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BUSINESS


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Exim deal to benefit Midlands

By Joanna Geary

Investment capital worth millions could be ploughed into the region's SMEs after a deal between Warwick Manufacturing Group and a major Indian bank.

WMG, based at the University of Warwick, has signed a deal with the Export-Import Bank of India (Exim) to identify and fund trade partnership between SMEs in the Midlands and India.

The hope is that it will encourage the region's firms to partner with providers in India and allow them to lower costs but still retain the knowledge that would normally be lost if the whole work was outsourced.

Indian SMEs will be encouraged to invest in the region, creating new employment and trade opportunities.

Exim, a £4 billion investment vehicle owned by the Indian Government, recently changed its rules of support – now they can help fund overseas firms working

with Indian companies. Jay Bal, associate professor at WMG, said Exim had been attracted to the group's experience with the West Midlands Collaborative Commerce Marketplace. The online platform is designed to help the region's SMEs find partners to exploit business opportunities.

Dr Bal said: "So far the WMCCM has 4,000 registered business and last year it helped generate £4 million of new work for its members.

"This agreement has been signed in this context."

Dr Bal added that the deal with Exim could help counteract the pressure placed on small firms to lower costs.

He said: "A lot of small companies are being threatened because customers are attracted to the lower costs offered by providers in Eastern Europe, China or India. But we have found that companies often struggle with the specification of their products when working directly with overseas firms.

"We are encouraging local businesses to tap into the lower cost production in

India, but keep the value added within the UK.

"Having an Indian partner will also allow firms to tap into the growing market over there."

Dr Bal added that the deal could particularly help automotive component manufacturers in the region.

He said: "India is a dynamic market growing at 20 per cent a year and there's huge opportunities.

"The country is starting to build a lot of car assembly plants but they haven't got the support knowledge for the industry. We've got a lot of knowledge but not a lot of assembly plants – so there is an opportunity to work with Indian firms providing expertise.

"Automotive component companies will also have costs which are relatively high because they are based in the UK, but their customers will be pushing to lower these and threatening to buy from China, India and Eastern Europe.

"We're proposing that the local company could get an Indian partner to manufacture some of the routine work at a much lower cost, but the value added work can be done here. The Exim deal also means they can act as brokers for businesses looking for Indian partners. We've already had a number of enquiries from a variety of businesses."

Dr Jagdish Keshav Jethwa, co-founder of Coventry-based Taj Medical, is hoping the tie up will provide his company with an Indian partner for a new business project.

The company provides a gateway that allows patients from Western countries to access medical treatment in India.



Dr Mark Swift, University of Warwick; Kamal Nath, Indian Minister for Commerce and Industry; Mr AC Jose, chairman, Coir Board, Indian Ministry of Agro Rural Industry; and Mr TC Venkat Subramanian, chairman and managing director, Export-Import Bank of India

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