

JOINT STATEMENT OF THE TENTH MEETING OF THE INDIA-UK
JOINT ECONOMIC AND TRADE COMMITTEE
LONDON, 19TH JANUARY, 2015

1. The UK and India affirmed their on-going commitment to strengthening and deepening bilateral trade, investment and economic engagement at the tenth meeting of the UK-India Joint Economic and Trade Committee (JETCO) in London on Monday 19th January 2015
2. Bilateral discussions between the Rt. Hon. Vince Cable, Secretary of State for Business, Innovation and Skills and Her Excellency Smt. Nirmala Sitharaman, Minister for Commerce and Industry of India focused on enhancing the bilateral trade in goods and services in through greater UK and Indian business led collaboration, existing examples of which are highlighted by the UK Governments “GREAT Collaboration’s” and the opportunities presented by the Government of India’s “Make in India” initiative, better market access for UK and Indian firms and improvements to the business environment in both countries.
3. Three joint UK-India Business-led Working Groups met on the side-lines of this meeting. The **Education and Skills Working Group** led by UK and India co-chairs Mr. John Yates of Manipal City and Guilds and Mr. Bijay Sahoo, Chairman of Retailers Association’s Skills Council of India, agreed to focus on six ongoing areas - industry interfacing, integration of vocational skills in education, capacity building, action research, cross sectoral collaboration and the skills fund. Mutual recognition of qualifications and creation of structured pathways between Institutions across levels, framework to framework mapping, the UK-India Skills Pledge and centres of excellence were also taken forward as specific action points.
4. The new **Smart Cities** Working Group led by Mr. David Whittleton, Deputy Chairman, Arup and Mr. Pradeep Puri, CEO IL&FS met for the first time and agreed to focus on the following areas; a. Infrastructure Finance, exploring a model which empowers the local authority while exploiting

opportunities presented by carbon reduction; b. Good governance and best practice standards as applied to smart city frameworks; c. Arrange a follow up business to business workshop in India to look more closely at the key themes and issues that have emerged around integrated planning and sectors in a nominated city/town, using real life examples; d. Work with the education and skills working group to identify skills gaps and mobilise skills training providers and higher education institutions to address the skills gap.

5. The **Technological Collaboration, Advanced Manufacturing and Engineering Working** group, led by co-chairs Mr. Rhydian Pountney , General Manager, Renishaw and Dr Gopichand Katragadda, Group CTO, Tata Sons agreed to expand the Tool Rooms initiative, develop and deploy training programs in the areas of system engineering and design, through government, academia and industry linkages. Further, it was agreed that UKTI, UKIBC and CII will coordinate a mapping exercise as part of the SC21 - Supply Chain 21st Century initiative in the defence, aerospace and automotive sectors, starting with a 'Vision Workshop' in the near future.

On the policy level, key areas of discussion in the JWG included short-term labour mobility issues, Indian FDI limits in defence, and incentivising technology transfer through changes in tax regime. Since the last JETCO, projects in R&D and joint technology development led by GITA, Innovate UK, Research Councils and Newton Fund have got underway. It could be explored whether these initiatives could be further leveraged for strengthening India-UK technology collaborations that could cover the whole spectrum of value creation from co-designing, to co-development, leading up to co-production. There may also be opportunities for collaboration in areas like materials technologies, additive manufacturing, alternative fuels, hybrids, digital manufacturing and infotainment.

TWI has also started working with Government of India on two state of the art training and technology centres - automotive in Aurangabad and aerospace in Bhubaneswar.

6. In conclusion, both India and the UK agreed to a regular and on-going dialogue, including meetings of the working groups over the next year in order to implement the outcomes of JETCO in support of future UK-India collaboration. This would include a meeting at official level to review progress before the next ministerial in Delhi in 2016.

Notes

- The UK-India JETCO is an annual meeting that was established in 2005 to further develop the strategic economic trade and investment relationship between India and the UK. JETCO normally focuses on issues aimed at further improving the growing UK-India trading relationship, including market access, doing business and other issues affecting the commercial environment and business to business engagement.
- In response to Prime Minister Narendra Modi's call to the world to "Make in India", the UK launched a campaign to celebrate and inspire GREAT Collaborations between the UK and India. The campaign will over time showcase and promote areas of collaboration that benefit both countries across a range of sectors such as energy, healthcare, advanced manufacturing, financial services and infrastructure. The first showcase "GREAT Collaboration" is the partnership between UK's BP plc and India's Reliance Industries Limited (RIL) in developing and producing energy.
- On Tuesday 20th January the Indian business delegation visited Cambridge University - Institute for Manufacturing (IfM), TWI, and the Transport Systems Catapult in Milton Keynes. These site visits showcased UK expertise skills, smart cities and advanced engineering.

Investments

UK investing in India

- In 2013-14, the UK invested \$3.2 billion in India making it the largest investor among G20 nations.

India investing in the UK

- India continues to be one of the largest investors in the UK. According to the figures released by UK Trade and Investment in their '2013/14 Inward

Investment Annual Report' India had 74 FDI projects in the United Kingdom which created 4,482 jobs during 2013-14. The UK attracts more Indian investment than the rest of the EU put together.

Bilateral Trade in Goods

- The UK is among India's major trading partners in the EU. Two-way merchandise trade during 2013-14 stood at US\$15.82 billion, marking an increase of 6.16% as compared to 2012-13. The growth in trade is reflective of the efforts being made to enhance bilateral trade between India and the UK.
- India's merchandise exports to the UK grew by about 13.54% from US\$ 8.61 billion in 2012-13 to US\$ 9.77 billion in 2013-14 and imports from UK declined by 3.94% from US\$ 6.29 billion in 2012-13 to US\$ 6.04 billion in 2013-14.

Bilateral Trade in Services

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