

Closer UK-India business ties

By SHARON BAMFORD

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SHARON BAMFORD is founding chief executive of the UK India Business Council, a premier membership-led organisation supporting the British government's drive to increase bilateral trade, investment and business links between the two countries. Prior to taking up her post in 2007, she founded five companies in sectors as diverse as drilling simulation and Montessori pre-schools and was CEO of the Scottish Institute for Enterprise. She has also lectured in entrepreneurship and managed the incubation and growth of the University of Edinburgh's science and technology based spin-outs.

The Indian economy has continued to expand when most developed countries have seen their economies contract. India's position on the global stage has also strengthened with the growing importance of the G20, which is gaining prominence as the premier forum for managing the global economy. The UK has also seen a substantial rise in inward investment from India, which became the second largest investor in Britain in 2008-09. Lord Davies, Minister for Trade, has stated that he expects UK-India bilateral trade, which stands at £10 billion, to increase to £20 billion by 2020.

According to a recent UKIBC members survey, India is seen as an attractive place to do business with 65 per cent of respondents saying their India operations have become more important in the past 12 months. 30 per cent of respondents have accelerated their market entry into India.

The first Indian President to visit the UK in nearly two decades, Pratibha Patil, is testament to the strong bilateral trade links between the two countries. This is the first time that a strong business delegation has accompanied the President of India imparting a clear message in favour of enhancing bilateral ties, in both trade and investment.

Whilst in the UK, President Patil will open the UK India Business Council's Annual Summit, UK-India Partnership in Action. At the event, Lord Mandelson, Secretary of State for Business, Innovation and Skills, will urge Indian business leaders to deepen ties with Britain. And British and Indian business leaders and policy makers will discuss the contribution of UK companies to India's growing economy, and how further economic reform will give UK Plc the opportunity to help India achieve 'inclusive growth'.

Their message is reflected in market movements, with business between the UK and India witnessing a flurry of activity. Mothercare is forming a 51:49 joint venture with India's largest real estate company DLF. Premier Inn is planning to open 18 hotels in the next five years and 80 within 10 years at a total investment of around £450 million. The UK automotive brand Land Rover is in talks with the Indian Government to supply sophisticated, modern military vehicles to the armed forces. Meanwhile, the State Bank of India, India's largest bank, expects to maintain 40 per cent growth in its business in the United Kingdom and is looking at

smaller acquisitions in the country as it plans to make London the core of its operations in Europe.

During the Presidential visit, the Commonwealth Business Club India (CBCI), an initiative to enhance business outreach and promote India as an attractive investment and business destination, will also be launched. The Club will act as a platform to bring together domestic and international apex business organisations and businesses, during the run-up to the Games under the Chairmanship of Suresh Kalmadi MP, Chairman of the Organising Committee of the Commonwealth Games in Delhi 2010.

Role of UKIBC

Businesses that developed new markets in previous recessions fared better when growth returned. The same will be true this time. With a powerful network of business leadership, and the backing of the UK government, UKIBC is absolutely determined to help more British businesses – particularly SMEs – forge successful partnerships in India.

We urge UK companies to look towards India as an opportunity, be it for outsourcing, partnering, as a customer or for acquisitions. In order to increase trade and investment flows between the two countries, there is a need to encourage market liberalisation and get the right policies in place. Working with the UKIBC Board and our colleagues at UK Trade and Investment (UKTI), our dialogue with India continues on this front.

Tapping into emerging global markets is an essential strategy for growing businesses. Further to the then Chancellor Gordon Brown's visit to India in January 2007, and on the recommendation of the business community, UKIBC was established in 2008 to build on the already vibrant relationship between the UK and India and to actively facilitate partnerships and provide the resource, knowledge and infrastructural support to companies wishing to make the most of these emerging opportunities. The UK is also seen as an entry port to Europe by Indian companies.

Every ambitious player with a mature position in India now sees overseas growth through acquisition as the way to access more customers, brands and knowledge. Indian multinationals such as Tata, Reliance and Mahindra & Mahindra have become global players with their footprints in Americas, Africa and Europe.

Despite the interruptions caused by the financial crisis, and terrorist attacks, the long-term momentum behind India's entrepreneurial ambition is unstoppable.

The liberalisation and privatisation reforms that began almost two decades ago in India have given rise to great opportunities: both for UK companies looking to invest in India and vice versa. With further economic reforms on the table, especially in the service industry and education sector, India's potential as a market is likely to grow. The UKIBC will continue to press for further liberalisation, offer operational support to members and disseminate market intelligence.

Since our inception in 2007, we have helped a number of small companies find partners and facilitate market entry in both the UK and in India. Whilst big businesses are often better resourced to set up or expand overseas, small business usually prefer using a vehicle like the UKIBC to enter emerging markets.

In order to assist small and medium-sized companies to take advantage of the liberal economy in the UK, the UKIBC published its guide for Indian companies – *Setting Up and Financing Your Business in the UK*. The guide is designed to provide an overview of the main issues which may affect an Indian company or entrepreneur in setting up and financing a business in the UK. It covers a range of legal and fiscal issues including options for setting up in the UK; immigration, employment and competition laws; taxation and raising capital for business.

We also published a landmark report – *Opportunities for UK PLC in Emerging Cities in India* this Summer which identifies nine emerging cities that meet UK sector capabilities.

UKIBC Programmes

We are pleased to introduce our 'Launchpad' scheme

which will be available from early 2010 – a low risk, low cost entry strategy to India. The scheme enables UK companies to have staff and a base in India, ahead of opening their own office. This easy-to-use approach provides customers with the platform their business needs to enter the Indian market, and saves them valuable time and money.

In order to best support UK companies entering India, the UKIBC opened its first in-country office in New Delhi, exactly a year on from its creation in September 2008, and second in Mumbai in January 2009. The Indian offices will help UK companies to do business in India and provide services to our members. They will also support globally ambitious Indian companies that see the UK as part of their expansion strategy.

The UKIBC takes a long term approach to promoting UK-India business. Through its Next Generation Network, UKIBC raises awareness of the business opportunities in India among the leaders of tomorrow. It brings together young professionals and entrepreneurs to network, share ideas, debate topical issues and build the business relationships of the future.

We also run the UK-India Business Angels Network (UKIBAN) – an initiative to increase the number of Indian IP-rich, high-growth companies setting up in the UK. A number of Indian companies will have the opportunity to go global through the UK and to access Angel and VC funding via UKIBAN.

The UKIBC has in place a high level Advisory Board and an Executive Board that includes the best of Britain's business leaders. With a strong membership of over 130 companies, this has been a significant year for the UKIBC. Our partners are integral to what we are trying to achieve and we are grateful for their ongoing support. **F**

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UKIBC Chairman Lord Bilimoria and Chief Executive Sharon Bamford with Sir Martin Sorrell, Chief Executive of global communications services group WPP