

SECTOR:
DIGITAL INNOVATION



SECTOR OVERVIEW:
September 2013

Over the last quarter the UKIBC placed a lot of attention on the opening of our first UK India Business Centre in Gurgaon, Delhi. An exciting development since then has been the announcement of our next centre which will open in Bangalore by mid-2014. Both centres pose a fantastic opportunity for British firms across sectors to take the leap and venture into India. But perhaps Bangalore will be of particular interest to those in the digital innovation space. Only a few weeks ago, Bangalore took centre stage as it hosted a series of events featuring UK-India collaborations in digital innovation.

In light of this eventful time and the important relationship between India and the UK in innovation, this report includes a contribution by AcceleratorIndia, key commercial stakeholder in the Cambridge-Bangalore Innovation Network initiative, with further information on initiatives and successes taking place. We also share with you the success story of TVS, a Bristol-based IT company that emerged from the SETsquared business incubator and which has grown to have a substantial presence in India with offices in three different locations.

In the UK, we held two key events, one on India's Technology Industry and a webinar on India's Gaming and Animation Industry. Both events featured insightful presentations from experts on the ground. And on the policy front, foreign investors might find reassurance with positive developments in telecom, as we briefly discuss the recent endorsement of FDI liberalisation in this sector.

I hope that you will find this report interesting, and as always we look forward to your comments and suggestions at: Adriana.vega@ukibc.com.

In focus: Putting Innovation at the heart of UK India relationship

By Arun Muthirulan, COO, AcceleratorIndia

www.acceleratorindia.com

Innovation and cross border collaboration were the key themes that underpinned a series of significant UK-India events and activities in Bangalore during the week of September 16th – 20th 2013. India's emphasis on innovation as a catalyst to facilitate and support its rapid economic development, and the UK's dominant presence in R&D, technology development and innovation, provided an excellent opportunity to place Innovation at the heart of the UK India relationship.

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As part of the 'GREAT month for technology and innovation' held by the British Deputy High Commission in Bangalore in September, the week's activities had a special emphasis on Cambridge, one of UK's outstanding innovation ecosystems, through the Bangalore Cambridge Innovation Network (BCIN).

Bangalore Cambridge Innovation Network (BCIN)

BCIN provides a framework for structured cross-border collaborations initially launched in the academic space and now expanded to commercial ventures and corporates, through the involvement of the British Deputy High Commission, the UK Science and Innovation Network, UKTI and UKIBC. AcceleratorIndia is the key commercial stakeholder, deeply engaged in the Cambridge and Bangalore innovation ecosystems.

A formal announcement to this effect was made by Francis Maude, Minister for the Cabinet Office on September 16th in Bangalore, at the dinner reception he co-hosted with Sir Leszek Borysiewicz, Vice Chancellor, University of Cambridge. Sir Leszek further reinforced this at a BCIN dinner engagement on September 17th by offering full support from Cambridge.

With commitments from the National Centre for Biological Sciences (NCBS) to host the network secretariat in Bangalore and AcceleratorIndia to provide commercial impetus, BCIN is poised to drive deeper engagement between the Cambridge and Bangalore ecosystems across academic and commercial spaces.

Early success stories

RiffStream#Bangalore-II – Digital innovations in Healthcare and Biotech was a specific event kicked off on September 17th as part of the BCIN. RiffStream#Bangalore-II focused on innovations in Healthcare facilitated by mobile, digital, telecoms and computing technologies, leading to new devices, technologies and processes to do more with less to increase treatment efficacy.

Finally, the UKIBC's announcement regarding the opening of their next UK India Business Centre in Bangalore in mid-2014 augurs well for deeper engagement between the UK and India in the power and energy, health tech, advanced engineering and media tech sectors.

Market Update



NEW: UKIBC opens first UK India Business Centre in Delhi

On September 19th, the UKIBC officially opened our first [UK India Business Centre](#) in Gurgaon, Delhi in the presence of UK Trade Minister Lord Green and Chief Minister of Haryana Bhopinder Singh Hooda. This initiative, which is supported by the UK Trade and Investment (UKTI) and the British Business Groups (BBGs) will help British companies, especially SMEs, experience a low-risk, low-cost entry into India. Over 100 guests, including leading UK and Indian businessmen from Rolls Royce, BAe, Bodyshop, Standard Chartered, and policy makers attended the launch.

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An exciting new announcement, and one that will likely be welcomed by the digital sector business community, is the UKIBC's plan to open our second UK India Business Centre in Bangalore in 2014. For more information and to learn more about how to get involved, please contact Radhika.Pandey@ukibc.com

British participation at International Design conference Kyoorius Design Yatra

By Ashish Mehta, First Secretary, UK Trade & Investment, British Deputy High Commission Mumbai

UK Trade & Investment and British Council in India jointly participated from 29-31 August 2013 at the Kyoorius Design Yatra, the longest running international design conference in India and arguably the largest.

This event was attended by over 1400 delegates and design enthusiasts from India and abroad and had participation from design teams of some of the well-known corporates in India such as Tata Group and Future Group.

There was a good UK presence at the event, in fact out of 20 speakers in total, 7 were from the UK. British Council launched Creating Change, a publication capturing design writings produced by event organisers Kyoorius in a partnership project.

The conference also had the GREAT campaign supported by a library of UK magazines and publications – from design ones such as Wallpaper and Creative Review to emerging ones that use design very creatively – nobrow, Anorak and Cereal. As these are not yet available in India, the library gave a chance for the design community to browse through the best of publication design and British Council to judge the interest of the market in making these available in India.

Ashish Mehta, Cluster Manager for Creative Industries at UK Trade & Investment met UK companies, larger Indian corporates and Indian Design firms to understand and develop commercial opportunities for UK Plc. Three areas which have a clear potential for British companies to do business in the sector in India are: digital innovation and technology, visual merchandise and high end design.

UK Trade & Investment and British Council are now discussing a potential visit of Design Council UK in November 2013 to Delhi, Mumbai and Pune to further develop commercial and collaborative links in the sector between the two countries. UK companies interested in coming to India along with Design Council UK for this visit, please contact ashish.mehta@fco.gov.uk or meetah.shah@fco.gov.uk.

UKIBC Roundtable on India's Technology Industry and upcoming delegation to Indiasoft

On the 17th of September, the UK India Business Council hosted a roundtable meeting to welcome members of the Electronics and Computer Software Export Promotion Council (ESC). The team from ESC consisted of Mr. Nalin Kohli, Former Chairman of ESC, Chair of Vision Committee and Chair of Indiasoft Organising Committee and Mr. D.K.Sareen, Executive Director of ESC.

The objective of the roundtable was to talk to UK SME's in the technology sector about the opportunities that India has to offer in the sectors of software technology, biotech, healthtech, clean tech and defence & homeland security. The ESC was also looking at engaging with UK based tech companies to recruit for Indiasoft2013, one of India's largest technology trade

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show, scheduled to be held in Mumbai on the 26th & 27th of November. For a select group interested in attending Indiasoft, a funding option will be available to cover travel costs to India and back.

The roundtable saw participation from technology companies across sectors- creative industries, software and healthtech. The morning started with introductions and Mr. Kohli kicked off the discussions. Indiasoft started 14 years ago in India. It was started to battle the fact that 70% of India's IT exports are to the US and that the Tier 1 tech companies are quite well known to the world but not so much the Tier 2 companies. The event is an international strategic B2B closed door meet between 150 Indian IT companies & 400 plus global IT buyers. Tier 2 Indian companies use this platform to showcase their products and capability to the world audience and so that India is not only seen as an outsourcing hub but also very capable of delivering IT solutions. India has emerged as the powerhouse of software development, offering cutting edge solutions across different verticals. The 21st century witnessed India's emergence as the outsourcing hub of the world, providing a wide gamut of services- from Business Process outsourcing to knowledge Processing Outsourcing. With highly skilled manpower, low development cost, state of the art infrastructure in various Software Technology Parks and a time zone differential that allows round the clock operations, today India is the most preferred destination for IT enabled services.

The UKIBC is leading a delegation to this event. Details of the delegation are still being finalised and we'll share more information around that in the next couple of days. In the meantime, if you'd like to be part of this delegation or want to know more about the event, please feel free to reach out to the UKIBC team.

UKIBC Interactive Webinar 'Gaming and Animation Industry in India'

On August 27th, the UKIBC held its first interactive webinar. The topic was India's gaming and animation industry, and it featured two insightful speakers well acquainted with the industry. At the webinar, Ashish Mehta, First Secretary, Creative industries at UKTI Mumbai shared his expert knowledge on the industry's growth, forecasts, opportunities and routes to market. And then Anand Gurnani, Co-founder, CEO and Managing Editor of AnimationXpress provided an insider's perspective into India's animation industry, with a helpful and candid view on what it takes to partner successfully with an Indian company. To find out more about the topics discussed in this event, [click here for an in-depth summary](#).

Investment Update

Policies in India's telecom offer reassurances to foreign investors

In July, India's Telecom Commission endorsed a proposal [raising the cap 74% FDI allowed in telecom to 100%](#). Should this initiative be approved by the Department of Industrial Policy and Promotion and other government entities, it will effectively allow foreign operators to have a 100% stake in companies operating in India, without the need for a local partner. This move was much welcomed by foreign telecom players, some of whom have struggled in the past with profitability. This is indeed positive, but [some argue that other challenges such as the satellite market access restrictions](#) need to be further relaxed before a considerable impact is felt.

Another somewhat reassuring policy development for foreign operators is the temporary suspension of the [Preferential Market Access \(PMA\) policy for further review](#). This PMA policy, which is strongly supported by domestic players since its approval in 2012, favours the use of indigenous electronic products on the grounds of security, while at the same time aiding to boost local production. The review however does not only respond to concerns among foreign companies but also, to Indian industry body COAI who joined in calling for the review.

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Case Study: TVS

Mike Bartley, Founder

ABOUT US

Bristol-based TVS was formed by Dr Mike Bartley in 2008 to provide specialist test and verification services and products for the semiconductor and embedded systems industries. This includes pre-Silicon hardware verification services, DfT, AMS verification, post-Silicon validation, Requirements Management product and services, verification IP, software testing, outsourcing services, training and benchmarking. A success story from Bristol University's SETsquared business incubator, the company has grown steadily and has achieved an international presence.

In 2011 TVS expanded internationally by opening dedicated offices in Germany and India. The company's first India office opened in Chennai, acting as a centre for the fulfilment of a range of client projects and helping organisations implement offshore verification and testing capabilities. In 2012, TVS opened a second India office in Bangalore.



OUR MARKET ENTRY STRATEGY

With guidance from UK Trade and Investment, TVS took part in an electronics trade mission to India in 2011. This allowed them to understand more about India's business culture, meet potential clients and they also had the opportunity to participate in the ISA Vision Summit, a major annual semiconductor conference in India. Previous to this visit, TVS had already established connections in the Indian semiconductor market thanks to subcontracting, which was helpful.

DOING BUSINESS IN INDIA

Only a few months after participating in UKTI's trade mission, TVS opened its Chennai office, which was soon followed by Bangalore and nowadays they also have a sales office in New Delhi. In India, TVS has expanded into specialist training for engineers, working closely with UK-based training company Doulos to provide the design and verification community in India with greater access to world-class expertise. Nowadays, TVS counts multi-national companies like Texas Instruments, Intel, Broadcom and NXP as clients, as well as many other smaller companies.

TVS originally started with 15 members of staff based in Chennai. But sustained growth has resulted in them now employing over 60 people in India, with ambitious plans for further growth.

Sources: TVS, UKTI