

Submission under call for evidence to the International Trade Committee, House of Commons

UK trade negotiations: Agreement with India

1. The Global Britain Centre is pleased to submit this paper to help augment the International Trade committee's efforts in its observation and scrutiny of the Government's free trade agreement negotiations with India.
2. In 2018, Prime Minister Theresa May opened the UK-India Tech summit on her first overseas visit and trade mission. This underscored the central importance of technology and the internet for the UK-India relationship. And with 3 Indians experiencing the internet for the first time every second, with the country on course to be a digital market of one billion people, and in 2022 every 5 days a new unicorn enterprise coming to life. IT and cyber security should be a key focus area for the UK-India FTA to leverage each other's strengths to address shared challenges.
3. Over the last four years, the UK and India have seen close space cooperation in many ways - thanks to the space exports campaign launched by former trade secretary, Rt Hon Liam Fox MP which worked to take the UK closer to the US and India.
4. With India's ISRO launching UK built earth observation satellite, NovaSAR-1, designed and built by Surrey Satellite Technology Ltd (SSTL) in Guildford. The scope for further space trade is immense, especially with India's trusted PSLV rocket workhorse, ISRO's commercial arm, Antrix and UK satellite expertise. Under PM Modi's leadership, India is seeing rapid opening up of space tech development and commercial opportunities for free enterprise, and this is something that a UK-India FTA should aim to leverage.
5. The same is true of military hardware manufacturing and transfer of technology. With PM Modi's 'Make in India' programme, the UK has a unique opportunity to leverage our longstanding trusted partner reputation to strategically partner with India to help equip her armed forces as they modernise and upgrade to stand in the defence of freedom and democracy. A defence budget of INR 5.25 trillion (£52 billion) and increasing sourcing from free enterprise for defence equipment, the scope for further closer engagement within a UK-India FTA is significant.
6. The same is also the case for the pharmaceutical sector, where the UK should explore further ways to bridge the gap between research and generic manufacturing of pharmaceuticals in the world's pharmacy that is India. As part of the FTA, the strategic importance of standing with India to guarantee a stable and secure supply of crucial pharmaceuticals would be visionary.
7. A key question this submission wishes to raise is - what has been explored in terms of the opportunities of reaching an agreement on fintech, legal, management, and financial services - what scope is there for reciprocity and/or exchange?
8. Madhya Pradesh, Telangana, Andhra Pradesh, Rajasthan, West Bengal, Uttar Pradesh, Karnataka, Gujarat, and Punjab make up India's big dynamo states that power the \$2.6 trillion Indian economy.

9. As a strong federal structure along with long overdue economic and constitutional tax reforms i.e. implementation of a 'One Nation, One Tax' of GST by the PM Modi administration, and with the ambition of turbocharging India to a \$5 trillion economy, underpinned by a \$1 trillion spend on national infrastructure over the next five years. What steps has the UK taken to strategically engage with the top ten Indian states? How do we plug in via this UK-India FTA to the big PM Modi flagship programmes?
10. Such as: Smart cities, Jandhan yojana (Banking for all), Atal Mission for Rejuvenation and Urban Transformation 2.0 (100% water supply coverage), Jal Jeevan har ghar jal yojana (clean water for all Indian households), Skill India, Make In India, Start up India, Swachh Bharat (Clean India), Namami Gange (Rivers conservation), International Solar Alliance, Pradhan Mantri Ujjwala Yojana (Cooking gas for all households), Saubhagya Scheme (electricity for all households), Pradhan Mantri Awas Yojana (Housing for all), DigiLocker (secure online ID for all) as well as the Aadhar system of unique digital ID for all residents.
11. With Prime Minister Boris Johnson, signing the 2030 UK-India Roadmap with Prime Minister Narendra Modi in 2021, the road ahead is clear of a strong UK-India special relationship that is underpinned by the shared values of free democracy, free trade, and free enterprise.
12. Yet since the signing of the 2030 Roadmap, much has continued to shape the global order and rewire our international relations with the establishment of AUKUS and the Freedom Quad of India, Australia, Japan, and the US taking shape to defend the frontier of freedom in the Indo Pacific. We have also seen the security, economic and political centre of gravity shifting to the Indo Pacific. Over the course of the pandemic supply chains and the stranglehold of basic raw materials has been a geopolitical challenge. Be it manufacturing urgently needed medicines or the global semiconductor shortage, supply chains have been under duress. An FTA with India must also mean helping ensure, strategic partnerships with other friendly countries down the supply chain. The UK-India FTA must be strategic enough to ensure security of wider Indo-Pacific supply chains, raw materials, shipping of finished products and the resilience of ports and logistic chains.
13. The UK-India FTA will set the tone for our two free democracies to leverage shared strengths to address shared challenges to help strengthen shared values of a Global Britain and a New India, together a global force for good.

Amandeep Singh Bhogal
Founding Chairman
Global Britain Centre

Website: www.globalbritain.world
Twitter: @GlobalBritainUK

Notes:

14. The Global Britain Centre is established with a mission to turbocharge the follow-through on the vision of a global Britain promised by the 2016 referendum. Bringing together people, politicians and businesses rooted in shared values as we tilt towards the Indo-Pacific and beyond. We want to ensure the vision of a Global Britain is delivered by building a coalition of global Britons to drive the conversation, level up the narrative and capitalise on the tremendous goodwill towards the United Kingdom across the world, and in turn, boost free democracies, free trade and free enterprise.