

UKIBC'S 7TH ANNUAL REPORT ON DOING BUSINESS IN INDIA: THE UK PERSPECTIVE

DECEMBER 2021

SUPPORTING BUSINESS SUCCESS

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EXECUTIVE SUMMARY

Trade and investment priorities were front and centre when the Indian and UK Prime Ministers announced a “transformational” Comprehensive Strategic Partnership (CSR) on 4 May 2021. The CSR includes most notably a UK-India Enhanced Trade Partnership (ETP) and commitments to double trade by 2030 and move forward with Free Trade Agreement (FTA) negotiations by the end of 2021.

Businesses are active stakeholders in this process towards a Free Trade Agreement. The UK India Business Council (UKIBC) believes that an active and open dialogue between businesses and the Governments of both countries is critical to successful FTA negotiations and to achieving the wider ETP ambitions. That is why we have been fully focused on supporting the efforts of both Governments during the critical consultancy period.

It may be presumed that many of the issues raised under an “Ease of Doing Business” survey are separate from the Free Trade Agreement process. We would disagree. Indeed, the strong message received by UKIBC during the FTA consultancy period is that the emphasis on Ease of Doing Business should not be reduced as both Governments become focussed on the FTA process. Rather, Ease of Doing Business and the Free Trade Agreement are integrally linked, reflecting non-tariff operational improvements which can be affected in both the UK and in India to facilitate bilateral trade.

The findings of the UKIBC’s Doing Business in India survey show that UK companies remain committed to operate, assemble, manufacture and trade with India and are keen to continue to support in India’s development.

The Indian Government has enacted substantive and constructive reforms in the past months notwithstanding the understandable priority given to dealing with domestic issues raised by COVID-19. These reforms have received a positive reception from businesses and there is widespread optimism for an even stronger UK-India partnership as a result. At the same time, UK business – from the 147-strong businesses that took our Doing Business in India survey – remain as ambitious as India that the country grasps the economic opportunity that is unfolding before it.

UK businesses remain overwhelmingly of the belief that Atmanirbhar Bharat, or the ‘self-reliant India’ mission, is an opportunity to do more business with India, notwithstanding a slight fall of respondents which indicated strong support from last year: 65 percent in 2021 versus 77 percent in 2020 respectively. It is possible that this is a reflection of a natural focus on alleviation of the domestic impact of the pandemic. At the same time, and positively, we note that the Government of India remains adamant that the mission is not about protectionism. As such it will be important that further progress in Ease of Doing Business and the Free Trade Agreement negotiations go forward hand-in- hand.

By way of endorsement of these statements, there is a wide recognition from respondents to this the [7th] UKIBC Doing Business in India Survey of the rapidly developing economic status of India. And yet the most desired reform by businesses remains ‘improving bureaucratic processes with accountability’. More than 50 percent of all respondents named this as their priority area of focus to facilitate increased economic activity. ‘Increasing regulatory certainty’ was the second most popular reform, followed by ‘simplification of the GST processes’. Taken as a whole, increased focus on digitisation of approvals at both central and state level should remain as a priority if India is to achieve its rightful place as an economic powerhouse as quickly as possible.

‘Legal and regulatory barriers’ remains a concern amongst respondents, as it did in previous surveys. An efficient and transparent dispute resolution environment is a key component of an efficient operating environment in any leading economy alongside ‘import tariff barriers’, ‘export-import laws and regulations’, and ‘foreign exchange regulations’. Goods and services tax, or ‘GST’, was also frequently cited as a major barrier.

Legal and regulatory barriers has been the most prevalent barrier in all our Doing Business in India Reports since 2015. We would urge the Indian Government to continue to make progress on reforms which improve the operating experience of those invested in India and those companies which wish to invest in India.

“Competitive Federalism” has been transformative of the operating environment since the election of the NDA Government in 2014. The State EoDB rankings introduced by Niti Aayog have had a major positive impact. Indeed, State Governments are well aware of the most prevalent reasons for UK companies in deciding where to locate in India, namely ‘quick approvals and effective bureaucracy’. ‘Fewer regulations and supportive government policy’ and ‘availability of skilled labour’ were also widespread reasons for the businesses surveyed. We urge both the Centre and State Governments to continue to promote their offerings relative to their peers.

Critically, the Indian operating infrastructure continues to improve. ‘Telecommunication facilities’, ‘availability of skilled labour’, ‘supply chain’, and ‘support and service providers’ were clearly the top 4 reputed components of India’s business environment by UK companies, as they were last year.

Finally, globally, we are entering a period where there is significant environmental awareness and where UK Boards and investors are increasingly putting emphasis on the achievement of internal (and external) Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) goals, it is noteworthy that lower rated components of India’s business environment, such as environmental regulations and efficiency and effectiveness of relevant state and central Government process are the two most poorly rated components by UK businesses. This is an area where UK businesses are keen to contribute to the achievement of the Indian Governments’ ambitions and targets and is an area which should also form part of the Free Trade discussions going forward.

The UK remains a significant FDI investor in India and India remains a significant FDI investor in the UK. Our Doing Business in India Report reinforces the increasing importance of bilateral economic flows between our two nations. There is much to be positive about and the UKIBC looks forward in supporting the efforts of both Governments and businesses from both our nations to achieve our potential through constructive dialogue and support.

This report is set out as follows: first, it details why companies want to do business in India and outlines an assessment of India’s business environment based on a UK business perspective. It then highlights the challenges that businesses face when doing business in India and related reform priorities. All this is complemented by the findings of our extensive business consultation as part of the pre-FTA process, in which we held 20 roundtables with more than 200 businesses, before concluding in section 6. This is done with the aim of uncovering the existing ease of doing business in India and shaping its progression.

1. ROAD TO A UK-INDIA FTA

The UK is well placed to collaborate and partner with India across numerous sectors, from advanced manufacturing to healthcare and higher education, with the UK's technological proficiencies a key advantage to the trade and investment relationship.

If these opportunities are supported by improvements in the ease of doing business, we should see cooperation between the UK and India continue to grow the already significant relationship that our countries share, with both countries benefitting from shared knowledge, technology transfer, research and financing.

The journey to an FTA is the result of impressive long-term thinking and extensive government engagement with business. The UKIBC, on behalf of business, recommends that the Governments seek to sign a series of interim- or mini-Agreements that will, over time, form a more-comprehensive FTA. This approach of reaching an “early harvest agreement” would: capitalise on the excellent momentum already created by the Governments; it would lock-in wins and deliver economic benefits on an ongoing basis; and it would build the trust, confidence and momentum that may be needed to overcome more difficult issues in the medium- and long-term.

With this “early harvest agreement” in mind, the UKIBC therefore propose that the Governments’ FTA negotiations should focus on:

- Reducing tariffs in a relatively limited range of sectors, including on alcoholic spirits, food, and in the healthcare sector;
- Reducing non-tariff barriers to goods trade, such as by aligning standards and simplifying burdensome and costly customs procedures. As with tariffs, certain sectors can be prioritised for an interim Agreement;
- And IP protection and alignment of data protection rules so as to drive growth in the innovative, tech-rich, and digitally-driven industries that will increasingly drive expansion of UK-India trade.

As well as FTA talks advancing, the Government of India is simultaneously implementing its Atmanirbhar Bharat mission, or “Self-Reliant India”. Kickstarted in May 2020 in response to the COVID-19 pandemic but with longer term ambitions, Atmanirbhar Bharat is the Government of India’s initiative to take the Indian economy to the next level and become the third largest economy in the world by 2030.

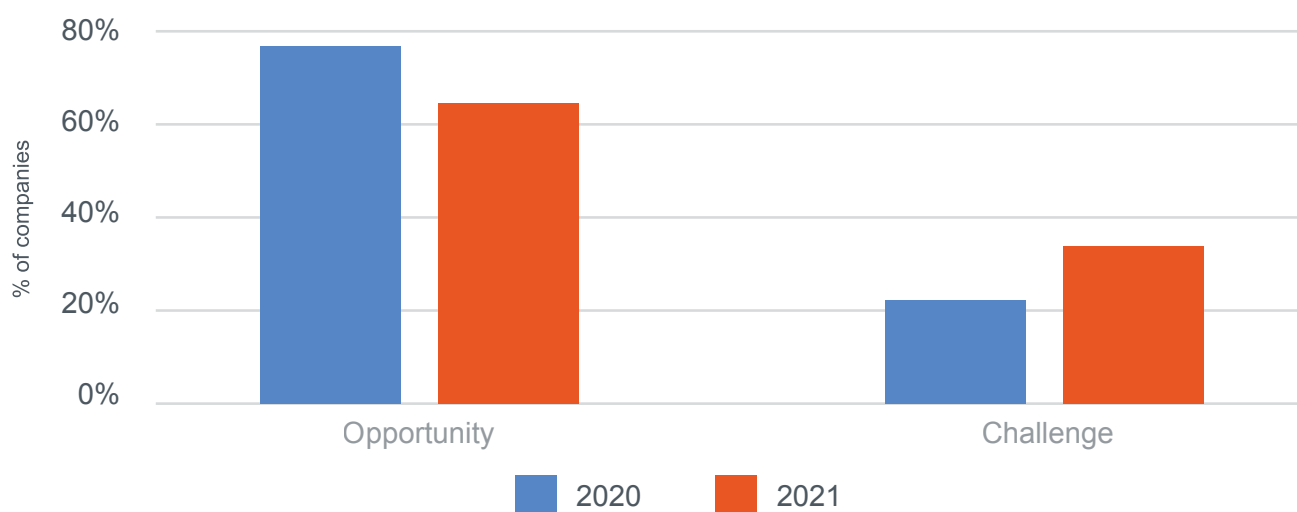
Prime Minister Modi has determined five pillars for achieving self-reliance: 1) quantum jump in the economy, not incremental growth; 2) investments in infrastructure; 3) technology-driven services; 4) demographic dividend; and 5) reforming the supply chain.

These pillars should help to attract foreign investment to support indigenous growth. If India is to develop into the USD 5 trillion economy and geopolitical superpower it aims to become, international collaboration, trade and investment will be essential. In particular, trade in goods and services needs to continue to flow.

In our Doing Business in India survey, we asked UK companies whether they thought Atmanirbhar Bharat was an opportunity or a challenge to trade and investment in India.

Around two-thirds (65 percent) were positive on the self-reliant goal, believing it is an opportunity for UK companies to do more business in India. Like last year (77 percent), there is a strong majority that view the initiative with optimism.

DO YOU THINK 'ATMA NIRBHAR BHARAT' SELF-RELIANT INDIA IS AN OPPORTUNITY OR CHALLENGE TO YOUR TRADE OR INVESTMENT IN INDIA?



We applaud the Government of India's self-reliant goal and its wider ambition to make India a global superpower. Yet, concerns around inward-looking or protectionism should be looked to be carved out in FTA negotiations between the UK and Indian Governments, particularly as there was a small decrease in the majority that view Atmanibhar Bharat as an opportunity.

The UKIBC has five recommendations that we believe can help to maximise India's opportunities with the international business community and achieve self-reliance:

Recommendation 1: Build A Strategy For The Future, Taking A Long-Term View

To succeed, it is vital that the Government of India and State Governments adopt policies and approaches designed to win in the future, not just in the present trade and global manufacturing supply chain scenarios. A long-term approach that considers regional supply chains and location decision-making is needed to succeed.

Recommendation 2: India Should Become Increasingly Open To Free And Fair Trade

India should attract investors due to its strengths rather than by using tariffs as a tool to push international businesses to invest and make in India. Unexpected and sharp rises in tariffs can be counterproductive.

Recommendation 3: Focus On Developing And Supporting Innovators

As well as making its labour market more flexible, India should focus on developing a workforce that has the skills of the future. That means a focus on STEM, digital, creative and critical thinking skills

that will build leaders and workers who can innovate and solve problems. India should develop an innovator-friendly intellectual property policy and enforcement regime. With future investments likely to be tech-rich and, indeed, digitally driven, India can gain a competitive advantage through its IP regime. If UK firms know that their IP is secure in India, they will not hesitate to transfer technology and manufacture in India.

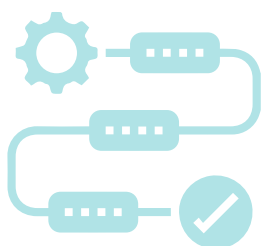
Recommendation 4: Digital And Data

With digital and data services increasingly important in global trade, including in service-rich economies like India and the UK, there is an opportunity for India to fully integrate with other major democratic markets. India should continue to harness and actively invest in the opportunities that AI, digital technology and data present to achieve its growth potential.

Recommendation 5: Put Sustainability At The Heart Of India's Trade And Investment Strategy

Whether it is through UN forums - the Sustainable Development Goals and COP26 - or discussions at the WTO, G7, or G20, sustainability issues are increasingly a feature of trade discussions. If shaped properly, trading arrangements can help support the poor and protect the environment. We strongly believe that should these reforms be materialised, India stands ready to continue its rise as a global leader and develop to the benefit of the Indian population. It has been positive to hear Government officials reaffirm India's commitment to global integration. To further support that narrative, taking action through policy will be key to meeting investor's asks.

You can read more' on the balance between enhancing the UK-India partnership and India's self-reliant mission in our report [Road to a UK-India FTA: Enhancing the partnership and achieving self-reliance.](#)



2. METHODOLOGY

The findings of this report are derived from extensive consultations involving 147 UK businesses and higher education institutions in a UKIBC survey run from September 20th - October 8th, 2021. The survey is consistent with our six previous surveys conducted in 2015-2020, as completed by over 500 respondents. We have subsequently analysed the vast sets of data that our survey has produced over time in order to reveal the key developments in the operating environment in India from a UK business perspective.

These findings are complimented by the insights and experiences shared by more than 200 businesses at the UKIBC's pre-FTA business consultations run throughout July and August 2021 in coordination with the UK's Department for International Trade.

2.1. THE SURVEY RESPONDENTS

The majority of the companies surveyed are already working in India (75 percent); although, we have also gathered the views of companies still entering the Indian market in order to provide useful information on the challenges faced by organisations looking to do business in India.

We heard from a variety of companies by size and by sector, varying from those in advanced engineering and manufacturing, to digital and data, to food and drink, healthcare and life sciences, and others. As well as large companies employing more than 1000 workers in India, small and medium sized enterprises, or SMEs, (companies with a workforce of less than 250) have a significant representation. See figures 1 and 2 below for a breakdown.

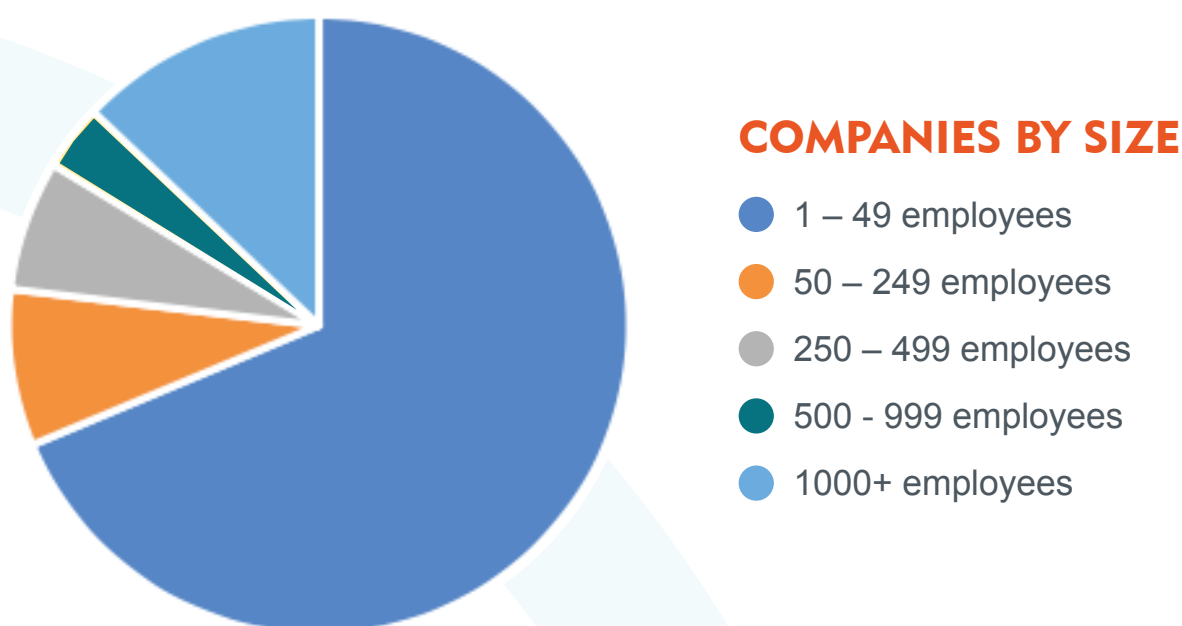


Figure 1

COMPANIES BY SECTOR

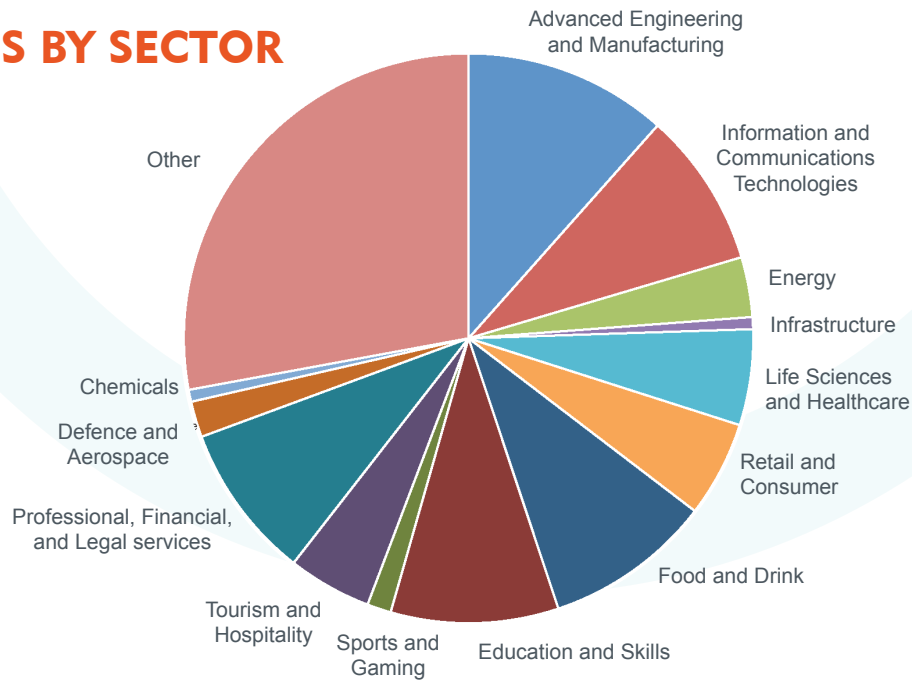


Figure 2

We heard from companies working across India's 28 states and 8 union territories, as the map below illustrates. Many of these companies are working in multiple states.

The range of states and union territories provides a comprehensive picture of the variation in challenges and positive developments taking place in India, with states varying on language, laws and regulations, and indeed governance.

COMPANIES SURVEYED BY LOCATION

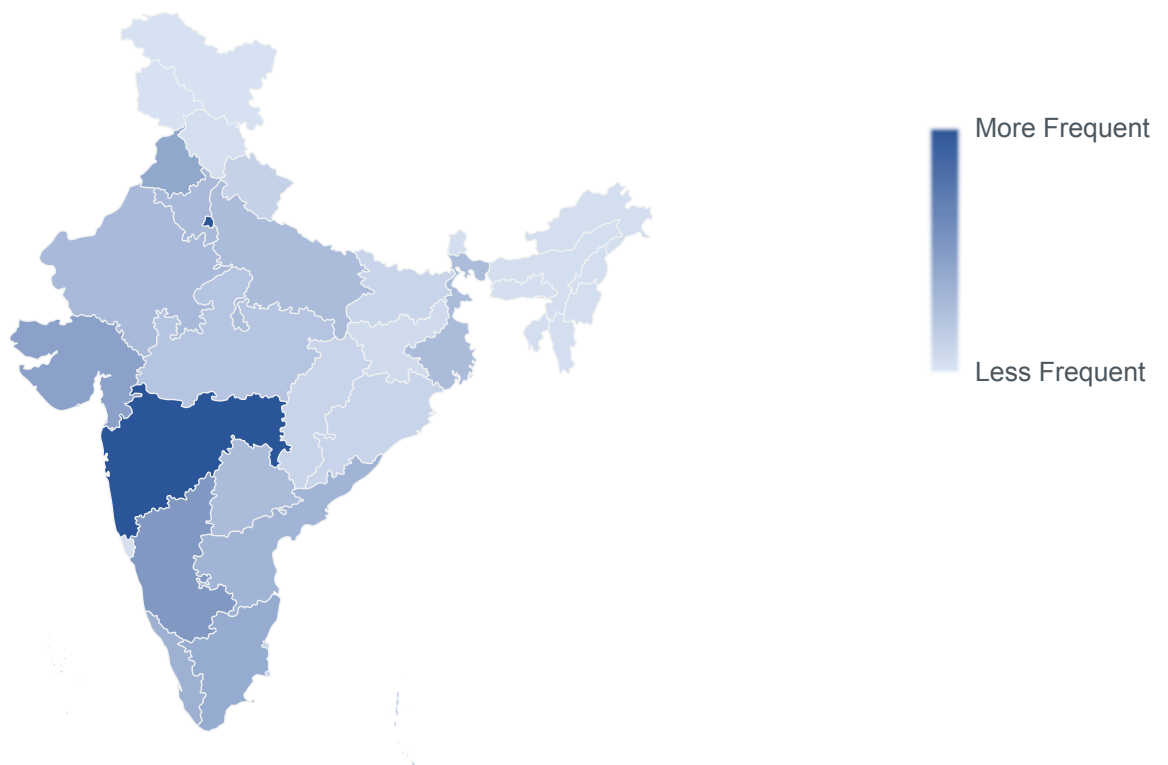


Figure 3



3. INDIA: GROWING MARKET AND FALLING BARRIERS

To better comprehend the experiences of UK companies in India, it is important to understand what their motivations and goals are for working in India in the first place. We asked respondents to rank a number of location factors on a range from very important to not important, in order to build an index of Indian pull factors.

‘Size of the Indian consumer market’, which ranked in the top 3 pull factors in previous years, has become the most important reason for UK companies in determining their India presence.

‘Visiting the market (personally to gauge its characteristics)’ and ‘request for product or service from customers in India’ ranked second and third, in line with high importance in previous years. ‘Availability of managerial and technical staff and skilled workers’ was also noted.

The size of the Indian economy and population have grown to the fifth and second highest in the world respectively at GBP 2.2 trillion and 1.39 billion people (both IMF estimates). Combined with India’s impressive economic development, India has a large and expanding consumer market and talent pool.

Secondly, as this report will later demonstrate, the ease of doing business in India has been steadily improving over time too. Together, these phenomena mean that India is becoming an increasingly attractive market and one that is becoming more accessible to more businesses.

INDIA PULL FACTORS

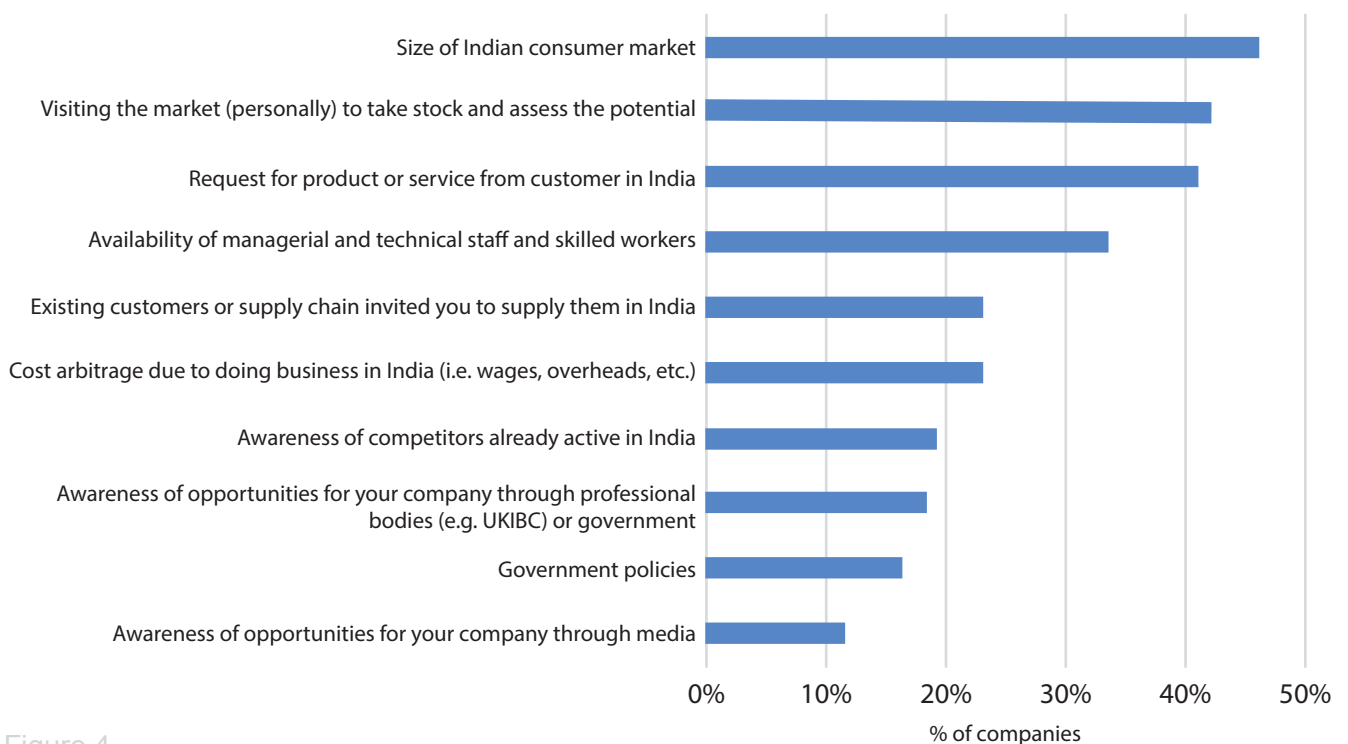


Figure 4

India is made up of 28 states and 8 union territories. Each one is distinct, with variations in languages, cultures, outlooks, laws and regulations. Accordingly, we took a deeper dive to look at why companies are in certain states in India due to the highly different environment in each.

We asked companies what they look for when determining where to do work in India. These factors are a mixture of those pertaining to the ease of doing business, like approvals and regulations, and market attractions, such as size of the market and available labour force.

We found that the most prevalent reason was ‘quick approvals and effective bureaucracy’, as selected by 49 percent. ‘Fewer regulations and supportive government policy (39 percent) and availability of skilled labour (33 percent) were also widespread reasons for the businesses surveyed.

Interestingly, size of market, though still the 4th most selected factor (32 percent) has dropped down from 2nd in last year’s report. Digital infrastructure (25 percent) surpassed physical infrastructure in importance from last year, highlighting the growing prevalence of the digital and related services sectors in UK-India trade and investment. Other significant factors included physical infrastructure, proximity to customers, and political environment (all 20 percent), as well as alignment with national and/or UK regulations.

WHEN CHOOSING WHERE IN INDIA TO INVEST, WHICH OF THE FOLLOWING FACTORS ARE AMONG THE MOST IMPORTANT?

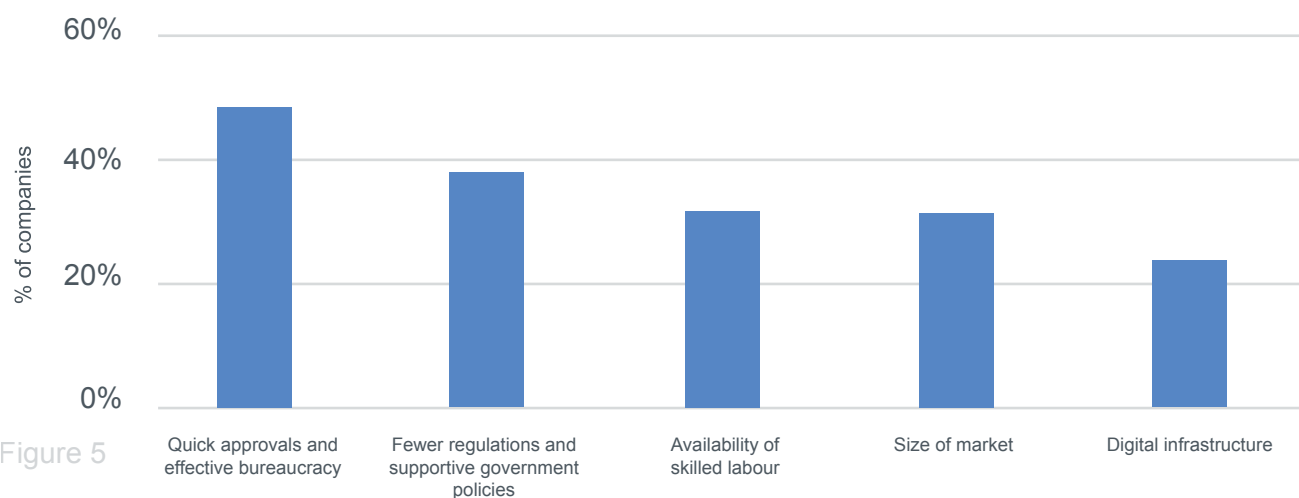


Figure 5

State governments are the main architects of their own business environment, due to having autonomy over regulations, as well as differing views and priorities. Although the Government of India is pushing its own centralised agenda to develop India and create a better business environment nationwide, it has also encouraged state governments to improve the business environment at the state level. This has led to competition between states to attract investment, which in turn creates more jobs, economic activity and tax that can be re-invested into state infrastructure such as education, healthcare and physical infrastructure.

We recommend that Indian states should align their development plans with national policy to attract international investment, while also playing to state strengths. From a business point of view, the ability to trade and invest across States is beneficial so those states that are aligned with others and the Centre are likely to succeed in attracting investment.



4. EASE OF DOING BUSINESS

To attract foreign direct investment, the Government of India has sought to improve the country's business environment through significant policy reforms and perseverance. There has been significant success in recent years; reforms that have improved trading across borders, online submissions and approvals, and resolving insolvency, among others, have helped to make India an easier place to do business.

This improvement has been demonstrated in the World Bank's Ease of Doing Business (EoDB) rankings, in which India rose from 142nd globally in 2014 to 63rd in 2019. The World Bank has discontinued its rankings (as announced in October 2021), however the importance of ease of doing business remains extremely high, as businesses tell us.

Despite the steady progress that India has made, there is room for improvement and the Government of India is working to support business. This next section looks at various components of India's business environment, the major barriers to doing business, and reform priorities, all from the perspective of UK companies looking to enter or already operating in India.

4.1. RATING INDIA'S BUSINESS ENVIRONMENT

Our survey asked companies to rate 15 wide-ranging but all-important components of India's business environment from poor to excellent. A factor which scores 5 is considered 'excellent' by the businesses and a score of 1 is 'poor'. Subsequently, we produced a weighted average of their responses, for which the higher the score, the more favourable the rating.

RATING THE BUSINESS ENVIRONMENT



Figure 6

‘Telecommunication facilities’ (3.75), ‘availability of skilled labour’ (3.54), ‘supply chain’ (3.32) and ‘support and service providers’ (3.31) were clearly the top 4 reputed components, all scoring above 3/5.

‘Quality of infrastructure’ (2.99), ‘availability of credit and finance’ (2.89) and ‘taxation policy’ (2.77) all scored well too, in line with previous years as established strengths in India.

Less well scored were India’s ‘environmental regulations’ (2.41) and ‘efficiency and effectiveness of Government process’ (2.28).

With seven years of data for comparison to date, we then compared how these ratings have changed over time. Telecommunication facilities have been regarded as India’s strongest component every year of the UKIBC’s Doing Business in India survey. In fact, the next top three - the availability of support and service providers, skilled labour, and supply chain - have all consistently ranked high every year. A notable improvement is taxation policy, which was ranked poorly in earlier years and has been rated strongly in 2020 and 2021, likely as UK companies come to grips with India’s Goods and Services Tax, which came into effect in 2017.

The table below shows a complete list of these components rated over time, which shows a positive trend but for a minor fall in a few components from 2020 to 2021. Of course, in 2020, India, like countries around the world, was faced with extreme challenges related to the pandemic. The moststriking of these falls is in those components rated at the lower end: ‘environmental regulations’ and ‘efficiency and effectiveness of Government process’.

Business components	2015	2016	2017	2018	2019	2020	2021
Telecommunication Facilities (Internet, phone)	3.20	3.33	3.40	3.43	3.48	3.56	3.75
Availability of skilled labour	3.26	3.07	3.20	3.18	3.35	3.45	3.54
Availability of supply chain	3.05	3.00	3.25	3.05	3.17	3.39	3.32
Availability of support and service providers	3.07	3.05	3.02	3.19	3.32	3.47	3.31
Presence of Quality Infrastructure (Roads, Railways, etc.)	2.42	2.62	2.80	2.65	2.78	3.06	2.99
Availability of credit and finance					2.64	2.84	2.89
Taxation Policy	2.31	2.31	2.49	2.52	2.51	2.81	2.77
Ability to repatriate profits			2.51	2.35	2.46	2.71	2.68
Labour laws	2.61	2.46	2.86	2.52	2.61	2.88	2.65
Regulatory Framework (Company laws, customs, etc.)	2.33	2.35	2.55	2.56	2.70	2.71	2.62
Data Protection				2.60	2.67	2.71	2.61
Intellectual Property (Ease of getting Patents & Trademarks)	2.42	2.38	2.63	2.59	2.78	2.86	2.58
Quality control measures (Regulations and ease of getting certifications)	2.33	2.14	2.49	2.30	2.55	2.66	2.53
Environmental Regulations	2.41	2.24	2.42	2.47	2.55	2.64	2.41
Efficiency and Effectiveness of Government Process	1.89	2.02	2.13	2.06	2.12	2.57	2.28
All components average	2.09	2.06	2.38	2.50	2.78	2.95	2.86

Figure 7 – Business components as rated by UK companies

4.2. BARRIERS TO DOING BUSINESS

Although India has made significant progress on ease of doing business, businesses tell us that several significant challenges remain. To establish which are the most problematic challenges, we asked respondents to select their top 5 most significant barriers to doing business in India.

The most frequently selected barrier was ‘legal and regulatory barriers’ with half of all respondents selecting it in their top 5. As figure 9 below shows, this has been the most prevalent barrier in all our Doing Business in India Reports.

The next greatest barriers were ‘identifying a suitable partner’ (37 percent), ‘corruption’ (34 percent), and ‘price points’ (29 percent). Working with a partner in India can be a huge strength to any international business, benefiting from local knowledge, processes and ways of doing things. The increase in perception of corruption, which has risen from last year, is worrying and is rightly condoned by business. The selection of price points could be the result of supply chain disruptions that have affected the world over the last 18 months.

BARRIERS TO DOING BUSINESS



Figure 8

Utilising our data base from our seven Doing Business in India Reports, we compared how these issues have fared in recent years. Figure 7 shows the top 10 barriers as selected in 2021, and how they were considered by UK businesses since 2015. The top four barriers (all discussed on the previous page) are the same top four barriers selected in 2020, reinforcing those barriers most urgent to improve.

Furthermore, in every year that the UKIBC has conducted our Doing Business in India survey, 'legal and regulatory barriers' has been cited as the most significant barrier to doing business, by quite some distance. On a positive note, the proportion of companies to select legal and regulatory barriers is falling, averaging more than 60 percent from 2015-2018, and now around 50 percent in both 2020 and 2021. So, still the number one issue to tackle but some evidence that progress is slowly being made.

BARRIERS TO BUSINESS OVER TIME

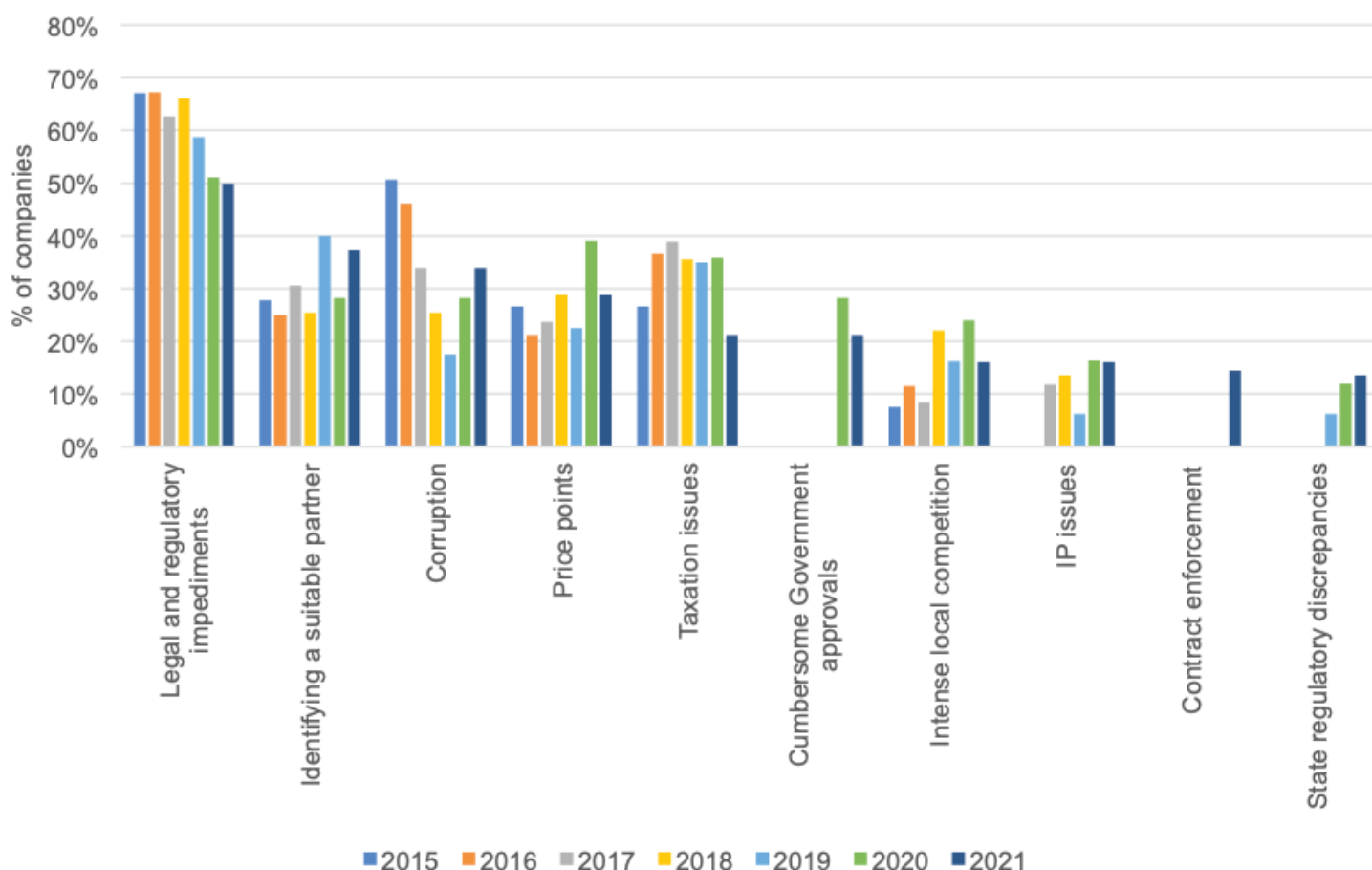


Figure 9

In consideration that legal and regulatory barriers is notably prominent amongst the barriers to doing business, we took a deeper dive to determine the challenge. We discovered that the most pressing impediments were 'import tariff barriers', 'export-import laws and regulations', and 'foreign exchange regulations'.

Goods and services tax, or 'GST', was also frequently cited. India introduced the Goods and Services Tax (GST) in 2017 to bring uniformity to the country's tax system. Businesses very much welcomed this reform and its objective, but many are still coming to grips with the new systems and processes.

LEGAL AND REGULATORY BARRIERS

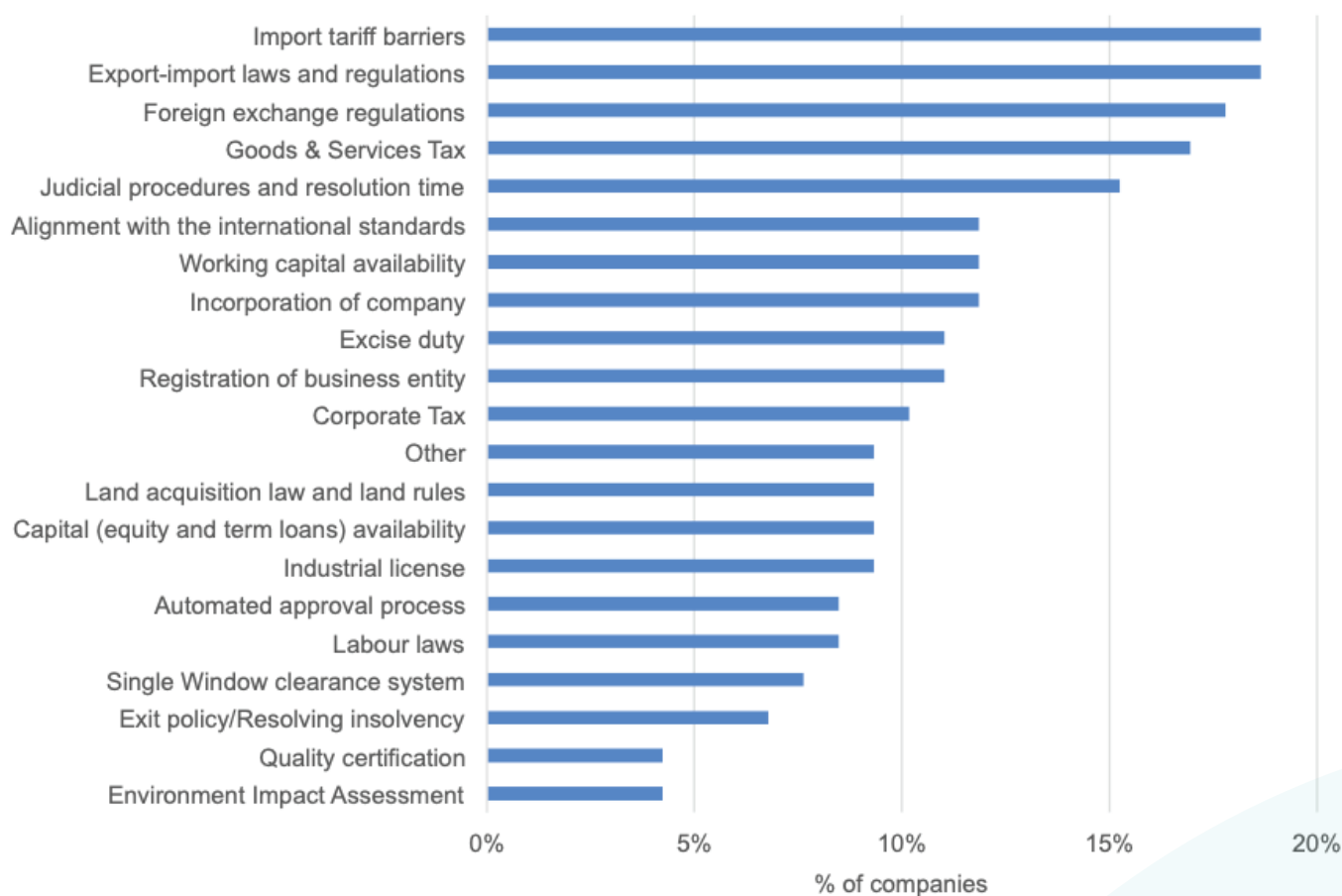


Figure 10

4.3. IMPROVING INDIA'S BUSINESS ENVIRONMENT

The UK-India G2G engagement over the last two years has had strong intensity and purpose. It feels like there is real political will to reform, and to quickly remove the tariff and technical barriers to trade.

Feedback from business is critical to work towards advancing the ease of doing business in India, as those operating on the ground relay their experience. Accordingly, we sought to substantiate which reforms UK companies working in India would benefit from the most, namely their reform priorities.

By some distance, the most desired reform was 'improving bureaucratic processes with accountability' (58%), as selected by more than half of respondents in their top 5 reforms. 'Increasing regulatory certainty' was the second most popular reform (34 percent), followed by 'simplification of the GST processes' (32%).

REFORM PRIORITIES

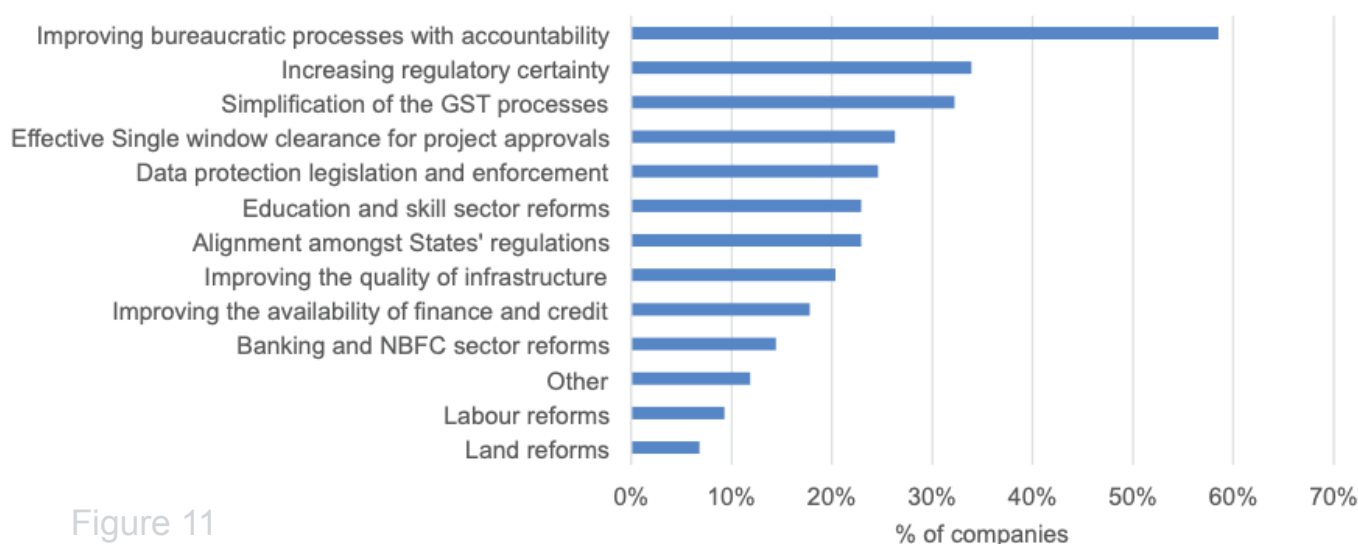


Figure 11

In order to improve India's business environment most effectively, it is important to prioritise not only the most underperforming aspects of the business environment, but also the most important and those that can be improved in shorter timeframes.

The Goods and Services Tax remains an area to prioritise, with it coming up as the fourth greatest barrier among legal and regulatory impediments (see figure 10 on page 17) and as the third most desired reform by businesses. The UKIBC believes the introduction of GST has been a positive step and as it is still relatively new and evolving, there has been some disruption in the short-term due to complications in adhering to new tax policy and the associated processes. In the medium to long-term, we are confident that it will benefit India by bringing greater alignment between states and union territories.

'Effective single window clearance for project approvals' was also highly sought after (selected by 26 percent). Completing the top 5 most desired reforms was 'data protection' (selected by one quarter of respondents). Data protection legislation and enforcement will be critical to drive growth in the innovative, tech-rich, and digitally-driven future-focused industries that will increasingly drive expansion of UK-India trade.

5. CONCLUSION

India has made great progress in its economic development in recent years, supported by a Government that believes in the power of business. It is widely agreed that India is already establishing itself as an important global player, both economically and geopolitically, and that that journey is moving forward. In the next decade, India is forecast to become the largest country by population and the third largest economy in the world. Understandably, businesses want to be a part of that growth journey.

We can infer from our findings presented throughout this report that it is indeed getting easier to do business in India, but we also asked companies that question directly. As figure 12 shows, UK companies mostly agreed that it is getting easier to do business in India, with 51 percent saying yes, 27 percent saying no, and the remainder were not sure.

IS IT GETTING EASIER TO DO BUSINESS IN INDIA?

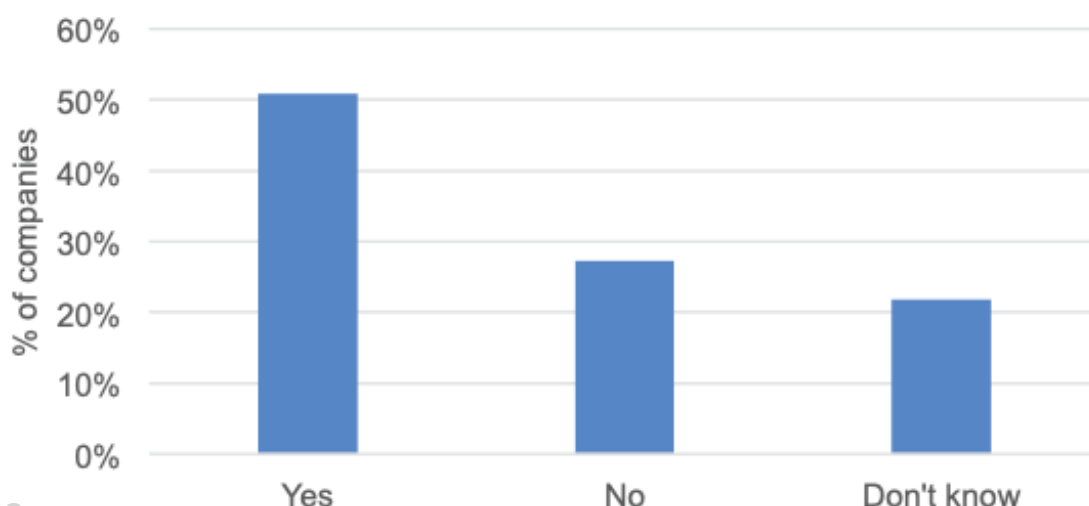


Figure 12

We heard wide-ranging reasons as to why companies were or were not optimistic of the ease of doing business in India.

For those more positive, they assert that improvements to the country's infrastructure, including the focus on digitalisation, have been evident in recent years. Furthermore, many were complementary of the Government push through of reforms to support business. Several highlighted the positive reforms made under the pandemic in bringing processes online for simplification and automation. The proliferation of skilled labour was also noted alongside the growing consumer market and demand. On the other hand, those who were not optimistic felt that unnecessary bureaucracy is turning firms away from Indian opportunities, and that legal and regulatory complexities remain a great challenge.

For UK companies and higher education institutions this positive trend presents a welcome development, expanding the scope for UK-India collaboration, trade and investment. Simultaneously, this presents an encouraging outlook and constructive feedback for the Indian government and domestic businesses who have actively worked to improve the country's business environment.

The Indian ambition to become the world's manufacturing powerhouse and a major player within the global economy is right. To achieve that goal, India will need imports and technology and knowledge transfers if it wants to be a competitive exporter. It is therefore vital that India continues to improve its business environment to attract and facilitate external support, investment, and partnerships.

The Government of India has identified digital technology, manufacturing, infrastructure, healthcare, education, agriculture, and rural development as priorities for the country's development, as it looks to emerge from the pandemic as a global superpower. The UK is well placed to partner with India in these and other areas.

The onset of UK-India FTA negotiations is extremely encouraging to these ends and will help to lower barriers to business, enabling more UK businesses to be a part of the growth journey. Should the feedback presented here from UK companies be taken on board (also refer to our recommendations on pages 5-7), we would see UK trade and investment in India continue to grow, spurred on by an increasingly attractive market and an easier place to do business.

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