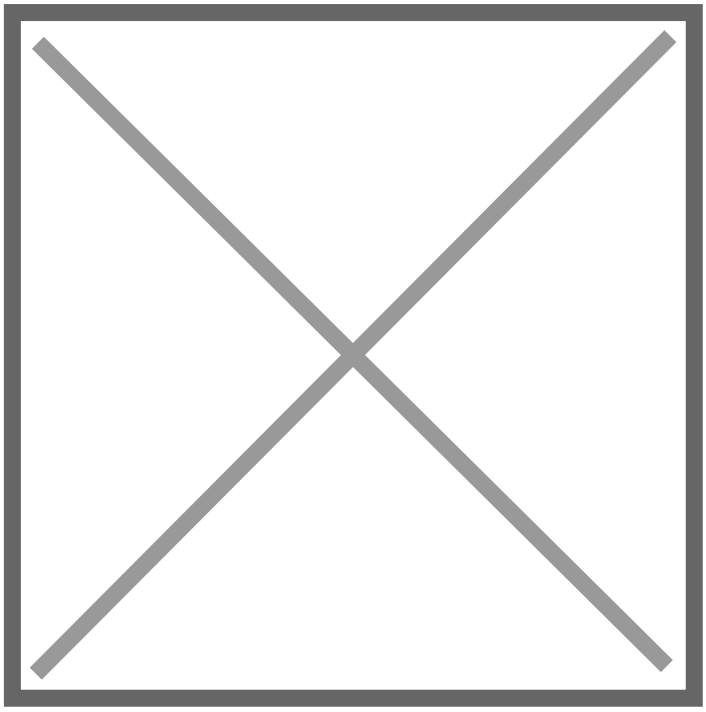
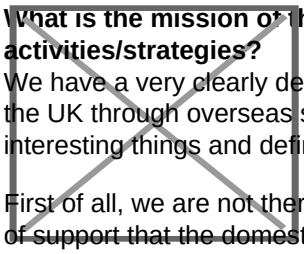
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Ã¢â?¬Å?Twenty years ago, we were just interested in products and services, but now we are interested in business relations,Ã¢â?¬?

17 March 2004 | News



Sir Stephen Brown, Chief Executive, UK Trade & Investment



What is the mission of the UK Trade & Investment? What are your long-term and short-term India-oriented activities/strategies?
We have a very clearly defined mission. It is to enhance and improve the international competitiveness of the companies in the UK through overseas sales and investment and to attract high quality investments into the UK. There are a couple of interesting things and definitions.

First of all, we are not there to just help the British companies. Foreign companies that invest in the UK receive the same level of support that the domestic companies get.

Second, we help them to become internationally competitive through both overseas sales and exports and through overseas investments. We recognize that in today's highly globalized economy, for many companies to be competitive and be sustainably competitive, they have got to invest overseas. We see that as part of the business model of any company, which is going to grow and survive. So we do assist our companies with joint venture partnerships overseas and induce them to make overseas investment. Since we are dealing with the governments, if there is any regulatory issue, we help them through the local procedures and provide the key contacts.

The second half of the job is to attract high quality investment into the UK. We believe that inward investment is a huge economic driver and that the open economy will help the society. We found this by having the world's best companies operating in our environment. This is driving the local companies to move up the value chain. That is the area and that is what we do.

I would like to stress that we do not do macro things. We are not a big enough organization to influence the macro economic flows of trade and investment. We do micro. We work at the level of individual companies. My organization's targets are to bring 6,000 companies into exporting and to bring 18,000 companies who already export into newer markets. It is to help the British companies to win 300 major overseas projects or major pieces of business. So it is very clearly defined. We work at the level of individual companies. So if the export volumes to India grow up, I am delighted. But it is not my responsibility to make them grow. My responsibility is to make sure that a company, which can export to India, is properly developed, trained, and supported by our people here in India to do business.

What is the model you follow? Who approaches whom?
We call ourselves as a trade development organization, developing the companies. In the UK, we have a regional network that responds to the requests from the companies who want to export and also knocks on the doors of the people suggesting that they ought to do business internationally. Then, we have a developmental programme. Without going into the details, I

would say we put a business development advisor who cofunds with the company, training, development, marketing, financial support, etc. We ensure that the company has the right scale to export. While we are developing the company, we are looking at the products or services they produce, and go through the process, which will find where the markets are. Having decided that, we put some teams on the ground in those markets to do some research for them and find them the right contacts.

In terms of companies that are investing overseas, the most normal model is for the companies to come to us for advice. We provide general advice and then if they run into any regulatory or bureaucratic issues, we intervene and find a way to resolve the same.

What are your current priorities with respect to India?
We would like to increasingly pride ourselves on being business driven. So the priorities would be the priorities that the businesses would set. The current strengths of India are in ICT. Software development is an area that India is already respected for and you are also growing your biosciences sector. That would be another area that we would expect the UK companies to be looking. Certain amount of manufacturing, research and development, and pharmaceuticals are important. So we have responded to what business says. So we do not sit down and say that we think the following areas are important. What we do is go and talk to trade associations and industry groups in Britain and ask them where their priorities are and where we can make most difference.

What are your perceptions about the Indian market?
I think it is a fun and nice place to be at an individual level. Perhaps, there is a lot of bureaucracy and sometimes the procedures, rather than decision-making, can be rather lengthy, and there is a certain amount of opaqueness about how things work. Since the creation of the Indo-British partnership in 1993, there have been under 2,000 British companies that have either joint ventures or investments into India. That shows that business can be easily done and that it is a good market. The UK is the third largest investor after the US and Mauritius into India. That is a good test of the market. The level of trade has also gone up in both directions. We talk about Â£5 billion worth of trade each year.

Further, we have a sizeable Indian community in the UK (1.3 million). Many of them have family links and have also gone into businesses. That is important. In my view, am not sure if we have fully harnessed that opportunity. My organization helps businesses to go international but we are not as good in reaching out to the ethnic and minority businesses. It is an untapped potential and we are going to address this over the next few years.

When you make a pitch, what is the USP that you offer about the UK?
There are so many USPs. First, we are the world's fourth largest economy. Second when we survey the inward investors, they say they like the macro economic and political stability. We have light regulations compared to our competitors, flexible labor, good infrastructure, and all the more, we speak the world's business language. We are an open and welcoming society. All this is an attractive package. We want your companies in the UK. Yes they will compete with the domestic businesses but that is what we want. By having the best of the world in the UK, we want to drive competition. The message is that we cannot compete on low cost and do not want to. We do not want to have a low-cost and low skill economy. That is not the future of the UK. So we have to raise the skill level throughout our society, which is quite a challenge.

In which direction is the UK economy headed?
We will move up the value chain. The way we will do that is because we have world- class education and scientific and technical research in the UK. We do have world-class centers of excellence in pharmaceuticals, life sciences, chemicals, and nano-technologies. And that is undoubtedly the way we will grow our economy. So increasingly, our organization is working with the scientific and technological communities. We are working with universities because they are increasingly spinning out companies. Here in India, we have a Science & Technology network. This works hand-in-glove with the commercial trade and investment side. We are getting away with our rather old simplistic model, where we regarded our job as to simply help the companies export their products and services. So increasingly partnerships, technology transfers, even identifying leading researchers and business people to find how the UK can contribute and what they are looking to achieve etc. are becoming important. So it is a much wider proposition. Twenty years ago, we were just interested in products and services, but now what we should actually be saying to Indian companies is what is your business relation with the UK and how can we strengthen it? It might be through buying or selling, by trading, or through inward or outward investment, or through technology partnerships, or through helping the work force. So it is a much wider proposition. We believe if the Indian economy grows that is good for us. That is why we support free and fair track.

Ã¢â?¬â?•N Suresh and Ch. Srinivas Rao