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Cameron urges India to remove barriers

George Parker in Mumbai and Helen Warrell in London, Financial Times

18 February 2013: David Cameron has urged India to dismantle trade barriers in banking and insurance in exchange for Britain making it easier for business leaders and students to come to the UK.

Speaking in Mumbai on Monday at the start of a three-day visit to India, Mr Cameron announced plans for a one-day visa service for Indian business people who needed to come to Britain at short notice.

Mr Cameron hopes the initiative will reassure investors that the UK is not becoming more hostile to Indian migrants, in spite of the prime minister's much tougher rhetoric on immigration before he left Britain.

Addressing workers at Hindustan Unilever, he also repeated his assurance that there was "no limit" on the number of Indian students who could study in Britain, provided they had a basic English qualification and the offer of a place.

Mr Cameron presented these assurances as evidence that Britain was lowering barriers to trade – although his comments on student visas was a restatement of existing policy – and he urged India to follow suit in areas including financial services and retail.

The prime minister proclaimed Britain's 21 per cent rate of corporation tax as an attraction for Indian inward investors, adding that the rate was so low that there was no excuse for companies to avoid tax aggressively.

"There are some forms of tax avoidance that have been so aggressive there are moral questions," he said.

Mr Cameron said he wanted Britain to be India's "partner of choice" and is being accompanied by a delegation of 100 business leaders, academics and parliamentarians – the largest such overseas trade mission.

The prime minister also hopes British architects and contractors will play a leading role in developing a corridor of business and housing between Mumbai and Bangalore, two of India's main economic powerhouses.

Before he left Britain, Mr Cameron was warned against giving two different messages on immigration ahead of his visit.

John Cridland, head of the CBI employers' organisation, said there was "a real risk" of mixed messages arising if Mr Cameron and fellow ministers did not make it clear that Indian students are welcome and make a valuable contribution.

Last week Mr Cameron upped his rhetoric on immigration at the Eastleigh by-election, saying that the UK could not be seen as a "soft touch" and vowing to restrict access to healthcare, housing, benefits and legal aid for migrants.

Mr Cridland, who is part of the business delegation, acknowledged Mr Cameron's dilemma in trying to find language to satisfy his Indian hosts, British business leaders and voters in Eastleigh.

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India expresses 'concerns' on proposed UK visa rules

Business Standard

New Delhi/Bangalore, 26 June 2013: India has expressed “serious concerns” over the new visa norms proposed by the UK earlier this week, which require applicants to pay a hefty cash bond of ₹3,000 (Rs 2.8 lakh). Commerce and Industry Minister Anand Sharma raised the issue in London today during his meeting with Vince Cable, secretary of state for business, innovation and skills, Oliver Letwin, minister for government policy in the Cabinet office, and Gregory Barker, minister in-charge for business engagement with India. An official statement by the commerce ministry said Sharma was assured by the British government that the proposal for the pilot project had not been sanctioned by the government. The external affairs ministry has sought further clarity on the issue from the Indian high commission in London. The ministry said it might raise the issue during the India-UK consular discussions, expected next month. The UK is planning to pilot a scheme with effect from November for a year, targeted at visitors from at least six countries including Bangladesh, Sri Lanka and Ghana, because these are considered “high-risk”. Under it, visitors will be forced to pay a cash bond of ₹3,000 before entering the UK. This will not be applicable for children under 18. “This would be a deterrent factor. But I hope that it is only temporary deterrent. We will make all diplomatic efforts to ensure that there is no hindrance to student mobility,” said Human Resource Development Minister M M Pallam Raju. Ameet Nivsarkar, vice-president of IT industry body Nasscom, said it would only be applicable to visitors. “Besides, it is a pilot programme; so it is not going to be applicable for all.” According to the UK, the pilot project is aimed at addressing concerns on misuse of visa and reduce the risk of overstaying. “In the long run, we are interested in a system of bonds that deters overstaying and recovers costs if a foreign national has used our public services. We're planning a pilot that focuses on overstayers and examines a couple of different ways of applying bonds. The pilot will apply to visitor visas, but if the scheme is successful, we would like to be able to apply it on an intelligence-led basis on any visa route and any country,” said UK's Home Secretary Theresa May in a statement issued by the British High Commission here. The Indian industry has already expressed its sharp resentment over the proposed norm and warned that the move will act as significant deterrent in India-EU bilateral relations. According to CII, such a step is “highly discriminatory and very unfortunate” and that it will adversely impact businesses flow of students and tourism. Vindi Banga, chairman of FICCI's UK Advisory Group, said: “A high-risk status for visas for Indian visitors to the UK is 180 degrees opposite to Prime Minister David Cameron's emphasis on a special relationship with India. If true, this move will adversely impact students, tourists and business alike.” India and the European Union are currently engaged in talks for having a wide-ranging free trade agreement, which also includes a relaxed visa regime. If such a move by the UK government goes through, this will be contrary to what was promised under the proposed deal. Ironically, during his visit to India in February, Cameron had promised a relaxed visa regime between both countries for businessmen.

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