

# urope India Chamber of Commerce

# Newsletter

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#### India and Poland Forge Strategic Partnership: Boosting Defence, Security, and Trade

India and Poland elevated their bilateral relations to a "Strategic Partnership" during Prime Minister Narendra Modi's historic visit, marking a new era of cooperation in defense, security, trade, and technology.

At the invitation of Prime Minister Donald Tusk of Poland, India's Prime Minister Narendra Modi made an official visit to Poland from August 21-22, 2024. This historic event marked the first visit by an Indian Prime Minister to Poland in 45 years and coincided with the 70th anniversary of diplomatic relations between the two countries. The highlight of this visit was the decision by both nations to elevate their bilateral relations to the status of a "Strategic Partnership," reflecting their mutual commitment to strengthening cooperation in key areas such as defence, security, and trade.

Strengthening the Foundation of India-Poland Relations

During their extensive discussions, Prime Ministers Modi and Tusk reaffirmed the importance of shared democratic values and a rules-based international order as cornerstones of their partnership. Recognizing the significance of their long-standing ties, both leaders agreed to deepen bilateral, regional, and international cooperation to create a more stable, prosperous, and sustainable world.

This new Strategic Partnership between India and Poland is a significant milestone, aiming to unlock the full potential of their relationship. A Joint Statement and an Action Plan for the years 2024-2028 were finalized, setting the stage for enhanced collaboration across various sectors.

**Enhancing Defence and Security Cooperation** 

Defence and security cooperation were pivotal in the discussions between the two leaders. Both sides acknowledged the necessity of deepening their collaboration in these areas, especially in light of the evolving global security environment. The Joint Working Group for Defence Cooperation will be fully utilized to explore opportunities for joint initiatives and defense industry partnerships.

Prime Minister Modi emphasized India's role as a significant defense partner, highlighting the country's capabilities in manufacturing and technology. Poland, poised to assume the Presidency of the European Union Council next year, recognized the importance of strengthening its defense ties with India, particularly in the context of broader India-EU relations.

**Expanding Trade and Economic Ties** 

Economic cooperation emerged as another key focus during the visit. India, now the world's fifth-largest economy, and Poland, the sixth-largest economy within the European Union, acknowledged the vast

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potential for trade and investment between the two nations. The leaders agreed to fully utilize the Joint Commission for Economic Cooperation to explore new areas of collaboration, balance bilateral trade, and expand their trade basket.

Tanmaya Lal, Secretary (West) in India's Ministry of External Affairs, emphasized the importance of this visit in providing a strong impetus for the India-Poland partnership. "Poland is a very important partner for India in this region," Lal stated, highlighting the ongoing negotiations for an India-EU Free Trade Agreement (FTA) and the establishment of the Trade and Technology Council between India and the EU.

Cooperation in Technology, Energy, and Connectivity

Recognizing the critical role of digitalization in economic and social development, both sides agreed to bolster bilateral cooperation in technology and cybersecurity. The leaders underscored the importance of connectivity between the two countries, welcoming the commencement of direct flight connections and advocating for further expansion to new destinations.

The Action Plan also highlighted cooperation in energy, climate action, and infrastructure development. Both nations recognized the challenges posed by climate change and agreed on the importance of joint efforts in climate initiatives. India encouraged Poland to consider joining the International Solar Alliance (ISA) and the Coalition for Disaster Resilient Infrastructure (CDRI).

Multilateral Cooperation and Global Peace

In addition to bilateral cooperation, according to the joint statement issued at the end of the visit the two leaders emphasized the need for enhanced collaboration at multilateral forums. They reaffirmed their commitment to a rules-based international order, global peace, and security, especially in the context of ongoing conflicts such as the war in Ukraine.

Both leaders expressed deep concern over the humanitarian crisis in Ukraine and called for a comprehensive, just, and lasting peace in accordance with international law and the principles of the UN Charter. They also reiterated their stance against the use of nuclear weapons and stressed the importance of respecting sovereignty and territorial integrity.

A New Era in India-Poland Relations

Prime Minister Modi's visit to Poland has ushered in a new era in India-Poland relations, marked by the elevation of bilateral ties to a Strategic Partnership. This partnership is set to enhance cooperation in defense, security, trade, and beyond, reflecting the shared values and interests of both nations. With the foundation laid during this historic visit, India and Poland are poised to achieve greater collaboration and mutual benefits in the years to come.

(Financial Express, 23/8/2024)

### India and Poland have agreed on social security agreement, says PM Modi

Prime Minister Narendra Modi has announced that India and Poland have agreed on social security agreement. He stated that partnership between two nations has been strengthening in areas like new technology and clean energy.

He also pointed out that Kabbadi emerged as a source of connection between the two nations as Poland is going to host the Kabaddi championship for the first time this year.

While addressing Indian community in Poland's Warsaw, PM Modi stated, "Innovation and youth are going to give energy to the development of both nations. Today I have come to you with a big good news. Both India and Poland have agreed on a social security agreement which is going to benefit all the friends like you."

"India's wisdom is global. India's vision is global. India's culture is global. Care and compassion is global. Our ancestors gave us the mantra of Vasudhaiva Kutumbakam. We have considered the whole world as one family and this is visible in the policies and decisions of today's India. At the time of G20, India called for 'One Earth, One Family and One Future'," he added.

PM Modi stated that he will be meeting his Polish counterpart Donald Tusk and Poland's President Andrzej Duda. He stated that the ties between two nations will be further strengthened through these meetings.

Emphasising the strengthening ties between India and Poland, he stated, "I am happy that the partnership between India and Poland is continuously increasing in areas like new technology and clean energy. Many Indian companies have invested here, created jobs, many Polish companies have created opportunities in India."

"Tomorrow, I am going to meet President Duda ji and the Prime Minister. Through these meetings, the wonderful India-Poland partnership will be further strengthened. PM Tusk is a good friend of India. I have met Donald Tusk when he served as President of the European Council," he added.

Speaking about the similarities between the two nations, PM Modi stated, "There are many similarities in the society of India and Poland. A big similarity is also in our democracy. India is not only the Mother of democracy, but also a participatory and Vibrant Democracy. The people of India have unwavering faith in democracy. We have seen this confidence in recent elections also."

"This was the biggest election in history. 180 million voters voted in elections recently held in the European Union. Three times more people, 640 million voters voted in elections in India. During the elections in India, thousands of political parties participated in this elections, nearly 8000 candidates contested polls, more than five million voting machines, more than eight million polling stations, more than 15 million employees worked in the elections. This kind of management, efficiency, and the trust on the elections is India's strength," he added.

He stated that Poland and India have connected through Kabbadi and noted that this game is played in every village in India.

Highlighting the connection between two nations through the game of Kabbadi, PM Modi stated, "Poland and India have connected through Kabaddi as well. You also know that Kabaddi is played in every village in India. This game has reached Poland from India and the people of Poland have taken Kabaddi to new heights. Poland has been the European Kabaddi champion for two consecutive years. I have been told that the Kabaddi Championship is going to be held from August 24 and for the first time Poland is hosting it. Today, through you I also convey my best wishes to the Polish Kabaddi team."

PM Modi stated that India has set the goal of becoming a developed nation by 2047 and is working at unprecedented scale and speed to achieve this target.

He stated, "A few days back, you all celebrated India's Independence Day. During the Azaadi movement, our freedom fighters had dreamed of a prosperous India. Today, every Indian is working hard to make that dream come true. India has set the goal to become a developed India by 2047. That is why today's India is working at unprecedented scale, speed and solutions. You will be proud about the scale and speed at which change is taking place in India today."

Underscoring how the people have come out of poverty in the past 10 years, PM Modi stated, "250 million people have come out of poverty in India in the last 10 years in India. 250 million means this number is more than the total population of France, Germany and UK. We have built 40 million permanent houses for the poor in 10 years and we are going to build 30 million more houses and if there are 14 million households in Poland today, then we have created almost three new Poland's in just a decade."

He stated that 500 million Jan Dhan accounts have been opened in India in 10 years. He also talked on how people in India are making digital transactions through UPI.

"We have taken financial inclusion to the next level. In 10 years, 500 million Jan Dhan bank accounts have been opened in India. This number is more than the population of the entire European Union. The number of digital transactions made through UPI every day in India is equivalent to the population of European Union. The government provides free health insurance of Rs 5 lakh to more Indians than the total population of the European Union," he said.

Stressing the rise in broadband users in India in the past 10 years, PM Modi said, "In the last decade, the number of broadband users in India has also increased from 60 million to more than 940 million. Many people use broadband in India today as do the populations of Europe and the US combined. In the last decade, about 7 lakh kilometers optical fibre have been laid. This is equivalent to moving around the Earth 70 times. India has extended the 5G network to every district of the country within two years. Now we are working on the Made in India 6G network."

Highlighting the growth of India in the transport sector, he said, "The scale of transformation is also visible in public transport. In 2014, five cities in India had operational metros. Today there is an operational metro in 20 cities. Poland has a one-third population as many people travel by metro every day."

He stated that India is not far away from becoming the third largest economy of the world. He also spoke about his commitment to make India the third largest economy in his third term.

PM Modi said, "Today, every agency and every organization in the world is predicting India's brilliant future and they are not astrologers. They calculate on the basis of data. They calculate on the basis of ground realities. India is not far away from becoming the third-largest economy of the world. I have promised the people of the country that India will become the third-largest economy in my third term. In the coming years, the world is going to see the tremendous economic rise of India."

"NASSCOM estimates that India, due to its digital infrastructure, will become a trillion-dollar economy by the end of this decade. NASSCOM and Boston Consulting Group estimate that India's AI market will grow at 30-30 per cent in the coming three to four years," he added.

He noted that India is working on semiconductor Mission, Deep Ocean Mission, National Green Hydrogen Mission, National Quantum Mission and AI Mission. He stated that India is also preparing to establish its own space station in the coming few years. And the day is not far when you will see Indian astronauts going into space in Made in India Gaganyaan. PM Modi said, "Today, India's entire focus is on quality manufacturing and quality manpower. These are two things which are very essential for the global supply chain. In the recent budget, we have laid a lot of emphasis on the skilling of our youth and job creation. Our youth have come in large numbers to study in Poland. We are also engaged in making India a huge center of education, research and innovation. Be it technology, medical care or education, India has taken the lead in creating skilled manpower for the world in every sector."

Stressing that balance between economy and ecology is a priority of India, he stated, "Balance between economy and ecology is the priority of India today. India is moving forward with a pledge to become a developed nation and a net zero nation. India is working on a 360-degree approach for a green future. Green mobility is a big example of this."

He stated that India has witnessed rise in the sales of electric vehicles in India. He said, "Today, India is expanding electric mobility at a fast pace. Today, the sales of electric vehicles in India are increasing rapidly every year. Last year, there was a growth of more than 40 percent in the sales of EVs. The day is not far when India will become global center of EV manufacturing and innovation. In the coming time, you are going to see India as a big global hub of green hydrogen.

The Prime Minister said that India's strategy is to maintain equal closeness with all nations as compared to its previous policy of remaining equidistant.

PM Modi said, "Since last week, the Indian media is only talking about you. There is also a headline that it's the first time in 45 years that an Indian PM is visiting Poland. A lot of good things are there in my fate. I visited Austria recently. There too, an Indian PM was visiting after four decades. Situations have changed now."

"For decades, India had a policy to maintain distance from all the countries. However, the policy of today's India is to have equal closeness with all countries. The India of today wants to connect with all. Today's India talks about the development of all. Today's India is with all and thinks about the interests of all," he added.

He said that Indians are known for their efforts, actions and empathy. He stated that Indians are bringing laurels to the country through their efforts. He called empathy an identity of Indians and added that India is the first country which extends a helping hand when any country faces a crisis in the world. He recalled how India sent medicines and vaccines to over 150 nations during COVID-19 pandemic.

"Empathy is also an identity of us Indians. Whenever there is a crisis in any country in the world, India is the first country which extends a helping hand. When Covid came, India said, Humanity first. We sent medicines and vaccines to more than 150 countries of the world. Wherever there is an earthquake or

any disaster in the world, India has only one mantra: Humanity first. If there is a war, India says - Humanity first and in this spirit, India helps the citizens all over the world," PM Modi stated.

He also lauded Indian community members for helping Indian students who were stuck in Ukraine when the war erupted in 2022. He also thanked the Poland government for opening doors for Indian students and removing visa restrictions.

Expressing gratitude to people for giving him a warm welcome in Poland, he stated, "You all have come here from different parts of Poland. Everyone has different languages, dialects, food habits, but you all are connected with the feeling of Indianness. You have given me such a wonderful welcome here, I am very grateful to all of you, to the people of Poland, for this welcome." PM Modi arrived in Poland on Wednesday, the first Indian leader to visit the Central European country in 45 years. His visit to Warsaw, comes as India and Poland are celebrating the 70th anniversary of the establishment of their diplomatic relations.

Members of the Indian diaspora greeted PM Modi and he reciprocated their affections. The Prime Minister waved to the gathering and also shook hands with some of those present. The members of the Indian community raised slogans lauding PM Modi as also "Bharat mata ki jai" slogans.

(Business Standard, 23/8/2024)

# UK faces shortage of skilled workers for in-demand roles, report suggests

The analysis found that the UK has a 'pressing need' to address its skills shortages or it risks falling behind international peers.

The UK is at risk of having to fight for highly skilled workers in industries such as technology and banking, according to new research. It is among the top five countries to face a prevalent shortage of talent, recruitment firm Hays said in a report.

Alongside New Zealand, Portugal, Canada and Switzerland, the UK could face major challenges in finding people to fill in-demand and emerging roles in the future.

On the other hand, the US, China, India, Germany and Brazil rank in the top five talent networks across all the sectors it analysed. Hays said it collected a large global dataset using job adverts and candidate profiles from 31 countries. To ensure the UK can continue to compete on the global stage, it needs a steady supply of talent with the right skills Nigel Kirkham, Hays

It then examined five sectors it viewed as the strongest in terms of how they are adapting to rapid digital transformation. These were technology, engineering, manufacturing, life sciences and financial services.

The analysis found that the UK has a "pressing need" to address its skills shortages or it risks falling behind international peers.

"To ensure the UK can continue to compete on the global stage, it needs a steady supply of talent with the right skills," said Nigel Kirkham, the chief executive of enterprise solutions at Hays.

The competitiveness of the UK as a place for growth and innovation has been a focal issue for both the current and former government.

Chancellor Rachel Reeves said delivering economic growth is "our national mission" and identified the financial services sector as being "at the heart" of its growth agenda.

Meanwhile, recruitment firms including Hays have flagged a slowdown in hiring over the past year. They say many employers have been cautious to take on new staff as a result of economic and political uncertainty, and wider cost pressures squeezing their finances.

(The Standard, 1/8/2024)

## India outpaces major economies in growth of intangible investments

**Synopsis** 

This growth underscores India's expanding role in global innovation and intellectual property. The report released by the World Intellectual Property Organisation (WIPO) marks the first time data on intangible investment is available for India.

India has recorded the fastest growth in intangible investments from 2011 to 2020 among major global economies, exceeding countries like the US, France, Germany, and the UK, highlighting significant value creation by its companies, ToI reported on August 10. In 2020, India ranked 14th in absolute levels of intangible investments among 26 advanced economies, positioned between Denmark and ahead of Finland and Portugal, said the report (by Rupali Mukherjee).

This growth underscores India's expanding role in global innovation and intellectual property. The report released by the World Intellectual Property Organisation (WIPO) marks the first time data on intangible investment is available for India. Intangible assets include R&D, know-how, software and data, design, brands, and reputation, all of which contribute significantly to value creation for companies and economies.

"India showed the fastest growth in intangible investment, surpassing the growth rates of many developed economies, mainly driven by its strength in software and data," said Sacha Wunsch-Vincent, head of the department of economics and data analytics at WIPO and one of the report's authors.

Excluding the informal sector, intangible investment constituted over 10% of India's GDP in 2019. This is comparable to the EU-22 average and higher than Japan's 9%. The data indicates India's intangible investment intensity is higher than expected for its development level.

The primary drivers of India's growth in intangible assets are software and data, new financial products, and increased investment in domestic brands. These factors collectively contribute to India's robust performance in the global intangible investment landscape.

India's advancements in intangible investments reflect a broader trend of recognizing the crucial role of intellectual property and innovation in national economic growth. The country's impressive growth rate in this sector sets it apart from both emerging and advanced economies, supporting its burgeoning presence on the world stage.

(Economic Times, 10/8/2024)

# UK looks to overcome damaging skills 'deficit'

A shortage of skilled labor is a problem in many developed economies, but it has become acute in the UK — particularly in England. The country's new government is targeting a reset.

The United Kingdom has a skilled labor problem, particularly in England. According to the country's Department for Education, nearly a third of all job vacancies in 2022 were related to skills shortages while a majority of firms regularly report being unable to fill vacancies.

An obvious knock-on effect is on productivity. Since the financial crisis, the UK has struggled with sluggish productivity growth and multiple studies point to a link between this and its widening skills gap.

One of the ways the new government wants to tackle the problem is by revamping the way it identifies skills shortages and trains workers.

Last month, Prime Minister Keir Starmer launched Skills England, a new government body which aims to cut the country's skills gap by funding the training courses likely to produce the workers businesses need most.

"We are going to fire up the training of all UK workers," said Starmer. "If there's one thing we know that will drive innovation and accelerate productivity, [it] is having skilled workers."

For Mark Gray, a country manager for the UK and Ireland with robotics firm Universal Robots, the UK's skills shortage is something he comes up against on an almost daily basis. He highlights the example of a small company he knows which employs 10 skilled welders. Many of the welders are over the age of 50, with two set to retire imminently.

Robotics is one area where overcoming skills shortages would help significantly.

A severe lack of skilled welders in the general workforce means they have to look at alternative solutions to maintain productivity and keep securing the contracts they need for the business to survive.

"One of the things that this company has looked at is putting two robot welders in there and having a younger operator who can program the robots," Gray told DW. "And the robots will do the lower value, repetitive things, and let the guys with the skills concentrate on what they're really good at."

While Skills England could potentially help train up the robot program operators for a role like this quickly, it will also need to boost the training of more traditional manufacturing roles like welding, said Gray.

"The average age of a welder in the UK is 50," he said. "And as they start to retire in the next 10, 15 years, that is going to leave us with a huge skills gap, which we are going to have to fill."

Shortages in all sectors

The UK's skills gap is regularly mentioned as a source of the country's sluggish economic productivity.

"While we have one of the most highly educated workforces in the world, in terms of the proportion of the educated to degree level, we have a substantial skills deficit in terms of intermediate and technical skills and qualifications," said Lizzie Crowley, senior skills adviser at the Chartered Institute of Personnel and Development.

She told DW there are also major deficits in terms of basic skills, including literacy, numeracy and digital. The country also faces challenges with poor leadership and management skills, she said, all contributing to lower productivity growth.

(DW, 10/8/2024)

#### Germany cuts visa processing time for Indian skilled workers from 9 months to 2 weeks

**Synopsis** 

The German government has dramatically reduced the processing time for long-term visas for Indian skilled workers, from nine months to just two weeks. This change, confirmed by Foreign Minister Annalena Baerbock, aims to address labor shortages by expediting visa issuance for training programs, conferences, and Indian firms investing in Germany.

The German government has significantly reduced the visa processing time for Indian foreign skilled workers. The waiting period for long-term visas has been shortened from nine months to just two weeks, as per a report by Schengen Visa news.

The news was confirmed by the German Foreign Minister, who also pointed out that her government aims to reduce the waiting time for 400,000 people who are affected by long waiting times when they apply for national visas, the report says.

Germany's Foreign Minister Annalena Baerbock said that the Federal Agency for Foreign Affairs is the biggest visa office for national visas worldwide already today. "And we urgently need skilled workers also here who can continue to support this. In India, in Delhi, we have thus been able to reduce waiting times for national visas to two weeks. That used to take nine months."

German businesses rely on swift visa issuance to address labor shortages, especially for training programs and conferences. Similarly, Indian firms investing in Germany depend on prompt visa processing to ensure their specialists can be dispatched to the EU country without delay.

Germany is in urgent need of new workers, as the German Institute (IW) reported 570,000 job vacancies in 2023. This shortage is impacting the country's economy, which could improve and grow more rapidly with a larger workforce.

Faster visa processing would enable workers to come to Germany and help rejuvenate its economy, which is currently struggling. According to IW, the potential loss in production is projected to hit €74 billion by 2027.

According to the Federal Foreign Office, Germany has granted 80,000 visas for employment purposes between January and June of 2024, Schengen visa news report says.

(Economic Times, 18/8/2024)		

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