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Brussels to host 15th EU-India Summit on 13 March

Brussels will host the 15th EU-India Summit which will be held on the 13th March India's Prime Minister Mr. Narendra Modi will represent the Republic of India for the Summit which is aimed at expanding India's strategic partnership with Europe. This is an historic opportunity for EU and India to reset their diplomatic agenda to further strengthen the partnership with trade, investment and security becoming at the heart of the Summit.

The Summit is taking place at a time when the future of globalization is under threat and the multilateralism under stress. It is hoped that EU's vision of shared future with India will resonate in this Summit with fruitful outcome. It is also hoped that European Parliament's misadventure on India's Citizenship Amendment Act including the Brexit will not cast any shadow over the Summit.
The European Union will be represented by Mr. Charles Michel, President of the European Council and Ms. Ursula von der Leyen, President of the Commission.

The 14th annual Summit between India and the European Union (EU) was held in New Delhi on 6 October 2017. The Republic of India was represented by Prime Minister Shri Narendra Modi. The EU was represented by Mr. Donald Tusk, President of the European Council, and Mr. Jean Claude Juncker, President of the European Commission.

The summit will be an opportunity to re-set relations and make concrete progress on areas of mutual interest, including trade and investment, energy, climate, water and migration.

The coronavirus outbreak is already having a damaging economic and business impact, affecting everything from tourism to the supply of parts to the automotive and technology industries, the Summit is a historic opportunity for EU and India to innovate economic and trade integration with India becoming as alternative to China.

The March summit will take place against the backdrop of the move by some misguided and confused anti-India European lawmakers against the Citizenship (Amendment) Act and the government's move to revoke the special status of Jammu and Kashmir. It would be wise on part of EU to refrain raising internal issues of India and EU must not encourage those members of European Parliament who are playing at the hands of some anti-India interest group.

This will PM Modi's second visit to Brussels as Prime Minister – he had visited Brussels in 2016 to attend the 13th EU-India Summit held on 30 March. Readers will recollect that on the morning of 22nd March 2016 Brussels had been shaken by a trio of bomb blasts that claimed 32 lives and injured more than 300 people. PM Modi was the first PM of any non-EU country who visited Brussels and stood in solidarity with Belgians.

The Summit must become heavy in optics and in substance and only this will underscore what brings the two largest democracies together – with wide strategic interest.

The EU-India Summit will take place a fortnight after the State visit of the US President Donald Trump to India. Both India and US have committed to a big trade deal and it would be interesting to see how EU can learn a lesson. US President Donald Trump's first visit to India signalled the continued momentum of the strategic partnership between the two countries. Even without a trade deal struck during the two-day visit, the focus was on defence, energy and other such partnerships.

The failure to clinch a trade deal was balanced out with defence deals such as the sale of helicopters and a missile defence system. Differences persist on trade and the US president repeatedly raised the issue of high tariffs. The deepening of India-US ties is the outcome of efforts by successive administrations in both countries, beginning with Prime Minister Atal Bihari Vajpayee and President Bill Clinton. The Indo-US nuclear deal cemented acknowledgement of India's strategic importance in the US scheme of things, and President Trump reiterated the importance of the Quadrilateral Security Dialogue, an informal strategic dialogue between the US, Japan, Australia and India.

Big trade deal elusive, India & US eye Free Trade Agreement

US President Donald Trump on Tuesday signalled immediate launch of negotiations for a free trade agreement with India with his administration expected to kick off the process through the mandated 90-day notice to the US Congress over the next few days.

The move will come along with legal vetting of what is expected to be a $10 billion "limited trade deal" expected to see a restoration of generalised system of preferences (GSP) scheme for India in return for dismantling of "retaliatory tariffs" on American almonds, walnuts and pulses, apart from lowering import duties on high-end motorbikes like Harley Davidson and several farm and food products like cherries.

The US too is expected to ease access of Indian food products such as pomegranates. Some of the products on the list may spill over into the free trade agreement, whose details will be thrashed out once negotiations start. Though different from trade issues under discussion, the FTA should signal closer cooperation on trade and commerce in keeping with the overall forward momentum in bilateral ties.

"We will hopefully close the first end of the limited engagement that we have already discussed and nearly finalised, ambassador Robert Lighthizer (the US Trade Representative) and I. We'll get into legal vetting and close that quickly," commerce and industry minister Piyush Goyal said at an event.

An announcement on finalising the 'limited' trade deal, which many believed was off the table for the moment due to divergent positions, came after bilateral talks at Hyderabad House in the capital. "As far as bilateral trade is concerned, our commerce ministers have had a positive dialogue. President Trump agreed the understanding between our commerce ministers should be given legal shape. We have agreed to launch negotiations for a large trade deal," Prime Minister Narendra Modi said in remarks to the media along with Trump.

India has also flagged the need for a 'Totalisation Agreement' which will allow Indian software professionals to get a refund of the social security contribution that they make while in the US.

Once the US completes its internal domestic formalities, the Trade Policy Forum will set up a joint study group to work out the contours of the proposed FTA before actual negotiations kick off. India has focused its trade agreements on reducing import duties of goods in return for getting more visas for its software professionals, chartered accountants and nurses, apart from investment.

The US, however, typically seeks a broader agreement, which also seeks to tackle what have been contentious issues such as intellectual property rights dealing with patents as well as regulation of state-owned enterprises. Besides, the US may also seek that its concerns on data flow and opening up FDI for retail and insurance are also addressed.

The Indian government appears hopeful of clinching a deal quickly, while assuring interests of Indian industry are protected with Goyal promising comprehensive stakeholder consultations. "We can do a much larger trade deal much faster for two-three reasons... We are both transparent economies. We can trust each other, we can talk with openness and fairness and in the spirit the two nations have decided to engage on a fast-track basis. So, I certainly do not see that this will be like one of those free trade agreement negotiations going for decades and years," he said.

(Times of India, 26/2/2020)

Launch feasibility study for India-US FTA, bilateral trade aim of $500 bln by 2030: CII-USIBC report

The report has listed out interventions in 13 specific areas which if resolved, will provide a significant thrust to trade between the two countries by turning challenges into opportunities. As per the report, since country specific tariff exclusions or reductions are difficult, the only way to avoid product/sector specific market access skirmishes is by negotiating a broad trade agreement.

CII and the USIBC also suggested India to consider instituting a mechanism of automatic approval in case of clearances and No-Objection Certificates as it would help simplify procedural bottlenecks and paperwork in a range of sectors, thus helping with overall ease of doing business metrics.

NEW DELHI: India and the US should launch a study to determine the feasibility of a trade agreement and the cost-benefit analysis of such a a pact, industry chambers and lobby groups have suggested.

"An FTA (free trade agreement) between India and US would have wide ranging ramifications for the domestic industries, and a clear cost benefit analysis would be needed to gauge its total impact," said Confederation of Indian Industry (CII) and the US India Business Council (USIBC) in a report on $500 Billion Roadmap for bilateral trade and business.

As per the report, since country specific tariff exclusions or reductions are difficult, the only way to avoid product/sector specific market access skirmishes is by negotiating a broad trade agreement.

"A comprehensive Economic Cooperation Agreement would reduce tariffs (custom/import duties) which could lead to an FTA further down the road," the two said in the report and emphasised a comprehensive consultation process, involving sustained dialogue with industry, to examine all facets to "determine the best course of action regarding a formal trade agreement".

The report has listed out interventions in 13 specific areas which if resolved, will provide a significant thrust to trade between the two countries by turning challenges into opportunities. The interventions range from reinstating Generalized System of Preferences (GSP) benefits by US for India, bringing down import duties on high end motorcycles to 0%, arriving at a consensus on a pricing mechanism for medical devices, modifications in India's E-Commerce Policy, removing high tariffs on steel & aluminum imports by US, fostering greater cooperation in strengthening partnership in defence and aerospace among others.

The two groups suggested the US to consider granting an exemption to India from the steel and aluminum tariffs and also waivers from its sanctions for importing oil from Iran and Venezuela.

On agricultural issues, the industry groups suggested the two sides to formalise India accepting the US' requests with regard to the import of apples, alfalfa hay, cherries, and pork products into India.

They said the recent finalization of the export certificate allowing market access for US chicken and turkey has come as a "big win for the US".

"Some unilateral moves by India could help alleviate a major trade irritant in the bilateral partnership," they said in the report on the matter of price controls for medical devices.

This issue will need to be taken up in a comprehensive manner with domestic firms and Multi-National Corporations to come to consensus on a pricing mechanism that balances access to healthcare with enabling innovation and competitiveness amongst private sector firms, according to the report.

On the crucial issue of e-commerce and data localisation, they said that India's e-Commerce policy has "engendered a whole host of issues that impact both domestic and foreign players. These issue include the definition of private versus community data, prohibition on cross-border data sharing, mandate to establish data centers holding sensitive data of Indians within the boundaries of India, informed consent, following due legal process in data sharing with Indian or foreign authorities, domestic versus Indian—product definitions and requirement for e-commerce app/websites to set up legal entities in India.

Stating that cross-border flow of data is a reality and a necessity, they said that India must also bear in mind that such a policy could prompt reciprocal action by US and other countries which may demand that the data for their citizens stay within the confines of their geographical boundaries.

"This could have an enormous deleterious impact on Indian information technology (IT) and business process outsourcing (BPO) companies", they said and added that these have grown over the past several decades essentially by processing, analyzing and storing sensitive health, financial, insurance etc. information for customers from other countries within India—the U.S. is a major market for such firms and helps generate thousands of jobs in India.

“Both sides must take a long term and comprehensive view on this issue, taking all concerns into account before finalizing any policies that have a bearing on one of the most dynamic, growing and innovative industries in India,” they said in the report.

CII and the USIBC also suggested India to consider instituting a mechanism of automatic approval in case of clearances and No-Objection Certificates as it would help simplify procedural bottlenecks and paperwork in a range of sectors, thus helping with overall ease of doing business metrics.

(Economic Times, 25/2/2020)

India becomes 5th largest economy, overtakes UK, France: Report

India emerged as the world's fifth largest economy by overtaking the UK and France in 2019, says a report.

A US-based think tank World Population Review in its report said that India is developing into an open-market economy from its previous autarkic policies.

"India's economy is the fifth largest in the world with a GDP of USD 2.94 trillion, overtaking the UK and France in 2019 to take the fifth spot," it said.

The size of the UK economy is USD 2.83 trillion and that of France is USD 2.71 trillion.

The report further said that in purchasing power parity (PPP) terms, India's GDP (PPP) is USD 10.51 trillion, exceeding that of Japan and Germany. Due to India's high population, India's GDP per capita is USD 2,170 (for comparison, the US is USD 62,794).

India's real GDP growth, however, it said is expected to weaken for the third straight year from 7.5 per cent to 5 per cent.

The report observed that India's economic liberalisation began in the early 1990s and included industrial deregulation, reduced control on foreign trade and investment, and privatisation of state-owned enterprises.

"These measures have helped India accelerate economic growth," it said.

India's service sector is the fast-growing sector in the world accounting for 60 per cent of the economy and 28 per of employment, the report said, adding that manufacturing and agriculture are two other significant sectors of the economy.

The US-based World Population Review is an independent organisation without any political affiliations.

Press Trust of India, 18/2/2020)

India needs these reforms urgently; economy weaker than projected earlier: IMF

India needs further reforms and fiscal consolidation measures are needed owing to rising debt levels, IMF said, even as S&P kept India’s outlook stable lifting sentiment amid the slowdown.

India needs further reforms and fiscal consolidation measures are needed owing to rising debt levels, IMF said, even as S&P kept India's outlook stable lifting sentiment amid the slowdown. The Indian economy needs more structural and financial reforms owing to surging debt levels while keeping mind more accommodative fiscal stance in budget 2020, IMF also said. In response to the question by Finance Minister Nirmala Sitharaman, IMF spokesperson Gerry Rice said that along with reforms urgent measures are needed as a part of medium-term fiscal consolidation strategy by the government.

On Thursday, S&P Global Ratings affirmed India's long-term sovereign rating at 'BBB-'. It also said that the growth is expected to revive in two to three years. The global rating agency said that India's growth is expected to stabilise and rebound from the ongoing lows and the fiscal deficits are likely to remain in a range of the projections for the coming two years. However, it had flagged the rising fiscal deficit and increasing government debt. S&P expects limited fiscal consolidation in the coming years, even as fiscal deficits have surpassed the government's actual plan.

India's growth estimate for FY20 was lowered in January 2020 by IMF to 4.8 per cent. The first GDP advance estimate by the government has projected the economy to grow at 5 per cent in the ongoing fiscal. In Q3FY20, India's economy grew at a mere 4.5 per cent. The government has announced a slew of fresh measures in budget 2020 to revive the sluggish economy. Even in the later part of the last year, the government had come up with reforms to push the growth engine of the economy.

(Financial Express, 14/2/2020)

Textile policy to be rolled out by mid 2020

The Central Government is expected to roll out a Textile Policy by the middle of this year, according to Ravi Capoor, Secretary of the Union Ministry of Textiles.

"We are working on a policy. Two rounds of consultations have been held with the stakeholders. Hopefully by mid-year we should have the new policy," Mr. Capoor told The Hindu on Thursday.

On the measures to be taken to attract investments in textiles and clothing, he said the need for cost effectiveness is a major challenge.

One factor affecting cost effectiveness is lack of scale. "New industries should look at scale. The Ministry plans to develop 10 mega textile parks. Each one will be an integrated park. We hope to bring some economies of scale with this. India should be a destination for Foreign Direct Investment in textiles. We need good infrastructure for it." The Ministry is talking to the States and a meeting will be held on Monday too. Any State which has minimum 1,000 acres ready for the park will be supported to develop it, he said.

The Secretary was hopeful of textile and garment exports increasing this financial year compared to last year, when it was roughly $38 billion. Indian exporters are largely cotton based. "We should move to MMF (manmade fibre). If Indian exports in MMF grow to the level of cotton (ie, the share of Indian cotton product exports in global trade) the overall exports will increase by $20-25 billion," he said.

Another thrust area will be technical textiles. The Cabinet is expected to approve the National Technical Textiles Mission, announced in the Budget, soon. It will be rolled out in a couple of months. "We are going to spend ₹1,000 crore in developing raw materials for technical textiles; research associations will be asked to produce applications for these.”

(Hindu Business, 15/2/2020)

India to switch to world's cleanest petrol, diesel from April 1

India will switch to the world's cleanest petrol and diesel from April 1 as it leapfrogs straight to Euro-VI emission compliant fuels from Euro-IV grades now - a feat achieved in just three years and not seen in any of the large economies around the globe. India will join the select league of nations using petrol and diesel containing just 10 parts per million of sulphur as it looks to cut vehicular emissions that are said to be one of the reasons for the choking pollution in major cities.

Sanjiv Singh, Chairman of Indian Oil Corp (IOC) - the firm that controls roughly half of the country's fuel market, said almost all refineries began producing ultra-low sulphur BS-VI (equivalent to Euro-VI grade) petrol and diesel by the end of 2019 and oil companies have now undertaken the tedious task of replacing every drop of fuel in the country with the new one.

"We are absolutely on track for supplying BS-VI fuel from April 1. Almost all refineries have begun supplying BS-VI fuel and the same has reached storage depots across the country," he said.

From storage depots, the fuel has started travelling to petrol pumps and in the next few weeks all of them will only have BS-VI grade petrol and diesel, he said. "We are 100 per cent confident that fuel that will flow from nozzles at all the petrol pumps in the country on April 1 will be BS-VI emission compliant fuel."

India adopted Euro-III equivalent (or Bharat Stage-III) fuel with a sulphur content of 350 ppm in 2010 and then took seven years to move to BS-IV that had a sulphur content of 50 ppm. From BS-IV to BS-VI it took just three years.

"It was a conscious decision to leapfrog to BS-VI as first upgrading to BS-V and then shifting to BS-VI would have prolonged the journey to 4 to 6 years. Besides, oil refineries, as well as automobile manufacturers, would have had to make investments twice - first to producing BS-V grade fuel and engines and then BS-VI ones," he said.

State-owned oil refineries spent about Rs 35,000 crore to upgrade plants that could produce ultra-low sulphur fuel. This investment is on top of Rs 60,000 crore they spent on refinery upgrades in the previous switchovers.

BS-VI has a sulphur content of just 10 ppm and emission standards are as good as CNG.

Originally, Delhi and its adjoining towns were to have BS-VI fuel supplies by April 2019 and the rest of the country was to get same supplies from April 2020.

But oil marketing companies switched over to supply of BS-VI grade fuels in the national capital territory of Delhi on April 1, 2018.

The supply of BS-VI fuels was further extended to four contiguous districts of Rajasthan and eight of Uttar Pradesh in the National Capital Region (NCR) on April 1, 2019, together with the city of Agra.

BS-VI grade fuels were made available in 7 districts of Haryana from October 1, 2019.

Singh said the new fuel will result in a reduction in NOx in BS-VI compliant vehicles by 25 per cent in petrol cars and by 70 per cent in diesel cars.

The switchover, he said, is a tedious task as every drop of old, higher-sulphur content fuel has to be flushed out in depots, pipelines and tanks before being replaced by BS-VI.

"We are confident of disruption-free switchover to BS-VI supplies across the country," he said. "What we will be supplying is the best quality available anywhere in the world. You don't have any better fuel that is supplied in any part of the world. Perhaps our BS-VI fuel will be better than equivalent fuel in some parts of the US and Europe."

India adopted a fuel upgradation programme in the early 1990s. Low lead gasoline (petrol) was introduced in 1994 in Delhi, Mumbai, Kolkata and Chennai. On February 1, 2000, unleaded gasoline was mandated nationwide.

Similarly, BS-2000 (Euro-I equivalent, BS-1) vehicle emission norms were introduced for new vehicles from April 2000. BS-II (Euro-II equivalent) emission norms for new cars were introduced in Delhi from 2000 and extended to the other metro cities in 2001.

Benzene limits have been reduced progressively from 5 per cent in 2000 to 1 per cent nationwide. Lead content in gasoline was removed in phases and only unleaded gasoline is being produced and sold from February 1, 2000.

The octane number of gasoline signifies the improved performance of the engine. Loss in octane number due to phasing out of lead was made up by installing new facilities in the refinery and changes in refinery operation. RON (Research Octane Number) of gasoline for BS-2000 spec was increased to 88. This has over time been increased to 91.

Singh said sulphur reduction will reduce Particulate Matter (PM) emissions even in the in-use older generation diesel vehicles.

(Press Trust of India, 19/2/2020)

India betters score in global IP Index of GIPC

India stands at 40th place out of 53 economies in global IP Index 2020, released on Wednesday, as against 36th place out of 50 economies in the 2019 Index.

Reflecting the country's growing investment in intellectual property (IP)-driven innovation, India's overall score has increased to 38.46% in the International IP Index 2020 by Global Innovation Policy Center (GIPC) of the US Chamber of Commerce. The country's score was at 36.04% in the 2019 Index. The US tops the scorecard with 95.28% out of an 100% scale, while the UK (93.92%), France (91.50%), Germany (91.08%), Sweden (90.56%) and Japan (90.40%) follow closely.

India stands at 40th place out of 53 economies in global IP Index 2020, released on Wednesday, as against 36th place out of 50 economies in the 2019 Index. In the eighth edition, the US Chamber

International IP Index ranked 53 global economies, representing over 90% of global GDP, including India, on 50 IP-specific indicators.

In this latest Index, the review has found that India has embraced a series of reforms and issued court rules that strengthen IP enforcement, address administrative inefficiencies and increase penalties for IP infringement.

The 2020 index includes three new countries — Dominican Republic, Greece, and Kuwait — and five new indicators, meaning that a focus on India's relative score increase of 6.71% best reflects the positive momentum on IP in India, according to official sources at the GIPC.

The index has reported that India's key areas of strength in IP domain include continued strong efforts to combat copyright piracy through 2019 by issuing of dynamic injunction orders, precedent-setting case law on online trademark infringement and damages, new pilot patent prosecution highway (PPH) programme and generous R&D along with IP-based incentives.

India remained a global leader on targeted administrative incentives for the creation and use of IP assets for SMEs while the country's strong awareness-raising efforts on the negative impact of piracy and counterfeiting have made a mark in the overall IP spectrum.

Sources said since the release of the 2016 National IPR Policy, the Indian government had made a focused effort to support investments in innovation and creativity through increasingly robust IP protection and enforcement.

Implementation of the policy has resulted in improving rates of patent and trademark pendency, greater awareness of IP rights among Indian innovators. The index, however, points out that serious hurdles remain — particularly in terms of patent eligibility and enforcement. Besides, compulsory licensing in the case of pharma companies, patent opposition and regulatory data protection are the main challenges faced by the country, they said.

(Financial Express, 7/2/2020)

Automation likely to kill 9% jobs in India, says IMF's David Lipton

Automation can lead to 9 per cent of workers becoming unemployed in India, said David Lipton, deputy first managing director at the International Monetary Fund (IMF).

Delivering the CD Deshmukh memorial lecture on Thursday, Lipton said economic expansion in India would help these people as the economy was growing at 6-7 per cent a year if one disregarded the current slowdown. Besides, Indian businesses are more agile compared to their counterparts elsewhere, he said at the event, organised by the National Council of Applied Economic Research (NCAER).

Globally, he said, 14 per cent of workforce or 375 million workers could lose jobs to automation. Lipton warned that business model of low wage and labour intensive industries was under threat.

As India proposed import duty on a number of products in the Budget, Lipton said rising tariffs were having a drag on competition in India that hampered strong integration of the economy with global value chains.

He said competition might hurt in the shorter term, but it would make companies more able to grow organically over time. Tariffs have been on a rise in India for the past few years.

Citing benefits of competition, he said if India decided to play cricket only domestically, it would not be as great a cricket team as it was now. Though the cricket team struggled in initial years, competition made it stronger over years, he emphasised.

He said India should look at comparative advantages. According to him, tariffs on intermediate goods constrain the boom of manufacturing sector that creates jobs in India.

India is poised to be the engine of secular dynamism in a world that is witnessing secular stagnation (in the form of low interest rates and disinflation), he said, using terminology coined by former US treasury secretary Larry Summers. Though secular stagnation is restricted to advanced economies, its spillover globally cannot be ruled out, he said. Markets are lending to governments globally at negative interest rates, he said.

“For example, German pension funds can certainly serve better off investing in India steadily growing at 10 per cent. Currently, despite standing with a huge current account surplus, German savings end up getting invested in US treasuries, that give a return of 1.7 per cent,” Lipton said. He said the global growth was down due to trade tensions between the US and China but its impact had been limited on India compared to other Asian exporters.

Referring to coronavirus, he said: “We have just begun witnessing how a pandemic is having an impact on global value chains.” India could play a truly unique role to invigorating global growth, as it has a huge untapped demand. Addressing weak domestic demand and restoring balance sheets of lenders and borrowers can help it come out of the slowdown, Lipton said.

For investments to come back, legal and regulatory hurdles should be minimum, he added. Other issues confronted by the economy are falling rural consumption, slowing exports growth and rise in unemployment, he said.

He advised India not to worry about the current account deficit now and instead attract capital investments to finance it.

Lipton said reforms had lifted millions out of poverty in the country.

(Business Standard, 14/2/2020)

Indians stand to benefit as Priti Patel unveils new points-based immigration system

Thousands of more highly-skilled Indians could potentially land full-time jobs in Britain from next year as the UK launches a new points-based immigration system.

In the biggest shake-up of its immigration system in 50 years, Britain is set to swap an unlimited flow of workers from Europe to a controlled flow of skilled workers from across the globe, including India.

The new system, inspired by Australia’s points-based immigration system, will take effect from 1 January 2021. Points will be assigned for specific skills, qualifications, salaries or professions with the aim being to attract those from across the globe with the highest skills. The new single global system will treat EU and non-EU citizens equally. Until now there has been a cap on the number of Tier 2 visas issued but there will be no cap on the number of skilled-worker visas issued. The system will replace the free movement which currently exists between the UK and the EU, which allows an unlimited number of EU citizens to live and work in the UK and vice versa, without the need for any visa.

Home secretary Priti Patel launched the new scheme which she claims will “unleash this country’s full potential" on Wednesday. “We will attract the brightest and the best from around the globe, boosting the economy and our communities,” she said.

Significantly, there will be no specific route into Britain for low skilled workers under the new post-Brexit scheme. The Home Office said it estimated 70 per cent of the existing EU workforce in Britain would not meet the requirements of the skilled worker route.

“We’re ending free movement, taking back control of our borders and delivering on the people’s priorities by introducing a new UK points-based immigration system, which will bring overall migration numbers down,” Patel said.

Skilled migrants from across the world, including India, will require 70 points to be eligible to apply to enter the UK to work.

A job offer, a salary of £25,600 a year, the ability to speak English and an A level qualification or equivalent will be mandatory. Under the current Tier 2 scheme, skilled workers need a degree and a £30,000 minimum salary. The Home Office said the new criteria provide greater flexibility and ensures the UK business has access to a wide pool of skilled workers.

Points will be issued for different factors like having a job offer, being able to speak English, having a Ph.D. in a subject relevant to the job, or taking a job in a shortage occupation.

Amit Tiwari, president of INSA (Indian National Student Association) said: “A lot of Indian students want to put experience to their qualifications, so they would welcome the lower salary threshold for when they have to convert their visa.”

“The lower salary threshold means skilled Indians are easily the biggest winner,” said Pratik Dattani, managing director, EPG. “This new points system finally gives clarity about Britain’s vision for the future. The major flaw is that the policy change will exacerbate Britain’s chronic labour shortages in vocational skills, which have relied so heavily on Eastern Europeans,”

“With the focus on attracting highly skilled individuals, this should be good news for ambitious and well-qualified Indians and for businesses in the UK keen to hire top talent,” said Kevin McCole, managing director of the UK India Business Council.

It is really a very bad indication for our country as again talented and hard working people will leave India and will settle UK for their jobs. This is due to our deadly virus "reservation" in our systems.

Highly-skilled scientists and researchers, including those who are EU citizens, will be the only group allowed to come to the UK without a job offer. The number of seasonal worker visas will quadruple from 2,500 to 10,000 and EU citizens will be able to visit the UK without a visa for up to six months.

Carolyn Fairbairn, director-general of the CBI, which represents 190,000 British businesses, said: “Several aspects of the new system will be welcomed by business, particularly abolishing the cap on skilled visas and reducing the minimum salary threshold from £30,000. Nonetheless, in some sectors firms will be left wondering how they will recruit the people needed to run their businesses. Firms in care, construction, hospitality, food and drink could be most affected. A regularly reviewed shortage occupations list, with promises of further flexibility, will be vital for the effectiveness of the new system.”

(Times of India, 19/2/2020)

In UK, Indian diaspora-owned companies pay over 1 billion pounds in Corporation Tax: Report

Indian diaspora-owned companies with a combined revenue of 36.84 billion pounds employ over 1,74,000 people and pay over 1 billion pounds in Corporation Tax, according to a first-of-its-kind research.

The ‘India in the UK: The Diaspora Effect’ report, released here on Tuesday, analysed data related to 654 Indian diaspora-owned companies in the United Kingdom (UK) with a turnover of at least 100,000 pounds and found that they collectively invest around 2 billion pounds through capital expenditure. The report, produced by Grant Thornton UK jointly with the Indian High Commission in London and the Federation of Indian Chambers of Commerce and Industry (FICCI UK), zeroed in on a select few of an estimated total of over 65,000 diaspora-connected companies.

“This report does not claim to be an exhaustive record of the full contribution of the UK businesses owned by the Indian diaspora. It covers over 650 relatively large businesses owned by the Indian diaspora, which were looked at in greater detail,” said Ruchi Ghanashyam, the Indian High Commissioner to the UK who was the catalyst behind the project which began in March last year.

“Though this report looks only at the businesses with an annual turnover of more than 100,000 pounds, we hope that contributions of the many smaller enterprises will be added in future reports,” said the envoy, as she dedicated the report to the 1.5-million-strong Indian diaspora in the UK, which she noted has been described as a “living bridge” between the two countries by Prime Minister Narendra Modi. The report aims to help develop a better understanding of the contributions of businesses owned by people of Indian origin to the UK and builds on the insight developed by Grant Thornton’s annual ‘India Meets Britain Tracker’, which track the fastest-growing Indian companies in the UK.

“This report celebrates the contribution of the Indian diaspora not just to the UK’s economic prosperity, but increasingly to its wider society too,” said Anuj Chande, Partner and Head of the South Asia Group, Grant Thornton UK.

Among some of its other highlight findings, of the 654 companies researched, around 35 per cent have one or more women directors on their board and 23 businesses generate 80 per cent of the total jobs provided by the Indian diaspora companies in the UK — a total of 140,000 jobs.

The top five employers include B&M Retail Limited, with 26,496 jobs, followed by Vedanta Resources Ltd (25,083), Boparan Holdco Ltd (21,949), Hinduja Automotive (19,601) and HC-One Ltd (10,949).

“The economic contribution of the Indian diaspora in the UK is rightly applauded and commented upon but to date it has not been quantified. This report is an attempt to fill that gap,” said Baroness Usha Prashar, Chair of FICCI UK.

“It provides very helpful information which we hope will be built upon in the future. This is an excellent start and the report’s key findings are a matter of both pride and celebration,” she said.

The report, with the tag line ‘Celebrating the energy and entrepreneurship of the Indian diaspora in the UK’, finds a sector-wide sweep of diaspora-owned firms, with hospitality dominating the landscape at 19 per cent, followed by healthcare and pharmaceuticals at 15 per cent, retail and wholesale (13 per cent), real estate and construction (13 per cent) and food and beverage (9 per cent) to complete the top five. London dominates the overall spread, with 52 per cent of the diaspora-owned companies based in the UK capital.

The estimated India-related contribution to the UK economy, combining the figures for India-owned companies from the annual Tracker with the latest diaspora findings, brings a combined turnover of around 85 billion pounds, with over 1.7 billion pounds paid in taxes and close to 280,000 employees. “These are significant numbers. We anticipate that these numbers are likely to grow even further as the bilateral relationship develops,” notes the report.

The methodology used for the inaugural report is based on the latest published accounts of companies that are majority owned by the Indian diaspora, with at least one director of presumed Indian origin living in the UK.

The authors stress that the facts and figures contained within the report should be treated as indicative, rather than absolute, with the outlook likely to be further defined over the next few editions.

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