Development Opportunities

Contact us

Erik Van Kaathoven

Commercial Director

Mobile: + 44 (0) 771 388 6150

Email: erik.vk@indiaincorporated.com

Nav Mann

Event Director

Mobile: + 44 (0) 797 683 7651

Office: + 44 (0) 208 230 0066

Email: nav.mann@goglobal-india.com

In Association with

**INDIA GLOBAL
BUSINESS**
India's Foremost Outbound Investment Magazine



Visit www.goglobal-india.com for more information

Fast forward thinking.



In an industry that's accelerating at an ever-increasing pace, here at Rolls-Royce we're always one step ahead in the development of power systems on land, in the air and at sea.

Building on a partnership of over 80 years, we continue to contribute to India's substantial growth through best-in-class supply chains, excellent engineering capability and effective manufacturing infrastructure.

Our belief in India's engineering and innovation capabilities, coupled with our commitment towards the government's 'Make in India' initiative to develop India's aerospace and infrastructure sectors, helps us shape the future together. And finally, to co-design, co-develop and co-manufacture with our highly skilled strategic partners, is as much an honour, as it is a great opportunity.

So here's to a fantastic future at an ever-increasing pace.

