

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**JOINT PRESS STATEMENT BY THE CHANCELLOR OF THE EXCHEQUER OF UK
AND THE FINANCE MINISTER OF INDIA AFTER THE
FIFTH ROUND OF UK-INDIA ECONOMIC AND FINANCIAL DIALOGUE**

**New Delhi: Chaitra 13, 1933
April 02, 2012**

We, the Finance Ministers of the UK and India, met today in the fifth round of our annual Economic and Financial Dialogue. The talks included senior representatives of our Finance Ministries and regulatory bodies. We discussed ways to strengthen our mutual cooperation and further boost trade and investment between our two countries.

Both sides agreed that while the global economy has stabilized in recent months, growth will remain subdued and at risk from a series of threats. UK and India share a common commitment to play their part to support the recovery, ensure financial stability and restore confidence. Both countries remain determined to deliver necessary fiscal consolidation plans to secure sustainable public finances.

Both sides welcomed the exchange of ideas in financing infrastructure as part of the Dialogue, noting that both countries share a common aim of increasing the role of institutional investors in infrastructure financing.

Both sides also discussed the importance of developing deep and efficient capital markets to support infrastructure financing in India. Foreign capital can play an important part in this process.

Both sides supported the progress on the Reserve Bank of India's (RBI) roadmap for foreign banks in India and UK side welcomed the desire by the Indian side to resolve outstanding issues, including those on tax, of the RBI's subsidiarisation proposals for foreign banks.

Both sides discussed the steps that are being taken to simplify and harmonise financial services legislation including through the work of the Financial Sector Legislative Reforms Commission (FSLRC) in India, and the UK's ongoing implementation of the recommendations of the Independent Commission on Banking. Both sides agreed that there was a clear benefit to sharing experiences on this and welcomed the ongoing technical collaboration to assist the FSLRC in carrying out its mandate.

Both sides welcomed the Cannes Action Plan for Growth and Jobs agreed at the November 2011 Cannes Summit and are making progress in implementing these commitments, which remain fully relevant to the shared objectives of strong, sustainable and balanced growth. Both sides emphasized the importance of investment, in particular in infrastructure, to strengthen the global recovery and rebalance demand.

Both sides are committed to ensuring that the IMF is adequately resourced to play its systemic role in the international financial system in support of its entire membership and that the quota and governance reforms of the IMF are implemented within the agreed timelines.

Both sides agreed to remain committed to pursuing the financial regulatory reform agenda according to the time table agreed in G-20 in an internationally consistent and non-discriminatory manner. This will be monitored by the Financial Stability Board through its Coordination Framework for Implementation Monitoring. Both sides discussed the joint approaches to meeting these commitments and will continue to work together to strengthen the global financial system.

Both sides recognized the need for countries to sign the Multilateral Convention on Mutual Administrative Assistance in Tax Matters and engage in automatic exchange of information where legally required to improve tax compliance and decrease tax evasion.

Recognising the importance of open trade for the global economy, India and UK reaffirmed their commitment to refrain from

protectionism. Both sides signaled their commitment to the WTO and agreed to consider new approaches to taking forward the Doha round, with a clear focus on delivering outcomes for the least developed countries.

Both sides confirmed their intention for India and the UK to continue to work closely to develop ever stronger links across a wide spectrum of issues in pursuit of the ambitious mutual aspiration to achieve a step change in two way trade. India and the UK welcomed the 40% year on year increase in the export of goods from the UK to India and the increase by 35.05% of exports from India to UK in 2011. Both sides continue to work towards enhancing this growth.

Both sides agreed to remain fully committed to resolving the remaining issues and are working towards concluding a mutually beneficial India-EU Broad based Trade & Investment Agreement at the earliest.

Both sides recognized the important role that small and medium sized enterprises (SMEs) play in underpinning economic growth and employment in both our countries, and discussed the challenges they face, particularly in raising finance, and resolved to work together to promote trade and investment between the SME sectors of the two countries.

Today's dialogue reaffirmed the continued strength of the UK-India economic and financial relationship. Both sides agreed to continue to work closely throughout the year to follow through on their commitments and look forward to the next round of talks in 2013.

.....

DSM/SS