

Starmer Hails India-UK Trade Deal as a ‘Major Win’ for Jobs and Growth

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The new Free Trade Agreement (FTA) between the United Kingdom (UK) and India, signed during Prime Minister Narendra Modi’s visit to London, is being celebrated as a landmark step for economic growth and employment across Britain. British Prime Minister Keir Starmer described the deal as a “major win” that will lower tariffs, boost trade, and deliver long-term benefits to British industries and consumers alike.

Announcing the agreement ahead of talks with Modi at Chequers, Starmer confirmed that nearly £6 billion in new investment and export opportunities have been secured. Indian firms are expanding their presence in the UK, while British companies have secured contracts to strengthen their footprint in India. The two leaders also committed to a renewed Comprehensive and Strategic Partnership, deepening co-operation in areas such as defence, education, technology, and innovation. “Our landmark trade deal with India is a major win for Britain,” said Starmer, underscoring the importance of stronger ties with one of the world’s fastest-growing economies.

According to the UK Department for Business and Trade (DBT), the FTA will significantly cut tariffs on British exports. India’s average tariff on UK products will fall from 15 per cent to just 3 per cent, making it easier for British firms to sell goods ranging from cosmetics and cars to medical devices. Whisky producers, in particular, stand to gain as tariffs are immediately reduced from 150 per cent to 75 per cent, with a further cut to 40 per cent over the next decade giving UK distillers a competitive advantage in the lucrative Indian market.

“This trade deal will deliver benefits to working people across the country,” said Business and Trade Secretary Jonathan Reynolds. “The billions brought into our economy will support jobs, strengthen supply chains, and boost growth in every region of the UK.” Official data shows the UK already imports £11 billion worth of goods from India annually, and the liberalised tariff regime is expected to reduce costs for British manufacturers and consumers.

New analysis suggests the agreement will increase UK gross domestic product (GDP) by an estimated £4.8 billion a year in the long term. Key sectors set to benefit include aerospace, where tariffs will fall from 11 per cent to zero, automotive manufacturing (cut from 110 per cent to 10 per cent under a quota system), and electrical machinery, where tariffs will drop from 22 per cent.

The DBT projects that tariff reductions and a removal of regulatory barriers could boost UK exports to India by almost 60 per cent, equating to an additional £15.7 billion in exports by 2040. Bilateral trade is forecast to grow by nearly 39 per cent in the long term, rising to £25.5 billion a year when compared with current projections without the FTA.

The clean energy and renewables sectors will enjoy unprecedented access to India’s fast-growing procurement markets as the country transitions to greener energy. The deal also secures greater access for Britain’s financial and professional services, with India agreeing

to maintain its foreign investment cap for the insurance sector and to treat UK firms on par with domestic suppliers.

Meanwhile, 26 British companies have already secured contracts in India, including Airbus and Rolls-Royce, which will begin delivering aircraft, over half of which will be powered by Rolls-Royce engines. Both nations have also pledged to step up co-operation against organised crime, corruption, and irregular migration through enhanced intelligence sharing and joint operations.

“This deal creates thousands of jobs, puts more money in the pockets of hardworking families, and strengthens our economic future,” Starmer added. “We are determined to go further and faster to grow the economy and raise living standards across the country.

Would you like me to add a closing paragraph linking how this India-UK FTA could give Britain a strategic advantage post-Brexit, particularly against EU competitors?