

Speech: Dr Liam Fox addresses the UK-India JETCO

Thank you Richard [Richard Heald],

Honourable Minister Prabhu, distinguished speakers, ladies and gentlemen.

I am delighted to welcome you all here today, at the 12th meeting of the India-UK Joint Economic and Trade Committee (JETCO).

I look forward to what promises to be an insightful discussion with business leaders of both countries.

I would also like to welcome Minister Prabhu to London, for his first visit as Minister of Commerce and Industry – and thank him for the fascinating and productive conversation that we have held.

I would also like to thank the chairs of the joint working groups on smart cities and advanced manufacturing and engineering. I look forward to hearing the outcomes from the business-led joint working groups shortly.

And I would particularly like to welcome the visiting delegation from Pune led by Municipal Commissioner Mr Kunal Kumar. I very much enjoyed my own visit to the city last year.

The United Kingdom is a champion of free trade – and it is the task of my department to work with our most important partners to remove barriers and promote commercial freedoms across the world.

Today is an opportunity for India and the UK to work together, not only to strengthen our own partnership, but to rise to meet the challenges of the future.

UK-India trade and investment

India and the UK are, in PM Modi's own words, an "unbeatable combination".

Both countries have a shared interest in each other's prosperity, generating jobs, developing skills, and enhancing the competitiveness of the two economies.

Our vibrant business communities are instrumental in maintaining and strengthening the partnership between our two countries, building upon strong ties encompassing trade and culture.

Bilateral trade between the 2 countries has grown over the last 10 years and was £15.4 billion in 2016.

And trade grew by a remarkable 15% in the first 3 quarters of 2017, compared to the same period in 2016.

Our commercial links span a wide variety of sectors, from life sciences and medical technology, to food and drink, energy, defence and culture.

Our trade in services includes not only IT and professional services – but significant trade in financial services, with the City of London playing a key role in raising capital to support India's infrastructure growth.

I was delighted to open the London Stock Exchange last year with Finance Minister Jaitley. Over 80% of masala bond issuances to date have taken place in London, to a value of more than \$3.9 billion.

We also have exceptionally strong investment links. The UK has been the largest G20 investor in India over the last 10 years, more than any other EU country. There are over 270 British companies operating there, employing nearly 800,000 people.

The CBI estimates that UK companies are creating one in every 20 jobs in India's organised private sector. This includes well known investors such as Vodafone, BP, HSBC, Standard Chartered, G4S and Unilever – but also new investors such as Dyson, who plan to launch their products in India in 2018.

I welcome yesterday's announcement by Prime Minister Modi to further liberalise FDI policy, especially for single brand retailers.

And I welcome the reforms that Minister Prabhu and his team are taking to improve the ease of doing business in India – leading to a 30 point jump in the World Bank's Index this year. The UK is proud of its partnership with India on the ease of doing business, including co-hosting a national conference in 2016.

With a vote of confidence in the unshakeable strength of the UK economy, India is also the source of significant investment and jobs in the UK.

In 2016, approximately 800 Indian companies were operating in the UK, accounting for around 110,000 jobs and recording combined revenues of £47.5 billion.

In the same year, India established 127 new investment projects in the UK, adding 4,000 new jobs and safeguarding more jobs than any other country.

What is particularly pleasing is the size and range of Indian investors who already consider the UK their home.

This includes well-known companies such as Tata Sons, owners of TCS and Jaguar Land Rover, Wipro, Infosys and Genpact alongside many others.

This government is putting its money where its mouth is in response to India's technology investment demands. In 2016, I was delighted to attend the UK-India Tech Summit in Delhi, along with the Prime Minister.

The UK boasts some 58,000 technology firms. In the last year, more venture capital was invested in London than in Germany, France, Spain and Ireland combined.

And last November, with the support of the Indian High Commission and UKIBC, DIT ran the India-UK 'Future Tech month' where more than 60 of India's most innovative tech companies and buyers criss-crossed the UK's regional tech and manufacturing centres of excellence set out in the Industrial Strategy.

This will be followed by the [UK-India Createch Summit](#) in Mumbai.

People to people links

Our business links are strengthened by the people to people links between our countries – what Prime Minister Modi has described as a 'Living Bridge'.

I noted with pride that 33 people of Indian origin were recognised in the UK's New Year's Honours list, including Professor Pratibha Laxman GAI who grew up in India and studied in the UK and went on to pioneer electron microscopy applications in chemistry.

Our 2 governments want to do more to encourage these innovative links between people and industry in both countries.

Ambitions for UK-India trade

All of this shows that we already have a strong base to build on.

However, Minister Prabhu and I both believe that there is scope for us to go further.

We share a vision for a deep and dynamic partnership in which the 2 governments and business work hand-in-hand to achieve shared prosperity for India and the UK.

In particular, as we leave the European Union, there is the opportunity for both countries to enhance this partnership – opening up new sectors for business and minimising barriers to trade.

The UK will deepen its support to India, helping the country continue its positive trajectory on ease of doing business. In particular, we aim to strengthen our relationships in the areas of energy, smart cities and financial services, whilst at the same time addressing the critical issue of skills.

And it is to help achieve this joint prosperity, that – at the 11th meeting of the UK-India JETCO in Delhi at the end of 2016 – we agreed to set up a new Joint Working Group on Trade.

We tasked this working group with identifying practical ways to broaden and deepen the trade relationship between both countries, both now and as we leave the EU.

The joint working group is therefore undertaking a joint trade review, an evidence-based assessment of the trading relationship, and the first report came back to Minister Prabhu and myself today.

The review, and its next phase, will provide an important platform, identifying those key sectors where more progress can most readily be made.

We also welcomed the news that [UK Export Finance](#) will increase its support for trade with India. This will provide an additional £2.75 billion in support for UK companies exporting to India and for Indian buyers of UK goods and services, and be available in Indian Rupees.

Visas

Minister Prabhu raised Indian concerns about last year's changes to the UK's [Tier 2 visa](#) route and I have heard feedback that business stakeholders have shared on this issue.

The UK issues more work visas to India than to all of the other countries in the world combined, and we will continue to welcome skilled workers to the UK.

We have to get the balance right and ensure the process is as transparent and smooth as possible.

Our Immigration Minister visited India in November to open a new visa application centre in Bangalore and today I am pleased that the UK government also welcomes India's Minister of State for Home Affairs, Shri Kiran Rijiju to the UK where he will meet FCO Minister Mark Field.

CHOGM

The kind of dialogue harnessed by these JETCOs provides an ideal opportunity for us to identify where UK-India collaboration can help continue this trend.

I look forward to the [Commonwealth Heads of Government Summit](#) in April as a key opportunity to progress the UK-India trade relationship and boost intra-commonwealth trade.

With intra-Commonwealth trade in goods and services estimated at \$687 billion and projected to surpass \$1 trillion by 2020, we are committed to working with our friends and allies in the Commonwealth to remove barriers and liberalise the global trading environment.

India is home to more than half the population of the Commonwealth and we recognise the nation's central role in reenergising the organisation. Now more than ever, it's time for us to build on our links, to reject protectionism and insularity to embrace an interconnected world.

Final call to businesses

But to achieve a step-change in our trading relationship, your role – the role of business – will continue to be crucial.

My officials will be in touch over the coming months – however, in the meantime, I would like to issue a call to you, as those businesses who

already have a lot invested in the UK-India relationship, to get in touch with the Department for International Trade.

We want to understand not only the challenges that you face in increasing trade and investment – but also to work with you to overcome them.

Your ideas today can become our policy tomorrow so, please, let us know what you believe the challenges and opportunities to be.

And by working together to meet these challenges, as governments, as business communities, and as people, we can build a brighter, more prosperous future for India, the UK and the world.

Thank you.