

## **David Houghton, Global Transaction Services, RBS**

India provides a wealth of opportunities for UK businesses looking to trade internationally. It is the UK's 18<sup>th</sup> largest export market globally and the second largest export market in the developing world after China. Major exports include non-metallic minerals, gold, telecom equipment, transport equipment and industrial machinery. In the last few years UK exports to India have significantly increased and two way trade of goods and services between India and the UK has doubled since 1993. Imports to the UK include textiles, clothes, jewellery, organic chemicals and fruit and vegetables.

Business and in particular investment between the two countries has also risen over the last few years and continues to do so. India has the second largest labour force in the world; the overwhelming majority based within agriculture, with services and industry the next largest employment sectors. India's latest recorded export figures for 2006-07 were US\$126.3 billion, increasing 22% on the previous year's figures. Of this, £3.77 billion is exported to the UK and the West Midlands makes up £376 million of the UK figure.

On the import side, the figure for 2006-07 including oil was US\$190.56 billion, an increase of 27% from the previous year. Imports from the UK account for £2.96 billion with West Midlands accounting for £169 million. India is the sixth largest consumer of oil and the third largest consumer of coal.

At RBS we are seeing more and more companies in the Midlands striking up trade relationships with India in various different sectors and of varying sizes. It is essential that businesses looking to do this seek out the correct support and advice beforehand as it can be a daunting market especially for those new to trading globally. Speaking to your bank can be one way to get an understanding of international trade and the issues to consider before entering a new market. RBS has a dedicated team of international specialists who have a wealth of experience in international trade, payments and cash management and are able to provide customers with the needed financial backing.

As globalisation increases, banks have needed to develop bespoke products and services to reflect this. At RBS we aim to give users full accessibility no matter where they are in the world. Among the products and services that RBS offers to companies looking to make the most of trading overseas are RBS TradeFlow and Global Liquidity. Accessible using a standard web browser on any PC desktop worldwide, TradeFlow is an International Trade and Supply Chain Management service. It streamlines communications and document exchanges with trading partners and also provides access to value added services, including links to third party service providers. Trading internationally can be a time consuming and complicated business and in increasingly competitive markets any business that can speed up and simplify the trade process gains a distinct advantage. RBS TradeFlow has been designed to offer an end-to-end solution that delivers a win-win proposition to help enhance customers' business relationships.

On the cash management side, we often suggest Global Liquidity as the best solution depending on the customer's exact needs. Global Liquidity is a cash management tool that is also internet-based. It is a fully automated, cash concentration service that we offer to companies needing to manage their global cash pooling more effectively. It allows customers to view balances and transaction details of accounts across the globe through one system and automatic transfers, either on a regular or ad hoc basis, can be set up so that cash is moved to wherever it is required. By using the system, companies can make the most of credit balances and they can maintain complete control and visibility of transactions.

There are a wide range of products and services currently available to businesses across the Midlands that specifically aim to make the financial side of international trade as easy as possible. Banks often have the experience and the solutions that will help support businesses make the most of the opportunities that globalisation presents so it is worthwhile speaking to your local bank about what is on offer.

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