

India-UK Finalise Historic Free Trade Agreement with Ambitious \$120 Billion Target

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The United Kingdom and India have sealed a landmark Free Trade Agreement (FTA), a move hailed as a game-changer for both economies. Announced during Indian Prime Minister Narendra Modi's visit to London, the deal aims to double bilateral trade to \$120 billion (£93 billion) by 2030, offering duty-free access to the majority of Indian exports while slashing tariffs on key British products.

Finalised after three years of negotiations, the agreement represents Britain's most significant trade deal since leaving the European Union (EU). Under the terms of the FTA, 99% of Indian goods will enter the UK market tariff-free, spanning sectors such as textiles, leather, footwear, and clothing. British exporters will benefit too, with notable reductions in tariffs on whisky, cars, and high-end manufacturing goods, improving the UK's competitive position in the rapidly expanding Indian market.

Prime Minister Keir Starmer described the deal as a "landmark moment" for the UK's global trade ambitions. "This agreement will open doors for British businesses, create thousands of high-quality jobs, and make our exports more competitive," he said. The UK Department for Business and Trade (DBT) has projected that the removal of barriers will boost British exports to India by up to 60% in the long term.

In addition to trade liberalisation, both nations have signed a Double Contribution Convention (DCC), which provides exemptions for Indian employers from paying social security contributions in the UK for up to three years. This measure is expected to save Indian workers and companies around \$463 million (£356 million) annually, while also facilitating the movement of skilled professionals between the two countries.

During his discussions with Starmer, Prime Minister Modi stressed the importance of strengthening the India-UK Comprehensive Strategic Partnership, with areas of collaboration extending beyond trade to energy, security, and education. This is Modi's fourth visit to the UK since 2014, underlining the growing importance of the relationship between the two democracies.

The FTA is expected to bring tangible benefits to UK households, with cheaper imports of food, beverages and consumer goods. Whisky producers, for instance, will see tariffs fall from 150% to 75% immediately, with a further reduction to 40% over the next decade. Analysts believe this will help British exporters expand into one of the world's fastest-growing markets.

The agreement signals a stronger post-Brexit strategy to establish the UK as a global trading powerhouse. With both countries committed to bolstering investment and innovation, this historic pact is set to shape economic ties for decades to come.