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UK-India Trade Pact Delivers £6B Investment and Jobs Boost

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The United Kingdom has secured a major trade agreement with India, unlocking nearly £6 billion in investment and export deals. The pact is expected to generate over 2,200 new jobs across the UK, reinforcing the country’s economic recovery plan by expanding key sectors such as aerospace, advanced manufacturing, and digital technology.

Signed during bilateral talks between the UK and Indian Prime Ministers, the agreement is forecast to boost the UK's gross domestic product (GDP) by £4.8 billion annually. It includes substantial tariff reductions India's average tariff on British products will fall from 15% to 3%, making UK exports more competitive. For instance, whisky duties will be halved from 150% to 75%, and gradually reduced to 40% over a decade, creating new openings for British distillers in the world's largest whisky market by volume.

The UK will also benefit from lower costs on Indian imports, leading to potential savings for consumers and businesses in areas such as clothing, food, and manufacturing inputs. The agreement supports the government's economic strategy to grow high-skilled industries and promote global trade partnerships beyond Europe.

Significant business activity has already emerged from the deal. Aerospace firms like Airbus and Rolls-Royce will begin supplying aircraft and engines to major Indian airlines, under contracts worth around £5 billion. UK-based Carbon Clean, a leader in carbon capture solutions, is investing £7.6 million into a Global Innovation Centre in Mumbai, creating hundreds of jobs in the UK and India.

Other notable investors include AI and data firm DCube AI, setting up in Manchester and London with a £5 million plan, and Johnson Matthey, which is expanding operations in India and doubling capacity at existing sites, generating up to 20,000 construction jobs abroad while supporting UK export growth.

Business leaders welcomed the agreement. Tufan Erginbilgiç, Chief Executive of Rolls-Royce, praised the improved alignment with global aerospace standards, while William Bain, Head of Trade Policy at the British Chambers of Commerce (BCC), described the deal as a strong message of commitment to free and fair trade.

The deal also strengthens cooperation in law enforcement, with a new framework to counter organised crime, fraud, and irregular migration. A criminal records sharing agreement will improve intelligence sharing between the two nations.

Additionally, the UK and India reaffirmed a Comprehensive and Strategic Partnership, supporting collaboration across defence, education, climate, and emerging technologies such as artificial intelligence (AI), quantum computing, and semiconductors.

As part of the government's broader Plan for Change, this deal highlights Britain's commitment to expanding its global trade footprint, creating jobs at home, and positioning the UK as a leader in innovation-driven growth.