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British  
High Commission  
New Delhi

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**Develop infrastructure to enable  
economic growth**



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# INFRASTRUCTURE



## India's Goal

- Enable growth. India's networks are among the world's biggest, but supply bottlenecks hamper growth, particularly in manufacturing.
- Improve access to basic services. Rapid growth in cities means access to sewage, water and housing infrastructure has fallen behind.

## UK Offer

- UK companies offer global infrastructure services, including PPP, project financing and internationally recognised skills training in infrastructure.





## Challenges

- Access to finance: PPP models need to attract the right investors.
- Regulatory uncertainty: Responsibility is often unclear. Land acquisition is problematic.
- Skills shortages: gaps from basic masonry to project management and engineering.

## Actions

- The British India Infrastructure Group brings together government and business and can be used to improve infrastructure skills.
- Sharing expertise: The Ministry of Finance have authority for federal PPP projects. We could broaden engagement to state level.



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**Finance investment and improve  
delivery through professional  
services**

## India's Goal

- Financing private investment. Access to private sector finance to achieve ambitious goals in infrastructure, health and education.
- Improve implementation. Professional services such as project management to enable contractors to deliver projects on time and in budget.

## UK Offer

- World leading financial and professional services to assist private sector delivery, including finance, for India's growth.





## Challenges

- Perceptions. Some see foreign presence as detrimental to stability and inclusion. A range of obstacles prevent greater foreign presence.
- Vested interests. Liberalisation would lead to restructuring. Stringent restrictions exist in non-financial services, including non-recognition of qualifications.

## Actions

- Link to broader goals. Liberalising professional services will help achieve goals in infrastructure, health, education and manufacturing.
- Technical assistance. The UK can offer direct support on technical issues and platforms to share experience.



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**Innovation to improve access to  
services and raise productivity**



## India's Goal

- Support 'frugal innovation': Affordable solutions for healthcare, water and transport to deliver services, particularly to the poor.
- Encourage commercialisation: weak links between academia and industry limit commercial interest in innovation.

## UK Offer

- Collaboration with UK's world class scientific knowledge base to ensure impact and commercialisation.



## Challenges

- Intellectual property management. Perceived or actual problems in IP management, and delays in enforcement, can be a disincentive to partnerships.
- Actual and perceived barriers to market entry. Relatively few SMEs have entered the market. We will do more to communicate opportunities for partnership and help overcome any problems.

## Actions

- IP collaboration: The Intellectual Property Office and Indian Government are developing guidance.
- Innovation ecosystems: The Technology Strategy Board will help develop industrial collaboration. We will continue expert exchanges.



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**Boost manufacturing  
employment and competitiveness**

## India's Goal

- Improve depth using levers including technology development, IPR policies and trade & fiscal measures
- Enhance global competitiveness through appropriate policy support
- Strike a balance between environmental sustainability and industrial growth

## UK Offer

- Expertise in specialist manufacturing focussed on boosting productivity and international competitiveness





## Challenges

- Difficulties in accessing infrastructure, particularly for SMEs who lack 'captive' facilities.
- Lack of skilled workforce and the need to make manufacturing attractive to new graduates.
- High costs, particularly from labour legislation and limited protection for IP. High import duties do not encourage technology supply.

## Actions

- The UK India JETCO focuses on supply chain collaboration, manufacturing skills and sustainable manufacturing.
- Joint research: UK Research Councils and the Indian Government have launched a major joint research call in advanced manufacturing.



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**Increase energy availability to  
meet rising demand**

## India's Goal

- Increase supply: to create jobs in industry and improve access. The gap between demand and supply is over 10% and rising.
- Reduce import dependence: India is heavily and increasingly reliant on energy imports.
- Sustainability: Energy security is balanced with environmental concerns and a commitment to reduce use per unit GDP by 20-25% by 2020.

## UK Offer

- Market-leading expertise in traditional and renewable energy production, low carbon approaches to development, infrastructure and associated services.



## Challenges

- Decision making and strategic oversight is split between more than five central ministries, state governments and state-controlled bodies. This adds to costs and increases uncertainty.
- The market is distorted by subsidies and tariffs. The Twelfth Plan aims to allow the price of energy gradually to converge with international market prices.

## Actions

- Future government, business and research engagement will be focused on: renewable energy and energy efficiency; reforms to the electricity sector, and clean coal technology and alternatives to coal.





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**Increase access to high quality  
and affordable healthcare**

## India's Goal

- Improve access: Quality and availability varies. Most expenditure is out of pocket. The priority is basic, affordable healthcare and preventative medicine.
- Develop the healthcare industry: Pharmaceuticals and medical equipment are among the most successful Indian industries. Training is key across the board.

## UK Offer

- UK expertise in public and private sector systems, medical training and innovative technology offer a model and significant commercial opportunities



## Challenges

- Funding: The scope for UK companies to compete for publicly funded initiatives in India.
- After-sales support: Many hospital chains only engage in purchase agreements if companies have after-sales and service operations in India.
- Regulatory uncertainty: Many aspects of India's healthcare system are changing. Health policy is led at state level leading to some divergent policies.

## Actions

- Indo British Healthcare Initiative established in 2012 to promote bilateral philanthropic, academic and commercial collaboration.
- Collaborate on training and skills. Training is a major area including partnership with the Medical Council of India and Indian Nursing Council.



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**Strengthen the education system  
at all levels**



## India's Goal

- Expand enrolment: To ensure growth is inclusive, the Government aims to deliver universal primary and secondary education, and greatly expand tertiary education.
- Enhance quality and employability: ensuring high quality is challenging, but this is crucial if graduates are to be employable.

## UK Offer

- UK institutions expand delivery of world class education in India while also attracting Indian students to the UK. UK institutions, including British Council, improve the quality and reach of English language training, a core employability skill.



## Challenges

- Regulatory Environment: No clear guidelines for collaboration in higher education. Parallel state and central regulations make for uncertainty.
- Quality control: Delivering consistent UK quality in India, vital to counter perception of foreign providers aiming for a quick profit.
- Mobility constraints: Mutual recognition of qualifications, and visa requirements on both sides.

## Actions

- UKIERI (UK India Education Research Initiative) partnership in areas such as leadership, innovation, skills and mobility. UKIERI will also address quality.
- Better information to ensure opportunities are better understood. We will improve information on visas, addressing any misperceptions.



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**Enhance skills and generate jobs**

## India's Goal

- Expand availability: India's 'demographic dividend' will mean millions more people joining the labour market. 12m join the labour market each year.
- Increase quality: Indian industries experience significant skills shortages, suggesting improvements needed in both quantity and quality.

## UK Offer

- Use UK strengths in vocational training and English language through government, business and institutional collaborations. Increasing presence of UK skills providers offering in-country training.





## Challenges

- Informal Sector: 93% of Indian workers are in the informal sector or informally employed - suppressing demand for formal training.
- Price sensitive market: The target market is primarily youth in rural and semi-urban areas, who are highly price sensitive. Delivering sustainable, quality service at low prices is a challenge.

## Actions

- Encourage greater business involvement: UK-India Skills Forum will report at the 2013 JETCO.
- Build on Sector Skills Councils collaboration: Support collaboration between awarding organisations and other quality assurers.
- UKIERI funding for skills partnership initiatives.





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