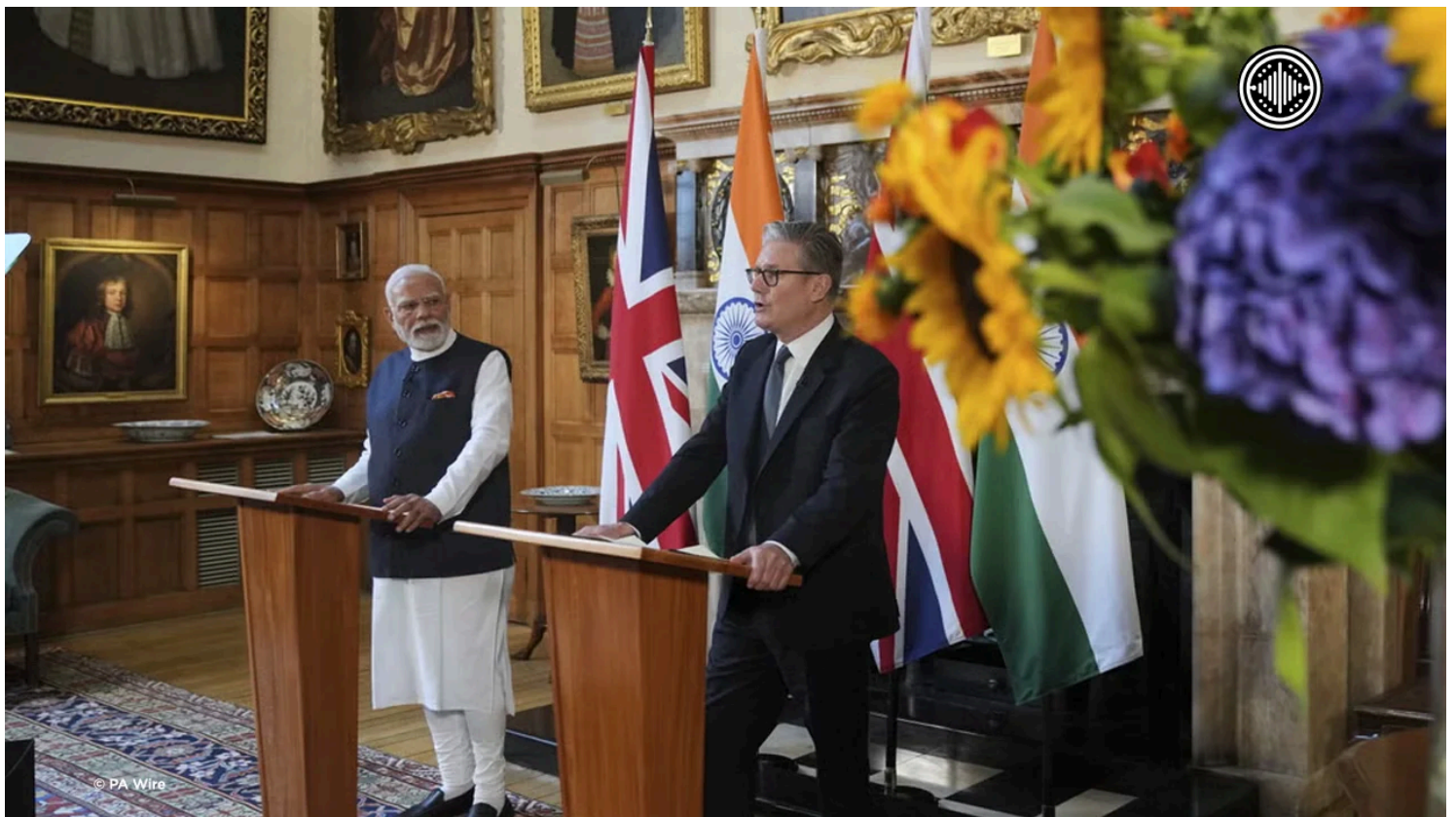


UK and India Finalise Major Trade Deal

July 25, 2025

— Categories: General News



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The United Kingdom and India have finalised a comprehensive trade agreement that will reduce tariffs on a range of goods, including Scotch whisky, English gin, and Indian food products.

The agreement was signed at Chequers, the British Prime Minister's official country residence, during a meeting between UK Prime Minister Keir Starmer and Indian Prime Minister Narendra Modi. The deal was formally signed by UK Trade Secretary Jonathan Reynolds and India's Commerce Minister Piyush Goyal.

The UK government described the agreement as its most economically significant trade deal since leaving the European Union in 2020. Prime Minister Modi called it “a historic day in our bilateral relations.”

Under the agreement, India’s average tariffs on British goods will be reduced from 15% to 3%. Import taxes on spirits such as whisky and gin will be halved from 150% to 75%, with a further reduction to 40% over 10 years. Tariffs on automotive exports are expected to drop from over 100% to 10%, under a defined quota system.

India’s Ministry of Commerce said the deal will remove import duties on 99% of Indian exports to the UK, including garments, footwear, and food items.

The two governments also announced nearly £6 billion in trade and investment commitments across sectors such as artificial intelligence, aerospace, and dairy. Additional cooperation was pledged in defence, migration, and health.

The trade pact is expected to add £5 billion to the UK economy annually and increase bilateral trade by £25.5 billion by 2040. The agreement must still be ratified by the UK Parliament before it comes into effect.

Negotiations began in 2022 under then-Prime Minister Boris Johnson but stalled after multiple rounds of talks. Progress resumed following the general elections in both countries in 2024.

During the meeting, Modi used a cricket metaphor to describe the relationship, saying, “There may be a swing and a miss at times, but we always play with a straight bat.”