

AIR Spotlight - Discussion on India - UK Ties

AIR Spotlight is an insightful program featured daily on the All India Radio Newsonair. In this program, many eminent panellists discuss issues of importance which can be quite helpful in [IAS exam](#) preparation. In this article, India – UK ties are discussed.

Participants:

1. Bhaswati Mukherjee, Former Diplomat
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Context

This episode features a detailed discussion on the ties between India and UK.

Background

- India and UK are bound by strong historical and cultural ties.
- India's multi-faceted bilateral relations with the UK have intensified over the years.
- In this context, the British Prime Minister (PM) arrived in Ahmedabad, marking his first visit to India.
- This visit was much awaited because it got postponed multiple times due to the COVID pandemic.

Read more on the [India – UK relations](#) in the linked article.

Significance of British Prime Minister's visit to India

- The British Prime Minister's (PM) visit to India is said to be historic and significant because it demonstrates how the ties between both countries have evolved.
- The British PM gave the example of "Land Rover and JCB" companies to demonstrate how it is to be British and Indian.
- During this visit, the Prime Minister of India and his British counterpart vowed to sign an ambitious [Free Trade Agreement](#) between the countries by the end of 2022.
- The leaders also reached an agreement over a new and expanded **India-U.K. defence partnership**.
- All these actions denote that India and Britain share a "win-win" partnership not just on business and economic fronts but also in strategic relations.

Importance of India to Britain

- Post the Pandemic and [Brexit](#), Britain has realised that it requires strong economic partnerships.
 - This is considered to be an important reason for the PM to meet the business leaders in Ahmedabad during his recent visit to India.
- The UK has a large Indian diaspora, estimated to be around 1.5 million strong. Also, the Indian diaspora has made valuable contributions in the areas of academia, literature, arts, medicine, science, sports, industry, business and politics, among others.

- Indian diaspora-owned companies with significant revenue income employ lakhs of people in the UK and pay a significant amount of Corporation Tax that has helped the UK a lot during the current economic situation post the Pandemic and Brexit.
- India is one of the biggest investors in the U.K. in dynamic sectors like fintech, [electric vehicles](#) and batteries. In 2020-21, India was the U.K.'s second-largest source of investment in terms of the number of projects.

India and UK's stand on Climate Change

- The UK and India earlier agreed on a joint roadmap including plans to combat climate change by 2030. It also includes new collaboration on clean energy transition and protecting forests, and joint leadership to develop resilient infrastructure in climate-vulnerable countries.
- The two countries also jointly launched a new global Green Grids Initiative at COP26 for countries to work together on interconnected grids for renewable energy, to help deliver India's vision of [One Sun One World One Grid](#).
- Also, earlier the British PM accepted the invitation to join the International Solar Alliance, which is an initiative by India.
- In terms of climate change both India and the UK are said to be aligned and on the same page.
 - In this context, it is said that India would benefit largely from British technology, transfer of technology and aid, and FDI inflows.
 - Likewise, Britain can benefit greatly from India's solar energy capabilities and technological advancements in other renewable energy sources.

Comprehensive Strategic Partnership

- During a virtual summit held in May 2021, both the leaders adopted an ambitious '**Roadmap 2030**' to elevate bilateral ties to a '**Comprehensive Strategic Partnership**'.
- The Roadmap will result in a deeper and stronger engagement over the next 10 years in the areas such as people-to-people contacts, trade and economy, defence and security, climate action and health.
- The two leaders also launched an '**Enhanced Trade Partnership**' to release the trade potential between the countries and set an ambition of doubling bilateral trade by 2030.
 - In line with this partnership, India and the UK agreed on a roadmap to negotiate a comprehensive and balanced Free Trade Agreement.

Free Trade Agreement (FTA) between India and UK

- India and the UK announced their shared ambition to finish negotiations on a comprehensive and balanced FTA by the end of 2022.
- The negotiation of an FTA between the two countries is expected to bolster the total trade by **28 billion pounds** annually by 2035.
- A U.K.-India trade agreement will stimulate growth and employment in both countries.
- FTA with the U.K. will help India gain greater access to a highly open and competitive market, and offer valuable opportunities for India's booming companies.
- FTA helps in diversifying supply chains, by making it easier and cheaper for more businesses to do business across borders.

- FTA would also help consumers from both countries see improvements in the variety and affordability of products.

Various Issues affecting the bilateral relationship between India and the UK

- Britain remains one of the very few countries currently denied the ease of e-visa travel to India while India is on the short list requiring visas for transit.
- Retrospective tax issues for British companies.
- Discussions in UK's parliament over sensitive topics such as Kashmir and separatist movements in India.
- Many economic offenders absconding from India are seen residing in England.

Cooperation in Defence Sector between India and UK

- In 2021, India and the UK agreed on the co-production of military hardware including technology collaboration for combat aircraft and complex weapons that will not only help India achieve self-sufficiency but also export capabilities.
- Both the countries have agreed to work together to counter new threats across land, sea, air, space and cyber domains.
- The U.K. will partner with India on new fighter jet technology and in the maritime sphere to detect and respond to threats.
- The U.K. is creating an **Open General Export Licence (OGEL)** for India to support greater defence and security collaboration.
 - The OGEL will reduce bureaucratic interference and slash delivery time for India's defence procurement.
 - This is the first British OGEL in the Indo-Pacific region.

Read more Gist of AIR Spotlight [here](#).