<u>Speech: Celebrating the aviation ties</u> <u>between India and the UK</u>

Introduction

It's an honour to speak to the Indian aviation community today (8 February 2017).

And I'm grateful for your warm welcome.

I've come to India as a representative of the British government, and with a clear purpose.

To meet the Indian government, Indian airlines, and the aerospace industry, and in so doing to strengthen the ties between our countries.

As the UK's Minister for Aviation, I have something of a natural advantage in achieving that purpose.

Because what makes the aviation industry so special is that it is – by definition – an industry founded on international ties.

On the links between distant places.

On the common enterprise between peoples.

And it's an industry with a goal: to bring those peoples together, for trade or for pleasure.

There are few greater examples of this than the links aviation provides between India and the UK.

British Airways has been flying to India for over 90 years.

And when Air India established its first ever international route, in 1948, it was to London.

Now three and a half million people travel between our two countries by air every year.

More people fly from the UK to India than from almost any other country.

And the 1.5-million-strong Indian diaspora in the UK – of which I count myself a member – is kept in contact with friends and family half a world away by the unceasing passage of Indian and UK airliners between our airports.

Era of expansion

There are also great parallels between our respective industries.

Both have begun a new era of expansion.

It is a thrill for me come to this country at the most exciting time in Indian aviation history.

To see for myself its rate of growth and global reach.

The number of Indian airlines has more than doubled in 10 years.

Last month, the aviation market in this country hit 13 consecutive months of passenger growth.

And you are on track by 2030 to become the largest aviation market in the world.

In the UK, too, aviation is growing, and set to grow much further still.

Each record year of passenger numbers is broken by the next.

New routes to new destinations are added almost every month.

Heathrow

And in October we took a long overdue decision – to support the construction of a <u>third runway at Heathrow airport</u>.

Those of you who have flown to Heathrow – perhaps even flown there in the pilot's seat – will know how busy that airport is.

In fact, it is the busiest two-runway airport anywhere on earth.

Heathrow's popularity helps make the UK the best connected country in Europe.

But for many years the airport has been operating at full capacity.

Without action, space for flights to and from new destinations — including India — will be severely constrained.

So our recommendation is that Heathrow be allowed to construct a world-class new runway, and the planning process is already underway.

An expanded Heathrow would make possible an extra 260,000 aircraft movements a year, or 16 million additional long-haul seats.

And it would compete against hubs such as Amsterdam, Paris and Frankfurt.

Aviation strategy

This decision is important enough that it justifies a fresh examination of how the government works with the aviation sector.

So over the next 2 years, we are going to draw up a new aviation strategy.

It will determine how the government can support the industry's continued future success.

We are exploring:

- the effect of aviation on the environment
- how aviation can best serve its customers
- how we can support regional growth and connectivity
- how to increase trade through aviation
- the importance of aviation employment and skills
- innovation, and the transformative potential of big data

In so many of these areas I increasingly see that our two countries have much common experience.

In skills for instance.

The Rajiv Gandhi National Aviation University, which the Indian government is establishing, is a brilliant idea.

I have already written to the Honourable Minister for Civil Aviation, Pusapati Ashok Gajapati Raju, on the matter.

And I'd like to look at whether this model could work in the UK too.

Then there's aviation growth and the environment.

As we both expand our aviation capacity, we'll both need to look at how we can make the best use of break-through cleaner technologies.

Brexit

But, of course, the decisions we are taking for UK aviation come in the context of an even more momentous decision.

In June, the British people voted to leave the European Union.

It is a decision with far-reaching consequences — and not just for the UK and the EU, but also for India and our other international partners.

To understand the decision is to see that it was not just a vote to leave the European Union.

It was also a positive expression of our desire to raise our ambitions and look beyond the EU.

The UK has always been a profoundly internationalist country.

We are one of the most racially diverse countries in Europe.

One of the most multicultural members of the European Union.

A country that has always looked beyond Europe to the wider world.

And — whether we are talking about India, Pakistan, Bangladesh, America, Australia, Canada, New Zealand or countries in Africa — so many of us have close friends and relatives from across the world.

The vote to leave the EU was a vote to strengthen those global ties.

That's why we gave our backing to a third runway at Heathrow.

That is why we are looking to renew our aviation strategy.

And that is why I was so determined to come to India to meet the aviation community here.

Because I want us to work together, to strengthen even more those ties of trade and friendship.

We already do much business together.

In aviation alone, of the 480 aircraft in the Indian civil fleet, almost half are built by Airbus — with their most important components made in the UK.

Then there was the brilliantly successful partnership between Mumbai airport and the UK's National Air Traffic Service.

Together they substantially increased airspace at the airport, helping bring in an extra \$100 million in annual revenue.

And the trade links go far beyond just aviation.

Since the turn of the century, no G20 country has invested more in India than has the UK.

One in twenty jobs in the organised private sector in India is in a UK company.

We have heeded Prime Minister Modi's request that the world "Make in India".

We are one of the very biggest Makers in India.

We are proud of it.

And in the future we want to do much more still.

That's why our Prime Minister chose India for her first overseas trade delegation.

During that visit, £1.2 billion worth of business between UK and Indian companies was announced.

And during her visit, she joined with Prime Minister Modi in committing to build the closest possible commercial and economic relationship.

The groundwork is already being laid.

Our <u>Secretary of State for International Trade, Liam Fox</u>, has agreed to set up a joint working group with your Honourable Minister for Trade, Nirmala Sitharaman.

It's going to look at both the future of our trade and investment links as the UK leaves the EU, and it will identify the practical steps we can take at present, too.

Conclusion

In thinking of past, present and future links, I am reminded of a photograph I keep on my desk in Westminster.

It is a picture of one of the greatest of Indians: Mahatma Gandhi.

I remember something he once said, that:

If we are to make progress, we must not repeat history but make new history.

We must add to the inheritance left by our ancestors.

That thought could be a summation of everything the British government would like to achieve with India.

To build on the inheritance left by our ancestors.

We have a long and deep relationship, and much common history.

I welcome your support as we seek to build yet higher on those foundations.

In our aviation industries.

In enterprise.

In friendship.

Thank you.