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Background

<u>India's rise: UK perspectives</u>, *International Affairs* (Chatham House), 93.1, 2017, pp. 165-188

<u>Britain returns to the Indian Ocean?</u>, Round Table. Commonwealth Journal for International Affairs, 107.3, 2018, pp. 307-316

Executive Summary:

- UK links with India are prioritised for the UK around gaining a suitable free trade agreement. As of September 2018 this remains subject to UK-EU BREXIT arrangements still to be decided on.
- *UK-India external security links with India are primarily maritime and primarily focussed on the Indian Ocean.*
- Maritime cooperation with India is an emerging feature, which can be deepened, but is subject to differences over Diego Garcia, and uncertainty over decisions over deployment on the part of HMG.
- The UK is now talking about wider "Indo-Pacific" cooperation with India.

Specific points

Economic relationship

- 1. The UK faces an asymmetric relationship, magnified by BREXIT. India is of greater economic importance for the UK than the UK is of economic importance for India. Her Majesty's Government (HMG) needs therefore to push harder to achieve responding recognition by India
- 2. UK hopes of a Free Trade Agreement (FTA) with India were emphasised during the referendum by the Leave campaign, and subsequently by HMG under Theresa May, most clearly in her trip to India in November 2016. However eighteen months of BREXIT negotiations during 2017 and 2018 have in effect put substantive UK-India discussions on hold. It seems likely that by the mid-November 2018 European Summit, it will be clearer what UK-EU trade arrangements will ensue.
- 3. A soft BEXIT which keeps the UK in a customs-union with the EU may indeed block any subsequent UK-India FTA.
- 4. In a hard BREXIT scenario, one benefit of a reversion to WTO rules is that trade agreement with India can be pursued whole heartedly by HMG.
- 5. In any Free Trade Agreement (FTA) negotiations with India, HMG will then face the challenge of making it more attractive for India to conclude a FTA

- agreement with the UK as a matter of priority, rather than India putting its efforts into concluding the ongoing FTA talks between India and the EU.
- 6. In any FTA negotiations with India, HMG will face the challenge of defusing migration-related blockages on Indian workers entering the UK. The Indian government sees this issue as an obstacle in UK-India relations and is something so far not really addressed by HMG.

Security cooperation

- 7. UK security links with India are reasonably established. Cooperation on "domestic security" matters like money laundering, criminality, cybersecurity, and counter-terrorism is already established and can be furthered.
- 8. UK cooperation with India on external security matters is an area to be pushed further by HMG. The primary external security focus area is maritime, the Indian Ocean, where India is the lead local power.
- 9. The importance of the Indian Ocean is increasing for the UK as post-BREXIT a "Global Britain" looks outside Europe. Post-BREXIT the Indian Ocean is of increasing importance for the UK economy. If the UK trades more with China, Japan, Australia and of course India, then trade flows across the Indian Ocean will increase, and with it questions of SLOC (Sea Lines of Communication) security.
- 10. It is significant that the UK has announced a return to "East of Suez", in part through the reactivation of Bahrain basing, use of Duqm, and renewed emphasis on the 5PDFA. However the Indian Ocean is India's strategic backyard, witnessing a maritime drive by India to make it "India's Ocean". HMG decision is how far to support India's leadership pre-eminence in the Indian Ocean? This should be supported on the grounds of India's role as a stable fellow democracy, with which the UK shares most security interests.
- 11. UK-India maritime cooperation in the Indian Ocean has been maintained primarily through the KONKAN naval exercises, which have run every two years. The challenge for HMG will be how far to commit bigger resources, notably in the shape of the new Queen Elizabeth aircraft carrier and associated battle group. The then Foreign Secretary Boris Johnson indeed pledged that it will be sent through the Strait of Malacca, but the imminence of this was exaggerated, and such deployment remains dependent on the political will to deploy.
- 12. UK residence presence in the Indian Ocean is most obviously to be found in the British Indian Ocean Territory (BIOT). However India continues to side with Mauritius over its claims to sovereignty and the return of the Chagossian deported in the 1970s. This was shown at the UN in June 2017 when India voted with Mauritius and, despite heavy lobbying, against the UK on this issue. If the UK was able to settle the Chagossian issue, through more generous compensation or return to other parts of the Chagos archipelago other than Diego Garcia, this would facilitate greater UK-India cooperation in the Indian Ocean

- 13. Technically Diego Garcia remains UK territory with military facilities leased to the US since 1966, recently renewed in 2016 for another 20 years. HMG should consider ways in which India could be given some access to Diego Garcia facilities.
- 14. In this vein, India has signed Logistics Support agreements with the US and more recently France. HMG should consider arranging similar arrangements with India. This could facilitate UK access to India's Andaman & Nicobar Islands, though what could the UK offer in access return, Diego Garcia?

Indo-Pacific

- 15. The UK-India Joint Statement drawn up in April 2018 said that "A secure, free, open, inclusive and prosperous Indo-Pacific is in the interests of India, the UK" and that as such "the UK and India will also work together to tackle threats such as piracy, protect freedom of navigation and open access, and improve maritime domain awareness in the region". This focus on the Indo-Pacific is a new feature in UK-India declarations.
- 16. The Indo-Pacific is a common feature where the UK's "Return to East of Suez" converges with India's "Look South" focus on the Indian Ocean and "Act East" drive into South East Asia and the South China Sea.
- 17. With regard to the Indo-Pacific, shared anti-piracy concerns have led to separate deployments to the Gulf of Aden. Post-BREXIT however, HMG could, post-BREXIT pursue closer bilateral anti-piracy coordination with India not only in the Gulf of Aden but also in the Strait of Malacca.
- 18. With regard to the Indo-Pacific, the reference to freedom of navigation in the Indo-Pacific points to similar concerns over China in the South China Sea, though India is more delicate and circumspect in making its implicit concerns explicit. HMG is already talking of coordinating in those disputed waters with the US, Japan and Australia, in part through joint exercises there. HMG should consider how far it can coordinate with India in the South China Sea, in part through what both governments call for, and in part through maritime activities. Both countries are active in these waters (India as part of its "Act East" push, the UK as part of its "Return to East of Suez"), including unilaterally deploying into these waters, where their interests are in parallel, particularly vis-à-vis China.