



**West Midlands
India Partnership**

Stronger Together

**A new Strategy for the West
Midlands India Partnership**

Main Report

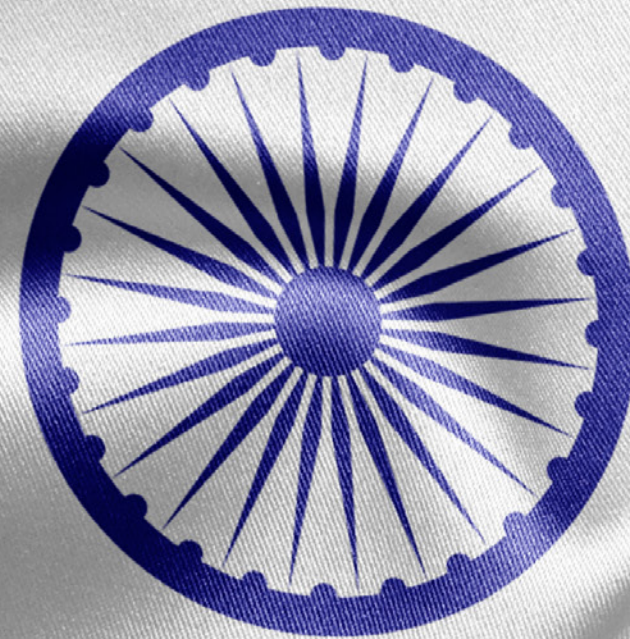


**West Midlands
Growth Company**

UK INDIA
BUSINESS COUNCIL



Stronger together



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Foreword

The UK and India have a deep and long-standing democratic, language and cultural relationship that is set to take off over the coming decade as the nation's implement the ambitious *India-UK 2030 Roadmap*. This has outlined the trajectory for cooperation bilaterally and internationally on critical issues such as climate change, healthcare, security, and economic development. And through the UK-India Enhanced Trade Partnerships, the two nations have set the ambition of doubling trade by 2030, and the aim of agreeing a deep and comprehensive *Free Trade Agreement*.

The West Midlands and India relationship is unique. The West Midlands has been the largest recipient of Indian Foreign Direct Investment (FDI) after the South East over the last five years. This is a testament to its world-leading innovation and engineering excellence, and the confidence India has in its trajectory. Indian FDI has created over 13,000 new jobs in the region over the past decade, and the region is responsible for over half of the UK's total automotive exports to India.

But the ties between India and the West Midlands run much deeper than trade and investment. There are nearly 200,000 ethnic Indians currently living in the West Midlands, more than any region outside London. Thanks to this 'living bridge', built upon decades of economic and social integration in the region, Indian cuisine, entertainment, religion and arts have been indelibly embedded within the West Midlands' own, diverse culture.

It is the strength of this economic and cultural relationship which can act as the springboard for enhanced cooperation in the future.

Within this context, the West Midlands India Partnership (WMIP) was formed in June 2020. It aims to forge new relationships and opportunities for collaboration between the West Midlands and India which will boost two-way sustainable economic growth. The Strategy set out in this document establishes an exciting new framework for WMIP's strategic priorities over the next five years.

Although COVID-19 has had a devastating economic impact in both the UK and India, vaccines are now being rolled out globally, and forecasters expect economic growth to build momentum into 2022 and beyond. There could not be a better time than now, therefore, to lay the foundations for recovery in the UK and India by turbocharging the West Midlands-India relationship.

We are delighted to champion this exciting new Strategy and we encourage all stakeholders - local, regional, and national - to embrace it.

Now is the time to create a new, shared future, and the West Midlands and India are inextricably linked in this regard. We are better together and stronger together.



Dr. Jason Wouhra, OBE

Chairman West Midlands India Partnership



Andy Street CBE

Mayor of the West Midlands



Her Excellency Gaitri Issar Kumar

High Commissioner of India to the UK



Lord Gerry Grimstone

Minister for Investment at Department for International Trade and Department for Business Energy and Industrial Strategy

Executive Summary

India is a global economic powerhouse with a strong and well-established economic and cultural relationship with the West Midlands. This includes a 'living bridge' of nearly 200,000 ethnic Indians who live and work in the region.

As the UK and India both rebuild from the impact of Covid-19, and with the West Midlands hosting the Commonwealth Games in 2022, the region has a once-in-a-generation opportunity to extend and deepen its unique relationship with India.

The West Midlands India Partnership (WMIP) was established in June 2020 to drive collaborative engagement between the West Midlands Combined Authority (WMCA) and India to unlock mutually beneficial and sustainable economic opportunities.

This document sets out the WMIP's new five-year strategy for working with India.

It has been developed by the WMIP, with strategic advice and approval from the WMIP's Advisory and Executive Boards, inputs from key stakeholders in the region and in India, and analytical support from PwC and the UK India Business Council (UKIBC).

At its heart are five ambitious and actionable recommendations for the WMIP:

1.



The West Midlands: The Beating Heart of the UK's Relationship with India

Promoting the region as being central to the 'living bridge' between the UK and India; a top destination for Indian tourists; and increasing direct connectivity between India and Birmingham Airport.

2.



Growing the West Midlands-India Science and Education Partnership

Driving innovation through accelerating R&D collaboration with India on shared challenges; positioning the West Midlands as India's number one innovation partner in the UK; and attracting outstanding Indian talent (both academic and professional) to study in the region.

3.



A Win-Win Trade and Investment Opportunity

Working with India to increase two-way trade and investment through an integrated approach; establishing more dynamic corridor partnerships; being a leading enabler of India's Industry 4.0 aspirations; and positioning the West Midlands as the UK location of choice to fulfil India's global innovation ambitions.

4.



Team West Midlands: A Partnership Approach to Sustained Engagement with India

Increasing and enhancing the region's collective engagement with India to increase our impact. More specifically, investing in the WMIP to deliver more sustained, mutually beneficial partnerships, and more shared economic outcomes.

5.



Birmingham 2022: Strengthening the West Midlands – India Relationship

Maximising our impact, and forging new West Midlands-India relationships, by leveraging the Commonwealth Games; its parallel Business and Tourism Programme; and the India-UK 2030 Roadmap.

2.1

Economy and people

India is a global economic powerhouse, with immense growth potential. It is the 6th largest economy by GDP and is set to be the 3rd largest by 2030.

This will be driven by India's demographic dividend which will fuel its economy, creating 68 million new wealthy consumers by 2025.

India has taken great strides in improving its competitiveness and business environment. India ranked 63rd in the World Bank's 2020 *Doing Business Index*, leaping from 142nd place in 2015, and it has opened its economy to FDI in most sectors.

At the sectoral level, India has strong capabilities, growth trajectories and technology needs aligned to the West Midlands' strengths and needs. This creates outstanding partnering opportunities across the West Midlands' Local Industrial Strategy (LIS) growth priorities.

Future Mobility:	India's Electric Vehicle (EV) market is predicted to grow at a CAGR of 44% between 2020-2027 and hit 6.34 million-unit annual sales by 2027. This is driven by the growth of the middle class, the young population, and government action, to deliver its vision of 100% electric mobility by 2030.
Creative Technologies:	India is a world-leader in Creative Tech. Its Information Technology (IT) industry is worth £140 billion and is expected to grow at around 10% CAGR to reach £216-252 billion by 2025 ¹ . While more nascent, its Augmented Reality (AR) and Virtual Reality (VR) industries are poised to soar. India's start-up ecosystem is the 2nd largest in the world, growing at a CAGR of 10-12%.
Data-driven Healthcare:	India's healthcare sector was worth £202 billion in 2020 and is estimated to be worth £364 billion by 2025 ² . This is due to rising demand for affordable healthcare, technological advancements, big data analytics, telemedicine, and government initiatives such as e-health.
Modern Services:	India's professional and business services are globally competitive, and its Fintech ecosystem is the third largest globally (and among the fastest growing).
Net Zero:	India is investing heavily in net zero, generating approximately a quarter of its power from renewables in 2020. It further has plans to drive efficiencies and environmental improvements across industry, transport and cities.

India faces huge social and economic challenges which it is tackling through a range of policies and programmes, creating win-win partnering opportunities for the West Midlands and India.

India's cornerstone initiative is *Make in India*, which aims to turn India into a global manufacturing hub. Additional strategies are driving education, skills, innovation and growth outcomes. Simultaneously, it is addressing challenges such as healthcare, urbanisation and achieving net zero.

India's strategic interventions have contributed to it developing clusters and economic corridors with world-leading capabilities. These include the regions of Maharashtra (Mumbai and Pune), Telangana (Hyderabad), National Capital Region (Delhi), and Karnataka (Bengaluru).

The UK and India enjoy a unique relationship based on centuries of shared history, culture, language, and democratic links. One result of this is a 'living bridge' of 1.6 million ethnic Indians in the UK, with more than one in ten choosing to live in the West Midlands.

India Growth Sectors Aligned to the West Midlands' Local Industrial Strategy

Bilateral cooperation is strong and set to be enhanced further by the signing of the *India-UK 2030 Roadmap* in May 2021.

This has elevated the relationship to a *Comprehensive Strategic Partnership (CSR)* and includes initiatives and commitments that will enhance opportunities for more cooperation.

For example, the intent to agree a UK-India *Free Trade Agreement (FTA)* which will play greatly to the West Midlands' strengths.

Undoubtedly India remains a potentially challenging market, especially with high tariff and non-tariff barriers. But its lack of FTAs with most major economies (including the EU, US and China) makes the anticipated UK-India FTA a potential game-changer.

2.2

India going global

As the world's largest democracy - and as its companies and people are increasingly going global through investment, trade, innovation, education and tourism growth - India is rapidly becoming a major global player.

In its pursuit of new markets, new partners and new commercial know-how, India is already a major international investor, ranking 16th globally for Outward Direct Investment (ODI) flows at its peak in 2018.

As the 3rd largest recipient of Indian ODI in the last two years, the UK is already a destination of choice for Indian firms expanding globally.

It is anticipated that this will accelerate over the coming years, as Indian firms pursue global innovation capability in advanced technologies and other emerging sectors as a springboard for growth.

Moreover, India's booming domestic market, low-cost base, digital skills, and through the investment incentives delivered via the *Make in India* strategy, placed it in 10th place for inbound FDI in 2018.

India is a hugely important and influential trading nation, ranking 8th for services exports and 10th for imports in services and goods³.

UK-India trade reached a record high in 2019 at £23.3 billion, making India the UK's 15th largest trading partner. But the UK continues to underperform in areas of relative export strength, including advanced manufacturing and ICT services, which again creates potential opportunities for the West Midlands.

India is the 5th largest R&D spender globally (based on Purchasing Power Parity), although its private sector is responsible for just 37% of total R&D spend. In comparison, private sector R&D investment is 65% in the UK, 72% in the US, and 77% in China⁴.

Indian investment is also highly concentrated, with 26 Indian companies from the automotive, pharma and IT sectors among the world's top 2,500 R&D spenders. These companies, together with India's fastest growing innovators, offer the UK huge potential for R&D-intensive FDI and dynamic private sector partnerships.

Indian government-funded R&D is also increasingly focused on emerging technologies which play to the UK's strengths (such as low carbon and AI) with G2G agreements underpinning international collaborations.

International companies are also scaling their R&D activities in India, tapping into its talent and low-cost base.

India's growing consumer market and start-up ecosystem is driving increased private equity and venture capital activity, with investments worth £32.24 billion in 2020.

As regulations are relaxed and incentives increased, equity investment - worth £32.24 billion in 2020 - is expected to grow rapidly, including in international assets.

India's Ultra-High-Net-Worth-Individuals (UHNWIs) population⁵ is increasingly investing in overseas assets and it is the fastest growing globally, standing at 6,884 (and expected to reach 11,198 by 2025).

After China, and with 750,000 studying overseas and rising fast, India is globally the largest source of international higher education students.


In 2019 – and in response to the UK government announcing plans to introduce the Graduate Route post-study work visa - Indian student numbers in the UK doubled to 55,465 students.

While there remains a lack of policy clarity, *India's National Education Plan (NEP)* should create opportunities for overseas universities to serve students in India directly, and through partnering with Indian institutions.

The Indian outbound tourism market is booming, worth £16.5 billion in 2019⁷ and expected to grow steeply in the coming years. If travel returns to pre-pandemic trends, this could potentially generate revenues of around £45 billion by 2026⁸.

With 692,000 visits, the UK was the 10th most visited destination by Indian travellers on overnight trips in 2019, worth £753 million. VisitBritain⁹ forecasts Indian visits to increase from 692,000 in 2019 to 826,000 in 2029, while losing market share to France and other nations over the same period.

The UK is well connected to India by air, with direct flights to/from London and Birmingham Airports.

 D E P A R T U R E S		
Time	Flight	Destination
12:00	OD 1961	DELHI
12:15	PN 0034	MUMBAI
12:20	T3 0529	BENGALURU
12:30	PN 2415	CHENNAI
12:50	GI 1872	KOLKATTA
12:55	T3 0944	HYDERABAD
13:20	SF 2778	KOCHI
13:45	OD 0061	AHMEDABAD
13:50	BK 1532	GOA
14:05	OD 3487	JAI PUR
14:30	PN 0194	NAGPUR
14:35	SF 0028	MUMBAI

Flights to all of the destinations pictured maybe not be available from Birmingham Airport.



3.1 Overview of the West Midlands in 2021 and beyond

The West Midlands is uniquely positioned within the UK to accelerate cooperation with India to unlock mutually beneficial economic outcomes.

The West Midlands is an innovation powerhouse with outstanding capabilities that are closely aligned to India's economic ambitions and needs, and complements India's appetite for rapid, sustained growth.

The West Midlands also has a deep, longstanding relationship with India – historically, culturally and economically. This is why the region ranks higher than all other UK regions (apart from the South East & London) across most relevant indicators:

West Midlands -India – key indicators

Theme	Key indicators	Latest data	English region ranking (of 8)
Trade and Investment	Indian - origin FDI value in West Midlands (£ million)	£457m	2nd
	Indian - origin FDI projects in West Midlands (#)	18 projects	2nd
	Indian - origin jobs created (#)	2,678 jobs	2nd
	West Midlands exports to India (£ million)	£318m	5th
Innovation, Education and Skills	Indian higher education student enrolments in West Midlands (#)	5,390 students	4th
Tourism and Connectivity	Indian tourist visits to West Midlands (#)	47,000 visitors	2nd
	Indian tourist spend in West Midlands (£ million)	£40m	3rd
	Direct flight routes	2 direct flights	2nd
	Residents of Indian ethnic origin	185,000 people	2nd

Note: Figures for FDI and jobs are for 2016-20 cumulative; tourist visitors and spend are the annual average 2017-2019; and London and SE are combined as a single region in ranking Indian resident figures are from the 2011 census; all others are 2019 annual figures – including exports for which 2020 performance was anomalous at £233 million, while still ranking 5th. All data applies to the West Midlands region (NUTS1) unless otherwise specified.

Through Birmingham's hosting of the Commonwealth Games in 2022, the West Midlands has a once-in-a-generation opportunity to promote its offer to India and the wider world. By leveraging our £23.9m Business and Tourism Programme, we have the chance to showcase the West Midlands as a world-class destination for tourism, trade and investment.

3.2 Trade and investment

Inward Investment:

The West Midlands has outperformed all regions (other than the South East) in attracting Indian FDI over the last decade.

With 76 recorded Indian FDI investments, worth over £3.5bn total¹⁰, this has created 13,276 jobs and safeguarded 1,610 more (accounting for 20% of all FDI-generated jobs¹¹).

While absolute values have declined in the last five years due to the importance of Tata's early investments in JLR, the region has maintained 2nd place and attracted more Indian FDI¹² by value in 2020 than even the South East, receiving 57% of all Indian investment (worth £163.2 million).

The region's FDI success has been driven by *Future Mobility*, ranking 1st for Indian FDI over the last five years (2016-2020).

Performance across other LIS priority growth areas has been mixed, as illustrated in the figure below. Taken together, there is huge potential to scale-up.

Indian FDI to the West Midlands in Local Industrial Strategy (LIS) priority areas

LIS priority	Value (£ million)	English region ranking (of 8)
Future Mobility	£414m	1
Creative Technologies	£21.8m	2
Data-driven Healthcare	£0.2m	7
Modern Services	£0.5m	4
Net Zero	-	-

Note: Net Zero is a cross-cutting theme, and a key focus for the above sectors, particularly Future Mobility.



Based on this, our Strategy has identified five key opportunity areas relating to investment.

‘Stronger together’ **investment** opportunities:



Future Mobility:

The West Midlands can drive its advantage in Future Mobility and electrification, focusing on OEMs and their suppliers wanting to innovate and access the UK customer base in EVs and increasingly Connected and Autonomous Vehicles (CAVs).



Creative Technologies:

The region is punching well above its weight in attracting Indian FDI in Creative Tech, with strong potential for increasing two-way investment, targeting Indian HQs and scale-ups, across IT services, digitalisation of manufacturing, gaming, and pioneering use of AR, VR and 5G.



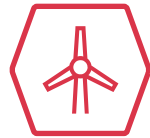
Data-driven Healthcare:

While its offer is strong and the pandemic creates opportunities, the West Midlands’ success in attracting data-driven healthcare FDI in nascent, requiring an R&D and partnership-focused approach.



Modern Services:

The West Midlands has significant potential to increase FDI in Modern Services, targeting Business Professional and Financial Services (BPFS) firms seeking lower-cost UK HQs (as an alternative to the South East) and ProfTech innovators.



Net Zero:

The West Midlands has world-leading capabilities in low and net zero carbon innovation, particularly in electrification. It can be a key FDI differentiator across all sectors, with opportunities to attract firms wishing to innovate and established players wanting to ‘plug and play’ at scale in the UK’s low carbon and net zero ecosystem.

Trade:

Along with the whole of the UK, given its potential, the West Midlands is underperforming in advanced manufacturing exports to India. This creates significant value opportunities for the region’s high-technology Industry 4.0 innovations, products and services.

While data is limited¹³, complementary strengths in Creative, Tech and Modern services also creates potential to increase two-way trade in Professional Business Services and ICT – exporting leading-edge digital technologies and high value knowledge and skills.

We have identified two key opportunity areas relating to trade for WMIP to take forward, working collaboratively with others, as part of this Strategy:

‘Stronger together’ **trade** opportunities:



Advanced manufacturing goods:

While Make in India will limit longer-term opportunities, there are high value short to medium-term opportunities to increase exports in transport equipment and Industry 4.0 technologies, including machinery, electrical machinery, optical equipment, power electronics, industrial automation and autonomous systems.



Creative Technologies:

Indian demand and capabilities align well with the West Midlands’, with strong potential to grow two-way trade in IT services, professional and business services and low carbon, and exports in Industrial Internet of Things (IIOT), AR, VR and AI.

3.3

Innovation, education and skills

Innovation:

With a proven track record of successful collaboration between its universities, businesses and wider innovation ecosystem, the West Midlands has an outstanding innovation offer for India.

Innovation partnerships have the potential to increase exponentially in growth areas such as 5G, cleantech and low carbon, Industry 4.0 and digitalisation, smart cities and IoT, healthcare and MedTech, AI, VR and AR.

Indian companies are also driving direct R&D investment and innovation within the West Midlands, particularly in the area of Future Mobility and electrification. Our Strategy has therefore identified three key opportunity areas relating to innovation:

‘Stronger together’ **innovation** opportunities



Undertaking R&D collaborations to commercialise innovation in shared priority areas

including through accessing UK and Indian innovation grants, challenge funds and exchanges.



Attracting R&D intensive FDI by Indian corporates and their suppliers

focusing on the largest R&D spenders in Future Mobility and Data-driven Healthcare, and working with existing Indian investors and their suppliers.



West Midlands’ companies undertaking more R&D in India

particularly in Creative Tech.

Education and Skills:

Between 2018-2019 and 2019-20, Indian student enrolments in the region more than doubled to over 5,000.

Over each of the last five years, the West Midlands has been the third most popular region for Indian student enrolments after London and the East of England, with four West Midlands universities featuring in the top 20 for Indian student enrolment in 2019/20.

Indian businesses also have high demand for specialist vocational and executive education which the region's universities are well-placed to supply.

In the longer-term, India's NEP should create direct opportunities for the West Midlands' universities to serve students in India.

We have identified three key opportunity areas relating to education and skills for WMIP to take forward, working closely with other stakeholders in the region and in India, as part of this new Strategy:

'Stronger together' **education and skills** opportunities



Increasing Indian higher education student numbers

in the region following the introduction of the Graduate Route post-study work visa, and building on the region's strengths in STEM, its strong job market and diaspora.



Partnering with Indian training institutions

and businesses to develop and deliver specialist and executive training in the region.



Developing strategic partnerships with Indian universities

to serve Indian higher education students and advocate for NEP policy clarity.

3.4

Tourism and connectivity

Tourism:

Indian visitors are more likely to spend time in the West Midlands than other international visitors. The region ranks second among English regions for Indian visits and nights spent, and third for visitor spend.

As the UK's fourth most valuable MICE market (worth £52m p.a), India is also a major source of business tourism.

Research has further identified that while Indian tourists rate the West Midlands highly as a destination, their awareness of its many visitor attractions is limited. This has contributed to the relatively low visitor spend in the region.

In addition, Birmingham Airport is the only UK airport outside London with direct flights to India. Demand for Air India's direct flights to/ from Birmingham and Delhi and Amritsar was rising rapidly prior to the pandemic. This includes business class travel which grew by 56% between 2015-2018.

Our Strategy has identified three key opportunity areas relating to tourism, connectivity and raising our tourism profile:

'Stronger together' **tourism and connectivity** opportunities



Raising the West Midlands profile as a tourist destination

and increasing leisure spend among Indians staying with family and friends or visiting on business.



Working with VisitBritain

to make the UK and West Midlands a more attractive market for Indian tourists.



Increasing direct flight capacity

between the West Midlands and India, including a direct route between Birmingham and Mumbai.

The West Midlands is an innovation powerhouse with a unique, strong economic and cultural relationship with India that differentiates it from all other UK regions.

This includes a 'living bridge' of nearly 200,000 ethnic Indians, and its FDI footprint.

The analysis summarised in Section Three highlights a wide range of high-value opportunities for the WMIP to help stimulate mutually beneficial economic outcomes.

This section proposes five ambitious and actionable recommendations to pursue these opportunities, delivered through partnerships.

In most cases, the WMIP - as a special purpose vehicle - will deliver impact through promotion, partnership building and coordination, with WMIP members and other partners leading delivery.

4.1

RECOMMENDATION ONE

The West Midlands: The Beating Heart of the UK-India Relationship

Promoting the region as being central to the 'living bridge' between the UK and India; a top destination for Indian tourists; and increasing direct connectivity between India and Birmingham Airport.

The West Midlands should build on its unique, strong economic and social relationship with India to position itself as the beating heart of the 'living bridge' between the UK and India.

This can be a springboard for increased tourism and connectivity between India and the region, building on its diaspora of nearly 200,000 ethnic Indians and its rich Indian culture.

Other drivers include the region's significant Indian student population, frequent direct flights between Birmingham and India, and the region already being a premier location for Indian investment and innovation.

Although the UK is losing market share, India's outbound tourism market is set to grow. Within the UK, the West Midlands has a compelling offer for Indian tourists, but visitor spend in the region is relatively low. The Commonwealth Games will provide a unique opportunity to develop and promote the region's leisure and business tourism offer to India, and make the case for more direct flights in the lead up to the Games and beyond.

Promoting the West Midlands as a top Indian tourist destination through a *Visit West Midlands Campaign*: Working through the BATP and with partners including VisitBritain, the WMIP can help develop and implement a *Visit the West Midlands campaign* targeted at Indian tourists which could include the following elements to deliver impact:

- Building 'wow' into marketing, focusing on amazing events, places and experiences for Indians. Draw on visitor analysis - including interest in the outdoors and canals, the cultural offer (food, museum connections, cricket, and other sports), and the importance of the experience economy for younger travellers.
- Targeting Indian regions that have a strong diaspora connection with the region, including the Punjab, and those that account for most tourists, including Maharashtra and the NCR.
- Working with multipliers and agents, including major operators in India and in the region. With pandemic restrictions making marketing challenging in 2021 (and possibly beyond), there is an opportunity to engage regional tourist operators serving the local diaspora, including through developing bespoke visit programmes and suggested itineraries.

Recommendations and call to action

- Targeting large-scale and high-profile business events and conferences aligned to the West Midlands' strengths. For example, Tech Conferences Europe Event or E Sport Conferences linked to the Commonwealth Games, and Silicon Spa's gaming cluster.
- Advocating to make it more cost-effective and easier to travel to the UK, focusing on visas and air traveller duty, using the Schengen area as a benchmark.

Increasing direct air connectivity between India and the West Midlands through a *Commonwealth Connectivity Campaign*: working with (and through) regional partners, the WMIP can help build the case for more direct flights and routes to and from India as an important enabler of tourism and business. This would be achieved through:

- Resuming the frequency of direct flights directly between Birmingham Airport and Delhi and Amritsar, following the pandemic.
- Given its importance for leisure and business tourists, introducing a direct route between Birmingham and Mumbai. The Commonwealth Games will provide an unmissable opportunity to build the commercial case and trial a new route.
- Working with new, lower-cost Indian or regional providers to fly direct to Birmingham Airport, or via the Gulf or EU. This would highlight the Airport's low cost compared to Heathrow, and the region's outstanding UK connectivity.

4.2

RECOMMENDATION TWO

Growing the West Midlands - India Science and Education Partnership

Driving innovation through accelerating R&D collaboration with India on shared challenges; positioning the West Midlands as India's number one innovation partner in the UK; and attracting outstanding Indian talent (both academic and professional) to study in the region.

Central to the region's offer to India, innovation is set to drive both the West Midlands' and India's future growth. The region is already a hub for Indian innovation, particularly in electrification, and can position itself as India's number one innovation partner.

By scaling and leveraging its university offer, business partnerships, G2G R&D initiatives, and wider innovation ecosystem, the region can demonstrate how two-way economic benefits (as a precursor to high value FDI and exports) can be developed.

Moreover, India's booming international student numbers, UK policy changes, and Indian demand, create a moment-in-time opportunity to ramp-up Indian higher education student numbers and deliver more specialist business skills and executive training to Indian professionals.

To pursue these opportunities, it is recommended that the West Midlands positions itself as the number one innovation partner for India, and develops a *Study West Midlands* campaign:

Positioning the West Midlands as India's number one Science & Innovation Partner and accelerating R&D collaborations on shared challenges:

- Innovation is integral to the region's offer to India, and R&D activities can make an important contribution to the region's productivity (and act as a precursor to FDI and trade).
- Efforts should build on the success of the Future Mobility sector (focused on electrification and net zero) and extend this to Data-Driven Healthcare which together account for over 60% of Indian R&D spend.
- In doing so, the region should target the top 26 Indian R&D spenders, and work with existing Indian OEM and Tier 1 FDI investors to attract Indian-based high-technology firms and potential suppliers to undertake R&D in the region (through collaborations and R&D-focused FDI).
- R&D collaborations can be further advanced through working with the region's universities, innovation organisations, and SMEs, alongside their Indian counterparts. A focus on applying advanced technologies (e.g. AI, VR, AR, electrification etc.) to tackle shared challenges, such as net zero, is recommended. Other sectors and specialisms to pursue include EVs, clean energy, low carbon manufacturing, smart cities and digital health. This strategy should also include identifying opportunities and forming partnerships to develop and access research grants, competitions and challenge funds.
- With existing resources, the WMIP should focus on promoting opportunities, convening partners and signposting through its innovation corridor initiatives.

Developing a *Study West Midlands* offer to promote the region's universities to Indian higher education students and executives:

- It is recommended that the West Midlands' universities develop a joined-up *Study West Midlands* promotional offer to capitalise on the boom in Indian higher education students and corporates seeking specialist professional and executive training.
- Focused on the region's academic and technology excellence (especially in STEM and executive education), its cultural offering, and its interconnectivity with business and high-quality employers, this would complement our universities' individual promotional and engagement activities.

Growing the West Midlands – India Science and Education Partnership – key enablers

The following key elements could help *Study West Midlands* deliver impact:

- Student profiling and targeting, including building on the 'living bridge' through focusing on the Punjab and other regions with a strong cultural connection to the region.
- Institution collaborations, including using scholarships, exchanges and other mechanisms to raise the profile and buzz around studying in the West Midlands.
- A flagship internship initiative, offering internships and post-study graduate schemes to Indian students - increasing the attractiveness of the region's offer and benefiting local firms through access to highly skilled graduates.
- Establishing an Indian-West Midlands alumni network, with annual virtual or physical events – for example, via fringe events linked to the end of the 75th Anniversary of Independence celebrations in 2022, and Indian-specific Commonwealth Games opportunities.
- Promoting the region as a global centre for innovation-focused vocational training and executive education, linked with the Visit West Midlands campaign (see Recommendation 4).
- Learning lessons from the 10 UK universities that have been most successful in attracting Indian students.



RECOMMENDATION THREE

A Win-Win Trade and Investment Opportunity

Working with India to increase two-way trade and investment through an integrated approach; establishing more dynamic corridor partnerships; being a leading enabler of India's Industry 4.0 aspirations; and positioning the West Midlands as the UK location of choice to fulfil India's global innovation ambitions.

The West Midlands is already the largest UK recipient of Indian FDI outside the South East. Building on this success, and the region's outstanding FDI offer, it can scale up high-value Indian FDI across the region's Local Industrial Strategy priority areas.

In tandem, the region's firms can benefit from investment in India as it seeks to become a global manufacturing hub through *Make in India*.

Increasing such two-way investment will deliver immense value for both the West Midlands and India through generating economic output, creating high-quality jobs, accessing new markets, boosting innovation, and driving productivity.

There are also significant opportunities to scale-up advanced manufacturing exports and two-way trade in services where there is significant synergy between India and the West Midlands. This will deliver economic value through increased revenues, productivity and job creation.

Through an integrated trade and investment campaign, it is recommended that the West Midlands positions itself as India's number one FDI partner and as an enabler of India's Industry 4.0 ambitions. This to be underpinned by support for the development of innovation corridors linking the West Midlands to specific Indian regions and cities:

Positioning the West Midlands as India's number one FDI partner for innovation and economic globalisation: this targeted innovation-led promotional campaign should be framed around how the West Midlands and India can help each other achieve their growth ambitions.

Key themes should include:

- Targeting the opportunities identified in Section 3 of the Strategy, with company profiling and account management, largely delivered through the corridor initiatives with Maharashtra/Pune and Telangana/Hyderabad.
- Investing to Innovate – profiling the region's world-class innovation offer and differentiators, including the depth and breadth of its innovation ecosystem, its net zero electrification and its digitalisation offer. This to sit alongside the promotion of specific investment opportunities, leveraging the region's FDI High Potential Opportunities in healthcare, mobility and gaming.
- Going Global from the West Midlands – positioning the region as the pre-eminent UK location for Indian scale-ups wanting to expand globally and large corporates' UK HQs. To include the West Midlands' differentiators over London and work with DIT - and regional stakeholders - on soft landing support for SMEs (such as incubation, office space and other business support services).
- Aligning with India's growth priorities, including *Make in India*, and its strategic economic development organisations and initiatives. Include shared marketing programmes with *Invest India* and other partners to promote two-way trade and investment and explore and trial joint 'wrap around' market entry and investment support for high potential companies looking to expand and grow in their respective territories.

Promoting West Midlands' exporters as leading enablers of India's Industry 4.0 ambitions: this should focus on Industry 4.0 technologies and know-how, framed around achieving India's *Make in India* and net zero ambitions, and should include:

- Targeting the opportunities identified in Section 3, where the region's advanced manufacturing, digital technologies and services capabilities can help Indian advanced manufacturers drive productivity and low carbon efficiencies.

Developing innovation corridors between the West Midlands and the Maharashtra and Telangana regions:

- The analysis of region-city cluster capabilities demonstrates a particularly strong alignment with several specific Indian regions. Of these, Maharashtra/Pune and Telangana/Hyderabad have a very strong sectoral fit and are neither too large (nor too saturated with competing initiatives).
- It is recommended that the West Midlands develops multi-faceted innovation corridors with these regions, framed around helping each other innovate to achieve their growth ambitions through investment, trade, R&D and skills.
- With Maharashtra-Pune, the initial focus should be on re-invigorating and expanding the Midlands-Maharashtra Mobility Corridor and exploring cooperation on Creative Tech.
- For Telangana-Hyderabad, the focus should be on Data-driven Healthcare and Creative Tech.
- The respective regions' innovation organisations and programmes will be key stakeholders, alongside businesses, business organisations, universities, and civic bodies.

A Win-Win Trade and Investment Opportunity – key enablers

These integrated campaigns should be implemented initially through the BAMP and aligned with the GREAT campaign. Common themes and approaches to explore could include:

- Developing inspirational initiatives to motivate and inspire action. For example, UK-India Export Champions, Investment Conferences, Mayoral awards, and high-profile competitions.
- Promotion and B2B matchmaking within the West Midlands and India through roadshows, trade missions (virtual and physical where possible), trade shows, other events and high-level visits.
- Strengthening and leveraging the 'living bridge' - through establishing a West Midlands-India business network and partnering with existing Indian investors to attract their Indian suppliers to invest and innovate in the West Midlands.
- Collaborating with UK and Indian business associations on delivery, including NASSCOM, FICCI, CII, UKIBC, regional bodies, and others.
- Integrating with wider R&D and ideally skills cooperation (see Recommendation 3).

RECOMMENDATION FOUR

Team West Midlands: A Partnership Approach to Sustained Engagement with India

Increasing and enhancing the region's collective engagement with India to increase our impact. More specifically, investing in the WMIP to deliver more sustained, mutually beneficial partnerships, and more shared economic outcomes.

India is a vast and complex country, and its business culture places great importance on relationships and trust.

With existing resources, maximising impact will require a strategic and coordinated approach to increasing the West Midlands' profile within India and facilitating sustained and productive partnerships.

Working with regional and Indian stakeholders, the WMIP can be instrumental in achieving this through its promotion and partnering activities - leveraging the B ATP and wider UK-India bilateral opportunities.

Developing truly complementary and long-term region-city partnerships will be an important enabler within this context, especially considering the intense competition which exists to secure and sustain a high quality, constructive and meaningful dialogue with India.

It is recommended that the WMIP delivers this through:

Increasing the West Midlands profile in India and growing the WMIP:

- The WMIP has a critical role to play in generating and sustaining the visibility and partnerships needed to realise the potential of an enhanced relationship with India.
- Launched during the pandemic, the WMIP has achieved impressive impact with existing resources. This Strategy outlines a refreshed and reinvigorated approach, and new, bolder recommendations, for pursuing high-value two-way opportunities.
- But it is vital that the region's stakeholders continue to support, develop and grow the partnership with multi-year funding beyond the life of the B ATP if the region is to reap its share of the economic dividend of enhanced cultural cooperation and commercial collaboration.



RECOMMENDATION FIVE

Birmingham 2022: Strengthening the West Midlands – India Relationship

Maximising our impact, and forging new West Midlands-India relationships, by leveraging the Commonwealth Games; its parallel Business and Tourism Programme; and the India-UK 2030 Roadmap.

In hosting the Commonwealth Games in 2022, the world's spotlight will shine on the UK and the West Midlands. With 1.5 billion people expected to tune in to watch the games, and 27,000 international visitors, the £23.9m Business and Tourism Programme (B ATP) will be a key vehicle for promoting the region to India and the world, delivering supporting activities that will unlock enormous economic potential.

Together with the *India-UK 2030 Roadmap*, which outlines partnership initiatives that are closely aligned to the West Midlands strengths, this presents an extraordinary opportunity to pursue mutually beneficial outcomes in the lead up to 2022 and beyond.

It is recommended that the WMIP maximises the impact of these initiatives on West Midlands – India outcomes through:

- Driving economic outcomes through the Commonwealth Games' Business and Tourism Programme (B ATP): It is recommended that India is prioritised within the B ATP, and that the WMIP works closely with the B ATP delivery team - and partners - to maximise the impact on West Midlands-India outcomes. The WMIP, through its local and Indian partners and networks, is particularly well-placed to drive promotional and partnership-building activities through the B ATP, including developing and promoting India-specific initiatives
- Becoming a leading partner within the enhanced India-UK bilateral relationship outlined in the *India-UK 2030 Roadmap*: the WMIP can play a key role in engaging with the most relevant UK-India bilateral initiatives, promoting the region's interests, and disseminating opportunities amongst regional stakeholders.

The five-year WMIP Strategy provides an evidence base and plan for WMIP's strategic activities over the coming years which is both ambitious and achievable.

It is based on leveraging the West Midlands' outstanding assets and, crucially, its pre-existing strong economic and cultural ties with India, in areas that are directly aligned to India's interests, aspirations and priorities.

We have developed a series of ambitious aspirational impact targets for the Strategy, based on our research and consultation with key stakeholders, and these are outlined on the next page.

Increasing West Midlands – India Cooperation: Aspirational Impact Targets

Theme	Baseline			Aspirational targets		
	Key Performance Indicator	Baseline data	Years(s) / time period for baseline	Year 5 aspiration	Value uplift over baseline	
Trade and Investment	Indian - origin FDI value in West Midlands (£ million)	£457m	2016-2020 cumulative	£557m	£100m	
	Indian - origin FDI projects in West Midlands (#)	18 projects	2016-2020 cumulative	25 projects	7 projects	
	Indian - origin jobs created (#)	2,678 jobs	2016-2020 cumulative	3,178 jobs	500 jobs	
	West Midlands exports to India (£ million)	£318m	2019 per annum	£418m	£100m	
Innovation, Education and Skills	Indian higher education student enrolments in West Midlands (#)	5,390 students	2019-20 per annum	10,390 students	5,000 students	
Tourism and Connectivity	Indian tourist visits to West Midlands (#)	47,000 visits	2017-19 average per annum	57,000 visitors	10,000 visitors	
	Indian tourist spend in West Midlands (£ million)	£40m	2017-19 average per annum	£50m	£10m	
	Direct flight routes	2 flights	2019	3 flights	1 flight	

Note: Aspirational targets were derived through a combination of modelled growth rates based on historical trends, growth trajectories/s and the policy environment, agreed with WMGC experts.

In most cases, the WMIP’s role in the delivery of the Strategy’s targets will be one of promotion and facilitation, with other partners leading delivery.

With robust implementation and sufficient resource, the WMIP strategy can make a significant and transformational economic contribution to the West Midlands, the wider UK, and to India itself.

The Strategy cannot be delivered by the WMIP alone.

Rather, successful implementation will require a concerted, targeted and collaborative effort by a diverse stakeholder group in the West Midlands who, in turn, will need to collaborate effectively with their counterparts in India.

Achieving this is a significant challenge, but the prize is worth it.

And, as the UK and India focus relentlessly on rebuilding quickly and sustainably following the pandemic, it offers a clear and unequivocal opportunity to demonstrate we genuinely are *Stronger Together*.

Whether from business, civil society, academia or government, we encourage you to get involved. You can make an important contribution, however big or small, to increasing cooperation with India and supporting economic growth and job creation in both the West Midlands and India.

About West Midlands India Partnership



Through the West Midlands India Partnership we aim to enhance UK-India relations and boost trade & investment, connectivity and partnerships between the West Midlands and India. The Partnership aims to support the region’s long-term economic growth plans by developing stronger links and opportunities for collaboration as part of a five-year programme of activity with the Indian market.

The WMIP builds on India’s strong track record of foreign direct investment (FDI) in the West Midlands, acting as a single point-of-contact for potential new investors. The region’s strong business offer has already attracted some of India’s biggest companies to our region, including Tata Motors, State Bank of India, Infosys, OLA, Enzen Global, Suprajit Group, Elder Pharmaceuticals and more recently, Microland.

For further details on the West Midlands India Partnership, please contact:



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1

Introduction

Background

The West Midlands is an innovation powerhouse, with a uniquely strong economic and cultural relationship with India that differentiates it from other UK regions. This includes its ‘living bridge’ of nearly 200,000 ethnic Indians and the scale of Indian investment in the region.

As the UK and India both rebuild from the impact of COVID-19, and with the West Midlands hosting the Commonwealth Games in 2022, the region has a once-in-a-generation opportunity to extend and deepen its unique relationship with India.

The West Midlands India Partnership (WMIP) was established in June 2020 to drive collaborative engagement between the West Midlands Combined Authority (WMCA) region and India to unlock mutually beneficial and sustainable economic opportunities.

This document sets out the WMIP’s new five-year strategy for working with India.

Study method and structure

The report was developed by the WMIP, with strategic advice and approval from the WMIP’s Advisory and Executive Boards, and inputs from key stakeholders in the region and in India.

The UK India Business Council (UKIBC) and PwC provided analytical and drafting support, using quantitative and qualitative analysis from primary and secondary sources.

The strategy summarises the evidence, opportunities and recommendations for prioritising cooperation with India to deliver mutually beneficial economic outcomes. Beyond the introduction, it consists of three sections:

Section 2: Why India? – this section examines India’s economic profile and its potential, using international comparators. It assesses India’s priorities, capabilities and needs. It explores historical performance and future trajectories across a range of economic indicators as India goes global.

Section 3: West Midlands and India – this section builds on Section 2 by examining the existing economic relationship between the West Midlands and India and ‘stronger together’ opportunities for growing this relationship for mutual benefit. It identifies high-value opportunities across trade, investment, innovation, education, skills, tourism and air connectivity.

Section 4: Recommendations and call to action – this section sets out five ambitious and actionable recommendations for how the WMIP can work in partnership to pursue the opportunities identified in Section 3. It concludes by outlining aspirational targets and a call to action for all stakeholders to get involved to boost cooperation, economic growth and job creation in both the West Midlands and India.

The Executive Summary is a standalone document. It summarises the analysis and opportunities identified in the full strategy and outlines detailed recommendations and a call to action.



2.

Why India?

- 2.1 Economy and People
- 2.2 India Going Global

2.1

ECONOMY AND PEOPLE

Economic performance

India is a global economic powerhouse, already the world's 6th largest economy by GDP and on course to take 3rd place by 2030.



15%

India's share of world GDP (PPP) by 2050

Following liberalisation of the economy in the 1990s, India's economic trajectory has been impressive, growing at an average of 6.5% in real Gross Domestic Product (GDP) since 2010, more than from tripling in size from £629 billion (US\$873 billion) to £2.17 trillion (US\$2.94 trillion)¹⁴.

While its growth has been strong, the country was facing economic headwinds before the advent of COVID-19, with growth down to 4.2% in 2019-20. Structural, policy¹⁵ and cyclical challenges contributed to reduced domestic consumption, a contraction in private investment, and a drop in exports. The pandemic hit India harder than most developing economies, shrinking the economy by an estimated 7.7% in 2020-21 and a second wave in Q2 2021 compounded the pandemic's impact and delayed recovery.

Despite recent headwinds, and future COVID-19 uncertainty, the country's economic prospects remain strong and its economic fundamentals sound. Inflation had been brought down from close to 10% in 2013 to less than 5% by 2018¹⁶,

and the IMF forecasts inflation to remain around this level until 2025¹⁷. Prior to the pandemic, India's fiscal and current account deficits were relatively stable. The pandemic caused a doubling of the fiscal deficit to 9.5% of GDP, the highest since 1991, but the government has credible plans to reduce this to 4.5% of GDP by 2025-26.

India is on course to displace the UK as the world's 5th largest economy by 2025 and supplant both Germany and Japan to become the 3rd largest economy by 2030. Prior to the second pandemic wave, the IMF had predicted its economy to grow by 12.5% in 2021-22, the fastest of any major economy. While some of this bounce-back growth will be deferred, it is expected to recover strongly and stabilise at around 6-6.5% thereafter¹⁸.

Moreover, measured by Purchasing Power Parity (PPP), India is already the 3rd largest economy, and is anticipated to double in size by 2030 before rapidly surpassing the US to become the world's largest economy after China.

India's PPP Ranking and Trajectory



2019 Rankings		2030 Rankings		2050 Rankings	
Country	GDP at PPP (in £ Billion)	Country	GDP at PPP (in £ Billion)	Country	GDP at PPP (in £ Billion)
1. China	16911	1. China	27366	1. China	42119
2. US	15432	2. US	16902	2. India	31772
3. India	6883	3. India	14048	3. US	24553
4. Japan	3963	4. Japan	4036	4. Indonesia	7561
5. Germany	3443	5. Indonesia	3905	5. Brazil	5429
6. Russia	3192	6. Russia	3410	6. Russia	5134
7. France	2462	7. Germany	3389	7. Mexico	4941
8. Indonesia	2403	8. Brazil	3196	8. Japan	4881
9. UK	2403	9. Mexico	2636	9. Germany	4419
10. Brazil	2325	10. UK	2619	10. UK	3866

Source: World Bank 2019 estimates, PwC projections for 2030 and 2050.

The Indian diaspora

India has the world's largest migrant population, with the UK home to both the 2nd largest number of Indian-born diaspora among major economies and a 'living bridge' of 1.6 million people of Indian ethnic origin.

India had the largest migrant population in the world with ~17.5 million people from the country living overseas in 2019. Proximity, economic and study opportunities, family, and immigration policies have all shaped Indian migration flows, with the latter capping migration levels in the UK and most other economies.

Of major economies, the UK has the largest Indian-born diaspora after the US, ranking 7th overall¹⁹. In total, there are 1.6m people from the Indian ethnic group in the UK, making up 2.5% of the UK's total population.

This UK-India 'living bridge' is founded upon centuries of shared history, culture, language and democratic links, decades of migration, and the integration of Indians into UK society and the economy. It provides a bedrock for enhanced cooperation in the future.



Economic reforms and business environment

India has introduced wide-ranging economic reforms, leaping to 63rd place in the World Bank's *Doing Business Index*, but further reforms will be needed to drive sustainable and more inclusive growth.



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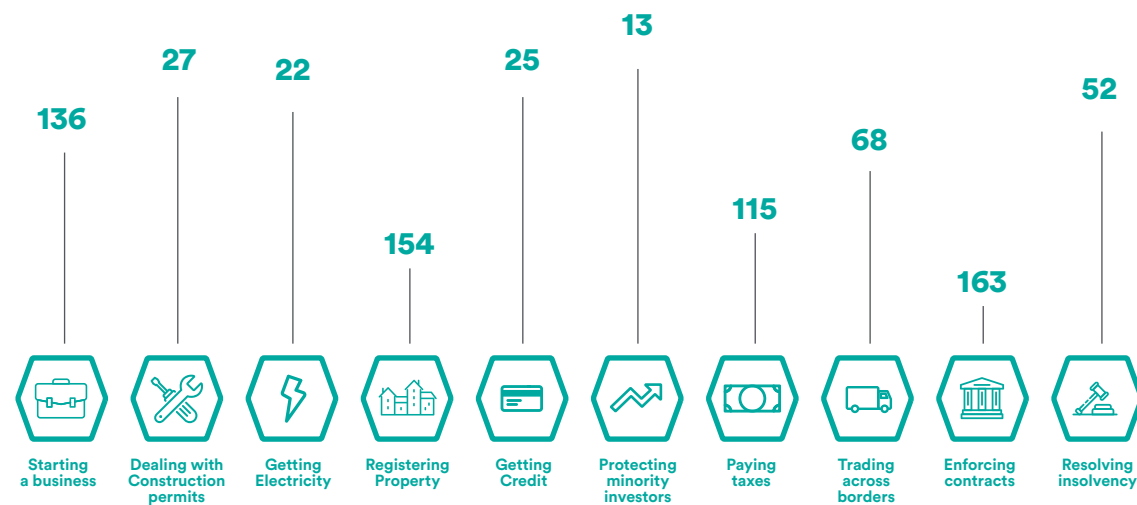
India leapt 79 places, in the World Bank's *Doing Business Index* between 2015 and 2020

India has taken great strides in opening its economy and increasing competitiveness since the 1990s. Following its election in 2014 on a pro-growth mandate, India's government, run by the Bharatiya Janata Party (BJP), has introduced wide-ranging initiatives to drive the economy, encourage investment, and support development.

In this period, India has transformed the quality of its business environment, leaping from 142nd place in the World Bank's *Doing Business Index* in 2015 to 63rd place in 2020, and opened its economy to FDI in most sectors.

While considerable progress has been made, much remains to be done, with India continuing to perform poorly in areas such as enforcing contracts and registering property²⁰. This was reinforced by UKIBC's 2020 business survey²¹ which highlighted legal and regulatory barriers as the greatest impediments to doing business in India. During this period, global competition intensified, largely accounting for India's fall from 58th to 68th place in the Global Competitiveness Index (which covers factors that drive productivity) between 2018 and 2019²².

World Bank Rankings in Ease of Doing Business topics, India 2020



Source: World Bank, *Doing Business* 2020.

Following its re-election in 2019, and in response to the pandemic, the current Indian Government has re-doubled its focus on driving economic recovery through investment, self-reliance and inclusiveness.

In 2020, the Government announced three instalments of the *Atma Nirbhar Bharat Abhiyan* campaign, or 'Self-reliant India', worth over £300 billion (INR 29.87 trillion). This aims to increase India's resilience by incentivising and supporting domestic and Indian-based international manufacturers to become global leaders and rebuild the economy.

Further key announcements in the February 2021 Budget included initiatives and investment to boost job creation, healthcare, support for MSMEs, access to credit, and measures to improve the ease of doing business. While impressive progress has been made and more is planned, further economic and financial reforms will be needed to ensure sustainable and more inclusive growth.



Policy challenges and programmes

India has incredible potential, but it faces huge social and economic challenges that the government is tackling through its policies and programmes, creating win-win opportunities for international partnering.



Challenge 1

Driving economic growth and job creation through becoming a global manufacturing powerhouse

Context: Manufacturing generates just 17.4% of Indian GDP, little more than the 15.3% it contributed in 2000, and its share of employment has increased by just one percentage point in the last 13 years²³.

Flagship Programme: *Make in India* aims to turn India a global manufacturing hub by facilitating investment, fostering innovation, enhancing skills, protecting intellectual property and building best-in-class manufacturing infrastructure, with a focus on 25 sectors of the economy²⁴ (well aligned to West Midlands' strengths).



Challenge 2

Transforming India into a knowledge-based economy and digitally empowered society

Context: India is the second largest and fastest growing market for digital consumers. Although India's broadband penetration has grown by 35% annually (2017-2020), it stands at only 51% nationally and just 29.1% in rural areas, limiting 5G rollout. Highspeed reliable internet will be critical to delivering the government's vision.

Flagship Programme: *Digital India* aims to transform India into a knowledge-based economy and digitally empowered society, with three core components: (i) developing a digital infrastructure that is available to all citizens; (ii) delivering government services digitally; and (iii) universal digital literacy. Over the next four years India has the potential to unlock £35 billion through the deployment of 5G²⁵.



Challenge 3

Upskilling the workforce to drive sustainable growth and inclusion

Context: Leveraging India's demographic dividend will require improved vocational and advanced skills. Although India will have the largest working age population by 2030 – at over 300 million - nearly half of them will lack the skills to enter the workforce²⁶.

Flagship Programme: *Skills India* plans to skill, upskill and reskill the workforce, training over 10 million people annually. Courses provided under the initiative include: Internet of Things (IoT) – Smart Healthcare; IoT - Smart Cities; 3D printing; Drone Pilots, Solar Technicians and Geo-Informatics.

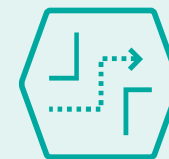


Challenge 4

Improving education to transform India into a knowledge hub

Context: While its higher education system has expanded rapidly and its top universities have internationally recognised strengths (such as the *Indian Institute of Technology Bombay* (IIT-Bombay) which ranks #152 globally²⁷), quality, employability rates and capacity constraints are persistent issues.

Flagship Programme: *The National Education Policy 2020* (NEP 2020) will overhaul school and higher education to provide a high-quality education to all, transforming India into a vibrant knowledge hub. It has outlined how it will gradually open India's higher education system to foreign institutions, with legislation planned for allowing the world's top 100 universities to open branches in India.



Challenge 5

Increasing innovation, wealth and job creation through high-growth start-ups

Context: While its ecosystem is strong, more high growth start-ups are needed to drive wealth creation, productivity and job creation which are critical to achieving India's economic and social ambitions.

Flagship Programme: *Startup India* aims to build a strong ecosystem that promotes innovation and is conducive for the growth of start-ups. Support includes simplification and handholding, funding support and tax incentives, and industry-academia partnerships and incubation. Among other related initiatives, the *Accelerating Growth of India's New Innovations* (AGNI) programme helps SMEs commercialise technologies through support, capacity building and connecting innovators with end users.



Challenge 6

Rapid urbanisation and how to leverage technology to drive economic and social outcomes through Smart Cities

Context: The largest urban transformation of 21st century is taking place in India, with 17 of the 20 fastest growing cities in the world between 2019 and 2035 estimated to be from India²⁸. This is creating unsustainable levels of stress on infrastructure, basic services, housing, food security, health and education. In 2019, New Delhi and Mumbai ranked 118th and 119th respectively in the Economist Intelligence Unit's *Global Liveability Index* 2019 that covered 140 cities.

Flagship Programme: *The Smart Cities Mission* is an urban renewal and retrofitting programmes that aims to create 100 smart cities through initiatives to deploy technologies and connected architecture for the provision of citizen services such as electricity, traffic management, education and water supply. Flagship Programme: The Smart Cities Mission is an urban renewal and retrofitting programmes that aims to create 100 smart cities through initiatives to deploy technologies and connected architecture for the provision of citizen services, such as electricity, traffic management, education and water supply.

Sector strengths and trends

India has strong capabilities, growth trajectories and critical technology needs aligned to the West Midlands' strengths and needs, creating outstanding partnering opportunities.



Sector strengths and trends

Future Mobility

India is expected to be the world's third-largest automotive market in terms of volume by 2026 and it is a major manufacturer. Pune in Maharashtra, Chennai in Tamil Nadu, and the National Capital Region of Delhi, are India's preeminent automotive hubs.

India's Electric Vehicle (EV) market is predicted to grow at a CAGR of 44% between 2020-2027 and reach 6.34 million-unit annual sales by 2027. Demand is being driven by the growth of the middle class, the young population, and government action to deliver its vision of 100% electric mobility by 2030. Measures to stimulate demand and production of EVs and battery technologies include income tax deductions on the interest paid on loans to purchase EVs; fleet modernisation and scrappage schemes; shortlisting 11 cities in the country for the introduction of EVs in their public transport systems under the FAME 2 scheme²⁹ (£1 billion budget, 2019-22); and establishing incubation centres for start-ups working on EVs.

There is also significant potential to utilise vehicle sensor data for safety, telematics/insurance, maintenance and others uses, advancing to Connected and Autonomous Vehicles (CAVs) and shared transport in the future.

EVs, and increasingly CAVs, offer significant potential for international partnering with India through investment and R&D, while high tariffs (e.g. 15% for EV battery packs) will limit export opportunities.



Creative Technologies

India is a world leader in technology services, with an Information Technology (IT) industry worth £140 billion. This is expected to grow at around 10% CAGR to reach £216-252 billion by 2025³⁰. The industry constitutes over 17,000 firms, of which over 1,000 are large companies. These include world leaders in Information Technology Enabled Services (ITeS), such as Infosys and Tata Consultancy Services (TCS). Future growth will be driven by cloud, AI, cyber security, and other emerging technologies, building on India's cost competitiveness and IT capabilities.

India's Augmented Reality (AR) and Virtual Reality (VR) industries are poised to grow to £4.3 billion and US\$ 0.36 billion respectively by 2022, making India one of the largest suppliers of global immersive technology³¹. This creates opportunities for partnering on R&D and FDI, especially in VR where India's capabilities are less advanced than the UK's (such as the film industry, where India is the largest producer of movies in the world). India's gaming industry is worth £670 million and is among the top five mobile gaming markets in the world. The number of online gamers is set to reach 628m by 2021, and the industry is estimated to grow at 41% per year³², creating opportunities to tap into a huge and growing market.

India's start-up ecosystem is the 2nd largest in the world, growing at a CAGR of 10-12%, with around 30,000 start-ups and over 300 incubators and accelerators.

Growth has been driven by the performance of its tech companies, its large talent pool, its entrepreneurialism, rising consumption and the availability of equity capital.

Increasingly India's start-ups have deep-tech and IP-driven innovation at their core, targeting diverse markets, including B2B marketplaces, health-tech, enterprise-tech, robotics, AI, machine-learning and fintech. Indian start-ups' global expansion has accelerated in recent years as they expand to access new markets and talent.



Data-driven Healthcare

India's healthcare sector was worth £202 billion in 2020, of which 74% was private sector spend³³, and it is estimated to be worth £364 billion by 2025³⁴. With its low-cost manufacturing, India ranks 3rd worldwide for production volume and 13th by value³⁵. India is the largest medical device market in Asia, importing 80% of its devices and barriers are relatively low. Its pharma and biotech industries are worth £30 billion and £45 billion respectively, and its healthcare information technology market is predicted to grow rapidly.

The Indian Government has made healthcare a priority sector under the *Atmanirbhar Bharat* campaign and plans to spend 2.5% of GDP on healthcare by 2025, up from 1.6% in 2020.

The 2020 *National Digital Health Mission* will provide every Indian citizen a unique health ID, digitised health record, as well as a registry of doctors and health facilities. There are currently seven health cities / medicities within India which are regional centres of excellence, combining education, research facilitates and specialist medical services.

Demand for affordable healthcare, technological advancements, big data analytics, telemedicine, and government initiatives such as e-health, will continue to drive the healthcare market in India. This will create export and investment opportunities in medical devices, high-end diagnostic equipment & services and health insurance. This is alongside inbound opportunities in R&D and innovation focused FDI.



Modern Services

The Indian Fintech ecosystem is the 3rd largest globally and among the fastest growing. Digital payments valued at £45.5 billion in 2019 are expected to grow at a CAGR of 20% to reach £98 billion in 2023. Its insurance industry was worth around £200 billion in 2020 and expected to grow at a CAGR of over 5% until 2023. India is liberalising the financial sector, including FDI, creating opportunities for international companies to partner to access its market and capabilities.

India's professional and business services are growing rapidly and becoming globally competitive, benefiting from their low-cost base, the relaxation of FDI restrictions, and strong capabilities in areas such as IT, management, civil engineering, telecommunications and power. Challenges include skill levels and technology utilisation, creating opportunities for two-way partnering.



Net Zero

India has made significant progress in de-coupling economic growth from emissions through investment in clean energy, generating approximately a quarter of its power from renewables in 2020.

Production increased at a CAGR of 17.33% between 2016-2020, and the Government aims to achieve 175GW of renewable energy capacity by 2022 (up from 94 GW in early 2021³⁶) and 450GW by 2030.

The Indian Government is investing heavily in hydro and solar power, and it is becoming attractive to investors.

While India's aim for self-sufficiency constrains export opportunities, there is significant potential in trade in specialist technologies and in energy and environmental services needed to drive aggressive efficiency improvements across the energy demand and supply.

Foreign and trade policy

India's foreign policy is dominated by security, while its trade policy has been driven by domestic priorities, resulting in high tariff and non-tariff barriers and no new trade deals since 2014.

India's foreign policy is dominated by security concerns, particularly its relationship with China, which has contributed to India's resurgence in multilateral fora. Addressing security threats from its neighbour Pakistan, as well as the nearby Middle East region, also feature prominently in its priorities.

India has signed 13 Free Trade Agreements (FTAs), including with the ASEAN region, Japan and South Korea, but it does not have FTAs with the UK, EU, US or China – having pulled out of the Regional Comprehensive Economic Partnership (RCEP) signed in November 2020 between China and 14 other members.

Consequently, the UK has equivalent market access to most major economies.

India has not agreed any FTAs since 2014, instead using its trade policy to control inflation and pursue industrialisation and other priorities. As a result, its average applied tariff rates have increased since 2014, at an average 36.5% in 2021 for agricultural product and 11.1% for manufacturing products³⁷. India's non-tariff barriers are relatively high across most sectors. In services, restrictions are greatest in the banking, legal, insurance, rail and air transport, and telecoms sectors³⁸.

UK-India bilateral relationship

The UK-India bilateral relationship is strong and set to strengthen with the signing of the *India-UK 2030 Roadmap*, with initiatives that play to the West Midlands' strengths.

The UK and India have a strong relationship, built on shared democratic values, a common language and the 'living bridge' of the 1.6m ethnic Indians living in the UK.

In recent years, the economic relationship has been underpinned and enhanced through a range of high-level dialogues and initiatives. These include the *Joint Economic and Trade Committee* (JETCO), the *Economic and Financial Dialogue*, the UK-India Startup Launchpad, and *UK-India Tech Partnership*. The latter includes a pilot initiative, the *Midlands-Maharashtra Technology Partnership*, which focuses on Future Mobility.

The bilateral relationship is set to take off over the next decade, with the agreement of the *India-UK 2030 Roadmap* in May 2021 which elevates the India-UK relationship to a *Comprehensive Strategic Partnership* (CSR).

This includes a range of initiatives and commitments that will enhance mutually beneficial cooperation and play to the West Midlands' strengths, alongside an ambition to double trade from £24 billion to £48 billion by 2030 and agree a potentially game-changing *UK-India Free Trade Agreement* (FTA).

India-UK 2030 Roadmap – Illustrative initiatives and commitments to increase cooperation

Trade and Investments



- Enhanced Trade Partnership (ETP) that will remove trade barriers – including for medical devices and legal services – and work towards a comprehensive *Free Trade Agreement* (FTA).
- Increase exchanges and cooperation in services sectors, such as IT, digital tech, financial, tourism, audio-visual and professional and other services.
- Deep cooperation on infrastructure to support India's ambitions under the *National Infrastructure Pipeline*.
- Identify areas of priority investment and encourage UK companies' investment in India's manufacturing sector.
- Encourage Indian companies to raise finance in the London market.

Innovation, education and skills



- Expand cooperation between universities, including mutual recognition of qualifications, embracing online course and integrating vocational training into mainstream education.
- Enhance linkages and partnerships between higher education institutions, teachers, researchers and students.
- Position the countries as partners of choice for research in areas of shared priority, including health, the circular economy, climate, clean energy, urban development, manufacturing, cyber and other areas.
- Strengthen the *India-UK Tech Partnership* to tackle global challenges including realising the potential of AI and emerging technologies to tackle global challenges.
- Grow programmes such as the *Fast Track Start-Up Fund* to nurture innovation-led sustainable growth and jobs and tech solutions that benefit both countries.
- Strengthen the *UK-India Partnership* on Climate Change to include collaboration on clean energy, technologies, trade and investment.

Tourism and connectivity



- Facilitating work and study through a *Migration and Mobility Partnership* covering students and professionals.
- Launch a new phase of cooperation on urbanisation by supporting smart and sustainable cities, and facilitate the involvement of business in the partnership.
- Enhance cultural cooperation, including the development of each country's creative economies.
- Implement India-UK Together, a joint cultural exchange to celebrate India's 75th anniversary of independence.
- Explore opportunities to increase connectivity between India and the UK.

INDIA GOING GLOBAL

Foreign Direct Investment (FDI)

The UK was the 3rd largest recipient of Indian ODI in the last two years, with Indian ODI expected to grow rapidly as it seeks global innovation capability in advanced technologies and new markets as a springboard for growth.

India is a major global investor, ranking 24th for total outbound FDI stock at £137 billion and 17th for inbound FDI stock at £480 billion in 2020. Its investment has accelerated in recent years, with India ranking 16th globally for ODI flows at its peak in 2018, and 10th for inbound FDI in the same year.

In recent years, Indian investment has mostly been channelled into developed markets with high technologies and a strong domestic or regional market, and those offering tax benefits.

Between 2018-2020, financial services (including financials, insurance, and business services) accounted for 35% of Indian ODI, followed by the manufacturing sector at 23%. During the same period (2018-20), Singapore, the US, the UK, and the Netherlands received approximately 76% of India's total ODI (approximately £12.8 billion). While Indian ODI fell by 9% between 2019 and 2020 due to the pandemic, it remained relatively resilient, with global FDI reducing by 39%³⁹ over the same period.

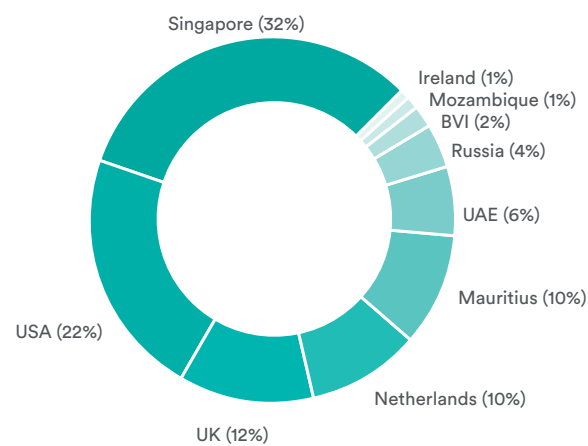
The majority of India's recent ODI has been in the form of Mergers & Acquisitions (M&A) to access new markets, new technologies, or both. While global FDI collapsed in 2020, India's M&A activity

remained strong. The US was both the leading target for Indian M&A and the largest acquirer of Indian companies in 2020, with the UK ranking second and third respectively, despite Indian M&A value in the UK falling from £337 million in 2019 to £85 million⁴⁰.

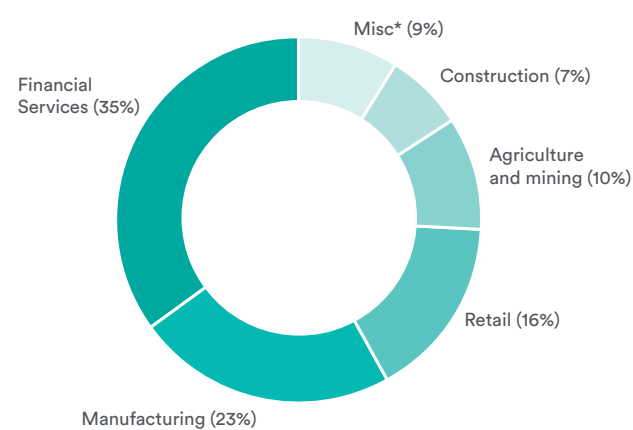
For Indian ODI, IT and ITeS was the most attractive segment, with companies investing in digital, cloud and SaaS (Software as a Service) capabilities. Inbound FDI was also dominated by IT, along with e-commerce, energy and natural resources. Indian M&A in the UK was concentrated on four sectors: IT and ITeS (four deals), automotive (two deals), education (one deal) and manufacturing (one deal), driven by marquee names, such as Tata Motors, Reliance, and BP or selective leaps, such as TVS buying Norton in administration.

As the Indian economy grows and *Atmanirbhar Bharat* gathers momentum, Indian M&A activity is likely to accelerate and broaden. India will be seeking advanced manufacturing, R&D, and design expertise where their domestic capabilities are less well developed, including in aspects of EVs, renewables, digital healthcare, life sciences, Virtual Reality (VR) and cyber security.

Indian ODI Destinations FY19-21*



Indian ODI By Sector FY19-21*



Source: Department of External Affairs, PwC/UKIBC analysis.
 Note: For FY 2020-21, data includes investments up to September 2020 only.

Trade

India is a major trader, and while UK-India trade reached a record high in 2019 the UK is underperforming in areas of relative strength such as advanced manufacturing and ICT services, creating opportunities for growth.

India is a major services trading nation, ranking 8th globally for exports and 10th for imports. It is also a significant trader in goods, ranking 18th for exports and 10th for imports⁴¹. UK-India trade reached a record high in 2019 at £23.3 billion, making India the UK's 15th largest trading partner.

The US, UAE and China are the largest importers of Indian goods, while the UK ranks 7th, importing £6.89 billion of goods in 2019. This represents a slight decline over the last three years (-0.43%), whereas exports to most other major economies grew over the same period⁴². The UK imports significantly more apparel, machinery and pharmaceutical products than EU comparators of Germany and France, and significantly less of electrical machinery and organic chemicals⁴³.

Services constituted 40% of India's total exports at £168 billion in 2019, having grown at a CAGR of 13.3% since 2015, placing it second only to China among developing countries. The US is the largest importer of Indian services worth £45 billion in 2019, accounting for over 30% of India's exports. The UK is the second largest market for Indian services worth £8 billion, double that of third place Germany⁴⁴.

India's services exports are highly concentrated with the top four categories accounting for 90% of services exports in 2019 and strong annual growth since 2017 at between 6-12% CAGR.

Other Business Services (hereto referred to as Professional Business Services)⁴⁵ is the largest category accounting for 34% of services exports, followed by IT and telecom with a 30% share. Within these areas India has particular strengths in environmental services consulting and technologies, ITeS (outsourcing and consulting), and Fintech.

Exports to India are dominated by China and US at £34.58 billion and £27.35 billion respectively in 2019. The UK ranked only 21st for goods exports to India at £5.39 billion in 2019, although exports are growing rapidly from this low base at a 26.47% CAGR between 2017-2019⁴⁶.

The UK trails Germany in absolute and relative⁴⁷ terms in most advanced manufacturing exports, including in medical and optical equipment, automobiles and automotive components, machinery and mechanical appliances, and electrical machinery (where the UK also performs less well than France).

These are potential focus areas for increasing UK exports to India, with significant value at stake. If the UK were to export an equivalent share of its exports to India as Germany does for machinery and mechanical appliances (9.15%), it would be worth an extra £2.26 billion in exports p.a.

UK goods exports to India in absolute and relative terms compared to EU competitors

India's top 10 imports from UK and EU comparators (2019)	UK (£m)	% global exports	Top EU Competitors			
			Germany (£m)	% global exports	France (£m)	% global exports
Gems and Jewellery	1,521.33	3.30%	66.24	0.14%	10.11	0.02%
Machinery and Mechanical appliances	930.39	2.67%	3,189.36	9.15%	607.96	1.75%
Mineral Fuels and Oil Products	323.30	0.27%	34.58	0.03%	143.62	0.12%
Iron and Steel and related articles	361.57	2.74%	453.4	3.44%	154.01	1.17%
Electrical machinery and equipment	265.64	0.67%	1,257.32	3.16%	551.90	1.39%
Medical and optical equipment	250.28	3.36%	971.55	13.05%	222.94	2.99%
Aluminium and its articles	209.87	5.82%	82.48	2.29%	26.88	0.75%
Inorganic chemicals & compounds	151.22	2.83%	86.04	1.61%	37.20	0.70%
Beverages, spirit, and vinegar	138.71	21.14%	22.06	3.36%	13.85	2.11%
Pulp wood and its fibre	112.12	5.86%	58.92	3.08%	9.63	0.50%

Source: ITC Trade Map.

Trade (continued)

Conversely, low import values for aircraft and spacecraft, automotive, and pharmaceutical products (none of which feature in the top 10) suggest that export opportunities may be limited to specific opportunities in technologies and high-quality products where India does not have indigenous capabilities.

India's services imports are dominated by the US which accounted for 27% of India's commercial services imports in 2019, with the UK ranking fourth with a 6% share. The UK has been losing market share in recent years, with a CAGR of 1% between 2015-2019, compared to an average CAGR of 7% across all economies⁴⁸.

India's services imports are concentrated, with the top four services segments of Transport, Professional Business Services, Tourism and ICT accounting for more than 80% of import value.

Of those relevant to the West Midlands, India imports £36 billion of Professional Business Services, growing at nearly 15% CAGR over the last three years. While constituting 6% of services imports, ICT was the fastest growing segment with 41.7% CAGR over the last three years. Financial services by contrast fell from by 41% to £1.8 billion⁴⁹.

Comparing the UK's performance in Professional Business Services to Germany and France, it is revealing that the UK is performing better than its competitors (although with shared language and legal systems there may be significant potential to extend that lead).

In ICT, an area of relative strength, the UK is significantly underperforming against Germany on relative and absolute terms. This should be a focus area, given the growth of the Indian market, high potential for complementary two-way trade, and its prioritisation in UK-India relations. If the UK were to export an equivalent share of its global exports to India as Germany does for ICT, it would be worth an extra £324 million in exports p.a.



UK key services exports to India in absolute and relative terms compared to EU competitors

India total services imports	2019 (£ Billion)	CAGR 2017–19 (%)
Professional Business Services	33.16	9.13
ICT	6.91	16.53

Telecommunications, computer, and information services (ICT)

Country	Global Total (£)	Exports to India (£)	%
Germany	23,230,800,000	465,840,000	2.01
France	14,546,160,000	144,000,000	0.99
UK	19,649,520,000	162,000,000	0.82

Source: WTO database, PwC/UKIBC analysis

Professional Business Services (£)

Country	Global Total	Exports to India	%
Germany	68,603,760,000	384,480,000	0.56
France	66,283,920,000	319,680,000	0.48
UK	102,030,480,000	702,720,000	0.69

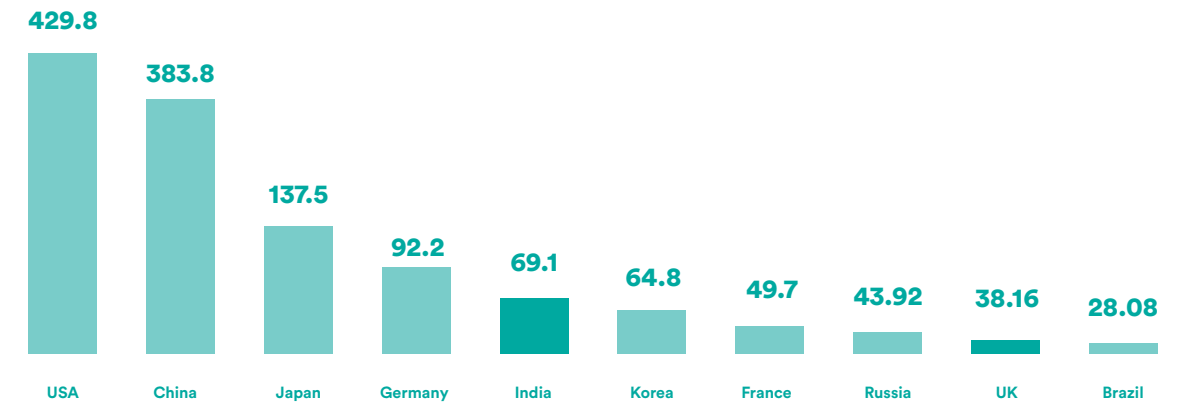
Source: WTO database, PwC/UKIBC analysis

Research & Development

While ranking 5th for R&D spend, Indian business investment is low and highly concentrated in large corporates in the automotive, pharma and ICT sectors, while foreign companies are investing in Indian R&D to access its talent and low-cost base.

Global spending on the R&D has reached a new high of almost £1.22 trillion. When normalised by PPP to establish consistency between currencies, the top 10 countries accounted for 80% of the spend, with US and China combined contributing to more than £0.8 trillion. India and the UK rank 5th and 9th respectively for total R&D spend.

Top countries by R&D spend worldwide 2019, £ billion (PPP)



Source: R&D World.






While ranking 5th for global spend (PPP), India's spend on R&D has remained constant at only 0.6-0.7% of GDP in recent years). This is despite government incentives and targets to increase R&D, which is much lower than 1.5-3% of GDP spent by the top 10 economies⁵⁰.

Significantly, the Indian business sector is underinvesting in R&D, responsible for just 37% of total R&D spend, compared to 65% in the UK, 72% in the US and 77% in China⁵¹.

In 2018, only five sectors contributed more than £100 million p.a. in R&D spend among listed companies, and only automotive and healthcare exceeded £1 billion p.a. In 2017, five Indian companies made the top 1000 of global R&D spenders (of which four were in the pharma sector and one in auto⁵²) and just 26 Indian companies were among the top 2500 global R&D spenders, compared to 301 Chinese companies, all from the automotive, pharma and IT sectors⁵³.

Research & Development (continued)

Indian R&D spend by top 5 sectors

Top 5 Sector R&D Spend by Listed Companies (2018)	R&D Spend (£m)	Revenue (£b)	R&D as % of revenue
 Automotive	1,100	40.34	2.7
 Pharma & Healthcare	1,060	15.5	6.8
 Machinery and Equipment	420	31.28	1.3
 Energy	400	164.65	0.2
 Information Technology	230	35.76	0.6

Source: ICICI Securities.

While domestic firms are underinvesting in R&D, foreign multinationals are increasingly investing in R&D activities in India, tapping into its low-cost English-speaking engineers and talent. This is mostly in the areas of IT, ITeS, engineering and R&D service delivery.

Of the top 25 recent R&D FDI inflows into India, the UK did not feature, with deals dominated by Singapore, Mauritius, the Netherlands and the US. This suggests that the UK could be doing more to access Indian innovation talent and low R&D cost base.

Indian central government-funded R&D is increasingly focused on emerging technology areas such as batteries, hydrogen and fuel cells, new energy, quantum computing, nanotechnology and biotechnology⁵⁴. Recent initiatives include the creation of the National Research Foundation to strengthen the innovation ecosystem and establishing six city-based Science and Technology clusters, with the aim to become globally competitive in the respective specialisms⁵⁵.

India has *Government to Government (G2G)* R&D cooperation agreements with numerous nations, including those in the areas of defence, space, technology and clean energy. Since 2008, the UK and Indian government, and third parties, have co-funded over £300 million of innovation programmes in areas of shared interest⁵⁶.

Capital and equity investment

Indian investment in foreign assets has been restricted with most equity investment domestically focused and dominated by foreign investors (US), its Ultra High Net Worth population is growing rapidly and investing in overseas assets, but remains relatively small.

India's growing consumer market and start-up ecosystem is driving increased Private Equity (PE) and Venture Capital (VC) activity, with investments worth £32.24 billion in 2020 and expected to grow rapidly. Of the Top 10 PE/VC investors, six are US Headquartered, with the remainder from the UK (Steadview), Hong Kong, China and Japan⁵⁷.

International PE and VC into Indian start-ups and scale-ups continues to rise, with over half the recent the unicorns having substantial foreign investment. Global giants such as Google, Microsoft, SAP and IBM are also investing in start-ups or early-stage funds to develop breakthrough innovations.

Indian regulations have restricted funds from investing foreign alternative assets (including VC/PE, infrastructure and property). While this remains the case, the rules were relaxed in 2021. Changes included a doubling of the limit for foreign alternative assets, allowing private pension funds to invest in alternative assets and enhancing tax incentives for foreign institutional investors.

India's Ultra High Net Worth Individuals (UHNWIs) population⁵⁸ is the fastest growing globally, standing at 6,884 and expected to reach 11,198 by 2025, with the number of billionaires expected to increase from 113 to over 162 in that period.

In recent years, India's UHNWIs have been investing more in overseas assets, with a trend away from traditional assets of infrastructure and mutual funds to early-stage equity investments in areas such as net zero, health-tech, enterprise tech, fintech and e-commerce.

The pandemic, however, has refocused attention on 'safe haven' assets, such as residential property in major international cities, with London among the most popular. While the growth trajectory is impressive, India's UHNWI population is just 9% the size of China's and 3% the US'.



Tourism and flights

The Indian outbound tourism market is booming, with UK visitor numbers expected to grow by 150,000 by 2029 (albeit with a declining global share), with the opportunity to unlock more spend by increasing leisure tourism spend.

India's burgeoning middle class, rising disposable incomes, and higher travel awareness, has fuelled growth in the Indian outbound tourism market. Overnight visits grew from 164% between 2009-2019 while 2019 saw a total spend of £16.5 billion⁵⁹. Indian outbound tourism is expected to grow steeply in the coming years, potentially generating revenues of around £45 billion by 2026⁶⁰ if travel returns to pre-pandemic levels and reflects pre-pandemic trends.

The top five destinations for Indian travellers include two markets in the Middle East with strong diaspora links (UAE, Saudi Arabia), two in Southeast Asia (Thailand, Singapore), and the US.

Leisure travel accounts for approximately 30% of Indian outbound international travel, compared to a global average of 53%, representing a huge latent market. Business travel accounted for 26% of visits and Indians travelling abroad to visit family and relatives (VFR) accounted for the remaining 44%⁶¹.

Indian tourists are relatively high spenders, with a spend of £584 per trip in 2018 and £1215 for long-haul leisure holidays. But this varies significantly by country and purpose; for example, average Indian visitor spend to the UK between 2017-2019 was £950 at £73 per night, with business visitors spending £98 per night and VFR visitors spending just £21 per night⁶².

With 692,000 visits, the UK was the 10th most visited destination by Indian travellers in 2019. This is more than double the number of inbound visits since 2009 (320,000)⁶³. In the same period however, France overtook the UK as the most popular European destination, and it is projected to extend that lead in the future.

VisitBritain forecasts Indian visits to increase in absolute terms from 675,256 in 2019 to 826,000 in 2029, while the UK's market share will decline from 16% to 13% in that period⁶⁴. The high cost and complexity of applying for a tourist visa compared to Schengen visas (which are valid across all 26 Schengen nations), and the highest Air Passenger Duty tax in the world, are contributing factors.

India is well connected by air internationally, with long-haul flights dominated by Air India and Gulf airlines. In 2019, weekly seat capacity to the UK was approximately 23,000, higher than the Germany (18,000), the US (14,000) and France (8,000)⁶⁵.

International students

Indian higher education students studying overseas number 750,000 and rising, with significant potential to increase numbers in the UK with the introduction of the post-study work visa.

With over 750,000 higher education students studying abroad, India is the second-largest source of international students after China, and one of the fastest growing.

Indian students studying overseas, top 10 countries	Top 10 countries for Indian students (2018)	Total international students	% share all international students	Total Indian students	Indians as % of international students	% share all Indian international students
	USA	987,313	20%	211,703	21%	29%
	Canada	224,548	4%	124,000	55%	16%
	Australia	444,514	9%	87,115	20%	12%
	Saudi Arabia	77,406	2%	70,800	91%	9%
	UAE	225,339	5%	50,000	22%	7%
	New Zealand	52,702	11%	30,000	57%	4%
	United Kingdom	178,271	4%	27,505	15%	4%
	China	452,079	9%	18,171	6%	2%
	Germany	311,738	6%	15,308	5%	2%
	Philippines	Not available	Not available	11,000	Not available	1%

Source: Ministry of External Affairs, India, UNESCO

The UK ranked 7th overall for total Indian students at 27,505 in 2018 (the most recent internationally comparable year), with Indians making up 15% of UK's international student population. This is roughly equal to India's global share of international students (also at 15%), and almost four times the UK's share of total international students that year.

Higher ranking destinations in 2018 all benefitted from a greater relative proportion of Indian students.

Canada is the standout nation. With only 30% more international students than the UK, it had a staggering 350% more Indian students than the UK in 2018, constituting 55% of its total international

student population. Reasons for this include the quality of education, its relative affordability, and an immigration policy that makes it easy for international students to work post-study. In addition, some provinces extend the opportunity of permanent residence for eligible students.

In 2019, Indian students in the UK doubled to 55,465 students. This was largely in response to the UK government announcing plans to introduce the *Graduate Route* post-study work visa which allows students graduating after 1st July 2021 to work for 2-3 years in the UK. This change could unlock significant potential for further scaling Indian student numbers.



3.

West Midlands and India

- 3.1 Overview of the West Midlands in 2021 and beyond
- 3.2 Trade and investment
- 3.3 Innovation, education and skills
- 3.4 Tourism and connectivity

3.1 OVERVIEW OF THE WEST MIDLANDS IN 2021 AND BEYOND

Overview of the West Midlands in 2021 and beyond

The West Midlands is an innovation powerhouse with outstanding capabilities that complement India's, and a uniquely strong economic and cultural relationship with India through its 'living bridge' and via Indian investment in the region.

The West Midlands is a strong and dynamic region located in the heart of England. Consisting of the cities of Birmingham, Coventry, Wolverhampton, and the Black Country, it is home to the UK's largest urban area outside London. In addition, it features many historical villages and towns, including Stratford-upon-Avon, the birthplace of Shakespeare.

Through its innovation, the region is driving the modern industrial revolution in the UK and internationally.

In 2019, the West Midlands grew faster than any other region in the UK, with a year-on-year growth in gross value added (GVA) of 4%. This boosted the UK economy by £141 billion, contributing 7.4% of the UK's overall economic output. It is number one in the UK for migration out of London

and the top location outside London for start-ups (responsible for almost double the national average of newly established companies⁶⁷).

Its population of six million is amongst the youngest in Europe, with nearly one third under the age of 25.

The West Midlands' distinctive economic strengths are founded upon its proud history and investments in innovation, productivity and engineering excellence. Building on these strengths, West Midlands has outlined an ambitious industrial strategy, refreshed in 2021, to target major global growth opportunities in five key areas:



6,846

Estimated additional new jobs created in the last 10 years



Summary of West Midlands Local Industrial Strategy priorities and specialisms

West Midlands' Industrial Strategy Priorities

Future Mobility and Industry 4.0

- Future of Mobility (Automotive, Aerospace and Rail)
- Industry 4.0

Creative Technologies

- Telecoms & 5G
- Digital Enterprise Technologies
- Cyber security for industry & utilities
- IT Services
- Gaming and AR & VR

Data Driven Health Innovation

- Med-tech
- Biopharma
- Diagnostics
- Digital Devices

Modern services

- ProfTech
- Fintech
- IT Services

Net Zero

- Energy Systems & Built Environment
- Generation, Distribution and Storage
- Resource Management
- Low Carbon Solutions

Specialisms

- Electric vehicles (EVs)
- Connected Autonomous Vehicles (CAVs)
- Power electronics
- Electrified powertrain
- Machinery – engines, turbines, fluid power equipment
- Aero control systems
- Industrial automation systems and IIoT.
- Robotics and autonomous systems

- Testing, trialling and commercialising technologies across sectors
- Digitalisation of manufacturing – including 5G, cyber, robotics for industry & utilities
- Pioneering AR / VR industrial applications – including healthcare, advanced manufacturing, CAVs, retail
- Digitalisation of energy

- Digital and data analytics
- Immunology & Immunotherapy
- Neuroscience: Adult and Child Brain Health
- Ophthalmology
- Health ageing
- Clinical trials
- Translational medicine
- Genomic medicine
- Advanced therapies and cancer
- Trauma and defence medicine

- LawTech
- AccountantTech
- PropTech
- Financial Services - including Fintech
- Business Process Outsourcing (BPO)
- Shared Services Centres (SSC)

- Future Mobility (net zero automotive, rail and aerospace)
- Large scale energy innovation zones
- Power networks
- Power electronics
- Power storage
- Resource management – incl. circular supply chain
- Gas networks – innovation & decarbonisation
- Low carbon consultancy and R&D

Source: WMGC, PwC analysis.

Overview of the West Midlands in 2021 and beyond (continued)

The region has a uniquely strong cultural connection with India through its 'living bridge' of ethnic Indians. Numbering nearly 200,000, it has the second largest Indian diaspora, the highest proportion of ethnic Indians in its community after London⁶⁸. In addition, Birmingham is home to the UK's largest Muslim, Sikh, and Buddhist communities, and the second largest Hindu community.

With one third of the world's population expected to tune in, the West Midlands has a once-in-a-generation opportunity to promote its outstanding offer to India and the world through Birmingham's hosting of the Commonwealth Games in 2022.

Together with Coventry being the 2021 UK's *City of Culture*, and the UK's hosting of the United Nations Climate Change Conference (COP26) in November 2021, the spotlight of the world will be on the UK and the West Midlands at a critical time for the region, the wider UK, and for India (especially as the world seeks to build back stronger from the pandemic).



Spotlight: 2022 Commonwealth Games – The Business and Tourism Programme

The Business and Tourism Programme will leverage the once-in-a-generation opportunity of Birmingham hosting the Commonwealth Games in 2022 to promote the West Midlands and the wider UK as world-class destination for tourism, trade and investment.

The programme is designed to secure more than £650 million of new overseas investment into the UK, and create £7 million of additional export deals until 2027. It is also expected to attract an additional 39,000 visitors to the region and UK until 2027, with an estimated £12 million in visitor spend. The programme aims to benefit areas outside the West Midlands, across England, Wales, Scotland and Northern Ireland.



TRADE AND INVESTMENT

Investment

Driven by its success in Future Mobility, the West Midlands outperforms all UK regions other than the South East in attracting Indian FDI, with a huge opportunity to grow two-way investment across all industrial strategy priorities.



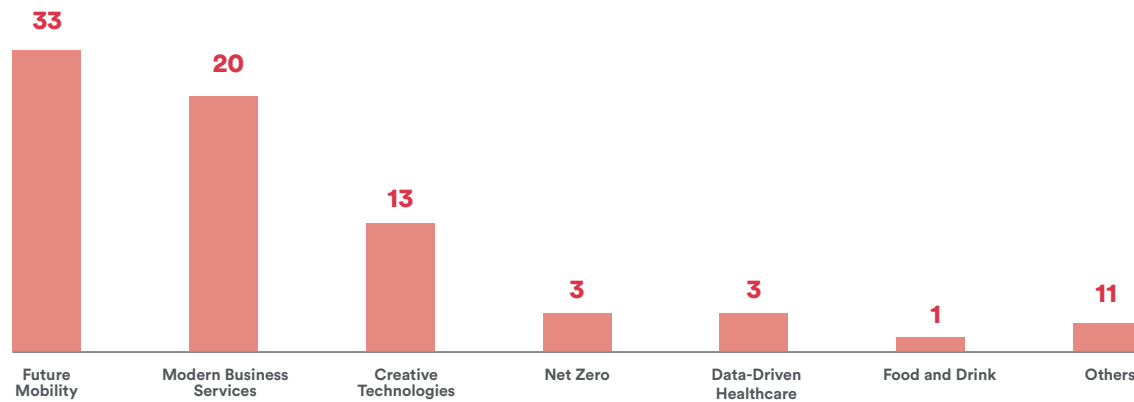
57%

The West Midlands received 57% of Indian investment in 2020.

The West Midlands has a compelling FDI offer, attracting more FDI than any other English region outside the South East (which includes London) for the past five years. In 2019 it secured 157 projects, accounting for 8% of the UK's total.

The region has performed even more strongly in attracting Indian investment. Within the West Midlands, there have been 76 recorded Indian FDI investments, worth over £3.5 billion in total⁶⁹. Indian FDI ranks first for jobs, creating 13,276 jobs and safeguarding 1,610 more in the same period, accounting for 20% of all FDI-generated jobs⁷⁰. Of these investments, all but five were expansions or new investments, rather than M&A which typically accounts for a large proportion of Indian outward direct investment (ODI).

FDI in projects in West Midlands from India – key sectors (2011-21)



Source: WMGC analysis.

Over the last five years, only the South East has performed better than the West Midlands. Although with nearly double the value of Indian FDI, and over five times the number of projects, it has taken the lion's share of Indian FDI when compared to the West Midlands.

In 2020 however, the West Midlands attracted more Indian FDI by value than all regions including the South East, receiving 57% of all Indian investment, worth £163.2 million.



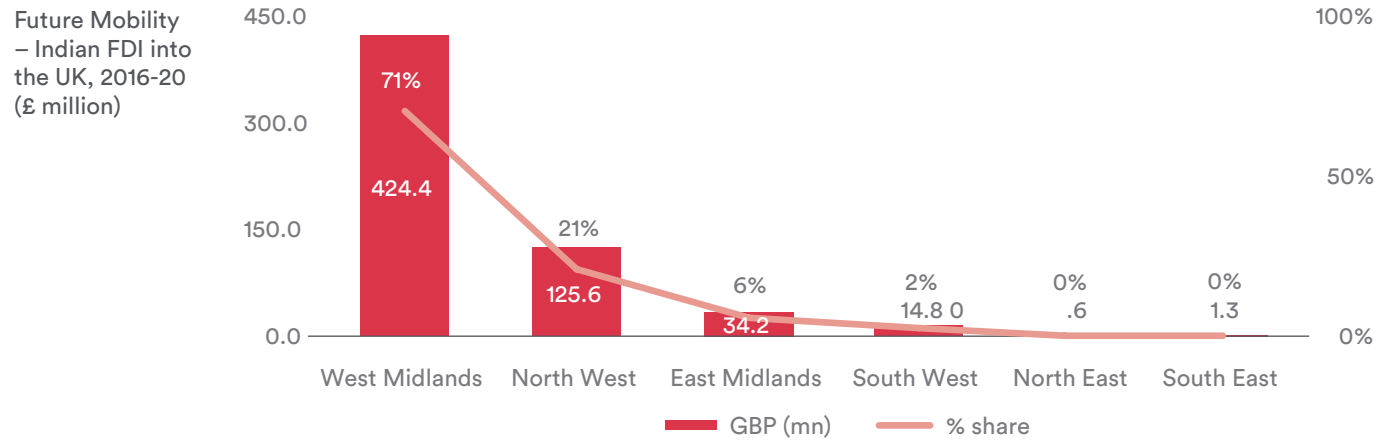
Indian FDI into English Regions 2016-2020

Regions	£m Value % share	No. of Jobs % share	No. of Projects % share
South East – incl. London	£847.3m 48%	3,209 41%	101 61%
West Midlands	£457.1m 26%	2,678 34%	18 11%
North West	£280.4m 16%	722 9%	17 10%
East Midlands	£63.2m 4%	313 4%	7 4%
North East	£51.9m 3%	598 8%	8 5%
Yorkshire and Humberside	£23.3m 1%	101 1%	6 4%
South West	£18.7m 1%	103 1%	5 3%
East of England	£11.2m 1%	125 1%	4 2%

Source: FDI markets

The region's FDI success has been driven by Future Mobility. It ranked 2nd and 1st respectively out of eight for global and Indian FDI into English regions between 2016-2020, receiving 19% and 71% (worth £424 million) of total and Indian FDI.

The Tata Group's investment has been critical to the region's success; accounting for 29 FDI projects over the last 10 years, generating 12,257 new jobs (92% of total Indian FDI jobs). Other important Indian investors include TVS Group, which acquired Norton Motorcycles, and Remsons, a major Tier 1 supplier.



In Creative Technologies, the West Midlands was second only to the South East in attracting Indian FDI, with an 11% share of FDI (worth £22 million) between 2016-2020.

This is well above the region's overall performance, where it ranked 7th out of eight English regions.

The South East accounted for 78% and 63% of total and Indian FDI respectively. Major Indian investors in the region include Infosys and Microland, India's leading digital IT transformation company which established its European headquarters and two Digital Hubs in Birmingham, creating 200 new jobs.

In Modern Services, the West Midlands attracted 4% of global FDI into England (ranking 3rd), above its 2% share of Indian FDI (worth £6.5 million, ranking 3rd). This indicates potential to target greater Indian investment in this area.

The South East again took the lion's share of FDI, accounting for 70% of global and 57% of Indian FDI into England.

Within the West Midlands, Indian investors include Enzen Global and Onward Tech.

The West Midlands has attracted limited Data-driven Healthcare FDI to date despite its strengths in this area. It received 4% of global FDI into England and 2% of Indian FDI (worth £200,000), ranking 6th and 7th respectively among English regions. While the South East received 78% of global FDI, it attracted only 44% of Indian FDI, with the North East performing strongly with a 36% share.

Consistent with its performance across the focus sectors, London and the South East attracts the majority of £5m+ revenue high-growth Indian companies. In 2020, the region was home to 69% of Indian high-growth companies (53% London, 16% South), with the Midlands in third place with a 10% share. Over 40% of companies were in the technology and telecoms sector, and 27% were in the pharmaceuticals and chemicals sector, up from 15% in 2019⁷¹.



Spotlight: Indian Investment Success Stories



Tata Motors

India's largest automobile company and owner of JLR

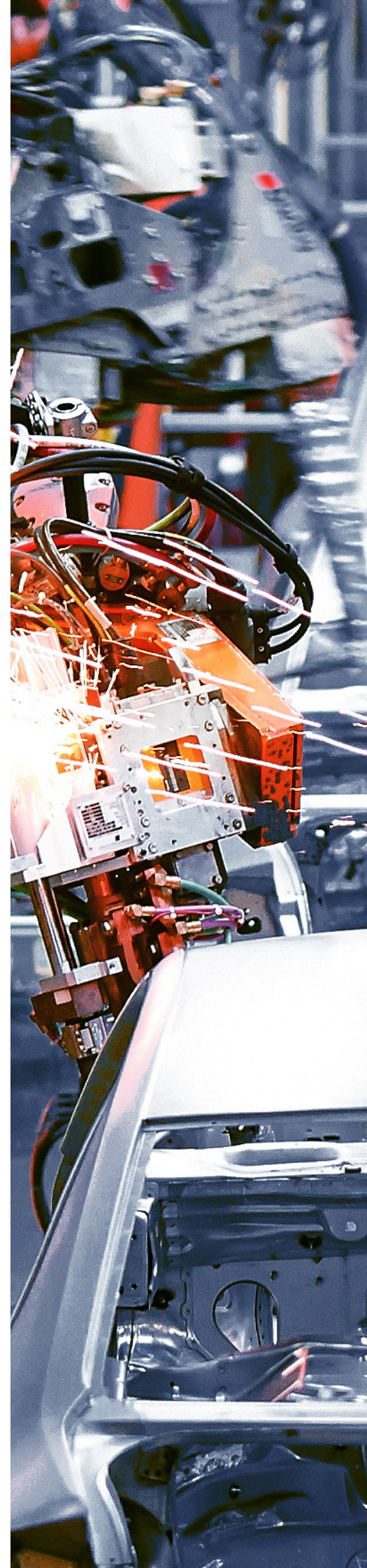
Tata Motors, India's largest vehicle manufacturer, acquired British company Jaguar Land Rover in 2008. Headquartered in Coventry, UK, Jaguar Land Rover has firmly established the West Midlands as the engine of its operations, through a network of production units and research facilities.

Jaguar Land Rover recently announced its new global strategy, Reimagine, a sustainability-rich reimagining of modern luxury, unique customer experiences, and positive societal impact. It marks the start of the company's journey to become a net zero carbon business by 2039. Jaguar will be reimagined as an all-electric luxury brand from 2025 and Land Rover will welcome six pure electric variants over the next five years, as it continues to be the world leader of luxury SUVs. All Jaguar and Land Rover nameplates will be available in pure electric form by the end of the decade.

"The West Midlands region's engineering excellence provides the foundation for Jaguar Land Rover's unrivalled brand legacy, elegant design, and deep engineering integrity. But it is the region's worldclass innovation ecosystem, with its unrivalled combination of capabilities and collaborations spanning industry, academia, and government, that will create the future. Jaguar Land Rover has a strong foundation on which to build a sustainable and resilient business for its customers and their communities, partners, employees, shareholders and the environment. By 2039, we want to achieve net zero carbon emissions across our supply chain, products, and operations, as part of our Reimagine strategy."

Dave Owen, Executive Director, Global Purchasing at JLR.

[More success stories >](#)



MICROLAND

MicroLand**India's leading digital IT transformation company**

Microland opened a new state-of-the-art European Shared Services headquarters in Birmingham in 2020 to serve its growing client base across the continent. Headquartered in Bengaluru, India, the facility marked the company's second investment in the region in two years; in 2018, Microland created a digital hub in Longbridge – also in Birmingham – that has since transitioned into a Customer Experience Centre.

The company currently employs around 80 people in the region, with plans to accommodate up to 200 employees as part of potential further expansion. Microland's ongoing success in the West Midlands, coupled with the opportunities arising out of the regions as an established centre for employment and innovation in the tech and digital sector, led the company to make further investments.

"Setting up Microland's offices in the West Midlands has facilitated a virtuous cycle of growth for our organisation. The success of our initial investment in 2018 cultivated the demand for a new Microland European operational centre, driven by the region's thriving technology ecosystem and high-skilled talent pipeline.

"We are proud to be part of the region's growing community of technology specialists and are looking forward to building on our accomplishments here. The West Midlands has several exclusive opportunities on the horizon that will give us a uniquely competitive edge, such as the region's status as the UK's primary multi-city 5G testbed. This facility will allow unprecedented access to trial and test new technologies and products at scale, putting us at the epicentre of the next digital revolution".

Nagaraja Kini, *Associate Vice President at Microland.*

Norton
MOTORCYCLES**TVS Motor Company****A leading multinational motorcycle company**

January 2021 saw Indian manufacturer TVS Motors announce a multi-million investment to relocate the UK Headquarters of subsidiary Norton Motorcycles to a new state-of-the-art facility in Solihull, West Midlands. The investment followed prior acquisition of the iconic British motorcycle marque by TVS Motors in April 2020. The premises will be the most advanced and modern plant for Norton in its 122-year history, and the central hub of the brand's operations. Providing a permanent base for all staff, the new headquarters will be home to design, engineering, purchasing, sales, marketing, and support teams as well as the skilled production team that is resuming manufacture of motorcycles. The company's decision was inspired by the region's internationally renowned cluster of automotive expertise, which is responsible for a third of all production in the UK.

"The opening of the new headquarters represents a significant step forward for Norton Motorcycles. The opening of this state-of-the-art facility will create the foundations for a sustainable long-term future of Norton. The new bikes will meet the world class standards our customers expect.

"2020 has been a tough year for the world but we are excited to be moving into our new home and we are delighted this has been created by the Norton and TVS teams in just 9 months. This new facility underpinned by strong quality processes will produce bikes truly worthy of the illustrious Norton brand and take it into the future".

Sudarshan Venu, *Joint Managing Director of TVS Motor.*

Infosys[®]
BPM**Infosys BPM****A global business process management subsidiary of Infosys Ltd**

Infosys is focused on integrated end-to-end outsourcing and delivery of transformational benefits to its clients through reduced costs, ongoing productivity improvement, and process re-engineering.

Whist Headquartered in India, Infosys BPM operates across the globe and has recently set up a UK based delivery centre in the heart of the West Midlands. The Rubery-based office employs roughly 150 UK employees and 45 Pune based employees and has been instrumental in establishing a core footprint for Infosys BPM within the UK.

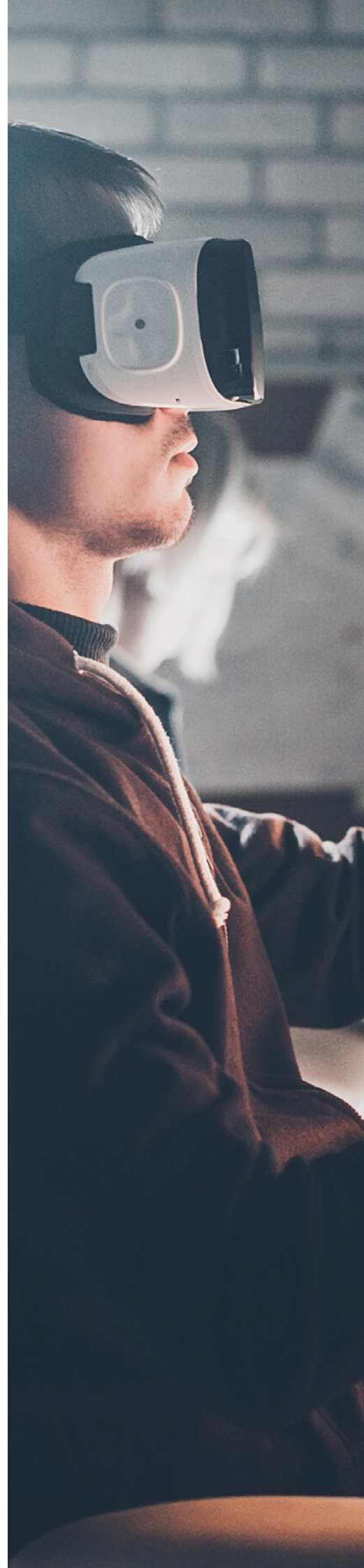
The value-led ethos has allowed for the centre to contribute significant value to clients and ensure innovation and transformation is always a key priority. The Birmingham Delivery Centre is committed to developing and contributing significantly to the shared service networks across the UK by establishing close links with several shared service forums and bodies.

The centre was more recently nominated for several key awards during the Midlands Shared Service Forums award ceremony and was the winner of the Best engagement of team/colleagues during lockdown'.

"Infosys Birmingham strives to support and play a leading role in the future development of the West Midlands region. Through thought leadership and driving key transformational activity, we strive to help foster growth, innovation and high-quality employment opportunities.

Infosys BPM have a reinvigorated focus on the West Midlands area, where we anticipate significant growth opportunities as a consequence of the government's levelling up agenda, the investment in infrastructure projects such as HS2 and the economic bounce following the re-opening of the postcovid economy. The area has seen significant inward investment, culminating in the establishment of Goodman Sachs into the region, which is supported by the educational institutions providing the largest number of students in any UK region. The foundations are in place and the Infosys Birmingham team intend to deliver on the potential that exists in our local region."

Lee Brittain, *Head of Birmingham DC, Infosys BPM.*





‘Stronger together’ investment opportunities

Future Mobility:

The West Midlands can drive its advantage in Future Mobility, focusing on OEMs (original equipment manufacturers) and their suppliers wanting to innovate and access the UK customer base in EVs (electric vehicles) and increasingly CAVs (connected autonomous vehicles):

- OEMs and major Tier 1s have the resources and imperative to invest in high-value R&D intensive FDI in EVs and CAVs. The region can build on its success in attracting Indian FDI through working with existing investors to scale alongside targeting new investors in India’s three auto clusters (Pune, Chennai and Delhi), leveraging the Connected and Autonomous Vehicle (CAV) Modelling and Simulation High Potential Opportunity (HPO).
- There may also be opportunities for attracting high technology Indian Tier 1 and 2 companies to invest in the region to supply JLR and other UK OEMs and Tier 1s, especially as Brexit may place pressure on European supply chains.
- The rapid growth of the Indian EV sector and demand for technologies will also generate opportunities for West Midlands (WM) EV and CAV technology companies to set up in Indian auto clusters to supply local Tier 1s and OEMs.
- The Future Mobility Corridor between the West Midlands-Maharashtra can help promote collaborations and two-way FDI, R&D and trade. Given the scale of the opportunity in mobility, targeting should extend beyond this region, informed by company profiling.



Creative Technologies:

The region is punching well above its weight in attracting Indian FDI in Creative Tech, with strong potential for increasing two-way investment, targeting Indian HQs and scale-ups:

- Given India’s global competitiveness, its global footprint, and the region’s success in attracting flagship investors such as Microland and Infosys, the West Midlands should double-down on the sector to expand two-way FDI focusing on Indian technology clusters and targeting firms to set up their UK HQs in the region as alternative to London and the South East.
- The West Midlands’ gaming capabilities are an attraction in themselves as the Indian market expands, and the underpinning technologies (including AR, VR, AI and 5G where Indian capability is not yet as well developed as the UK’s) can drive FDI in this and adjacent sectors, including the digitalisation of manufacturing.
- The rapid growth of Indian scale-ups and the region’s strong offer as the No1 UK region for start-ups creates opportunities for targeting Indian high-growth tech & telecoms companies that are going global, such as those profiled in Deloitte’s Fast 50²², those with recent VC backing, and other industry and scale-up reports.



Data-driven Healthcare:

While its offer is strong, and the pandemic has created opportunities, the West Midlands’ success in attracting Data-driven Healthcare FDI is nascent, requiring a focused approach:

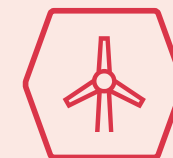
- The Indian sector is growing rapidly and changing, with access to data and its utilisation a challenge, and big data analytics among the key technology and growth drivers. The COVID-19 pandemic is also creating demand for new technologies, testing and local production. While the potential is high, the region may first need to build visibility and awareness of its capabilities through focused promotion, institutional / cluster cooperation, and R&D partnering, as a precursor to FDI – leveraging the region’s leading research and trials environment, health and genomic patient data, and strong health research institutes.



Modern Services:

The West Midlands has significant potential to increase FDI in modern services, targeting BPFs firms seeking access to the UK market and ProfTech innovators:

- The region’s BPFs offer is compelling but less well-known than London’s. There is significant potential to increase Indian investment, including newly established and relocating UK HQs, focusing on the strength of the region’s client base, skills, low cost and ProfTech capabilities.
- Fintech also offers promise, although the West Midlands will be competing against better known and larger clusters, including London, meaning cluster cooperation and R&D partnerships may be an important route to securing greater FDI.



Net Zero:

The region should treat low carbon and net zero as key cross-cutting differentiators alongside its world-class innovation and digital offer, particularly in electrification:

- Opportunities should be pursued across the above growth sectors, particularly Future Mobility (EVs) and Modern Services (low carbon services), with opportunities to attract firms wishing to innovate and established players wanting to ‘plug and play’ at scale in the UK’s low carbon ecosystem.

Trade

The West Midlands is underperforming in exporting to India, with significant short to medium-term export opportunities in advanced manufacturing, and two-way trade in creative tech and modern services.

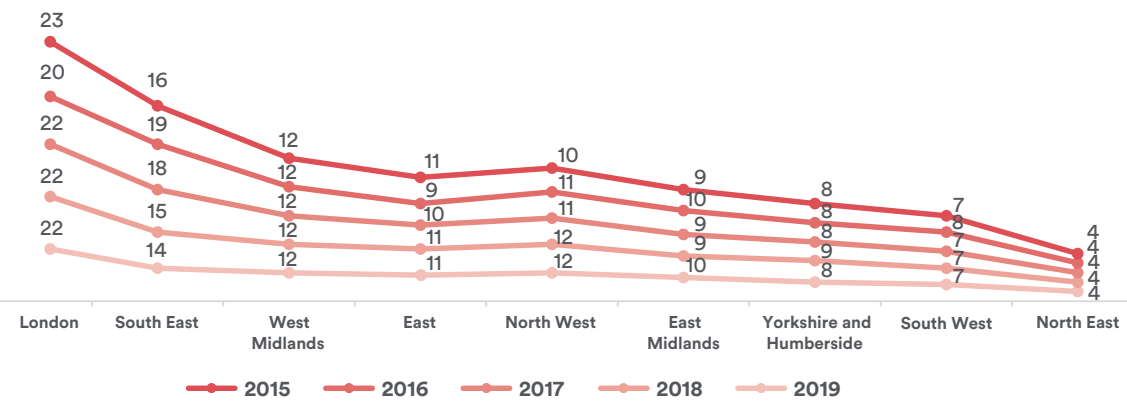
The West Midlands accounts for 9% of English regions' goods exports to India, worth £318 million in 2019⁷³, and 12% of all imports from India. Most regions experienced moderate growth in exports to India between 2015-2019, but the West Midlands' exports fell over that period and imports flatlined.

West Midlands' exports to India have fallen across most major export categories over the past five years, with exports collapsing between 2018-2019, with the top seven product categories all witnessing double digit declines.

While reduced Indian demand contributed to this fall, comparing the regions' relative performance in exporting to India (taking the proportion of their exports to India as a proportion of their global exports for that product) shows that the West Midlands is underperforming in transport equipment, machinery and other equipment and power generating machinery and equipment.

West Midlands – India imports and exports, compared to other English regions, 2015-2019

West Midlands percentage of total English regions' goods imports from India



West Midlands percentage of total English regions' goods exports to India



Source: ONS Regional Trade Data

West Midlands and India

While performing relatively well for electrical machinery, this is reflective of the UK's overall underperformance in this category.

India's tariff and non-tariff barriers are high, but with few competitor nations with preferential trading agreements with India, these should not preclude the West Midlands increasing its share of India's advanced manufacturing imports.

Regional comparators – Exports to India, West Midlands vs other regions⁷⁴ in 2019 (£ million)

Product Categories exported to India	London	SE	East	SW	WM	NW	Y&TH	EM	NE
Metalliferous ores & metal scrap	£83m (12.2%)	£16m (8.1%)	£31m (13.7%)	£14m (4.3%)	£57m (9.3%)	£43m (8.4%)	£15m (6.1%)	£30m (10%)	£13m (10.3%)
Transport equipment	£18m (1.5%)	£29m (0.3%)	£15m (0.6%)	£22m (0.5%)	£45m (0.3%)	£15m (0.3%)	£2m (0.3%)	£7m (0.2%)	£3m (0.1%)
Machinery and other equipment	£21m (3%)	£134m (3.9%)	£56m (2%)	£35m (1.7%)	£41m (1.1%)	£34m (2.4%)	£39m (2.4%)	£22m (1.2%)	£15m (1.2%)
Non-ferrous metals	£572m (25.3%)	£15m (3.1%)	£52m (2.5%)	£56m (13%)	£33m (3.8%)	£15m (2.1%)	£20m (3.8%)	£7m (3.6%)	£19m (2.4%)
Electrical machinery	£9m (1%)	£103m (3%)	£20m (1.8%)	£20m (1.7%)	£25m (2.1%)	£14m (1.2%)	£11m (1.6%)	£10m (0.8%)	£51m (6.9%)
Metal and metal parts	£4m (0.9%)	£11m (1.5%)	£9m (1.5%)	£12m (2.1%)	£22m (1.5%)	£13m (1.9%)	£18m (0.8%)	£13m (1.2%)	£7m (1.4%)
Professional, scientific & controlling instruments	£3m (3%)	£46m (1.9%)	£35m (2.7%)	£26m (1.6%)	£21m (2%)	£21m (2.2%)	£6m (1.6%)	£15m (2.4%)	£3m (0.9%)
Power generating machinery & equipment	£19m (1.3%)	£69m (2.5%)	£27m (1.5%)	£129m (2.6%)	£15m (1.1%)	£8m (0.8%)	£9m (1.3%)	£39m (0.4%)	£9m (1.1%)
Rubber	£1m (1.8%)	£1m (0.7%)	£1m (1.7%)	£3m (1.7%)	£9m (3.1%)	£5m (1.8%)	£1m (0.8%)	£5m (3.7%)	£1m (2.3%)
Furniture	£2m (0.8%)	£1m (0.4%)	£1m (0.3%)	£1m (0.5%)	£7m (6.1%)	£3m (2.7%)	£1m (1.1%)	£1m (0.8%)	£0.01m (0.1%)

Source: ONS Regional Trade Data, PwC/UKIBC analysis.

- Lower share of the region's total global exports to India than West Midlands
- Greater share of the region's total global exports to India than West Midlands
- Same share of the region's total global exports to India than West Midlands

There should be strong potential to increase two-way trade in Professional Business Services and ICT⁷⁵ due to India's significant trade, the UK's relative underperformance, and the West Midlands' strengths. There is also potential to increase exports in technologies and know-how where India's capabilities are less well developed.



‘Stronger Together’ Trade Opportunities

Advanced manufacturing:

While *Make in India* will limit longer-term opportunities, there are high value short to medium-term opportunities to increase exports in transport equipment and Industry 4.0 focused technologies:

- The UK and West Midlands are being significantly outgunned on exports to India with opportunities to scaleup in transport equipment and Industry 4.0 technologies, including machinery, electrical machinery, optical equipment, power electronics, industrial automation and autonomous systems. While *Make in India* is likely to reduce demand in the longer-term, these areas offer scope for significantly increased exports in the short to medium-term.

Modern Services and Creative Tech Services:

Indian demand and capabilities align well with the West Midlands’, with potential to grow two-way trade and exports:

- Indian demand and capabilities align well with the West Midlands’, with strong potential to grow two-way trade in IT services, professional and business services and low carbon consulting, linked to FDI (including intra-company) and R&D.
- The region can export its expertise and know-how where India’s technologies are less advanced – e.g., AI, VR, AR, 5G and Industrial Internet of Things (IIOT).
- In the longer-term, a UK-India FTA would open up immense trade opportunities due to India’s high tariffs and non-tariff barriers. In the short to medium-term, regulatory cooperation through the India-UK 2030 Roadmap may create opportunities for enhanced trade in areas such as medical devices and legal services.



3.3

INNOVATION, EDUCATION AND SKILLS

Innovation

The West Midlands has an outstanding innovation offer for India, with extensive experience in collaborating with Indian partners, and huge potential to scale up R&D activity and investment.

The West Midlands possesses a world-class innovation and digital ecosystem comprising nine universities, two Catapult Centres, and numerous innovation organisations, testbeds (including 5G and mobility) and incubators.

Its universities and innovation organisations have forged strong links with global companies and institutions to commercialise innovation, making it a go-to innovation partner for international businesses.

The West Midlands' universities have extensive experience of collaborative R&D partnering with Indian partners on shared challenges, including net zero (EVs, clean energy, pollution etc), smart cities, VR, AI, healthcare and Industry 4.0.

Many of these have been delivered through dedicated India cooperation arrangements, such as Birmingham City University's *India Group*; Aston University's *India Centre for Applied Research*; and the University of Birmingham's *India Institute Initiative*. In addition, Coventry University has a *Memorandum of Understanding (MoU)* with the top-ranking *India Institute of Technology Bombay*, while the *Warwick Manufacturing Group* has over a decade's experience of partnering with India.

The region's wider innovation organisations are also experienced in collaborating with India through research grants and challenge funds; for example, the Birmingham-based *Energy Systems Catapult* collaborated with the *Connected Places Catapult* and the *Satellite Applications Catapult* to run a joint UK Research and Innovation (UKRI) funded Clean Air (IfCA) programme. This two-year project harnessed private sector and academic expertise from India and the UK to develop innovative air quality and EV integration solutions in Bengaluru.

Indian companies are also driving R&D investment and innovation within the West Midlands, particularly in the area of Future Mobility.



Enzen

A global knowledge enterprise specialising in the utilities industries – established its UK headquarters in Solihull, as part of its international mission to make energy and water more affordable, accessible and sustainable to all.

Globally headquartered in Bengaluru, India, Enzen's Solihull office employs around 200 people and has been instrumental in growing its international client footprint, which now spans over 40 countries.

The company's innovation-led ethos matched the West Midlands' drive for academic-industry collaboration and has seen the company thrive through research-led partnerships with the region's network of world-class universities.

Since arriving in Solihull's Blythe Valley Park, Enzen has established close links with the University of Warwick through the institution's onsite Innovation Centre, and has employees studying for postgraduate qualifications with the university.

The company is embedded as an international force for industry innovation, in 2018 launching a worldwide competition to uncover innovative ideas and concepts from individuals, organisations, academics and entrepreneurs around the world. The finals were held in Birmingham in May 2019, with the shortlisted finalists receiving mentoring and incubation support from Enzen to help take their ideas to market.

"At the beating heart of the West Midlands is an intensely vibrant and welcoming culture, making it an ideal location for businesses, like ours, that are centred on sharing insights and experiences. The region's convenient location at the centre of the UK, coupled with its internationally focused outlook, offers us a comforting landing ground for growth that's well-aligned to our global aspirations.

"Inspiring change through innovation and collaboration is the core of our business, both in the UK and overseas. With an ecosystem built around academic-industry knowledge transfer, the West Midlands is the perfect illustration of a place that understands the widespread opportunities – both economic and social – that can be productively achieved by working together."

Manish Jamthe, *Chief Executive Officer of Enzen UK.*



200

Enzen employs around 200 people in their Solihull office.





Spotlight: Indian Future of Mobility Innovation in the West Midlands

NATIONAL
AUTOMOTIVE
INNOVATION
CENTRE

The National Automotive Centre

The *National Automotive Innovation Centre* (NAIC) was established as a joint £150 million venture between JLR, Tata Motors European Technical Centre and the *Warwick Manufacturing Group* (WMG). It is the single biggest automotive research facility in Europe, helping to build a global powerhouse of automotive research to re-imagine and revolutionise the future of transportation and mobility.



Tata Motors

The £130m *UK Battery Industrialisation Centre* (UKBIC), is a pioneering battery product development facility in the race to transition to a greener future. Based in Coventry, the facility welcomes any organisation with existing or new battery technology that will bring green jobs and prosperity to the UK. Tata signed an MoU with UKBIC in 2013. This collaboration contributed to Tata bringing its electric vehicle manufacture, Electronic Drive Units and battery assembly to the region.



Mahindra Advanced Design Europe

In 2021, Mahindra established the *Mahindra Advanced Design Europe* (MADE) in Coventry. This dedicated design centre is tasked with creating the future direction of the company's products, including its 'Born EV' electric car architecture for its future e-SUVs. MADE will contribute and leverage the skills, experience, and expertise of the region's network of automotive design talent.



'Stronger Together' Innovation Opportunities

Attracting R&D intensive FDI by Indian corporates and their suppliers, focusing on the largest R&D spenders in Future Mobility and Data-driven Healthcare and working with existing Indian investors:

- Attracting Indian corporates to invest in R&D activities in the region can make an important contribution to productivity and act as a precursor to FDI and trade. Efforts should build on the success of the Future Mobility sector and extend this to Data-driven Healthcare which together account for over 60% of Indian R&D spend.
- Focus on the top 26 Indian companies that constitute the world's top 2,500 R&D spenders for investing in R&D intensive activities in the region.
- Partnering with existing Indian OEM and Tier 1 FDI investors to attract Indian-based high-technology firms and potential suppliers to commercial innovation and invest in the region.

Undertaking collaborative R&D in shared priority areas, including through targeted innovation grants, challenge funds and exchanges:

- Working the region's universities, innovation organisations and SMEs, partner with Indian counterparts to collaborate around shared challenges – e.g., net zero (EVs, clean energy, pollution etc), smart cities, VR, AI, healthcare, industry 4.0 and health.
- Exploring (with UKRI and other relevant organisations) opportunities for using research grants or challenge funds to facilitate UK-India innovation collaborations, building on the *India-UK Roadmap 2030* and the *Commonwealth Games*.
- Increasing university-university and university-businesses exchanges to develop capability and facilitate greater join-up and delivery of collaborative projects.

Work with Invest India and city-region partners to identify opportunities for West Midlands' companies to undertake more R&D in India and for skills transfer, particularly in Creative Tech:

- Across LIS priorities and particularly in Creative Technologies, the region's companies could benefit from undertaking more R&D in India, tapping into their innovation, talent and low cost-base, exploring opportunities for two-way skills transfer.

Education and skills

Following introduction of the UK post-study work visa, and with a strong academic and cultural offer, there is significant potential to boost Indian student numbers and supply specialist vocational and executive training.



11%

West Midlands' share of Indian enrolments

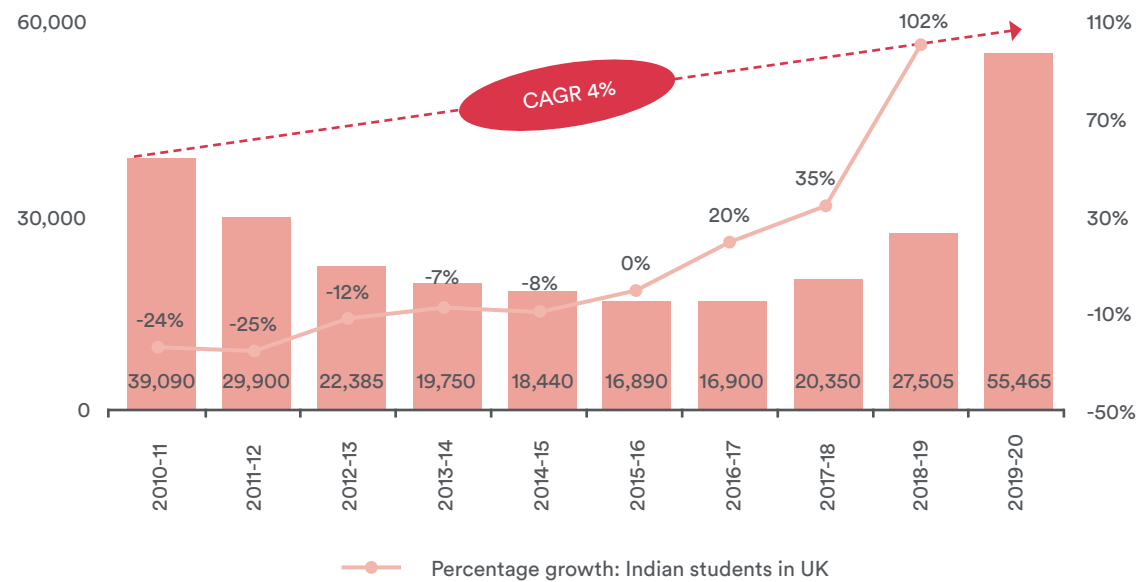
Between 2010-11 and 2015-16, Indian higher education students in the UK fell by over half, from 39,090 to 16,890. This was due to the withdrawal of the post-study work route in 2012, the tightening of English proficiency requirements, and the relatively high cost of UK higher education compared to the likes of Canada, Australia and New Zealand.

Following the announcement of the two-year post-study work visa for international students⁷⁶, this trend reversed in 2017-18, with Indian student numbers increasing by 20% to 27,505 that year (before accelerating and doubling to 55,465 in 2019-20.). In doing so, India was third only to China and the EU for non-UK domiciled higher education entrants in 2019-20 (and the fastest rising).

Almost 50% of all Indian students in the UK over the last decade have studied STEM subjects (Science, Technology, Engineering and Mathematics), with business and engineering the most popular subjects.

UK universities have targeted Indian students through measures such as joint PhDs and MBAs, offering R&D subjects of interest, and establishing Indian societies and clubs; for example, the University of Birmingham has an institute dedicated to Indian cooperation and runs a post-graduate Sikh Studies course. Birmingham City University has a successful *Indian Society* and runs an active *Sikh Society*, and Aston University's *India Centre for Applied Research* undertakes India-related research activities.

Total number of Indian higher education students in the UK



Source: Higher Education Statistics Agency.

Over each of the last five years, the West Midlands has been the third most popular region for Indian student enrolments after London and the East of England, with over 5,000 Indian students enrolling in the region's universities in 2019-20. The region's share of Indian student enrolments fell between 2014-15 and 2018-19 (from 13% to 10%), but rose in 2019-20 (to 11%). At 11%, the West Midlands' share of Indian enrolments is slightly above its share of all non-EU students at 10%.

Four West Midlands universities feature in the top 20 destinations for Indian students in 2019/20: Coventry University (10th); Birmingham City University (13th); University of Wolverhampton (18th) and Warwick University (20th).

Of the top 10 recipients of Indian students in the UK, only Coventry University ranks in the top 50 universities in the UK. This suggests factors other than academic or research excellence are driving demand, creating opportunities across the region's higher education institutions.

With the introduction of the *Graduate Route* post-study work visa, the region's strengths in STEM subjects, and its strong job market and diaspora, there is significant potential for increasing Indian student numbers in the region.

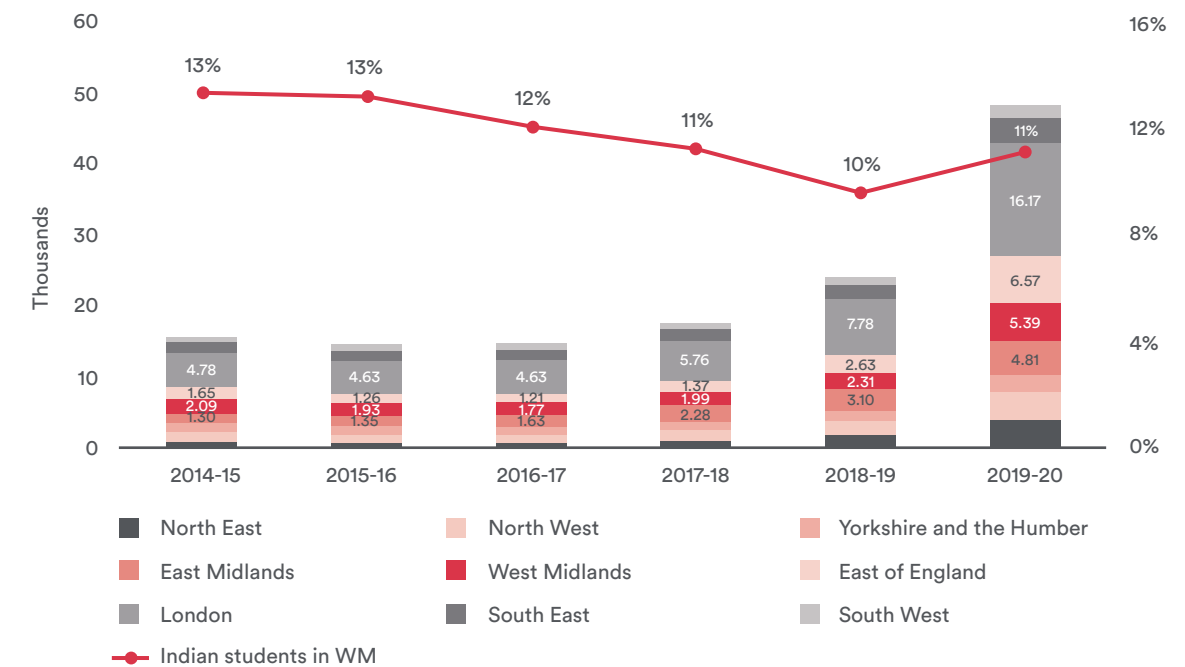
India's 2020 *National Education Policy* (NEP) sets out its intention to open its higher education system to international organisations.

The NEP should open up opportunities for dual degrees, joint degrees and other twinning arrangements.

Ranking among the world's top 100 universities, the universities of Warwick and Birmingham (62nd and 87th respectively⁷⁷) will be able to deliver education in India by setting up campuses in India, recruiting students in India and offering flexibility to part study in the UK or in India. The NEP should also allow India's top 100 institutions to apply to offer 100% online degrees which may create partnering opportunities for West Midlands' universities with strong distance learning expertise and the regions' ed-tech and online training firms.

While this represents an exciting opportunity to access the Indian higher education market, in mid-2021 there remains a lack of clarity about pathways for international partnering, constraining universities from making strategic partnerships to access this opportunity.

Indian students enrolments in different regions of the UK



Source: Higher Education Statistics Agency.



‘Stronger Together’ Education Opportunities

Increasing higher education student numbers in the region, learning lessons from the most successful institutions and regions:

- The West Midlands can seize the opportunity to grow Indian higher education student numbers following the introduction of the *Graduate Route* post-study work visa, building on the region’s strengths in STEM, its strong job market and diaspora, and learning lessons from the 10 UK universities with the highest number of Indian students.

Develop strategic partnerships with Indian universities to serve Indian students and advocate for NEP policy clarity:

- Although policy uncertainty limits opportunities at present, the NEP should create direct opportunities for the West Midlands’ universities to partner with Indian institutions to serve students in India.
- Advocate for policy clarity on NEP opportunities, leveraging the *India-UK 2030 Roadmap* commitments and the bilateral relationship.



The West Midlands and India have strong complementarity in skills. India has particular strengths in engineering and ICT (which are shortage skills in the West Midlands). Consequently, Indian professionals can help fill gaps and fuel the West Midlands' productivity and growth.

Moreover, India has world-leading strengths in large-scale digital training provision through companies such as Infosys, which have a strong regional presence.

India faces major challenges in high-end vocational training. Demand for technical skills and investment from Indian corporates, including specialist and executive training, will present opportunities for West Midlands' innovation and training organisations to provide training digitally and through partnerships.

Hero Group and Birmingham City University, for example, are collaborating to establish the Munjal BCU School of Innovation and Entrepreneurship (MBSI) to drive innovation and entrepreneurship in the State of Punjab, aligned to the needs of business.

The UK's new visa regime, and the *UK-India Mobility Partnership* signed in May 2021, will make two-way vocational skills transfers and training easier. Recent changes include the introduction of UK's post-study work visas, a Young Professionals scheme to allow young Indian and British professionals to work and live in each other's country for two years, and the UK's Points Based System (which is making it easier for highly skilled Indian students, researchers, professionals and investors to come to the UK).



'Stronger Together' Skills Opportunities

Partnering with Indian institutions and businesses to develop and deliver specialist and executive training in the region:

- India's demand for high-end vocational skills provides opportunities for West Midlands' universities and businesses to collaborate with Indian businesses and institutions to provide digital training at scale and in technical areas aligned to West Midlands' specialisms and India's needs, such as IoT, Industry 4.0, Smart Cities and Smart Healthcare.
- The region's universities can build on their strengths in business training, including MBAs, to supply the Indian executive market, working with major Indian executive training providers and directly with major corporates.

3.4

TOURISM AND CONNECTIVITY

Tourism

The West Midlands has a compelling offer for Indian tourists, but visitor spend in the region is relatively low, requiring enhanced efforts to boost visitor numbers, promote the region's attractions, and market it as a centre for business events.

Indians are more likely to spend time in the West Midlands than other international visitors. The region ranks 2nd among the 8 English regions for Indian visits and nights spent, and 3rd for visitor spend⁷⁹. Between 2017-2019, the region attracted on average 47,000 visits p.a. from India, spending £40 million p.a.⁷⁹ Of these, 57% were visiting family and relatives, 24% were visiting on business, 17% were in the region on holiday, and 2% for other purposes⁸⁰.

The West Midlands has a compelling tourist offer for Indians who prioritise natural beauty, places to visit, cultural attractions and climate⁸¹, together with watching cricket and taking a canal boat tour⁸².

Moreover, thanks to its 'living bridge', Indian cuisine, entertainment, religion and arts have been embedded within the West Midlands' diverse culture. The region boasts over 500 Indian restaurants (including five purely vegetarian restaurants), it is a global centre for Bhangra music, and it hosts major cultural events such as 'Diwali on the Square'. International cricket at Edgbaston is also incredibly popular with Indian residents and tourists.

While Indian tourists surveyed rate the West Midlands highly (broadly in line with other regions outside London), their awareness of its attractions is limited. Consequently, with most Indian tourists in the region staying with family and friends, average spend per visit in the West Midlands is lower than other regions, including the East of England and South West, as well as London and the North West. Increasing Indian tourism in the West Midlands will also need action at the national level to promote the UK's tourist offer and make it easier and cheaper to visit.

There is significant potential to increase Indian business tourism spend in the West Midlands. India is the UK's fourth most valuable meeting, incentive, conference and event (MICE) market, worth £52m p.a, and the average spend by Indian business visitors is £98 per night, nearly five times that of VFM tourists at £21 per night⁸³.

The West Midlands is a leading destination for business tourists, attracting the highest proportion of international business visits to any region outside London, and hosting the largest proportion of exhibition visits, totalling 873,053 MICE visitors in 2019 (comprising 10% of UK inbound business visitors).

The region's strengths in innovation and executive education are well aligned to the interests of Indian corporates and business organisations, such as NASSCOM (tech), creating potential to become a leading location for Indian global or European business conferences and events. As with leisure tourists, as well as increasing total numbers there are opportunities to increase total Indian business visitor numbers and – importantly – increase their leisure spend while visiting.



‘Stronger together’ tourism opportunities

Increasing the West Midlands profile as a tourist destination and increase leisure spend among Indians staying with family and friends or visiting on business.

- In the context of rapidly rising Indian tourist numbers and spend, attracting more higher spending leisure or dual-purpose travellers (VFM or business travellers bolting on leisure travel within the region) could deliver significant economic value for the region.
- Based on Indian traveller insights this should involve promoting the region’s specific attractions, experiences, events and working with Indian leisure and MICE travel operators, along with those serving the Indian diaspora in the local community.
- For MICE visitors, there is potential to position the West Midlands as a global or European centre for events, training or conferences, focused on key innovative sectors, technologies and executive training.

Working with VisitBritain to make the UK a more attractive market for Indian tourists.

- While the West Midlands should focus its efforts on increasing traveller spend within the region, it will also need to work with VisitBritain to increase the overall attractiveness of the UK to Indian tourists to compete with France and other leading nations, through targeted marketing and engagement.
- This should also include advocacy to make it cheaper and easier for travel to the UK, focusing on visas and air passenger duty, using the Schengen region as a benchmark.

Connectivity

The region benefits from direct flights with India, but increasing capacity and introducing direct flights between Birmingham-Mumbai could unlock considerable economic value.

Birmingham Airport is the 7th busiest in the UK, and the only UK airport outside London with direct flights to India. The Airport’s unrivalled transport connectivity across the UK is a major draw.

Birmingham’s newly refurbished Grand Central Station provides a direct rail link to Birmingham airport in less than 9 minutes, and direct to London within 1 hour and 20 minutes. 90% of the UK’s population is within a 4-hour train or car journey.

Since Air India established a direct route between Birmingham Airport and Delhi in 2013, expanding to Amritsar in 2018, around 750,000 passengers used Air India’s services (with 3,000 seats available each week between India and Birmingham on the non-stop flights⁸⁴). In the three years prior to the pandemic, travel demand between Birmingham and India increased by 23,000 travellers per annum⁸⁵.

While significant, direct flights account for only 7% of seats connecting Birmingham to India, with the remainder served through typically cheaper routes through either the EU or the Gulf. When including indirect routes, Birmingham Airport is 3rd behind Manchester and Heathrow⁸⁶. Although the region offers direct routes for travel between Birmingham

Airport, Amritsar and Delhi, the lack of flights between Birmingham and other destinations across India – including Mumbai - make the region less accessible than London to Indians living in those regions.

The region’s daily direct flights to India are an important facilitator of trade and investment, as well as tourism.

Business class demand between Birmingham and India grew by 56% between 2015-2018, with a total of 24,000 passengers flying each-way between Birmingham and India in 2018⁸⁷. In 2019, a total of 57,000 outbound business passengers from the West Midlands flew into India (of which 37% to Mumbai, 28% to Chennai and 17% to Bengaluru). With direct flights to North India only, only 37% flew from Birmingham Airport, representing a lost opportunity.



‘Stronger together’ connectivity opportunities

Increasing direct flight capacity between the West Midlands and India, making travel quicker and easier, particularly for those living in Mumbai.

- As air travel recovers from the pandemic, it will be important to prioritise resuming the frequency of direct flights directly between Birmingham Airport and Delhi and Amritsar.
- Introducing a direct route to Mumbai should also be prioritised, given its importance for leisure and business tourists. The 2022 Commonwealth Games provides an opportunity to build the commercial case and trial a new route.
- With the disruption of the pandemic, there may be opportunities to work with new lower-cost Indian providers to fly direct to Birmingham Airport, or via the Gulf or EU, promoting the Airport’s low cost compared to Heathrow and outstanding connectivity across the UK.

Regional partnerships

Regions and Cities with strongest alignment to West Midlands Industrial Strategy Opportunities

India's size and complexity makes region-city partnerships important for enabling focused cooperation that will achieve mutually beneficial economic impact, with Maharashtra/Pune and Telangana/Hyderabad offering particularly strong potential.

India is a vast and complex country, and its business culture places great importance on relationships and trust.

For these reasons, and with finite resources, the West Midlands region will need to prioritise its engagement by geography as well as by sector and other priorities.

As a region itself, the West Midlands should develop state level partnerships, although corridor and other cooperation initiatives may be best delivered through cooperation at the city and institution level.

An analysis of regional and city cluster capabilities demonstrates a particularly strong alignment with four regions: Maharashtra (Mumbai and Pune), Telangana (Hyderabad), the Delhi New Capital Region (Delhi), and Karnataka (Bengaluru).

Maharashtra:

Major clusters in automotive, pharmaceuticals, medical equipment, specialty chemicals and IT. West Midlands - Maharashtra Mobility Corridor.

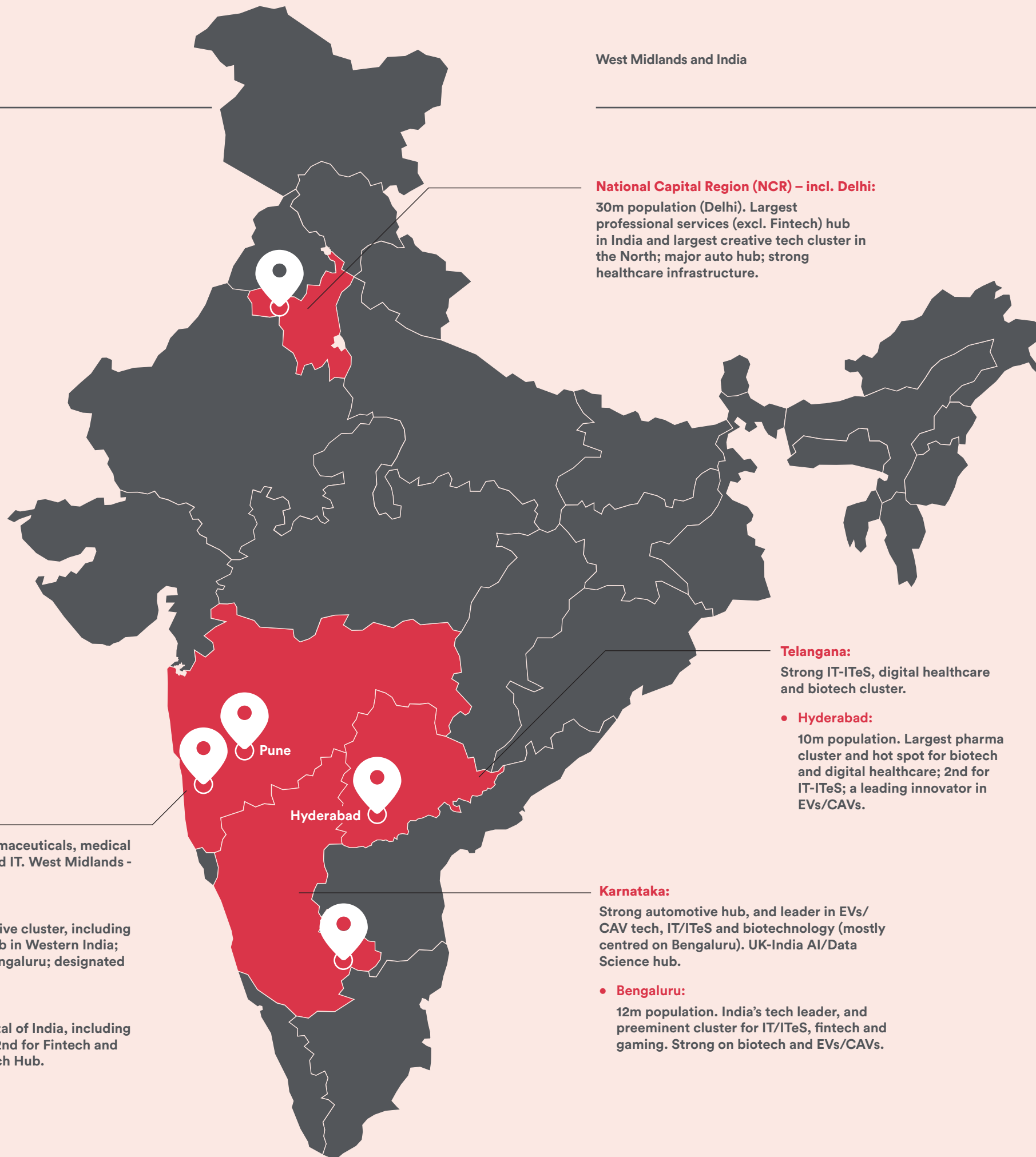
- **Pune:**

4m population; leading automotive cluster, including EVs and trials; largest IT-ITeS hub in Western India; 2nd largest gaming hub after Bengaluru; designated Science & Technology Cluster.

- **Mumbai:**

20m population. Economic capital of India, including top 3 for PRBS and technology. 2nd for Fintech and vision to become a Global Fintech Hub.

West Midlands and India



National Capital Region (NCR) – incl. Delhi:

30m population (Delhi). Largest professional services (excl. Fintech) hub in India and largest creative tech cluster in the North; major auto hub; strong healthcare infrastructure.

Telangana:

Strong IT-ITeS, digital healthcare and biotech cluster.

- **Hyderabad:**

10m population. Largest pharma cluster and hot spot for biotech and digital healthcare; 2nd for IT-ITeS; a leading innovator in EVs/CAVs.

Karnataka:

Strong automotive hub, and leader in EVs/CAV tech, IT/ITeS and biotechnology (mostly centred on Bengaluru). UK-India AI/Data Science hub.

- **Bengaluru:**

12m population. India's tech leader, and preeminent cluster for IT/ITeS, fintech and gaming. Strong on biotech and EVs/CAVs.

India is a vast complex country, and its business culture places great importance on relationships and trust.

The regions/cities of Maharashtra/Pune and Telangana/Hyderabad may together offer the best match for the West Midlands. While the NCR region and Mumbai offer a good fit, it will be difficult for the West Midlands to elevate its relationship given their size and the complexity of their existing partnerships. Similarly, while Bengaluru is very strong fit, it is relatively saturated with competing city and region initiatives.

Working in partnership with Maharashtra/Pune and Telangana/Hyderabad, there should be significant potential to develop 'corridor' or 'bridge' initiatives that will deliver two-way benefits across trade, investment and innovation, focusing on Future Mobility with Maharashtra/Pune, Data-driven Healthcare with Telangana/Hyderabad, with potential for Creative Tech with both.



Spotlight: Maharashtra & Telangana's world-class clusters

Future Mobility – Maharashtra/Pune

- Pune is the largest automotive hub of India, accounting for ~35.1% of India's automotive output, and containing over 4,000 manufacturing and ancillary units in the Pune automotive cluster (Pune, Chakan, Pimpri-Chinchwad regions) alone⁸⁹. Of these, around 50 are dedicated to electric and Future Mobility⁸⁹.
- Pune has created a favourable policy and investment environment for Future Mobility. Its city council's *Comprehensive Mobility Plan* prioritises future mobility, with half its transport budget invested in sustainable transport solutions. Pune Municipal Corporation's (PMC's) strategy for early adoption of EVs propelled the city to among '50 champion cities' in the world under the 2021 *Bloomberg Global Mayors Challenge* initiative.
- Its strong innovation ecosystem includes India's first 'Centre of Excellence' for green mobility solutions in Chakan. Run by the *Automotive Research Association of India* (ARAI), it will be a test and R&D hub for green mobility solutions⁹⁰.
- Moreover, the state of Maharashtra tweaked its EV policy to make the state more competitive in attracting investments in this sector and becoming a leader in battery powered EV (BPEV) adoption. Under the Maharashtra Electric Vehicle Policy 2021, the state aims to achieve at 25% electrification of public vehicles by 2025 in its six largest cities and towns. During the same period, the state plans to have at least 5% BPEV passenger car in the mix of total new vehicle registrations. In terms of infrastructure and investments in future mobility, the state plans to promote R&D, innovation, and skill development across the EV ecosystem; facilitate the establishment of EV and EV component manufacturing units in order to make Maharashtra India's top producer of BPEVs in India (in terms of annual production capacity); and establish at least one advanced chemistry cell (ACC) battery manufacturing Gigafactory.

Data-driven Healthcare – Telangana/Hyderabad

- Hyderabad is the pre-eminent healthcare technology hub in India, accounting for approximately 30% of India's life sciences revenues, with ~800 large Indian and global pharma companies⁹¹.
- Hyderabad has developed a globally competitive healthcare ecosystem through initiatives that include establishing incubation centres (18 dedicated to life sciences), handholding for start-ups, academia-business technology partnerships, and easy access to testing and regulatory facilities.
- Its Genome Valley is India's leading life sciences cluster with over 200 companies from 18 countries operating there, representing vaccines and other biotech segments⁹². The Government of Telangana's plans for Genome Valley 2.0 include the development of a medical devices and healthcare technology valley within the proximity of the cluster.
- The *Hyderabad Science and Technology Cluster* was launched in 2021 by the Government of India, bringing together academia, R&D labs, industry, and government in the areas of healthcare technology, drug and vaccine development and biotechnology.

Creative Technologies – Maharashtra and Telangana

- Maharashtra is 2nd in India for IT/ITeS exports, worth over £6 billion p.a. Pune is the ITeS hub, with 1,500 software companies and a strong skills base, accounting for ~20% Indian software exports. Its *Centre for Development of Advanced Computing* (C-DAC) is an R&D organisation focusing on IT and Electronics. Maharashtra's upcoming IT/ITeS promotion policy will further strengthen the ecosystem, including R&D. Pune is also a tech start-up hub, and it is developing into a leading gaming cluster.

- Hyderabad has largest number of IT companies after Bangalore. with 1,500 IT/ITeS companies, directly employing over 0.6m people. In 2019, its exports grew 18% YoY compared to the national average of 8%, and grew at 13% YoY in 2020, worth £15 billion. *Hyderabad's Technology Hub* (T-Hub) has developed a complete innovation ecosystem, instrumental in developing next-generation products and new business models for over 1,000 national and international start-ups⁹³.
- Telangana's *Animation and Gaming Policy* (IMAGE) launched in April 2016⁹⁴ aims to make the city a leader in animation, visual effects, comics, and gaming, including through FDI.

In addition, the strength of the 'living bridge' diaspora connection between the West Midlands and the Punjab will make this an important partner, particularly in education, skills and tourism.



'Stronger together' regional partnership opportunities

Develop partnership and innovation corridor arrangements with Maharashtra/Pune and Telangana/ Hyderabad.

- To enable focus and bring together trade, investment and innovation opportunities, the West Midlands should develop state level partnerships, although corridor and other cooperation initiatives may be best delivered through cooperation at the city and institution level – e.g., connected to specific innovation initiatives or organisations.
- Telangana/Hyderabad and Maharashtra/Pune provide a strong fit, focusing on Future Mobility and Datadriven healthcare respectively, with both offering high potential in Creative Tech.

Explore partnerships with Punjab, focusing on education, skills and tourism.

- Punjab should be a strong partner for cooperation on areas where the 'living bridge' connection can be a differentiator, e.g., attracting higher education students, vocational and executive skills and tourism.

Combine a regional-city focus, with targeted engagement where appropriate.

- Region-city partnerships should be a key delivery channel, but not exclusively so; for example, for Future Mobility, the West Midlands should target OEMs and Tier 1s for FDI across all clusters, and in R&D, it should target India's top R&D spenders regardless of their location.



4.

Recommendations and call to action

- 4.1 The West Midlands: The Beating Heart of the UK-India Relationship
- 4.2 Growing the West Midlands – India Science and Education Partnership
- 4.3 A Win-Win Trade and Investment Opportunity
- 4.4 Team West Midlands: A Partnership Approach to Sustained Engagement with India
- 4.5 Birmingham 2022: Strengthening the West Midlands – India Relationship

The analysis in Section 3 highlights a range of high-value opportunities for the WMIP to drive mutually beneficial economic outcomes.

This section proposes five ambitious and actionable recommendations to pursue these opportunities, delivered through partnerships. In most cases, the WMIP - as a special purpose vehicle – will deliver impact through promotion, partnership building and coordination, with WMIP members and other partners leading delivery.

RECOMMENDATION ONE

The West Midlands: The Beating Heart of the UK-India Relationship

Promoting the region as being central to the ‘living bridge’ between the UK and India; a top destination for Indian tourists; and increasing direct connectivity between India and Birmingham Airport.

The West Midlands should build on its unique, strong economic and social relationship with India to position itself as the beating heart of the ‘living bridge between the UK and India.

This can be a springboard for increased tourism and connectivity between India and the region, building on its diaspora of nearly 200,000 ethnic Indians and its rich Indian culture.

Other drivers include the region’s significant Indian student population, frequent direct flights between Birmingham and India, and the region already being a premier location for Indian investment and innovation.

Although the UK is losing market share, India’s outbound tourism market is set to grow. Within the UK, the West Midlands has a compelling offer for Indian tourists, but visitor spend in the region is relatively low. The Commonwealth Games will provide a unique opportunity to develop and promote the region’s leisure and business tourism offer to India and make the case for more direct flights in the lead up to the Games and beyond.

Promoting the West Midlands as a top Indian tourist destination through a *Visit West Midlands Campaign*: Working through the BATP and with partners including VisitBritain, the WMIP can help develop and implement a *Visit the West Midlands* campaign targeted at Indian tourists which could include the following elements to deliver impact:

- Building ‘wow’ into marketing, focusing on amazing events, places, and experiences for Indians. Draw on visitor analysis - including interest in the outdoors and canals, the cultural offer (food, museum connections, cricket, and other sports), and the importance of the experience economy for younger travellers.
- Targeting Indian regions that have a strong diaspora connection with the region, including the Punjab, and those that account for most tourists, including Maharashtra and the NCR.
- Working with multipliers and agents, including major operators in India and in the region. With pandemic restrictions making marketing challenging in 2021 (and possibly beyond), there is an opportunity to engage regional tourist operators serving the local diaspora, including through developing bespoke visit programmes and suggested itineraries.
- Targeting large-scale and high-profile business events and conferences aligned to the West Midlands’ strengths. For example, NASSCOM’s Europe Event or E Sport Conferences linked to the Commonwealth Games, and Silicon Spa’s gaming cluster.
- Advocating to make it more cost-effective and easier to travel to the UK, focusing on visas and air traveller duty, using the Schengen area as a benchmark.

Increasing direct air connectivity between India and the West Midlands through a *Commonwealth Connectivity Campaign*: working with (and through) regional partners, the WMIP can help build the case for more direct flights and routes to and from India as an important enabler of tourism and business. This would be achieved through:

- Resuming the frequency of direct flights directly between Birmingham Airport and Delhi and Amritsar, following the pandemic.
- Given its importance for leisure and business tourists, introducing a direct route between Birmingham and Mumbai. The Commonwealth Games will provide an unmissable opportunity to build the commercial case and trial a new route.
- Working with new, lower-cost Indian or regional providers to fly direct to Birmingham Airport, or via the Gulf or EU. This would highlight the Airport’s low cost compared to Heathrow, and the region’s outstanding UK connectivity.



RECOMMENDATION TWO

Growing the West Midlands - India Science and Education Partnership

Driving innovation through accelerating R&D collaboration with India on shared challenges; positioning the West Midlands as India's number one innovation partner in the UK; and attracting outstanding Indian talent (both academic and professional) to study in the region.

Central to the region's offer to India, innovation is set to drive both the West Midlands' and India's future growth. The region is already a hub for Indian innovation, particularly in electrification, and can position itself as India's number one innovation partner.

By scaling and leveraging its university offer, business partnerships, G2G R&D initiatives, and wider innovation ecosystem, the region can demonstrate how two-way economic benefits (as a precursor to high value FDI and exports) can be developed.

Moreover, India's booming international student numbers, UK policy changes, and Indian demand, create a moment-in-time opportunity to ramp-up Indian higher education student numbers and deliver more specialist business skills and executive training to Indian professionals.

To pursue these opportunities, it is recommended that the West Midlands positions itself as the number one innovation partner for India, and develops a *Study West Midlands* campaign:

Positioning the West Midlands as India's number one Science & Innovation Partner and accelerating R&D collaborations on shared challenges:

- Innovation is integral to the region's offer to India, and R&D activities can make an important contribution to the region's productivity (and act as a precursor to FDI and trade).
- Efforts should build on the success of the Future Mobility sector (focused on electrification and net zero) and extend this to Data-Driven Healthcare which together account for over 60% of Indian R&D spend.
- In doing so, the region should target the top 26 Indian R&D spenders, and work with existing Indian OEM and Tier 1 FDI investors to attract Indian-based high-technology firms and potential suppliers to undertake R&D in the region (through collaborations and R&D-focused FDI).
- R&D collaborations can be further advanced through working with the region's universities, innovation organisations, and SMEs, alongside their Indian counterparts. A focus on applying advanced technologies (e.g., AI, VR, AR, electrification etc.) to tackle shared challenges, such as net zero, is recommended. Other sectors and specialisms to pursue include EVs, clean energy, low carbon manufacturing, smart cities and digital health. This strategy should also include identifying opportunities and forming partnerships to develop and access research grants, competitions and challenge funds.
- With existing resources, the WMIP should focus on promoting opportunities, convening partners, and signposting through its innovation corridor initiatives.
- Advocating to make it more cost-effective and easier to travel to the UK, focusing on visas and air traveller duty, using the Schengen area as a benchmark.

Developing a *Study West Midlands* offer to promote the region's universities to Indian higher education students and executives:

- It is recommended that the West Midlands' universities develop a joined-up *Study West Midlands* promotional offer to capitalise on the boom in Indian higher education students and corporates seeking specialist professional and executive training.
- Focused on the region's academic and technology excellence (especially in STEM and executive education), its cultural offering, and its interconnectivity with business and high-quality employers, this would complement our universities' individual promotional and engagement activities.

Growing the West Midlands – India Science and Education Partnership – key enablers

The following key elements could help *Study West Midlands* deliver impact:

- Student profiling and targeting, including building on the 'living bridge' through focusing on the Punjab and other regions with a strong cultural connection to the region.
- Institution collaborations, including using scholarships, exchanges and other mechanisms to raise the profile and buzz around studying in the West Midlands.
- A flagship internship initiative, offering internships and post-study graduate schemes to Indian students - increasing the attractiveness of the region's offer and benefiting local firms through access to highly skilled graduates.
- Establishing an Indian-West Midlands alumni network, with annual virtual or physical events – for example, via fringe events linked to the end of the 75th Anniversary of Independence celebrations in 2021, and Indian-specific Commonwealth Games opportunities.
- Promoting the region as a global centre for innovation-focused vocational training and executive education, linked with the Visit West Midlands campaign (see Recommendation 4).
- Learning lessons from the 10 UK universities that have been most successful in attracting Indian students.

RECOMMENDATION THREE

A Win-Win Trade and Investment Opportunity

Working with India to increase two-way trade and investment through an integrated approach; establishing more dynamic corridor partnerships; being a leading enabler of India's Industry 4.0 aspirations; and positioning the West Midlands as the UK location of choice to fulfil India's global innovation ambitions.

The West Midlands is already the largest UK recipient of Indian FDI outside the South East. Building on this success, and the region's outstanding FDI offer, it can scale up high-value Indian FDI across the region's Local Industrial Strategy priority areas.

In tandem, the region's firms can benefit from investment in India as it seeks to become a global manufacturing hub through *Make in India*.

Increasing such two-way investment will deliver immense value for both the West Midlands and India through generating economic output, creating high-quality jobs, accessing new markets, boosting innovation, and driving productivity.

There are also significant opportunities to scale-up advanced manufacturing exports and two-way trade in services where there is significant synergy between India and the West Midlands. This will deliver economic value through increased revenues, productivity and job creation.

Through an integrated trade and investment campaign, it is recommended that the West Midlands positions itself as India's number one FDI partner and as an enabler of India's Industry 4.0 ambitions. This to be underpinned by support for the development of innovation corridors linking the West Midlands to specific Indian regions and cities:

Positioning the West Midlands as India's number one FDI partner for innovation and economic globalisation: this targeted innovation-led promotional campaign should be framed around how the West Midlands and India can help each other achieve their growth ambitions:

- Targeting the opportunities identified in Section 3 of the Strategy, with company profiling and account management, largely delivered through the corridor initiatives with Maharashtra/Pune and Telangana/Hyderabad.
- *Investing to Innovate* – profiling the region's world-class innovation offer and differentiators, including the depth and breadth of its innovation ecosystem, its net zero electrification and its digitalisation offer. This to sit alongside the promotion of specific investment opportunities, leveraging the region's FDI High Potential Opportunities in healthcare, mobility, and gaming.
- *Going Global from the West Midlands* – positioning the region as the pre-eminent UK location for Indian scaleups wanting to expand globally and large corporates' UK HQs. To include the West Midlands' differentiators over London and work with DIT - and regional stakeholders - on soft landing support for SMEs (such as incubation, office space and other business support services).
- Aligning with India's growth priorities, including Make in India, and its strategic economic development organisations and initiatives. Include shared marketing programmes with Invest India and other partners to promote two-way trade and investment and explore and trial joint 'wrap around' market entry and investment support for high potential companies looking to expand and grow in their respective territories.

Promoting West Midlands' exporters as leading enablers of India's Industry 4.0 ambitions: this should focus on Industry 4.0 technologies and know-how, framed around achieving India's Make in India and net zero ambitions, and should include:

- Targeting the opportunities identified in Section 3, where the region's advanced manufacturing, digital technologies and services capabilities can help Indian advanced manufacturers drive productivity and low carbon efficiencies.

Developing innovation corridors between the West Midlands and the Maharashtra and Telangana regions:

- The analysis of region-city cluster capabilities demonstrates a particularly strong alignment with several specific Indian regions. Of these, Maharashtra-Pune and Telangana-Hyderabad have a very strong sectoral fit and are neither too large (nor too saturated with competing initiatives).
- It is recommended that the West Midlands develops multi-faceted innovation corridors with these regions, framed around helping each other innovate to achieve their growth ambitions through investment, trade, R&D and skills.
- With Maharashtra-Pune, the initial focus should be on re-invigorating and expanding the Midlands-Maharashtra Mobility Corridor and exploring cooperation on Creative Tech.
- For Telangana-Hyderabad, the focus should be on Data-driven Healthcare and Creative Tech.
- The respective regions' innovation organisations and programmes will be key stakeholders, alongside businesses, business organisations, universities, and civic bodies.

A Win-Win Trade and Investment Opportunity – key enablers

These integrated campaigns should be implemented initially through the Business and Tourism Programme (BASP) and aligned with the GREAT campaign. Common themes and approaches to explore could include:

- Developing inspirational initiatives to motivate and inspire action. For example, UK-India Export Champions, Investment Conferences, Mayoral awards, and high-profile competitions.
- Promotion and B2B matchmaking within the West Midlands and India through roadshows, trade missions (virtual and physical where possible), trade shows, other events and high-level visits.
- Strengthening and leveraging the 'living bridge' - through establishing a West Midlands-India business network and partnering with existing Indian investors to attract their Indian suppliers to invest and innovate in the West Midlands.
- Collaborating with UK and Indian business associations on delivery, including NASSCOM, FICCI, CII, UKIBC, regional bodies, and others.
- Integrating with wider R&D and ideally skills cooperation (see Recommendation 3).

RECOMMENDATION FOUR

Team West Midlands: A Partnership Approach to Sustained Engagement with India

Increasing and enhancing the region's collective engagement with India to increase our impact. More specifically, investing in the WMIP to deliver more sustained, mutually beneficial partnerships, and more shared economic outcomes.

India is a vast and complex country, and its business culture places great importance on relationships and trust.

With existing resources, maximising impact will require a strategic and coordinated approach to increasing the West Midlands' profile within India and facilitating sustained and productive partnerships.

Working with regional and Indian stakeholders, the WMIP can be instrumental in achieving this through its promotion and partnering activities - leveraging the BAMP and wider UK-India bilateral opportunities.

Developing truly complementary and long-term region-city partnerships will be an important enabler within this context, especially considering the intense competition which exists to secure and sustain a high quality, constructive and meaningful dialogue with India.

It is recommended that the WMIP delivers this through:

Increasing the West Midlands profile in India and growing the WMIP:

- The WMIP has a critical role to play in generating and sustaining the visibility and partnerships needed to realise the potential of an enhanced relationship with India.
- Launched during the pandemic, the WMIP has achieved impressive impact with limited resources. This Strategy outlines a refreshed and reinvigorated approach, and new, bolder recommendations, for pursuing high-value two-way opportunities.
- But it is vital that the region's stakeholders continue to support, develop and grow the partnership with multi-year funding beyond the life of the BAMP if the region is to reap its share of the economic dividend of enhanced cultural cooperation and commercial collaboration.



RECOMMENDATION FIVE

Birmingham 2022: Strengthening the West Midlands – India Relationship

Maximising our impact, and forging new West Midlands-India relationships, by leveraging the Commonwealth Games; its parallel Business and Tourism Programme; and the India-UK 2030 Roadmap.

In hosting the Commonwealth Games in 2022, the world's spotlight will shine on the UK and the West Midlands. With 1.5 billion people expected to tune in to watch the games, and 27,000 international visitors, the £23.9 million Business and Tourism Programme (BAMP) will be a key vehicle for promoting the region to India and the world, delivering supporting activities that will unlock enormous economic potential.

Together with the India-UK 2030 Roadmap, which outlines partnership initiatives that are closely aligned to the West Midlands strengths, this presents an extraordinary opportunity to pursue mutually beneficial outcomes in the lead up to 2022 and beyond.

It is recommended that the WMIP maximises the impact of these initiatives on West Midlands – India outcomes through:

- Driving economic outcomes through the Commonwealth Games' Business and Tourism Programme (BAMP): It is recommended that India is prioritised within the BAMP, and that the WMIP works closely with the BAMP delivery team - and partners - to maximise the impact on West Midlands-India outcomes.

The WMIP, through its local and Indian partners and networks, is particularly well-placed to drive promotional and partnership-building activities through the BAMP, including developing and promoting India-specific initiatives.

- Becoming a leading partner within the enhanced India-UK bilateral relationship outlined in the India-UK 2030 Roadmap: The WMIP can play a key role in engaging with the most relevant UK-India bilateral initiatives, promoting the region's interests, and disseminating opportunities amongst regional stakeholders.

Potential impact and call to action

The five-year WMIP Strategy provides an evidence base and plan for WMIP’s strategic activities over the coming years which is both ambitious and achievable.

It is based on leveraging the West Midlands’ outstanding assets and, crucially, its pre-existing strong economic and cultural ties with India, in areas that are directly aligned to India’s interests, aspirations and priorities.

We have developed a series of ambitious aspirational impact targets for the Strategy, based on our research and consultation with key stakeholders, and these are outlined below.

Increasing West Midlands – India Cooperation: Aspirational Impact Targets

Theme	Key Performance Indicator	Baseline		Aspirational targets	
		Baseline data	Years(s) / time period for baseline	Year 5 aspiration	Value uplift over baseline
Trade and Investment	Indian - origin FDI value in West Midlands (£ million)	£457m	2016-2020 cumulative	£557m	£100m
	Indian - origin FDI projects in West Midlands (#)	18 projects	2016-2020 cumulative	25 projects	7 projects
	Indian - origin jobs created (#)	2,678 jobs	2016-2020 cumulative	3,178 jobs	500 jobs
	West Midlands exports to India (£ million)	£318m	2019 per annum	£418m	£100m
Innovation, Education and Skills	Indian higher education student enrolments in West Midlands (#)	5,390 students	2019-20 per annum	10,390 students	5,000 students
Tourism and Connectivity	Indian tourist visitors to West Midlands (#)	47,000 visitors	2017-19 average per annum	57,000 visitors	10,000 visitors
	Indian tourist spend in West Midlands (£ million)	£40m	2017-19 average per annum	£50m	£10m
	Direct flight routes	2 flights	2019	3 flights	1 flight

Note: Aspirational targets were derived through a combination of modelled growth rates based on historical trends, growth trajectories/s and the policy environment, agreed with WMGC experts.

In most cases, the WMIP’s role in the delivery of the Strategy’s targets will be one of promotion and facilitation, with other partners leading delivery.

With robust implementation and sufficient resource, the WMIP strategy can make a significant and transformational economic contribution to the West Midlands, the wider UK, and to India itself.

The Strategy cannot be delivered by the WMIP alone.

Rather, successful implementation will require a concerted, targeted and collaborative effort by a diverse stakeholder group in the West Midlands who, in turn, will need to collaborate effectively with their counterparts in India.

Achieving this is a significant challenge, but the prize is worth it.

And, as the UK and India focus relentlessly on rebuilding quickly and sustainably following the pandemic, it offers a clear and unequivocal opportunity to demonstrate we genuinely are Stronger Together.

Whether from business, civil society, academia or government, we encourage you to get involved. You can make an important contribution, however big or small, to increasing cooperation with India and supporting economic growth and job creation in both the West Midlands and India.

For further details on the West Midlands India Partnership, please contact:



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Team West Midlands: A Partnership Approach to Sustained Engagement with India

The West Midlands India Partnership Strategy document is founded upon extensive consultation and discussion across the membership and regional leadership. The strategy has benefited from the initiative and hard work of the West Midlands India Partnership’s Members, the West Midlands Growth Company, PwC, the UK India Business Council, and stakeholders from a range of diverse organisations who have come together to ensure all key elements are captured in the document. Consistent participation and active engagement from all representatives at multiple planning and execution workshops was instrumental in the development of the plan.

The West Midlands India Partnership acknowledges the contribution of all involved representatives and expresses sincere gratitude for the key role they have played in shaping this strategy document. Stronger ties with India will be achieved by WMIP facilitating the close working of all key stakeholders within the West Midlands and India to achieve the vision of ‘stronger together’.

Dr. Jason Wouhra (Lioncraft Trading Ltd.)

Dr. Shashank Vikram (Consulate of India Birmingham)

Neil Rami (West Midlands Growth Company)

Roger Mendonca (West Midlands Growth Company)

Daniel Storer (West Midlands Growth Company)

Matthew Hammond (Pricewaterhousecoopers LLP)

Arif Ahmad (Pricewaterhousecoopers LLP)

David Armstrong (Pricewaterhousecoopers LLP)

Stephen Page (Pricewaterhousecoopers LLP)

Phil Brown (Pricewaterhousecoopers LLP)

Shreena Sidhu (Pricewaterhousecoopers LLP)

Kevin McCole (UK India Business Council)

Rohit Singh (UK India Business Council)

Anil Puri (Purico Ltd.)

Sanjay Pandey (State Bank of India UK)

Trevor Ivory (DLA Piper LLP)

Ninder Johal (Nachural)

Lakshmi Koul (Confederation of Indian Industry)

Prof. Robin Mason (University of Birmingham)

Prof. Julian Beer (Birmingham City University)

Laura Demetris (British High Commission Mumbai)

Ian Harrison (Department for International Trade)

Our Patrons:





Annex & Appendix

Annex A: West Midlands India Partnership

West Midlands India Partnership members

Name	Organisation(s)	Title/Role	Board
Dr. Jason Wouhra, OBE	West Midlands India Partnership	Chairman	Executive
Stephen Page	PwC, UK	Midlands International Markets Leader	Executive
Ninder Johal	Nachural	Founder	Executive
Lakshmi Kaul	Confederation of Indian Industry (CII)	Head & Representative - UK	Executive
Professor Julian Beer	Birmingham City University	Deputy Vice-Chancellor	Executive
Trevor Ivory	DLA Piper	Partner	Executive
Sanjay Pandey	State Bank of India, UK	Executive Director & COO State Bank of India	Executive
Robin Mason	University of Birmingham	Pro-Vice-Chancellor	Executive
Hitesh Saxena	Consulate General of India	Head of Chancery	Executive
Dan Storer	WMGC	Chief Investment Officer	Executive
Anil Puri	Purico Group Ltd	Chairman	Executive

Appendix Section 2

¹⁴ World Bank, GDP Growth (annual %) – India.

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¹⁷ IMF DataMapper, April 2021.

¹⁸ World Bank, March 31 2021.

¹⁹ UN 2019 Migration Data.

²⁰ World Bank Ease of Doing Business in India.

²¹ UKIBC, 6th Annual Doing Business in India Report: The UK Perspective, 2020.

²² World Economic Forum, Global Competitiveness Report 2019.

²³ McKinsey, A New Growth Formula for Manufacturing in India, 2020.

²⁴ Make in India – sectors.

²⁵ Invest India (2021).

²⁶ UNICEF, GBC Education Report, 2019.

²⁷ Top Universities 2020

²⁸ Oxford Economics, Global Cities 2030, 2020.

²⁹ Department of Heavy Industry, FAME II, 2021.

³⁰ NASSCOM, Future of Technology Services – Winning in this Decade, 2021.

³¹ Electronics For You, AR and VR market size likely to grow exponentially, 2020.

³² Invest India, June 2021.

³³ Invest India, June 2021.

³⁴ IBEF, 2019.

³⁵ Observer Research Foundation, Australia-India: Capturing Opportunities in Life Sciences, 2020.

³⁶ IBEF, 2021.

³⁷ World Trade Organisation, Trade Policy Review: India, 2021.

³⁸ OECD, Services Trade Restrictiveness Index.

³⁹ UNCTAD, Investment Trends Monitor January 2021.

⁴⁰ 2019 was a record year, with Cairn India selling its investment in Anglo American, and Reliance Brands acquiring a 100% stake in Hamleys.

⁴¹ WTO, WTS 2020.

⁴² ITC Trade Map 2019.

⁴³ Ibid.

⁴⁴ Services Export Promotion Council.

⁴⁵ This includes technical, trade-related & other business services; professional & consulting services; & R&D services.

⁴⁶ ITC Trade Map 2019.

⁴⁷ Measured as the country's share of exports to India as a percentage of its total global exports of that product.

⁴⁸ ITC Trade Map 2019, UKIBC/PwC analysis.

⁵⁰ Business Standard – Economic Survey.

⁵¹ UNESCO, how much does your country invest in R&D.

⁵² Strategy=Business, What the top innovators get right, 2018; companies are Glenmark Pharmaceuticals, Lupin, Mahindra & Mahindra, Sun Pharmaceutical Industries, Zydus Cadila.

⁵³ Invest India, June 2021.

⁵⁴ The Hindu Business Online, 2021.

⁵⁵ The clusters are Delhi-NCR, Hyderabad, Bhubaneshwar, Pune, Jodhpur and Bengaluru.

⁵⁶ UKRI, 2021.

⁵⁷ The Top 10 investors include Tiger Capital, SoftBank, Sequoia Capital, Steadview, Nexus, Accel, Matrix, Lightspeed, Elevation Capital, and TenCent.

⁵⁸ With assets over £21.6m (US\$30 million).

⁵⁹ Visit Britain, India Market and Trade Profile, April 2021.

⁶⁰ ResearchandMarkets.com, India Outbound Tourism Market Analysis 2014-2019 & 2020-2026, 2020.

⁶¹ CAPA, The Inflection Point for Indian Outbound Travel, 2018.

⁶² Visit Britain, India Market and Trade Profile, April 2021.

⁶³ Ibid.

⁶⁴ Ibid.

⁶⁵ VisitBritain, Aviation Market India, 2020.

Section 3

⁶⁶ West Midlands Local Enterprise Partnership, 2019.

⁶⁷ West Midlands Growth Company, 2019.

⁶⁸ Gov.UK, Indian Ethnic Group: facts and figures.

⁶⁹ WMGC Monitoring.

⁷⁰ WMGC Monitoring.

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⁷² Deloitte Technology Fast 50 India 2020.

⁷³ Exports fell to £233m in 2020, although this was an anomalous year due to the impact of COVID-19.

⁷⁴ SE- South East, WM – West Midlands, NW – North West, EM – East Midlands, Y&TH – Yorkshire and The Humber, SW - South West, NE – North East.

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⁸⁴ Birmingham Airport, Air India Resumes 6 Direct Weekly Services to India from Birmingham Airport, 2019.

⁸⁵ CAA Survey Data 2016-2018 an SABRE Market Intelligence.

⁸⁶ Visit Britain, Aviation Market India, 2020.

⁸⁷ SABRE Market Intelligence Data, 2018.

⁸⁸ Magnetic Maharashtra: Auto and Auto Component Sector, 2021.

⁸⁹ Tracxn, Electric vehicle start-ups in Pune, May 2021.

⁹⁰ Hindustan Times, Chakan drives into the future, 18 February 2020.

⁹¹ Indian Pharmaceutical Alliance, The Indian Pharmaceutical Industry - the way forward, 2019.

⁹² Telangana Today, Telangana gearing up for Genome Valley 2.0, 9 November 2019.

⁹³ T-Hub website.

⁹⁴ Government of Telangana, IT&E Department, June 2021.



**West Midlands
India Partnership**

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**West Midlands
Growth Company**

UK INDIA
BUSINESS COUNCIL

