

## There are 1.27 billion reasons why Indian visit is crucial to Ireland

By Simon McKeever  
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Whatever the political landscape after the next General Election, one message will remain the same regardless of who is in power - Ireland is open for business and welcomes new trade opportunities with open arms.

We are often reminded how the Government has reached many milestones and has recorded a surge in exports. But are we looking in the right direction when it comes to where the biggest future opportunities lie?

We have consistently looked west to the US, and east to the UK and EU. But looking even further afield could reap even greater benefits.

This week there is a unique opportunity to further nudge open the door to one of the single biggest markets in the world - India.

The Prime Minister of India, Narendra Modi, will make a brief visit to Ireland today where he will meet with the Taoiseach and colleagues and with representatives of the 26,000-strong Indian community based here.

This trip is the first visit by an Indian Prime Minister since Jawaharlal Nehru, India's first Prime Minister, in 1956. The historic links between the two nations were forged around a strong sense of the two countries aspiring to and eventually gaining independence, but now there is an opportunity to renew stronger ties based on trade and investment.

Today, our most successful trading relationships, such as with the EU, US, UK and increasingly with China, are successful because they are multifaceted. These close relationships don't come about by accident but are strategically focused and led and managed at each of these levels.

When China's then Vice-President (and now President) Xi Jinping first visited Ireland in February 2012, we were critically aware of the importance of developing strong political, diplomatic and trade and investment relationships with the country.

India presents an opportunity to boost our exports to the faster growing parts of the world - but requires the same level of focus and dedication which Ireland has invested in other trading partners.

In the overall scheme of things, neither Ireland nor India is a significant trading partner of the other. But this merely serves to reinforce the opportunities which are open to both.

In 2014, bilateral trade in goods amounted to €650m between the two nations, modest compared to our trade with say the UK, with whom we trade as much together nearly every four and a half days. India in fact enjoys a trade surplus in goods with us of around €150m, with organic chemicals and clothing our main imports.

At €325m to date this year, our goods exports have already outstripped the whole of 2014. India buys mainly manufactured goods from us, including transport and office machinery. However Irish services exports are more significant, particularly in the aviation leasing, financial services, education, life sciences and ICT sectors. At €1.5bn in 2013, our services exports to India were far greater than our imports - €300m in the same year.

If the trend continues, we are likely to see record export figures to the sub-continent by the end of 2015.

This growing confidence in the Indian market is also reflected in the number of Irish household names who invested there including Glanbia, CRH and PM Group, as well as Indian companies such as Aditi Technologies and Tata Consultancy Services who have set up here, supporting an estimated 3,000 jobs.

However, trading into India does not come without its challenges. Members tell us of the burden of red tape, the long wait to get things done and the challenge of dealing with a very hierarchical bureaucratic working system.

Prime Minister Modi has brought about some reforms, in particular reducing the red tape required to both set up and run a business, and there are ambitious plans for physical and digital infrastructure development, public housing and the development of smart cities. As a result of the Skills India programme, education is a key area for development with further key sectors including ICT, Medical Devices and Agri-Tech.

However, change will not be easy. After sweeping to power 15 months ago amid much promise and hope, some of Mr Modi's reforms have ground to a halt in parliament. Land acquisition laws - which are fundamental for increased industrial and infrastructure investment - have been

abandoned, and reforms to the tax system which would simplify things for business and consumers have been blocked.

As with China though, with such a huge population the opportunity lies in the potential. India is home to 1.27 billion people, and while poverty remains a problem, there is a growing middle class. They offer many prospects but it is a long game and patience is required and India needs to sort out the supply side of its economy. However, with direct air access being mooted, physically doing business with each other may at least become easier.

It is disappointing that there will not be an opportunity for the business community to meet with Prime Minister Modi during his visit. As is often the case, business leaders are frequently the ambassadors for developing ever closer ties with our trading partners.

It therefore falls to the Taoiseach to represent Irish exporters and Irish business at lunch today, and I am in no doubt that India deserves the same strategic attention that we have devoted to President Obama, President Xi Jinping and Prime Minister Cameron.

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<http://www.independent.ie/business/irish/there-are-127-billion-reasons-why-indian-visit-is-crucial-to-ireland-31550460.html>