



# Critical Reasoning

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## Propelling the U.K. and India story

**T**wo democracies, two elections and two path-breaking results. In June this year, Prime Minister Narendra Modi became the second leader in Indian history to win a third consecutive term. In July, the Labour Party under Sir Keir Starmer achieved a landslide victory in the United Kingdom. This is a new chapter of the U.K.-India partnership.

There are positive signals in the U.K. Government's engagement with India. The Labour Party has pledged to pursue a "new strategic partnership" with India. As part of this, we are eager to see a swift conclusion of the U.K.-India Free Trade Agreement (FTA) and deeper cooperation on security, technology, climate change, and education. It is good to see the U.K.'s Secretary of State for Foreign, Commonwealth and Development Affairs, David Lammy, visit India within a month of taking office.

The '2030 Roadmap' has delivered. Bilateral trade stood at £39 billion in 2023. Both countries are investing significantly in each other's economies, employing around eight lakh people between both countries currently.

However, we call on both governments to agree on a new Roadmap to 2047 to unlock the full benefits of this partnership.

### India matters and it matters now

India's global position is undisputed. Its immensely successful G-20 Presidency in 2023, remarkable moon landing, primacy in digital public infrastructure, and soon-to-be the world's third largest economy are testament to this. The organisation I lead, the U.K. India Business Council, is on a mission to help the U.K. and its companies understand this better and update how they see the Indian opportunity. India is not simply a market but a strategic partner – part of our research and development (R&D) chain, technology chain, talent chain and supply chain.

This is also a message we are conveying to the new government in the U.K., which must prioritise India and forge an equal economic partnership, creating jobs and prosperity in both



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countries. A swift FTA would be a game changer – it is the foundation of a new structure we can build, and central to that structure is technology and R&D collaboration. India has the best return on investment (ROI) per dollar of R&D spend in the world – look at what the Indian Space Research Organisation has achieved. Equally, Indian firms are eager to work with U.K. companies and our world-class universities.

We can think big here. The two countries have a long-standing health-care partnership, successfully developing the life-saving malaria vaccines to address a global challenge. Can we enhance more U.K. clinical trials in India, share health-care research and support knowledge transfer?

The U.K. is investing to support innovative sustainability technology and British banks provide billions in climate financing to India. Our university members are collaborating with Indian industry to help develop talent for India and the world. And partnerships with Indian universities, through innovative Transnational Education routes, can help offer world-class higher education in India.

### Key areas of alignment

Last year's landmark G2G agreement to collaborate on science and innovation points the way.

The U.K. and India are natural partners in defence and security.

The U.K. once provided most of India's defence equipment. Today, it has a mere 2.5% market share. India is focused on indigenisation, building reliable defence technology supply chains, securing access to critical technology, increasing exports, and creating domestic manufacturing jobs. The U.K.'s mature and sophisticated defence industry can support this mission. The successful visit to the U.K. by India's Defence Minister Rajnath Singh in January 2024 (the first by a Defence Minister in 22 years), indicates that momentum is rising.

Mobility is another area where the two countries seamlessly align. Getting this right for

students and skilled professionals is vital. It will impart trust and of mutual confidence, sending a strong message to Indian investors that the U.K. is welcoming. The U.K. has a positive story to tell on mobility. Over the last year, about 3,50,000 visas have been issued to Indian nationals for work, education or as dependants. We need to further champion this 'living bridge'.

### Unlocking full potential

The ideas above are just the tip of the iceberg. The potential for a deeper U.K.-India economic partnership is vast – this will require work from both nations. In India, we would welcome further business environment reforms.

British companies are committed to manufacturing in India and welcome policies that help integrate India into their supply chains without impacting their efficiency. For example: a facilitative tariff and standards regime would help unlock significant inflows.

It is essential to have taxation policies and regulatory treatment that ensure parity and level-playing field across all investors.

British investors are keen to bring and co-create new Intellectual Property (IP) in India with Indian partners, if policies can provide adequate protection and commercial compensation for their IP.

Ease of doing business optimisations, such as shorter timelines for approvals and a more consistent, transparent approach across government departments, States and regulators for clearances, are also important.

We will continue working closely with both the governments to deepen the strong bilateral economic partnership that improves lives globally.

India is the most exciting economic story today. We are at the beginning of the Indian century, making it a great time to join forces for greater good.

Mr. Modi's statement, 'The more your friendship deepens with India, the more prosperity accrues to both', sets the tone for a shared future.

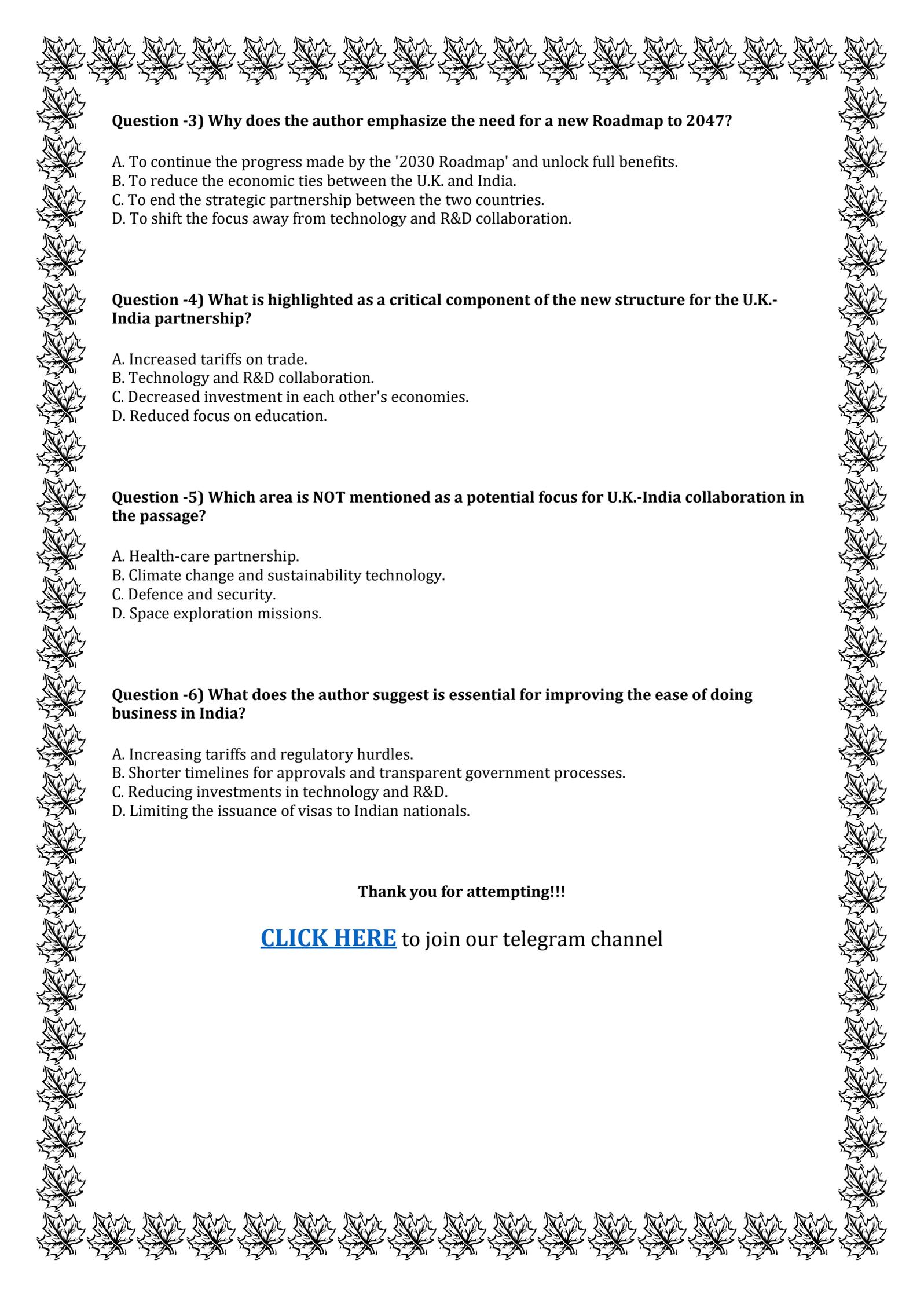
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### Question -1) What is the primary purpose of the passage?

- A. To criticize the current state of U.K.-India relations.
- B. To highlight the importance and potential of a U.K.-India partnership.
- C. To explain the failures of the U.K.-India Free Trade Agreement.
- D. To provide a historical overview of U.K.-India economic relations.

### Question -2) According to the passage, what is a significant outcome of the '2030 Roadmap'?

- A. The reduction of bilateral trade between the U.K. and India.
- B. The increase in investments by both countries in each other's economies.
- C. The cessation of cooperation on security and technology.
- D. The decline in employment opportunities in both countries.



**Question -3) Why does the author emphasize the need for a new Roadmap to 2047?**

- A. To continue the progress made by the '2030 Roadmap' and unlock full benefits.
- B. To reduce the economic ties between the U.K. and India.
- C. To end the strategic partnership between the two countries.
- D. To shift the focus away from technology and R&D collaboration.

**Question -4) What is highlighted as a critical component of the new structure for the U.K.-India partnership?**

- A. Increased tariffs on trade.
- B. Technology and R&D collaboration.
- C. Decreased investment in each other's economies.
- D. Reduced focus on education.

**Question -5) Which area is NOT mentioned as a potential focus for U.K.-India collaboration in the passage?**

- A. Health-care partnership.
- B. Climate change and sustainability technology.
- C. Defence and security.
- D. Space exploration missions.

**Question -6) What does the author suggest is essential for improving the ease of doing business in India?**

- A. Increasing tariffs and regulatory hurdles.
- B. Shorter timelines for approvals and transparent government processes.
- C. Reducing investments in technology and R&D.
- D. Limiting the issuance of visas to Indian nationals.

**Thank you for attempting!!!**

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