

Modi's UK Visit Seals Trade Deal to Boost Bilateral Growth

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Prime Minister Narendra Modi's visit to Britain on July 24, 2025, marks a significant moment for UK-India relations as he and Prime Minister Keir Starmer formalise a new Free Trade Agreement (FTA), aimed at injecting fresh momentum into both economies. The deal, the outline of which was agreed in May 2025, is expected to bolster trade, reduce tariffs, and create jobs, with UK government projections estimating an annual economic benefit of up to £4.8 billion.

The United Kingdom (UK) and India, currently ranked as the sixth and fifth largest economies respectively by IMF data, maintain a bilateral trade relationship worth approximately £41 billion. With the new accord, both countries aim to expand trade flows by up to £25.5 billion over the next decade, with existing UK-India investments supporting over 600,000 jobs across both nations. As part of the agreement, India will offer reduced tariffs on British goods such as whisky, cosmetics, and medical equipment, while the UK will cut duties on Indian exports including clothing, footwear, and food products like frozen prawns.

Modi, who has made three previous visits to Britain since 2014, emphasised the importance of strengthening economic ties before departing India. “We will have the opportunity to further enhance our economic partnership, aimed at fostering prosperity, growth and job creation in both countries,” he said.

For Britain, this agreement comes at a critical juncture. Years of sluggish growth and high inflation have weighed on the UK economy, and the government is keen to secure trade partnerships with fast-growing economies such as India. Starmer described the trade deal as a “major win for Britain,” underscoring its potential to boost wages and economic resilience.

Modi is also scheduled to meet King Charles III during his visit. While the trip is primarily focused on economic cooperation, other topics may surface, including the June 2025 Air India Flight AI274 disaster, which claimed 241 lives, including 52 British nationals. Families of victims have raised concerns about misidentified remains, with aviation lawyer James Healy-Pratt urging Prime Minister Starmer to raise the issue with Modi during their discussions.

Another sensitive matter likely to be raised is the case of Jagtar Singh Johal, a Scottish Sikh detained in India since 2017 under anti-terrorism laws, whose imprisonment has drawn criticism from human rights groups and the UN Working Group on Arbitrary Detention. His brother, Gurpreet Singh Johal, has called on the UK government to prioritise the case in talks with Modi.

The two leaders have met several times recently, including at the G7 summit in Canada in June 2025 and at the G20 summit in Brazil in November 2024. This latest meeting, however, is set to deliver concrete economic results, cementing a closer strategic and commercial partnership between London and New Delhi.