Advancing the UK-INDIA Partnership: Business Perspectives

November 2020
It is a pleasure to introduce the Invest India UK-India Investor Handbook – ‘Advancing the UK-India Partnership: Business Perspectives’. As we continue to manage the Covid-19 crisis, the strength of the UK-India strategic economic partnership and the close collaboration between our two countries has never been more important.

India and the UK remain among the largest investors in each other’s economies, with British and Indian investments supporting over half a million jobs in the other country. Britain has been the second-fastest-growing G20 investor in India over the last ten years, with UK investment into India totalling USD 28.2 Bn. In the previous two decades, according to India’s Department for Promotion of Industry and Internal Trade, more than 400 UK companies are operating in India, employing over 450,000 people.

The benefits of this unbeatable combination are clear - new jobs, economic growth and new avenues to co-create and co-innovate. This was also clear at the Joint Economic and Trade Committee held on 24 July 2020, where the UK and Indian Government represented by International Trade Secretary, Liz Truss and Minister of Commerce & Industry, Piyush Goyal supported by the UK Minister for International Trade, Ranil Jayawardena and Indian Union Minister for Housing & Urban Affairs, Hardeep Singh Puri agreed to an enhanced trade partnership with a roadmap to a future free trade agreement.

Beyond the strong economic fundamentals, our nations share a “Living Bridge” of countless personal and professional ties. It has resulted in multiple trade, research and innovation partnerships — in particular between the Indian and the British young, tech-savvy population. British businesses can play an important role to support India’s Atmanirbhar Bharat mission. Sectors such as manufacturing, infrastructure, energy, pharmaceuticals, space, and defence are all areas ripe for India-UK collaboration in creating an Atmanirbhar Bharat and in leveraging the expertise the UK has to offer.

The UK-India partnership is and will remain, a force for good globally. We are stronger and more prosperous together.

The United Kingdom and India share a strong commitment to common values, including the preservation of democracy, rule of law and safeguarding multilateralism as well as rules-based international systems. These include rules based international trade with WTO at its core. Globalisation has consolidated our many convergences and both countries are moving towards an enhanced trade partnership.

Our bilateral trade in 2019, at GBP 24 Bn, witnessed a 10 per cent increase over the previous year - with a strong services component. During that period, Indian companies invested in 120 projects and created 5,429 new jobs in the UK, proving to be the second-largest source of foreign direct investment into the UK. As per the CII-Grant Thornton, “India meets Britain Tracker Report 2020”, about 850 Indian companies have located themselves in the UK, contributing a total revenue of almost GBP 41.2 Bn. The 1.6 million-strong Indian diaspora in the UK represents over 65,000 companies — of which 654 companies have a turnover of more than GBP 100,000 per year and generate a revenue of GBP 36.84 Bn, paying over GBP 1 Bn in corporation tax, investing over GBP 2 Bn through capital expenditure and creating over 174,000 jobs here in the UK.

In India, the presence of British companies and businesses is valued – accounting for a cumulative equity investment of USD 28.39 Bn (April 2000-June 2020) i.e. approximately 6 per cent of all foreign direct investment into India. Indian business and industry look forward to this number increasing in the coming days — particularly in the sectors of defence, energy, IT hardware and software, artificial intelligence, logistics, fintech, and e-mobility, to name a few. Going forward, as we grapple with the pandemic, we have identified new priorities for a ‘prosperity’ agenda to have a win-win partnership for the benefit of both our peoples and which covers many dimensions of healthcare and medical preparedness, from pharmaceuticals to PPE and other essential products and equipment, IT for modernisation/ reinforcement of our healthcare sectors, co-operation in the creation of world class medical infrastructure.
The UK and India relationship is a rich one—steeped in shared historical and cultural links and reinforced by the numerous bilateral forums and institutions that successive governments in both countries have built and supported. In the past, the UK and India have cooperated extensively in the fields of education, tourism, and sports, whilst promoting representative democracies, the rule of law and pursuing common objectives in international security. Indeed, the two countries are linked by a strong bond which has allowed business exchange to thrive.

Both India and the UK are among the largest investors in each other’s countries, contributing actively to its economy and providing jobs to thousands. In a shifting world, there is yet more opportunity for India and the UK to cooperate in emerging fields of technology, research, and innovation. Given India’s recent policy recalibration, its growing market size and skilled workforce, British investors may find India an even more exciting place to explore and benefit from.

I hope that readers will find this comprehensive report helpful in understanding business exchange between the UK and India and that investors will use the opportunities it highlights to invest in India and bring our vibrant ecosystems closer together.
Introduction

The United Kingdom and India share a robust relationship marked by a shared history, social and cultural exchange, a common language, and love for cricket. For close to four centuries, the two countries have exchanged people and ideas, participating in a trade that gave life to the shipping lanes of the Indian Ocean, enabling, not only the handicrafts of the subcontinent reach people across the world, but also the Industrial Revolution of the 18th century. The relationship between the two countries has been instrumental in shaping modern international politics and in the emergence of defining global movements.

Since 1947, the two countries have maintained a robust bilateral relationship, aligning over key issues of international importance. As members of the Commonwealth of Nations, India and the UK have collaborated in promoting representative democracies and the pursuit of equality, and in several non-governmental spheres such as education, tourism, cinema and sports. In recent years, a renewed relationship points to cooperation in defence, manufacturing of military equipment and joint military exercises.

The political relationship aside, India and the UK share strong people-to-people ties. The UK is, in fact, home to a significant Indian diaspora of 1.5 million people that, through its 65,000 companies, actively contributes to the economy and society of the UK. The continued influence of the UK in India is apparent in all spheres of modern Indian society—the widespread use of the English language, the structure of Indian railways, the Indian bureaucracy and the education system, to name only a few. Perhaps the greatest marker of the India-UK relationship is the vibrancy of bilateral trade and business. India is the second largest investor in the UK while the UK is the sixth largest investor in India, with a total foreign direct investment (FDI) of USD 28.3 Bn since 2000.² The 842 Indian-owned companies in the UK have an annual turnover of GBP 41.2 Bn (USD 53 Bn) and employ over 110,000 people in the country.³ As global currents change, this flourishing business partnership is primed for more growth.

Building on the strong foundations of the bilateral relationship, this report aims to underscore business opportunities in India for UK investors. It highlights sectors in which British companies are actively engaged, whilst also exploring emerging areas of cooperation. Furthermore, it presents various Government of India initiatives that have streamlined the process of investing in India, thus making India a favoured destination for incoming foreign direct investments from the UK.

British Investments in India through the Years

Through the long history of British-Indian relations, some key moments have stood out: either because they mark the beginning of a long-standing relationship between British businesses and India, or because they create frameworks which permit business exchange to thrive. Through a timeline, this section provides an overview of the UK-India commercial relationship, going as far back as 1858. While not exhaustive, this timeline is a comprehensive representation of the relationship between two countries. It concludes in 2020 as forces from the scientific and pharmaceutical fields in both countries, join hands to help the world overcome the Covid-19 pandemic.

1855
The Chartered Bank (now Standard Chartered) sets up branches in Mumbai and Kolkata.  

1858
The Royal bank of Scotland begins operations in India. Today, it has 10 branches across all major Indian cities.

1903
The Mercantile Bank of India, London and China is founded in Mumbai. In 1959, it is bought by the Hong Kong and Shanghai Corporation (HSBC) Limited, becoming HSBC Holdings plc.

1921
Brooke Bond, a subsidiary of British multi-brand Unilever, launches Red Label Tea. It continues to be one of the most popular teas in India today.

Commemorative Indian Postal Service stamp celebrating 150 years of the bank in India.
Glaxo (now GlaxoSmithKline) comes to India as H J Forster and Co. 7

Unilever sets up its first Indian subsidiary—Hindustan Vanaspati Manufacturing Company. It later merges with Lever Brothers India Limited and United Traders Limited to form Hindustan Unilever Limited in 1956. HUL is one of the largest FMCG brands in India.

British Broadcasting Company (BBC), now a Corporation, launches its first Hindi language service, soon followed by broadcasts in Bengali, Gujarati, Marathi and Tamil.

India joins the Commonwealth of Nations, solidifying its friendship with the UK.

British household and domestic goods icon Reckitt Benckiser establishes its Indian subsidiary. Their product Dettol is India’s most popular anti-septic.

8 Rolls-Royce India https://www.rolls-royce.com/country-sites/india.aspx#section-timeline
British equipment manufacturer JCB starts its operations in India. Its headquarters at Ballabhgarh is also the world’s largest factory for Backhoe Loaders.

AstraZeneca, the leading British pharmaceuticals and biopharmaceutical company, establishes its operations in Bengaluru.

British multinational automotive and aerospace components company, GKN Driveline, sets up operations in India. The company has invested nearly USD 5.5 Mn in their new forging facility, its first wholly owned forging unit in the Asia Pacific region.

HSBC brings the first ever ATM to India.

Barclays plc establishes its branch presence in India.

British multinational company BAE Systems, in a joint venture with HAL named BAeHAL, becomes one of the first companies in India to focus on aerospace and defence. BAeHAL has offered solutions to Airbus, Rolls Royce, Thales, MBDA, ISRO, BEL and DRDO.
The Defence Consultative Group (DCG) is established. It is to be headed by India’s Defence Secretary and the British Permanent Under-Secretary for Defence.

Headquartered in Navi Mumbai, the Indian subsidiary of British speciality chemicals company Croda, begins operations.

Science and Technology Agreement is signed to promote cooperation and joint initiatives in the field.

1995

1996

1997

British publishing and education company Pearson plc launches operations in India. At present, it has over 7,000 schools and universities, along with other educational partners, including a school, the Pearson’s school in Bengaluru, the first in the world in its own name.

1997

1998

Johnson Matthey’s Indian subsidiary KPIT Technologies Limited is formed.

Twinings, a major tea brand and subsidiary of Associated British Foods, enters the Indian market with Earl Grey, Lemon, English Breakfast and Darjeeling blends.

11 Twinings India [https://www.twiningsindia.com/about-us](https://www.twiningsindia.com/about-us)
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>2000</td>
<td>BT India Pvt Ltd, the Indian subsidiary of British Telecom, is founded.</td>
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<td>2001</td>
<td>British retailer Marks and Spencer comes to India.</td>
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<td>2002</td>
<td>British multinational insurance company Aviva begins operations in July, in a joint venture with India’s Dabur Group.</td>
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<td>2004</td>
<td>UK-India bilateral relationship is upgraded to a Strategic Partnership.</td>
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<td>2004</td>
<td>Tesco sets up its international technology and retail operations centre in Bengaluru.</td>
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<td>2005</td>
<td>India and the UK establish the Joint Economic and Trade Committee (JETCO) to tackle trade and investment barriers, and to promote business links.</td>
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The British Secretary of International Trade Liam Fox and Indian Minister of Commerce and Industry Piyush Goyal at the 13th JETCO meeting in London in July 2019.
The UK-India Education and Research Initiative (UKIERI) is launched. It focuses on higher education and research, schools, and professional and technical skills.

Chancellor of the Exchequer, Gordon Brown, visits India accompanied by 150 businesspeople. During the visit, Mr Brown outlines his aim to see British exports to India double by 2010 and quadruple by 2020.

UK-based Vodafone Group acquires 67 per cent of controlling stake in Indian telecom Hutchison, marking its entry into the Indian market.

Prime Minister Cameron pays maiden visit to India. The strategic partnership is elevated to an enhanced partnership. India and the UK establish the India-UK CEO Forum and an India-UK Infrastructure Group aimed at increasing trade and investment.

To enhance bilateral cooperation in education, India-UK Education Forum is set up.
UK-based companies BAE Systems, Rolls-Royce and India’s Hindustan Aeronautics sign a deal for the supply of 57 Hawk trainer aircrafts to India.  

Beverage and alcohol company Diageo entered the Indian market when it acquired 53.4 per cent stake in the Indian company United Spirits.

India and the UK signed MOUs on cooperation in fields of chemical, biological, radiological, nuclear safety and education.

The UK and India establish a Defence and International Security Partnership (DISP) to combat global threats to cyber and maritime security and collaborate on counterterrorism activities.

The UK commits itself to helping advance the ‘Make in India’ programme in the defence sector.

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Fast-Track mechanism is set up by India’s DPIIT, with the aim of identifying and solving problems faced by UK companies and investors operating in India.

The two countries sign agreements on Ease of Doing Business, to share best practices and cooperate in the field of Intellectual Property rights.

The first Madame Tussauds wax museum, owned and operated by Merlin Entertainments, opens in Delhi.

The first phase of the Access India Programme (AIP) is launched by the High Commission of India and the UK-India Business Council (UKIBC). The AIP is a market entry support programme for small and medium UK enterprises to access the ‘Make in India’ initiative of the Government of India.

Queen Elizabeth II hosts the official launch of the UK-India Year of Culture at the Buckingham Palace with Indian Finance Minister Arun Jaitley.

India-UK Tech Alliance between NASSCOM and Tech UK is signed, with an aim to set up a UK-India tech hub, enhance UK-India Tech Cluster partnerships, and collaborate on AI and digital healthcare in India’s Health Districts Programme.

Buckingham Palace lit up in observance of UK-India Year of Culture in February 2017.
Serum Institute of India works with Oxford University and AstraZeneca on a vaccine against Covid-19.

India is on the cusp of the grandest 21st century transformation. It supports a vast skilled working age population of 800 million people, a growing market with internet access, 650 million smartphone users, cheap and easily available internet, and a rapidly growing aspirational middle-class. Governments both at the centre and state levels have enacted business and investor friendly policies, extending from reforms in FDI regulations and taxation, to manufacturing incentives, fast-tracking granting of permits and provision of electricity and water supplies.

These market indicators and policy changes, and that India’s robust democracy allows—indeed encourages—businesses to thrive, have led India to emerge as a favoured destination for foreign investors. But the UK and India are linked in other degrees too. They share a history and language, common judicial and educational systems. The dynamic exchange between the people of the two countries has allowed them to understand each other’s cultures and aspirations. British companies in India are part of everyday lives of millions of Indians; trusted brands that are prestigious while also being accessible. For UK-based companies, India offers tremendous opportunities and an assured success.

To further embolden the prospects of India as a business hub, the government of Prime Minister Modi has taken multiple steps in the last few years that make India more amenable to foreign investors. Some of the key policies and schemes are highlighted in this section.

**FDI Reforms**

To make India a more favoured destination for FDI, the government has implemented cross-sector reforms in its FDI policy. The measures it has undertaken have resulted in increased FDI inflows into the country. Key sectors such as aviation, automobiles, capital goods, chemicals, e-commerce, food processing, renewable energy, textiles, tourism, and greenfield projects in healthcare, medical devices and pharmaceuticals are eligible for 100 per cent FDI via the automatic route. Other crucial sectors in the UK-India relationship, such as defence, and brownfield projects in biotechnology and healthcare have been opened to 74 per cent FDI under the automatic route.\(^{14}\)

**Single Window Clearance**

The Single Window System is being set up by the Ministry of Commerce and Industry to approve all state clearances and approvals required by new businesses in India. The system is envisioned as a one-stop digital platform that will help investors in quickening the time taken to set up their operations. The investment clearance cell will be a national portal that will integrate all existing clearance systems distributed across various ministries and departments at both the centre and state levels into a single and unified application form.

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14 "FDI Policy," Invest India. [https://www.investindia.gov.in/foreign-direct-investment](https://www.investindia.gov.in/foreign-direct-investment)
National Infrastructure Pipeline

The National Infrastructure Pipeline (NIP), first announced by Prime Minister Narendra Modi in 2019, was launched by Finance Minister Nirmala Sitharaman in August this year. The NIP is a first-of-its-kind government exercise that seeks to improve project preparation and implementation, and attract investments into infrastructure development. The NIP encapsulates all greenfield and brownfield projects with a cost greater than INR 100 crore (USD 13 Mn) per project that are under conceptualisation or implementation, for a total period of five years, between 2019 and 2024. The NIP report accessible on the India Investment Grid (IIG) website, provides access to updated project level information for investments across infrastructure sectors. All projects are accompanied with details on their line ministries, states and implementing agencies to provide a comprehensive description.

Corporate Tax

Corporate tax rates range from 25 per cent to 40 per cent. Any domestic company will have an option to pay income-tax at the rate of 22 per cent, if they do not avail of any other exemption or incentive. The effective tax rate for these companies shall be 17 per cent inclusive of surcharge and cess. Domestic companies incorporated on or after 1 October 2020 (greenfield projects) for the manufacturing sector will have an option of paying income-tax at the rate of 15 per cent. The effective tax rate for these companies shall be 17 per cent inclusive of surcharge and cess.

These competitive tax rates have placed India as a strong contender globally. The simplified structure will help investors and prospective manufacturers better navigate the Indian tax regime.

Manufacturing Incentives

In both urban and rural India, there is a mounting need for infrastructure development. Population is rapidly rising in urban areas, while rural India is being brought into the fold of a digitised India, thereby pressuring the urgent need for a robust national infrastructure. This has created a significant opportunity for British investors, particularly in logistics and warehousing.

In the Union Budget for financial year 2021, the Government of India allocated INR 169,637 crore (USD 24.27 Bn) towards creating a transport infrastructure, while the country also aims to spend USD 1.4 Tn on infrastructure in the next five years through the recently launched NIP. The national logistics policy of 2019 will also position India as a logistics hub and bring down the country’s high logistics cost of around 13-14 per cent to 10 per cent, putting it at par with many developed nations.

Recognising the desire of many foreign companies to diversify their supply chains, the government has also provided manufacturing incentives to over a thousand companies. It has prioritised 550 products including medical equipment supplies, leather and auto parts, textiles and food processing units.

Insolvency and Bankruptcy Code

The Insolvency and Bankruptcy Code is considered one of the most important economic reforms in recent times. The code provides flexibility to financial and operational creditors and enables them to initiate insolvency resolution procedures against companies that have defaulted on payments of INR 1 lakh or more to repay the legitimate dues of financial or operational creditors. The entire process is altogether different from that prescribed by the erstwhile legislation, the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).

Labour Reforms

The Indian government recently instated three measures to reform labour codes in India, that will considerably alter the rules governing labour participation in the economy. The first law aims to give workers job security and clarity in their employment terms and conditions, and the ability to assert their employment rights under law by enforcing universalisation of formal employment contracts. It also mandates provision of healthcare facilities and promotes inclusion of women in the workforce through various measures.

The second law gives parity between employees and workers of the formal and informal sectors and extends social and fiscal security to both. The third law relates to trade unions and conditions of employment in an industrial establishment and establishes regulations for settling industrial disputes. It also requires employers to contribute towards a new ‘worker re-skilling fund’ in case of retrenchment of workers.

Export Promotion Capital Goods (EPCG) Scheme

The objective of the EPCG scheme is to facilitate import of capital goods for producing quality goods and services and enhance India’s manufacturing competitiveness. It allows import of capital goods for pre-production, production and post-production at zero customs duty. Goods imported for physical exports under the EPCG scheme are exempt from fulfilling obligations under the Goods and Services Tax (GST). Alternatively, the exporter may also procure capital goods from the domestic market in accordance with provisions of the foreign trade policy.

Recognition and Registration of Corporate in-house R&D Units

Research and Development is an important component of new age innovation and is accordingly incentivised by the Government of India. A scheme introduced by the Department of Scientific and Industrial Research (DSIR) grants recognition and registration to corporate in-house R&D units. Under this scheme, companies seeking recognition for their in-house R&D units must be engaged in manufacturing, producing or in rendering technical services. Those companies that are at present engaged only in research and contract research alone, but with intentions of starting manufacturing later are also eligible for recognition.

Various incentives on direct and indirect taxes for expenditure on R&D (under the Income Tax Act, 1961) include a 100 per cent write-off on revenue expenditure on R&D, 100 per cent write-off of capital expenditure on R&D in the year the expenditure is incurred, customs duty and central excise duty exemption for in-house R&D units of corporate companies (other than hospitals), and central excise duty waiver for three years on goods designed and developed by a wholly Indian owned company and patented in at least two countries among India, the United States, Japan and a member nation of the European Union.
The UK Footprint in India

Trade and FDI

The UK is the sixth largest investor in India, contributing 5.96 per cent of the total equity inflow into India, at a combined investment of USD 28.39 Bn between April 2000 and June 2020. In financial year 2019-20, FDI inflow from the UK touched USD 1.42 Bn. Over 400 British companies in India directly employ around 450,000 Indian workers. Just in the last two years, these companies have created 50,000 jobs and between 2000 and 2018, they have indirectly employed close to 800,000 people. Of the total jobs created, around 419,370 are indirect. These include 252,400 in the manufacturing sector, followed by 166,120 in the services sector and 850 in the trading sector.

Cumulative FDI equity inflow from UK to India

The top target sectors for British FDI in India include chemicals (non-fertilizers) sector at USD 5.87 Bn, drugs and pharmaceuticals at USD 4.32, services sector (finance, banking, insurance, non-financial and business, outsourcing, R&D, courier, technology testing and analysis) at USD 3.94 Bn, food processing industries at USD 3.08 Bn, and petroleum and natural gas at USD 2.35 Bn.

A survey conducted by Grant Thornton and the Confederation of British Industry (CBI) found that 56 per cent of total UK-based companies in India are engaged in the services sector, 36 per cent are in the manufacturing sector, while the ~7 per cent are involved in trading.

Investments from the UK towards India between January 2000 and December 2018 have been largely concentrated in Maharashtra, the Union Territories of Dadra, Nagar Haveli and Daman and Diu, with a combined value of USD 8.8 Bn, and in Delhi and parts of Uttar Pradesh and Haryana, with a combined value of USD 2.9 Bn.

India’s major exports to the UK include pharmaceutical products, apparel and clothing accessories, natural or cultured pearls, precious or semiprecious stones, precious metals, and the strategically important nuclear reactors, boilers, machinery and mechanical appliances and their parts thereof. British exports on the other hand consist of items of iron and steel; optical, photographic, medical, measuring and precision instruments; electrical machinery and equipment; and sound and television recorders and reproducers.

Trade between India and the UK signifies one of the most consistent trade relationships in the last twenty years. The figures have remained well over USD 12 Bn for the past half decade and have, for the most part, risen consistently. The India – UK bilateral trade touched USD 15.450 Bn in the April 2019 – March 2020 period, with India’s exports to UK valued at USD 8.73 Bn, and Indian imports from UK valued at USD 6.71 Bn.

Trade and quality
India is the fourth-largest automotive market in the world after China, USA, Japan and the fifth-largest auto producing country after China, USA, Japan and Germany.

The auto components industry in India is expected to grow to USD 200 Bn by 2026. The annual turnover of the segment is USD 57 Bn (2019). Auto components industry employs five million people in India (2019).

The EV component market is expected to grow to ~USD 12 Bn by 2025.

Trade and FDI
UK-India collective automotive trade is worth USD 350 Mn (2019). The market size for Indian exports in auto-components was USD 15.2 Bn in 2018-19, while auto exports grew by 14.5 per cent in FY 2019 to 46.29 lakh units.

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Electric Mobility
Elective vehicle market in India is expected to be valued at USD 2 Bn by 2023.

The EV component market is expected to grow to ~USD 12 Bn by 2025.

Policy support and government incentives
Along with reduction in import duty on various categories of electric vehicles, 100 per cent FDI is permitted via the automatic route.

Automotive Mission Plan (2016-26) aims to develop India as a leading automobile manufacturing hub in the world with a turnover of USD 300 Bn by 2026.

FAME 2 (Faster Adoption and Manufacturing Hybrid & Electric Vehicles) has an outlay of USD 1.4 Bn for a period of three years commencing in 2019.


Market opportunity

India has 20 public sector banks, 22 private sector banks, 44 foreign banks and 45 regional rural banks.\(^{27}\) It is expected to become the third largest domestic banking sector by 2050, with the largest microfinance market. Total Banking Assets in India are expected to cross USD 28.5 Tn in 2025.

Credit Gap of USD 240 Bn in the MSMEs space.

FinTech

India has the highest FinTech adoption rate globally and is the third largest FinTech ecosystem.\(^{28}\) The overall transaction value in the Indian FinTech market is expected to jump from ~USD 65 Bn in 2019 to USD 140 Bn in 2023, at CAGR of 20 per cent.

As of June 2020, there were 2,174 fintech startups in the country.

Trade and FDI

The Indian BFSI sector attracted USD 80.7 Bn in FDI inflows between April 2000 and December 2019.\(^{29}\) Second largest deal market in the APAC region in 2019 with over 1,000 private equity and venture capital pacts valued at USD 45 Bn.\(^ {30}\)

FDI caps in BFSI industries: banking 74 per cent, FinTech 100 per cent, insurance 49 per cent, and insurance intermediaries 100 per cent.

Cashless India is a key feature of the Digital India Programme, flagship campaign of the Government of India with a vision to transform India into a digitally empowered society and knowledge economy.

An Inter-Ministerial Steering Committee on FinTech related issues has been formed headed by Dept. of Economic Affairs for discussing regulatory standards, facilitating financial services & promoting FinTech adoption.

Policy support and government incentives

The government permits 100 per cent FDI under the automatic route. Companies can be established online, with easily accessible compliance procedures.

The 'Make in India' campaign of the government has made manufacturing a prime focus sector in India.

Taxation: Corporate taxes are 25 per cent Import duties are at most 10 per cent General import duty of 7.5 per cent GST is charged at 18 per cent.

Market opportunity

Capital goods industry is worth USD 42 Bn in 2020 and is expected to reach USD 112 Bn by 2025.

The sector will provide direct employment to five million people by 2025.

The sector is expected to grow at 7 per cent (5-year CAGR)

Trade and FDI

Consumption – USD 66 Bn

Production – USD 52 bn

Indian imports in the capital goods sector amount to USD 31 Bn whereas Indian exports are worth USD 16 Bn.

Total FDI inflows in the electrical equipment segment between April 2000 and June 2020 was USD 8.7 Bn.

The industrial machinery segment attracted USD 5.7 Bn FDI inflow in the same period.

Policy support and government incentives

The requirement for industrial licenses and imports licenses has been waived for the capital goods sector in India.

The government provides a liberal work visa under its Expatriation Policy.

27 Invest India BFSI Sector Overview, Invest India. https://www.investindia.gov.in/sector/bfsi-banking
30 BFSI – FDI India. https://www.fdi.finance/sectors/bfsi
### CHEMICALS

#### Market opportunity

India’s chemical market is worth USD 180 Bn, estimated to be USD 304 Bn by 2025. India is the 14th largest exporter of chemicals and the 8th largest importer of chemicals (excluding pharma).

Import of USD 5.2 Bn of chemical products in the last five years.  

#### Trade and FDI

India is the fourth-largest producer of agrochemicals after USA, China, and Japan. Chemicals contribute approximately 12.5 per cent of total exports from India. Total FDI inflows in the sector since 2000 is USD 17.6 Bn. Of this, USD 5.85 Bn was received from the UK, constituting the largest portion of British FDI inflow in India.

#### Policy support and government incentives

100 per cent FDI is allowed through the automatic route (except in the case of certain hazardous chemicals). Entry barriers for new entrants has been reduced under new regulations, while validity of licenses has been increased from three to 15 years.

The government has set up four Petroleum, Chemical and Petrochemical Investment Regions (PCPIR) in Gujarat, Odisha, Andhra Pradesh & Tamil Nadu respectively, where the government shall provide support for development of petrochemicals units, including external physical infrastructure linkages like rail, road, port, airport, telecom through Viability Gap Funding (VGF)

#### Demand for chemicals

Demand for chemicals is expected to grow at 9.3 per cent per annum over the next five years and to employ an additional two million people.

India is the third-largest consumer of polymers and contributes 3.4 per cent to the global chemicals industry. The chemicals sector contributes to 7.7 per cent of India’s manufacturing GVA.

### DEFENCE MANUFACTURING

#### Market opportunity

India has the fifth-largest defence budget in the world, at USD 62.8 Bn. USD 14 Bn has been allocated for capital expenditure. India plans to spend USD 130 Bn on military modernization over the next five years.

#### Trade and FDI

India exports military products worth USD 1.5 Bn to 18 countries. It also holds a 15 per cent share in global arms import. In March 2019, defence exports permissions touched USD 1.5 Bn, marking a 10-fold increase in the last five years.

#### Policy support and government incentives

FDI cap via the automatic route is 74 per cent, while 100 per cent FDI is permitted via the government route. For most aero components, 100 per cent FDI is permitted through automatic route.

Two proposed defence industrial corridors will leverage existing ordnance factories, vendors, and private manufacturers in the region.

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31 EY and Invest India Research; “Invest India Chemicals Sector Overview,” Invest India. https://www.investindia.gov.in/sector/chemicals
32 FICCI Specialty Chemicals Report
33 Invest India Pharmaceuticals Sector Overview,” Invest India; Ministry of Commerce Trade Data
34 Invest India Defence Manufacturing Sector Overview,” Invest India. https://www.investindia.gov.in/sector/defence-manufacturing
35 “Invest India Defence Manufacturing Sector Overview,” Invest India; Invest India Focus Sector Brochure

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Market opportunity

Fifth-largest renewable energy installed capacity: fifth-largest for solar and fourth-largest for wind.

India is the third-largest energy and oil consumer in the world, imports 80 per cent of its crude oil.

India aims to increase pipeline network from 17,000 kms to 32,000 kms by 2025 and envisages to open 10,000 CNG stations by 2025.

Trade and FDI

The UK and India made a joint investment of GBP 240 Mn (USD 312 Mn) in 2017, to encourage investment into India’s rapidly growing energy and renewables market.

Total FDI in the non-conventional energy sector between April 2000 and June 2020 was recorded as USD 9.5 Bn.

Policy support and government incentives

Investments of USD 6.5 Bn have been sanctioned to enable the flow of renewable energy into the national grid. Classified under ‘white category’ for easier environment clearances.

National Clean Energy & Environment Fund (NCEEF) has been set up to fund clean energy initiatives.

Renewable energy in India has a potential of 1,000+ GW, of which 89.22 GW has already been installed as of September 2020.

Power demand projected to double to 2,336 TWH by 2027 from 1,142 TWH in 2018.

Target to set up 450 GW of renewable energy by 2030, with an investment opportunity of over USD 30 Bn annually.

The sector accounts for 2.3 per cent of India’s GDP and provides more than 13 million direct and indirect jobs.

The Indian ESDM market is expected to be one of the largest globally by 2025, with a projected value of USD 400 Bn.

India’s share in global electronics manufacturing grew from 1.3 per cent in 2012 to 3.0 per cent in 2018.

In the last five years, there has been a 2.5x growth in domestic production.


In the last six years, total imports in the sector went up from USD 37.5 Bn to USD 54 Bn.

Financial incentives of up to 50 per cent of project cost to be awarded under the Modified Electronics Manufacturing Clusters Scheme (EMC 2.0).

Promotion of Electronic Components & Semiconductors (SPECS): a 25 per cent incentive on capital expenditure, on a reimbursement basis.

Preferential market access: Preference for domestically manufactured electronic products in government procurement due to an emphasis on the ‘Make in India’ mission.

Production Linked Incentive Scheme: 4-6 per cent production linked incentive for a period of five years.


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36 EY and Invest India Research
38 Invest India Sector Brochure
41 “Invest India ESDM Sector Overview,” Invest India https://www.investindia.gov.in/sector/electronic-systems
42, 43 Invest India Sector Brochure
44 EY and Invest India Research
**Market opportunity**

India was the sixth-largest food and grocery market in the world in 2018. The Indian food industry’s output is expected to reach USD 535 Bn by 2025-26. Growing consumption of food is expected to reach USD 1.2 Tn by 2025-26. By 2030, domestic private consumption, is expected to develop into a USD 6 Tn growth opportunity. If realised, this would make India’s consumer market the third largest in the world.

**Trade and FDI**

India’s total export of food was worth USD 32.7 Bn in 2019-20. FDI inflow in food processing sector, between April 2000 and June 2020, stood at USD 10.16 Bn. Of this, USD 4.37 Bn was received between April 2014 and June 2020. Major food exports to the UK in 2019-20 from India included fish and crustaceans, cereals, coffee, tea as well as edible fruits and nuts.

**Policy support and government incentives**

Government approval of 37 mega food parks (20 are operational) and 309 approved cold chain projects with over 8,000 cold storage facilities.

100 per cent FDI through the automatic route. The Mauritius-India FTA–EPZs allow farmers to sell outside of their APMC ‘mandis’. Farmers can enter a contract with agri-business firms or large retailers on pre-agreed prices of their produce. Creation of National Agriculture Market or e-NAM, a pan-India electronic trading portal to create unified national market for agricultural commodities.

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**PHARMACEUTICALS, HEALTHCARE & MEDICAL DEVICES**

**Market opportunity**

The Indian Pharmaceuticals industry is worth **USD 41 Bn.**

Over 500 different Active Pharmaceutical Ingredients (APIs) are manufactured in India.

The market size of medical devices industry in India is **USD 11 Bn** at present and is expected to be **USD 50 Bn** by 2025.

**Trade and FDI**

The UK is India’s third-largest export partner with export value of **USD 557.86 Mn** in FY 2019-20.

Total FDI inflow in the pharmaceuticals and healthcare sector since 2000 is **USD 16.5 Bn**.

India imported medical devices worth **USD 5.60 Bn** in 2019-20, exporting devices worth **USD 2.51 Bn**.

The New Drugs and Clinical Trials Rules, 2019 ease timelines for drug development in India. Beginning 1 April 2020, all medical devices are regulated as drugs in India, under the Medical Device (Amendment) Rules, 2020.

The market in India is fourteenth-largest medical device market in Asia and among the top 20 in the world.

Production Linked Incentive Scheme promotes domestic manufacturing of 53 KSMs, drug intermediates and APIs in the country with financial implications of **USD 938 Mn** over the next eight years, from FY 2021 to FY 2030.

**Policy support and government incentives**

For greenfield projects in the pharmaceuticals, healthcare and, medical devices sectors, 100 per cent FDI is permitted in the automatic route.

On the other hand, 74 per cent FDI is permitted in the automatic route for brownfield.

**UK Companies in India**
Emerging Contours of Opportunities in New India

India is rapidly scaling up its infrastructure to sustain its growth. The government of Prime Minister Narendra Modi has eased many FDI regulations for key sectors to make India a favored destination for investors and drive the country’s manufacturing capabilities. In addition to its policy recalibration, India is home to a vibrant young workforce of nearly 800 million (and projected to reach 1.14 billion by 2025). It also has 687 million internet users (735 million projected by 2021) and is the second-largest smartphone market in the world. With the availability of cheap data, the internet has become, in many ways, the driver of India’s growth. As the events of 2020 have shown, the reliance on the internet have furthered emerging sectors such as artificial intelligence, digital health, ed-tech, gaming and sustainable waste management and have created optimal opportunities for foreign investors.

Artificial Intelligence (AI)

Artificial Intelligence (AI) has the potential to add USD 957 Bn, or 15 per cent of India’s current gross value, to its projected GVA by 2025.54 By incorporating AI-powered systems, the manufacturing sector in India could grow its share-of-profit by 39 per cent. India already has the third-highest penetration of AI in the workforce. It also has the third-highest early AI adopting companies at 19 per cent.55 On the other hand, AI could add USD 814 Bn (GBP 630 Bn) to the British economy by 2035, increasing the annual growth rate of Gross Value Added (GVA) from 2.5 to 3.9 per cent. The UK and India are working together on AI to deliver better healthcare, develop fintech to assist financial inclusion and payments solutions, and on cybersecurity to protect important personal and public assets from virtual threats.

In August 2020, the UK government launched a GBP 3 Mn (USD 3.9 Mn) ‘Innovation Challenge Fund’ to support scientists and industry tackle the most acute global challenges of our time - Covid-19 and the threat to the environment.56 This builds on the leading research partnership between the two countries that includes over 200 projects, 175 research institutions and more than 100 industry partners. The UK is now India’s second-biggest research partner with joint research expected to be worth GBP 400 Mn (USD 522 Mn) by 2021.57

Given the mounting contemporary challenges and the breakthrough power of new-age technology, artificial intelligence will have the ability to transform the landscape of our world. Both the UK and India realise the opportunity it offers and that continuing this revolution will underpin future growth and boost job creation in both economies.

Digital Health

The digital health market in India is projected to be worth USD 505.4 Bn by 2025. Future Health Index (FHI) found that 76 per cent of healthcare professionals in the country are already using Digital Health Records (DHRs) in their practice and that 87 per cent of Indians with access to their digital health record say they want their healthcare professionals to have access as well.58

India aims to attain Universal Health Coverage (UHC) by 2030. Ayushman Bharat Mission with its two components – Pradhan Mantri Jan Arogya Yojana (PMJAY) and Health and Wellness Centres (HWCs) – aims to enable UHC.59 In August 2020, Prime Minister Modi announced the National Digital Health Mission (NDHM) that will create an “open digital health ecosystem” in India. Within the next ten years, National Digital Health Blueprint has the potential to unlock over USD 200 Bn in incremental economic value. Increased productivity of the workforce will lead to an additional benefit of USD 200-250 Bn to India’s GDP.60

Digital health has been transformative for India, and has become a key enabler in creating an integrated health system that puts the patient at the centre of care. India’s success with Aarogya Setu app during this pandemic has proved the market readiness for more permanent ventures in this sector. The UK, and NHS specifically, has experience in mobile health apps, and has been at the forefront of the revolution in the segment. Its market size, at over GBP 3 Bn (USD 3.93 Bn), accounts for 7 per cent of the global market.61 British companies can drive investments in doctor-discovery portals, electronic health records, patient data management, tele-medicine, advanced analytics for aided diagnosis, and significantly boost India’s digital health standing. There are vast opportunities for British investors to explore in the sector and to benefit from the scope for growth.

Ed-tech

Ed-tech has huge potential around the world to democratise access to education and both Indian and UK companies are well-placed to provide services in this segment. Ed-tech has grown exponentially in India over the last few months. It has become the second largest market for e-learning and has the second-highest number of ed-tech companies in the world (327 companies). The UK ranks fourth globally and, with 245 companies operating in the ed-tech sector, is forecasted to reach GBP 3.4 Bn (USD 4.45 Bn) by 2021.

In the first quarter of 2020, ed-tech companies across the world witnessed venture capital investment growth of 22 per cent. The British ed-tech sector has also been at the forefront of investment attraction; British startups attracted 41 per cent of all European investment in 2019.62 The Indian ed-tech industry boomed during the lockdown too, as platforms welcomed millions of new subscribers each month. In March, Byju’s added six million new students while Unacademy added one billion watch minutes and Toppr’s free user engagement grew more than doubled.63 Ed-tech companies in both the UK and India are in early stage development and, therefore, tend to attract a wide range of investors. There is also

potential for growth and collaboration between the countries through the existing synergies like UK-India Education and Research Initiative (UKIERI).

**Gaming**

The gaming industry has witnessed a paradigm shift with the evolution of television, digital and online gaming models. India is among the top five mobile gaming markets in the world, its number of online gamers are to reach 628 million by 2021. According to the All India Gaming Federation, online gaming grew 12 per cent during the lockdown period, with a remarkable growth in online card games and digital sports. Due to Covid-19, firms are eyeing sponsorship deals in the gaming industry because of the absence of live sports.

Investments into the Indian gaming industry grew at a CAGR of 22 per cent from 2014 to 2020. The industry is currently valued at USD 930 Mn and is estimated to grow 41 per cent each year. More than 120 game development organisations have operations in India compared to 10 years ago. Rapid penetration and affordability of smartphones, along with cheap mobile data, have made mobile phones the most preferred gaming device.

The British video games industry is also important economically and culturally. The video games sector in the UK is the largest in Europe, employing over 15,000 full-time game developers, and indirectly supporting 26,241 jobs. Games development contributed over GBP 1.8 Bn (USD 1.04 Bn) towards the UK GDP, and an estimated GBP 747 Mn (USD 978 Mn) in direct and indirect tax revenues to the exchequer.

At the first edition of India Gaming Show in 2017, a platform was created for both India and the UK to showcase its opportunities. With such platforms already underway, it is evident that both countries can exploit benefits from collaborating in the tremendous opportunity that the gaming industry presents. A combination of online gaming and ed-tech also presents underexplored areas of development and can be an exciting space for entities from both countries to explore.

**Waste Management**

Recycling, composting and waste-to-energy go hand in hand with the UK’s goals for sustainable waste management and the move towards a range of alternative waste disposal options that include recycling, composting, anaerobic digestion and the use of thermal treatment facilities to recover energy from waste.

In India, new policies initiated by the government aim to make aggressive changes to India’s management of its waste. In 2016, the Ministry of Environment, Forest and Climate Change (MoEF&CC) released the Solid Wastage Management (SWM) Rules, 2016 that, for the first time, included the informal sector (waste pickers) in the waste management process.

Under current conditions, India can benefit significantly from UK’s technological and administrative advancement in waste management, while the UK can benefit from the India’s research market. In 2016, the seeds of collaboration were sown when Dr Richard Allan, the head of the Centre of Expertise for Waters at the James Hutton Institute identified potential opportunities for joint UK-India collaborative activities in handling wastewater management in Indian cities. The Newton-Bhabha Fund, a partnership between the governments of India and the UK, bring together scientific research and innovation from the two countries to find joint solutions to global challenges.

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[https://tiga.org/about-tiga-and-our-industry/about-uk-video-games-industry](https://tiga.org/about-tiga-and-our-industry/about-uk-video-games-industry)
A Growing Indian Presence in the UK

The Indian Diaspora

Cultural linkages between India and UK are deep and extensive, arising out of a shared history between the two countries. There has been a gradual mainstreaming of Indian culture in the UK and an absorption of Indian cuisine, cinema, languages, religion, philosophy and performing arts, as Indians have continually made the country their new home. There are also several Indian cultural organisations in the UK, such as the Nehru Centre (cultural wing of the Indian High Commission), that have been active in promoting Indian culture and spreading awareness on Indian customs and traditions, often involving the diaspora and local population in their events.

Indians in the UK constitute one of the largest ethnic minority communities in the country. An approximate 1.5 million people of Indian origin live in the UK, a number equating to almost 2.3 per cent of the total British population67 and roughly 25 per cent of its total ethnic minority population.

The diaspora is an active participant in the country’s economy, accounting for 6 per cent of the country’s GDP. An average 40 per cent of this population are working professionals, higher than the average of other ethnic minority communities. The contribution of the Indian diaspora to public institutions such as the National Health Service is indispensable. The British Association of Physicians of Indian Origin, a voluntary organization for doctors, estimates that there are more than 50,000 medical professionals of Indian origin serving the NHS in the UK. British-Indians are also active in other notable professions, including journalism, cinema and theatre, and politics. In fact, the British House of Commons today boasts 15 parliamentarians of Indian origin, while the House of Lords has 23 peers of Indian origin.

In 2013, Prime Minister David Cameron created the post of UK-Indian Diaspora Champion. Priti Patel was the first to be selected to this post and was responsible for increasing links between the Government and the diaspora.68 More recently, Ms Patel became Britain’s first Home Secretary of Indian-origin.69 Another notable person of Indian-origin in the British cabinet at present is Rishi Sunak, Chancellor of the Exchequer.

India - the Second Largest Source of FDI

In 2019, India emerged as the second largest source of FDI inflow into the UK and marked the largest yearly investments by Indian investors in the UK. With 52 projects, the UK was ahead of both the US (51) and the UAE (32) as the winning investment destination. The number of Indian companies choosing to invest and expand in London reached an all-time high, with 32 investment projects. Indian companies were also the third largest creator of jobs, employing more than 111,000 people. In 2020, these 850 companies collectively paid over GBP 462 Mn (USD 607 Mn) in corporation tax.70

According to ‘India meets Britain Tracker 2020’, a report published by CII, over 72 companies with a significant base in the UK, a turnover of more than GBP 5 Mn (USD 6.5 Mn), year-on-year revenue of at least 10 per cent, and a minimum two-year track record achieved an average growth rate of 49 per cent in 2020, compared with 46.7 per cent in 2019. Seven of these companies had a turnover growth of more than a 100 per cent. The leading companies among these seven are EESL Energypro Assets Ltd. (growth of 715 per cent), Route Mobile, (UK) Ltd. (202 per cent) and Dhoot Transmission (UK) Ltd. (186 per cent).

Employment generation by Indian companies in the UK has also been rising and is impressive. The Tata Group is the largest employer in the UK with operations in over 40 locations. In 2020, they employed over 70,400 employees, up from 68,466 in 2019. Companies such as Infosys, WIPRO, TCS employ almost 30,000 people in their UK branches.

Some of the most prominent Indian companies in the UK are Accord Healthcare Ltd, Suprajit Europe Ltd, Bharti Airtel (UK) Ltd and various subsidiaries of the Tata Group.71 In 2020, London remained, as in previous years, the most popular destination for incoming Indian FDI inflows into the UK.

Indian Investments

Source: India meets Britain Tracker: the latest trends on Indian investment in the UK 2020, Grant Thornton and CII.

Regional Distribution of Indian Investments in the UK

Source: India meets Britain Tracker: the latest trends on Indian investment in the UK 2020, Grant Thornton and CII.

- London 54%
- South 11%
- East 6%
- West 3%
- Midlands 8%
- Wales 4%
- North 14%
- South 11%
- East 6%
- West 3%

14% Dominant Sectors of Indian Investment in the UK

- Technology and Telecom 38%
- Engineering and Manufacturing 15%
- Pharmaceuticals and Chemicals 14%
- Media 3%
- Tourism 11%
- Energy 5%
- Automotive 6%
- Business Service 11%
Access India Programme

The High Commission of India and the UK-India Business Council (UKIBC) launched the second cohort of the Access India Programme on January 17, 2020 to support small and medium British manufacturing enterprises to enter India by providing end-to-end market entry support. The programme offers a wide range of information, workshops, networking and business support services under a single platform and provides a mentoring support to make the first foundations in India strong and effective.

Access India Programme (AIP) was launched in 2017. During the first phase, more than 10 British SMEs successfully penetrated the Indian market.

Joint Economic Trade Committee (JETCO)

Established in 2005, JETCO is a forum for British companies to enhance their links and develop new partnerships with Indian business and decision makers. The fourteenth UK-India JETCO was held in July 2020. During the government-to-government talks between and Elizabeth Truss, Secretary of State for International Trade, and Piyush Goyal, Minister of Commerce and Industry, the two countries agreed to enhance their trade partnership and set the path to a UK-India Free Trade Agreement (FTA). The central focus of the meeting remained removing market access barriers to trade that will help expand bilateral trade and investment and contribute towards building confidence and momentum towards an FTA.

Calling on New Paradigms

Indian Companies in the UK

Huddersfield
- Vivened Speciality Chemicals UK Ltd
Manchester
- Carbogen Amcis Ltd
- IFGL Monocon Holdings Ltd
Stockport, Greater Manchester
- EESL Energypro Assets Ltd
Cheshire
- Marksans Pharma UK Ltd
Leicester
- S P Apparels (UK) (P) Ltd
Hayes
- Ranbaxy (UK) Ltd
Edgware
- Incessant Technologies (UK) Ltd
Brentford
- Bharat Forge International Ltd
Cardiff
- Igl Holdings Ltd
Barnstaple
- Accord Healthcare Ltd
Bristol
- Tony Harris Business Solutions (Europe) Ltd
Somerset
- Quest Global Engineering Ltd
Harrow
- Multi Trade Links (UK) Ltd
Reliance Big Entertainment (UK) Private Ltd
Windson
- Whishworks Ltd
Hounslow
- Brown & Burk UK Ltd
Feltham
- New Way International Ltd
West Yorkshire
- Radicon Transmission UK Ltd
- Seal IT Services Ltd
South Yorkshire
- TVS Europe Distribution Ltd
Derbyshire
- Electrosteel Castings (UK) Ltd
Tamworth
- Suprajit Europe Ltd
Milton Keynes
- ITC Infotech Ltd
Kingston upon Hull
- Dhoot Transmission (UK) Ltd
Watford
- BB (UK) Ltd
West Drayton
- Vanco UK Ltd
Wembley
- Rs Global Ltd
London
- Apollo Tyres (UK) Private Ltd
- Bharati Airtel (UK) Ltd
- Birlasoft (UK) Ltd
- Brilliant Basics Holdings Ltd
- Cigniti Technologies (UK) Ltd
- Crisil Irevna UK Ltd
- Decision Resources Group UK Ltd
- Dishman Europe Ltd
- Double Negative Holdings Ltd
- Evolutionary Systems Company Ltd
- Garware Polyester International Ltd
- India Infrastructure Finance Company (UK) Ltd
- Inids Gas Ltd Multi Asset Holdings Ltd
- Intellect Design Arena Ltd
- Kotak Mahindra (UK) Ltd
- Lenegizer Ltd
- Marble Holdings (UK) Ltd
- Mphasis UK Ltd
- NIIT Technologies Ltd
- Poetic Brands Ltd
- Rategain Technologies Ltd
- Rico Auto Industries (UK) Ltd
- Route Mobile (UK) Ltd
- St James Court Hotel Ltd
- Tata Steel UK Ltd
- TM Metal Holdings Ltd
- Union Bank of India (UK) Ltd
- Venkys London Ltd
- Virtusa Consulting & Services Ltd
- Ibs Software Europe Ltd
- Masts (UK) Ltd
- Marksans Pharma UK Ltd
- Brown & Burk UK Ltd
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UK-India Education and Research Initiative (UKIERI)

Education is an important plank of the India-UK bilateral relationship. Over the last 10 years, the relationship has grown substantially with the introduction of bilateral mechanisms such as the India-UK Education Forum, UK-India Education and Research Initiative (UKIERI), Joint Working Group on Education, Newton-Bhabha Fund and various scholarship schemes.

Launched in April 2006, UKIERI aims to enhance educational linkages between India and the UK. It has been recognised as a key multi-stakeholder programme that has strengthened the research, leadership, and education cooperation between the two countries. In a short time, UKIERI has enabled research and innovation partnerships, grants to British higher education institutions, and leadership development programmes, among others.

UK-India Fast Track Mechanism

In a joint statement issued in November 2015, during Prime Minister Modi’s visit to the UK, the two countries established a UK-India fast track system to support British companies that face operational challenges in India. The fourth UK-India fast track mechanism meeting was held in October 2020 under the chairmanship of the British High Commissioner and Department for Promotion of Industry and Internal Trade (DPIIT). Invest India is a key stakeholder and has successfully resolved several investment facilitation cases. The UK-India Fast Track Mechanism has been instrumental in expediting resolution of issues faced by British investors in India, and boasts a success rate of close to 70 per cent since its inception.

UK-India Fintech Dialogue

Recognising the potential for collaboration in new and emerging areas of fintech, cyber security, green finance and digitisation, Prime Ministers Modi and May established the UK-India FinTech Dialogue in 2018, to discuss further opportunities for financial services collaboration, including a proposed new regulatory co-operation agreement. The programme has enabled platforms such as FinTech Rocketship Awards that support the development of an open and inclusive financial services sector in India by facilitating the exploration of fintech ecosystems of both countries and promoting the exchange of global best practices. At least 20 FinTech entrepreneurs from each country will be given the opportunity to experience the other country and make pitches for investment.

In addition to the above efforts to achieve India’s full potential in the fintech space and enable fintech innovations, a FinTech Joint Working Group has been formed to study the regulatory climate in various geographies, identify application areas and use cases in governance and recommend institutional regulatory upgrades. Invest India plays a critical role in driving the objectives of this committee.

UK-India Startup Launchpad

The UK-India Startup Launchpad, an initiative of DPIIT, was established in September 2019 with the aim of fostering a deeper collaboration between the leading startup ecosystems of India and the UK. The Launchpad brings together resources, connects participants and encourages startups in both countries to innovate, find solutions to some of the most pressing development challenges, and explore expansion opportunities. It is a global force for good that drives mutual growth and prosperity.

The UK India Fastrack Startup Fund (FSF), with an outlay of GBP 38 Mn (USD 50 Mn), was set up for investments into technology startups and works as a soft-landing platform to bring together stakeholders from both countries. The programme is led by UKAID and the Government of India.

UK-India TechXchange

To accelerate the India-UK startup movement, ‘UK-India TechXchange’ program was launched by the High Commissioner of India in June 2018, in London. Helping startups navigate uncertainties, develop an understanding of the ecosystem along with realising their transformative potential are some of the key focus areas of the program. In its second edition in 2019, the platform offered benefits where Indian tech startups could explore, engage and excel in the British and Indian markets.

West Midlands India Partnership (WMIP)

The partnership is a public-private funded initiative that has been set up with the sole purpose of increasing business ties between India and the West Midlands. Led by the West Midlands Growth Company, the new initiative has been developed in partnership with Invest India, the Confederation of Indian Industry and the Consulate General of Birmingham office. WMIP launched on June 2020, aims to enhance UK-India relations and boost tourism, trade and investment between the West Midlands and India. It is committed to promoting the area as a leading place to invest, do business and visit, working in partnership with Local enterprise partnerships, Councils, Growth Hubs, Universities, Chambers of Commerce, and hundreds of local businesses.
Invest India is the national investment promotion and facilitation agency of India. It focuses on sector-specific investor targeting and development of new partnerships to enable sustainable foreign investments in India. The UK desk at Invest India aims to facilitate and assist British companies in navigating the Indian market and regulations, both at the entry stage, and later, amidst expansion plans. The UK desk is responsible for the entire spectrum of investment promotion—preliminary research, company outreach, promotion, facilitation and aftercare.

### Our Services

- Location Analysis
- Issue Resolution
- Stakeholder Meeting
- Site Visits
- Providing Research Content
- Policy Advisory/Representation
- Regulatory Clearance Facilitation

### Some Notable Accolades:

- 2018
- 2016
- 2019
- 2018
- 2020
- 2019
- 2018
- 2017
- 2016

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### A Gateway to UK Investments into India

**Invest India City of London FinTech Roundtable, September 2019**

An investor roundtable focussed on helping British fintech companies enhance their presence in the Indian market was held in London in September 2019. Mr Alderman Peter Estlin, Lord Mayor, City of London, Mr Vincent Keaveny, Sheriff, City of London, Mrs Rhiannon Harries, Deputy Trade Commissioner, South Asia- British High Commission, Mrs Hannah Mayer, Head of Economics and Finance, British High Commission and senior representatives from companies like Aon, Greensill Capital, iProov, Onfido, Drip Capital were present at the meeting.

**UK-India Investors’ Roundtable, October 2019**

The roundtable is a forum to address business operational issues faced by UK based companies operating in India. Ravinder Ratnoo, Joint Secretary of DPIIT, H.E. Dominic Asquith, the British High Commissioner to India, and various senior representatives from companies like Shell, BAE Systems, Rolls Royce, Lloyd’s Group, The Body Shop, Pearson, Mott MacDonald, Vodafone, British Telcom etc. were present at the October 2019 edition of the Roundtable.
Webinar with the Indian High Commission, London, April 2020

A webinar was organised to discuss the investment climate in India during Covid-19 and the projected recovery after the lockdown. The story of New India was discussed and the opportunities for investment were presented. The webinar also presented the ‘Business Immunity Platform’, a comprehensive facilitation platform steered by Invest India to help investors get real time updates on India’s active response to Covid-19.

UKIBC - Invest India Webinar, May 2020

Invest India hosted representatives of UKIBC and its panel companies to showcase sector-specific investment opportunities India. The webinar sought to understand the issues British businesses, both in the essential and non-essential service sectors, faced in India during the Covid-19 related lockdowns.

By offering the aid of DPIIT, the webinar also sought to enhance relations between the department and the British industry. Finally, the webinar highlighted the success of the ‘Business Immunity Platform,’ Invest India’s flagship portal to address business concerns during the lockdown.

UK-India 4th Fast Track Mechanism Meeting, October 2020

The meeting was held under the Chairmanship of Shri Shailendra Singh, Additional Secretary, DPIIT and Ms Jan Thompson, the High Commissioner of UK to India.

The discussion was attended by Shri Rajendra Ratnou, Joint Secretary, DPIIT, Invest India and representatives from various central ministries – Ministry of Information & Broadcasting, Ministry of Home Affairs, Ministry of Finance and Government of Maharashtra.

Key Facilitation Cases

Merlin Entertainments – British entertainment company

October 2015: Vice President of Merlin Entertainments (ME) contacts Invest India and expresses interest in setting-up operations in India. An Invest India representative briefs the VP on the process of establishing a business in India, on Invest India services offered and answers queries regarding import duty.

November 2015: ME officially announces its plans to enter India and set up its first attraction in India.

May 2016: Invest India begins working with ME on their approvals to set up attraction in Delhi and assists them in attaining regulatory clearances from the New Delhi Municipal Corporation.

June 2016: Invest India works on the list of approvals ME would need to set up their first attraction and guides them on how to meet those approvals.

September 2016: Invest India invites ME to attend Incredible India Tourism Investors’ Summit which provides them with an opportunity to interact with Central and State government officials.

October 2016: Invest India facilitates a meeting with secretary of tourism to discuss how ME can expand its footprint in India.

July 2017: Invest India facilitates meeting with Deputy Commissioner of Police, Delhi Police Licencing Unit to help expedite the licenses needed to operate the wax museum

November 2017: Merlin opens its first attraction in India.

June 2016: Invest India meets with ME global team and pitches the India opportunity, including a detailed overview of the recent Ease of Doing Business reforms undertaken by the government and other trends in the Indian tourism market.

June 2016: ME visits India and discusses their plans and Invest India connects them with the knowledge partners. Invest India also facilitates ME’s meetings with member customs, chief secretary of Delhi, Commissioner of trade tax in the Delhi government, and the joint secretary of the Ministry of Culture.

July 2016: Invest India helps ME with their trademark issue.

September 2016: Invest India works with ME on their issues regarding power supply approval, approval for fore water tank and external signage approvals for their first attraction in Connaught Place, Delhi.

Aug 2017: Invest India works with ME on their Signal Brand Retail Trading approval to set up a souvenir store in their attraction.
Invest India is an important partner for the British High Commission in India to help facilitate and grow investments from UK companies. We work closely with Invest India, including on the UK-India Fast Track Mechanism, to resolve specific issues faced by UK companies and investors with their operations in India. The Invest India UK desk is a proactive and collaborative team – we look forward to continuing to work together to achieve greater investment from UK companies in India.

Shehla Raza Hasan
Deputy Trade Commissioner for South Asia,
British High Commission New Delhi

As the UK’s premier business organisation, the CBI sees Invest India as a valuable partner in India. Their approach has been pro-active, and I have seen them grow from strength to strength over the years. Whether it is handholding new foreign investors across sectors through the length and breadth of India or supporting existing ones, Invest India is just a call away. Their agile and collaborative style has gone a long way in helping investors discover the investment potential of India. It is the efforts of agencies like Invest India that help make the country one of the ten top investment destinations globally!

Jayant Krishna
CEO,
UK India Business Council (UKIBC)

UKIBC and Invest India have always supported businesses in their efforts to expand their footprint in both countries and to understand the market on each side by ensuring strategic and tactical advocacy support through several initiatives. Now with increasing complexities arising due to the Covid-19 pandemic and Brexit, the UKIBC and Invest India continue to support businesses as a trusted and independent guide in this ever evolving global economy.

What Our Partners Say About Us

Rhiannon Harries
Deputy Trade Commissioner for South Asia,
British High Commission New Delhi

Radio Design – British technology leader in infrastructure-sharing

October 2019: Invest India Haryana team showcases industrial plots available in the NCR region. Radio Design is keen on Manesar, Haryana as the location.

November 2019: Invest India organises a meeting with Export Oriented Unit Noida in the Ministry of Environment, Forest and Climate Change, the Wireless Planning Commission, and the Department of Telecommunications for clarification on environment related matters of the proposed plant of the company.

December 2019: Invest India introduces the Bonded Warehousing Scheme to the company for its export arm. Within a week, Radio Design decides to opt into the provisions of the scheme.

January 2020: The company moves its first manufacturing batch to the new facility in Manesar.

February 2020: The Haryana desk of Invest India strategizes with the company on labour allocation in the new facility. The Labour Commissioner of Haryana to discuss matters related to overtime, pay-out to skilled/unskilled workforce, movement of labour at night and provident funds.

August 2020: Construction of the new plant is completed, and manufacturing and administrative offices are moved to the new facility.

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Investors Speak

I thank Invest India UK team for their exemplary support in facilitating necessary approvals from local authorities in Delhi for our first project, Madame Tussauds-Delhi. We were pushing hard for these approvals for past few months but the real push came once Invest India took up the case. They met the concerned authorities and decision making departments such as the Governor’s office and pushed the case for fast clearance of the pending critical approvals.

Anshul Jain
General Manager and Director,
Merlin Entertainment

Invest India has been extremely supportive to Radio Design, especially while the company has been investing heavily in India and the Indian telecoms market; they were the driving force behind the company making its crucial decision on bonded manufacturing. Radio Design greatly appreciates their support and availability, whenever requested, and how they made valuable introductions and arranged meetings with relevant government bodies as-and-when needed.

Gaurav Chauhan
CEO, India & APAC,
Radio Design

Invest India is revamping the rhetoric of India globally. Especially in the UK with the UK-India fast track mechanism and Access India Program; India is now seen as a thriving host to global corporations. With talks of an India-UK free trade agreement progressing, Invest India will unquestionably play a vital role in making India forward. We are in good hands.

Kartik Dhawan
Director of Business Development,
Rockpecker

We have been working with Invest India since inception and the team has gone from strength to strength. Over the period they have provided unique insights and connects in the areas of sectoral and state policy priorities, science and technology policy, and start-up ecosystem and commercialisation. This along with the unique sector/country/state mix means swift and measurable support, which has been particularly visible and vital during last few months. Special mention of UK team at Invest India who have always been supportive and enthused to explore various avenues to promote India-UK relationship.

Anuja Kadian
Head of Government Relations & Community Investment (India & South Asia),
Rolls-Royce

Through a number of efforts of people in India in terms of the government, Invest India in particular, and also the local province, we were able to put together a competitive package to bring what will be a 100 highly skilled technical jobs into India in manufacturing of our electrical harnesses.

John Pritchard
CEO Aerostructures and Systems, Europe and Asia,
GKN Aerospace

We sincerely appreciate your efforts and would like to thank you and the team at Invest India for all your support during the process of making the representations. This is a big step towards the ease of doing business in India for the foreign reinsurance branches. We look forward to your continued support in pursuing the other key issue being parity of tax rate for the foreign reinsurance branches with the domestic insurers/reinsurers in establishing a level playing field and making India more attractive for Lloyd’s syndicates and other foreign reinsurers.

Shefali Sehwani
Chief Financial Officer,
Lloyd’s India
Advancing the UK-INDIA Partnership: Business Perspectives

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Authored by
Remya Lakshmanan and Aarushi Aggarwal, Strategic Investment Research Unit

Key contributions
Ishaan Jain, UK Desk

Facilitated by
Kartic Sharma and Raghav Dhanuka, UK Desk

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