

INTERVIEW: CII Director General Chandrajit Banerjee

1. What are the Indian businesses expecting from the new UK Coalition government?

We are delighted that for the first time, the Queen's speech explicitly mentioned India and that the coalition's programme for government talks about a 'new special relationship' with India. The economic partnership of the two countries is expected to be a major constituent of the envisaged relationship. An outline of the dimensions of special relationship would lend greater clarity to our efforts and we look forward to discussing the business perspective with the government. Continued and reinvigorated encouragement to industry of both sides as well as new initiatives from both governments would be instrumental in promoting bilateral economic linkages. India and UK achieved bilateral trade of \$12.5 billion in 2008-09, and we need to overcome the slowdown caused by the global economic crisis. We strongly believe that trade in goods and services can be doubled in the next three to four years, while investments in both directions can be more vigorous.

2. What UK sectors are of utmost interest to the Indian businesses?

Indian businesses look to UK for upgrading their technology. This has led to high level of Indian investments in the UK. Indian companies have also leveraged UK's facilitative business environment to access markets in the EU region. While IT has been a significant interest for Indian industry in UK, other sectors of interest are manufacturing and engineering sectors, life-sciences industries, and high technology innovation sectors. We would like to see a far greater presence of UK financial companies in India's infrastructure development mission and envisage a greater role of British firms in engineering consultancy, maintenance and related services sectors in infrastructure, innovation in manufacturing and technology partnerships. We greatly value British expertise in the services sectors and look forward to more industry interaction across all services areas and especially in the knowledge-intensive sectors.

3. UK and India have old ties, how can they build new synergies?

The UKIBC has highlighted that India offers new opportunities in its second cities. We are delighted that UKIBC will be taking up new initiatives to facilitate the participation of UK companies in these pulsating new centers of growth. In fact, rural India too is emerging as a huge viable market, as the Indian government has done much to pump purchasing power in the hands of the rural poor. Secondly, the SMEs of both countries are vibrant thriving entities and can benefit much from cooperation. Third, large sections of Indian population are entering the markets as incomes increase. However, innovative new products and delivery formats would have to be instituted to tap these markets. Companies that innovate in a relevant

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manner can access huge opportunities for growth. UK businesses would have to have a long-term perspective on doing business in India and enter the markets for the long haul.

4. What are the main challenges faced by Indian companies in the UK?

The business environment in the UK is very positive and facilitative. Indian companies have proved their interest in doing business in the UK with their large investments across sectors. A few anomalies exist in areas such as visas and immigration policy which can hinder full flow of funds and people between India and the UK. We have been apprising the government of our concerns. We are also waiting for the policy on cap on immigration to see how it would affect Indian investments in UK.

5. How can UKIBC help CII achieve its goals in the UK?

CII works to promote business in a global environment. Our aspirations meld well with objectives of UKIBC and we have been working together to meet our common goals. We would like to elevate our partnership with UKIBC in dedicated sectoral and regional missions, SME linkages, technology partnerships, and greater participation of businesses in trade fairs and exhibitions in both countries. Increasing industry interaction is key to elevating the bilateral economic partnership.