



>> Chris Sims, director-India, City & Guilds

It's no secret that India's prosperous future depends on its people - in particular, the enormous advantage conferred by the "demographic dividend" of a huge working age population and low dependency ratio in the coming 20 to 25 years. But harnessing that advantage means ensuring those millions are skilled and productive. The current investments being made in skills by the Indian governments show that it is alive to this challenge. Meeting it, though, will need more than institutions and financing; it will need a deep culture change.

India's achievements in science and technology are extraordinary. The country has long provided the



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# London - a hospitable city

London is one of the world's most sought-after places to live, and the number of overseas buyers it attracts each year continues to rise

For centuries, London has harboured visitors from all corners of the globe. Its historic role in mercantile trade, colonial power and political influence may have waned but London's attraction as a cosmopolitan, corporate and trade centre as well as its retail, cultural, media, arts and educational offerings are frequently cited as keeping it among the world's most visited and sought-after urban destinations.

Some visitors stay longer and make their home here or establish a base which they visit regularly. It is said that London contains the diasporas of every country in the world. Many foreigners want to own a piece of this unique city or at least rent accommodation while they are here, bringing inflows of foreign currency with them.

Central London is becoming more international. The last five years have seen significant growth in prime, second hand residential property ownership by overseas buyers (who tend to hold on to it for longer than their UK counterparts), while UK owners have been disinvesting and moving out of the central areas, taking their equity with them.

Across prime London as a whole, 27 per cent of buyers over the past five years have been from overseas. The value of properties they have bought constitutes 40 per cent of the market, reflecting the higher average value of property bought by foreigners. There are well-established communities of French, Irish, Italian and other western European expatriates living and working across most of prime London with schools, eateries, societies and businesses to match. This group is the most widely spread across all prime London areas and are not concentrated in just one or two locations. Buyers from Europe are interested in Hampstead, Islington and Docklands as well as the central areas.

The biggest increase in European buyers in the last year has been among the southern countries with Greeks, Spanish, and Italians seeking a safe haven for their wealth against a backdrop of economic and currency threats in their homeland. The motivations of Scandinavian buyers in London are different to the southern Europeans, Irish and Icelanders as they have been much less exposed to the financial downturn. HNWI's from these countries are often attracted by the access to global markets that London offers and a more favourable tax regime.

Jonathan Hewlett, Head of London Region at Savills, comments, "London is one of the few world cities that can count itself amongst a truly global market, sought by the world's richest households and behaving almost like a separate asset class to a worldwide investor audience. This coupled with limited supply at the very top end of the London market has reflected in the increasing demand for apartments in One Hyde Park."

Rupert des Forges, Partner, Knight Frank, Knightsbridge Office, says, "The unique combination of world leading services and facilities by Mandarin Oriental, an enviable location overlooking Hyde Park and Knightsbridge, sophisticated security infrastructure and long leases all contribute to making One Hyde Park one of the most sought after residential schemes in the world today."

Residents have now begun moving into the 86 apartments situated in the prime Knightsbridge location bordering Hyde Park and Sloane Street, which are also the first European residences of Mandarin Oriental and are serviced by a dedicated team of 60 specialist Mandarin Oriental staff.

It is anticipated that London will continue to attract overseas buyers in the foreseeable future, especially with the eyes of the world on the London Olympics next year. London property, and prime London property in particular, is therefore likely to outperform the rest of the UK market for some time to come.

Source: Savills Research



# VOCATIONAL EDUCATION - NEED OF THE HOUR

backbone of Silicone Valley's workforce - one third of Microsoft employees are Indian - and in recent years that wealth of talent has returned to help drive the country's economic growth. While this is to be celebrated, these high-end industries alone cannot transform India into a modern and prosperous economy. The country needs a balanced economy that offers its citizens opportunities in a range of sectors - from hospitality to mining, textiles to energy.

The Indian government has long been awake to this challenge and it's exciting to see the rapid progress being made towards up-skilling the country, such as the developing system of Sector Skills Councils being led by the National Skills Development Corporation. Getting this system right will be no easy task, but India is in the enviable position of being able to learn from the success and mistakes of other countries to have developed a sector-based system, from the UK to New Zealand and the Netherlands to South Africa.

None, of course, can match India in terms of the massive numbers who need skills. But all have lessons to offer Indian policy makers. It is to this end that the Manipal-City & Guilds joint policy advisory group have recently published a study examining these countries' experiences and what India might gain from them, stressing among other things the importance of deep vertical structures to ensure state and local level participation, and strong, transparent monitoring and feedback mechanisms to assess sector bodies' delivery.

Delivery of training is also an urgent issue. The training workforce is in need of an enormous boost, in terms of both skill levels and numbers, and there is an urgent need to establish standardised quality levels and improve infrastructure. Supported by the government and the NSDC, numerous Indian and international organisations with expertise in skills training are working towards tackling these problems at the delivery level. City & Guilds is proud to be one of those organisations, working with our Indian partner Manipal education through our joint venture, IndiaSkills.

However, there is a wider challenge facing India that is less easily addressed through policies or investments - changing social perceptions of vocational education. Indian aspirations still tend to be focused on a small number of high prestige occupations such as doctors, lawyers and computer scientists. Vocational education can be assumed to be the domain of the less able or the less fortunate who cannot gain access to universities. The result has been an over-supply of graduates and lack of skills elsewhere in the economy. Small wonder that highly skilled Indian workers in specialised fields seek opportunities elsewhere, while across most of the economy employers are unable to recruit skilled staff.

The fact is that India needs qualified hairdressers, hospitality managers and construction workers as much as it needs computer programmers. But it cannot expect its people to fill these roles unless it first convinces them that they are worthy of their aspiration. This implies a significant shift at a cultural level that may well prove to be India's biggest challenge of all.

The task is daunting, but the opportunities for India and for organisations like City & Guilds are immense. The country's leaders have repeatedly shown that they have the necessary commitment and drive to make India's skilled future a reality. There has never been a more exciting time to be involved in skills development in this country.

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# Value = the sum of all parts

What makes a product valuable beyond the cost of the materials it employs? The answer lies in the embodiment of knowledge and ultimately the creation of wealth. In 2010, Rolls-Royce invested over £900 million in research and development (R&D). High-value businesses such as Rolls-Royce use large-scale investment in R&D to produce intellectual property and so, technology. It is this technology that provides access for the company to global markets. Products that few companies in the world can produce based on years of knowledge, skills and focused investment.

Our ability to design and develop high-technology products and then integrate these into sophisticated power systems for use on land, at sea and in the air has resulted in a global customer base in over 120 countries and, a global services business to manage the equipment on behalf of our customers.

To illustrate what is meant by high-value, let's take a look at one item made by the company. A high-pressure, single crystal, turbine blade is just one small component in an aero engine.

Hidden in the heart of the engine, it has to be capable of operating in temperatures that reach over 1,600 degrees centigrade. That's 200 degrees above the melting temperature of the metal itself. You can look at it like this: take an ice cube out of your freezer and put it in an oven heated to 200 degrees, then accept the challenge of preventing that ice cube from melting. At the heart of an engine, the heat is nearly half the temperature of the surface of the sun - and its pressure is the same as half a kilometer down in the

ocean.

Because it sits in a disc that is spinning at 12,000 rotations per minute, the centrifugal force is generating up to 18 tonnes of load - the equivalent of suspending a London bus from the tip of the blade. And, the blade is small enough to hold in the palm of your hand.

Any normal material would disintegrate under those conditions, so Rolls-Royce made a new material which could withstand the extreme conditions. A nickel based super alloy. In standard casting processes, when metals solidify from a molten state, they end up with many thousands of microscopic crystals, with each of these crystals able to move very slightly relative to each other.

This can leave a potential weakness in the structure, so, a process was needed that could produce something significantly stronger than these traditional techniques.

Rolls-Royce uses advanced ceramic moulds and precisely controlled furnaces, which enable us to 'grow' the blade from a single crystal of the super alloy.

Then hundreds of tiny holes in the structure allow cooling air to flow across the surface of the blade. Because no conventional drill can produce these holes effectively, an electro discharge machining process is employed, which creates sparks of energy to melt the material away from the surface in the exact orientation required.

That level of performance demands a precision of design and manufacture that is measured in microns. Yet for all its delicacy, at take-off one blade develops the same horsepower as

a Formula 1 racing car. It can travel 15 million miles before it needs to be replaced. And the end result is that it delivers real improvements in engine efficiency and that translates into a reduction in fuel consumption for our customers, and therefore lower emissions.

There are 66 single crystal blades in the new Trent 1000 engine alone and Rolls-Royce manufactures hundreds of thousands of blades a year for a range of gas turbine engines.

It is the complexity of all the technologies and process which go into producing a component capable of delivering that level of performance that makes it high-value. To give some idea of the kind of value we are talking about; the single crystal turbine blade is estimated to be worth more than eight times its weight in silver. And the story of what it takes to produce it is repeated many times over in the thousands of components which go into our engines.

A component of this complexity demands the close involvement of a large number of organisations outside of Rolls-Royce too. Around 75 businesses, universities and research centres from around the world each contributing specialist expertise. Of course it's not just a component that creates the value, the engine itself has to deliver and more than that, the systems that integrate to make it all work on the marketplace also have to be designed and delivered - challenges that keep on coming every day and that make the aerospace industry one of the most advanced and demanding in the world.

In the global aerospace market, competitiveness and success is delivering an engine that is lighter, has lower emissions and can remain on-wing longer between overhauls. Achieving all of that when working at the forefront of technology means that you are working on world-class products delivering world-beating performance.

Source: Rolls Royce

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# UK - A FINANCIAL HUB

The United Kingdom provides the perfect blend of opportunities to financial and banking companies today. Palak Bhatia explores why the UK has become an ideal destination in this field and why organisations around the world favour it so

With more and more companies seeking to establish a foothold in the UK market, the financial and banking sectors are receiving a boost in their expansion and a subsequent

competitive edge. Ramesh Bawa, MD & CEO, IL&FS Financial Services, tells us the advantages offered by the UK in this sector. "Despite many other financial centres like Singapore, Hong Kong, Dubai

and others emerging around the Globe, London has not lost its edge; the convenient time zone and the location advantage. Health climate, a cosmopolitan nature, political stability and a tolerant society are the major hallmarks of England and go a long way to make UK a perfect

place to work and live. UK provides an easy access to the Euro Zone financial markets and the African Continent as lot of investment opportunities are coming up there. Working from London provides an access to practically every financial institution or lender as most of them have either branches or offices in London. London is one of the first choices to organise any event having financial contours and provides an excellent opportunity to connect with officials and investors visiting from any other country."

The financial and banking sector is the primary reason for the rise of the UK as a leading economic con-

testant in an international domain. Having a strong system in place for investment banking, insurance sector, stock brokerages, etc. has enabled it to offer opportunities to companies spanning a vast realm. As a result, this sector acts as a lifeline to many other industries as well, that together sustain the GDP of the UK. Also, this helps us to appreciate what a major role, banking and finance play in providing employment and career growth to a large section of the population, not only in the UK, but all around the world.

The UK financial sector holds a lot of promise for Indian companies as well. Bawa shares with us the future prospects of the field,

"Banking and Finance shall continue to act as an active market to support the financial requirements of Indian Companies. With a lot of Indians settled in London, it helps create instant rapport so as to establish business relations. There is huge wealth, spread around Europe and UK, looking for investible opportunities and Indian companies with greater transparency, better corporate governance, well established legal system, a buoyant economy growing steadily, a young and ambitious work force, etc. do provide a great window for investment."

Hence, the steady growth of the UK banking and finance suggests great potential for the expansion of Indian as well as other foreign companies in their market.

