

Finance Ministers Sunak and Sitharaman hold landmark dialogue

The landmark tenth Economic and Financial Dialogue (EFD) between the UK and India saw the UK Chancellor Rishi Sunak and Finance Minister Nirmala Sitharaman meeting to build further economic ties.

The UK and India have a strong investment relationship, with UK and Indian investments supporting over half a million jobs in each other's economies. Since the first EFD with India in 2007, UK bilateral trade with India has more than doubled to nearly £24 billion in 2019.

The Chancellor and Finance Minister discussed the importance of continuing to work together to deal with the global economic impact of Coronavirus – which the UK and India are already leading as co-authors of the G20 Action Plan – and tackling climate change through sustainable finance.

UK Chancellor of the Exchequer, Rishi Sunak, said:

The UK's economic and financial relationship with India has never been more important with the global challenges we face. Today we set out our ambition for even stronger ties, with an agreement that will increase investment and create and secure jobs. We are also committed to working together to lead the global economic recovery as we build back better after the pandemic.

Agreements reached today include:

- A new strategic partnership to accelerate the development of Gujarat International Finance Tec (GIFT) City as an international financial centre – including regulatory capacity building support for the new International Financial Services Centre Authority
- A new UK-India Partnership on Infrastructure Policy and Financing to support the Indian National Infrastructure Pipeline with UK commercial expertise and financing
- Strengthening cooperation on mobilising private capital into green investment, including through a new UK-India Sustainable Finance Forum, and greening the financial system
- A fresh mandate for the industry-led India-UK Financial Partnership to explore closer financial ties in areas including FinTech
- Creating a new Financial Markets Dialogue to remove regulatory and market access barriers for UK and Indian firms
- Joint investment by UK Research and Innovation and India's Department of Biotechnology in research collaborations worth up to £8 million to understand the impact of Covid in South Asian populations in the UK and India

During the talks, the Chancellor championed UK markets as a source for Indian companies to raise international capital, and welcomed the decision to allow Indian companies to list on the London Stock Exchange – the UK being one of only seven jurisdictions permitted.

Ministers also agreed to explore ways to boost investment in insurance through an increase in India's foreign investment limit.

The UK and India have built a strong partnership on FinTech, and the Ministers agreed to collaborate on facilitating the flow of faster and cheaper UK-India remittances.

Ministers further committed to leading the world's economic recovery by working closely together through the UK's G7 and COP Presidencies and India's G20 Presidency in 2022.

Alongside the EFD, the Chancellor addressed industry leaders at the UK-India Investing for Growth Forum hosted virtually by the City of London Corporation and the Federation of Indian Chambers of Commerce and Industry. The Chancellor highlighted the enormous potential for the UK and India to work together to drive green sustainable finance flows and generate even stronger bilateral investment.

- The joint statement, signed by the Chancellor and the Finance Minister, is available [here](#).
- The Indian delegation was led by Finance Minister Nirmala Sitharaman and included the Chairman of the Securities and Exchange Board of India Ajay Tyagi and two Deputy Governors from the Reserve Bank of India. The UK delegation was led by Chancellor Rishi Sunak and included the Governor of the Bank of England Andrew Bailey and the CEO of the Financial Conduct Authority Nikhil Rathi.
- UK-India investment: The UK is the second fastest growing G20 investor in India over the last 10 years. UK companies have invested nearly £22 billion in India since 2000, creating more than 422,000 jobs. The UK is also India's second biggest research partner with joint research expected to be worth £400m by 2021. Indian investment in the UK is also strong. More than 800 Indian companies operate in the UK, employing more than 110,000 people. India is now the UK's second largest source of investment in terms of number of projects with 120 new projects and over 5,000 new jobs in 2019-20.
- FinTech: Agreement was reached to explore potential options for greater connectivity between India's Unified Payments Interface system and the UK payments system, and to support greater acceptance of Rupay cards in the UK. Ministers also celebrated the second round of the FinTech Awards mentorship programme to support innovative Indian FinTech startups and Indian financial regulators' (RBI, IRDAI, PFRDA) decision to join the Global Financial Innovation Network, partnering with the UK on fostering industry innovation.
- Research announcements:
 - Covid-19: UK Research and Innovation (UKRI) and India's Department of Biotechnology have announced up to £8 million of joint investment for our research communities to collectively understand

and address the factors leading to the severity of Covid19 in South Asian/Indian populations in the UK and India.

- Fleming Fund: UK's Department of Health and Social Care announced a new Fleming Fund partnership with the Ministry of Health, to support India's Coronavirus Response Plan and antimicrobial resistance (AMR) with an initial £600k contribution, and a strong platform for further bilateral collaboration on AMR in the future.
- Trade: UKRI and the Indian Council of Social Science Research announce four joint projects under a collaborative research call on the future of UK-India trade and cross border investment in a changing global environment. This research will explore the challenges and opportunities in the bilateral trade and investment relationship

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