



India–UK Free Trade Agreement Finalised: A Landmark in Bilateral Economic Ties

India and the United Kingdom have formally concluded a historic **Free Trade Agreement (FTA)**—marking a major step forward in bilateral trade and investment relations. Announced jointly by Prime Minister Narendra Modi and UK Prime Minister Sir Keir Starmer, the Agreement aligns with India's *Viksit Bharat 2047* vision and the UK's post-Brexit global trade strategy.

Negotiations were intensified following the G20 Summit in 2024, leading to one of the most comprehensive FTAs India has ever signed. The deal also includes a **Double Contribution Convention**, which exempts Indian workers temporarily in the UK and their employers from paying social security contributions for up to three years—boosting the competitiveness of Indian service providers.

Key Highlights

- **Tariff Elimination** on ~99% of UK tariff lines covering nearly all Indian exports
- **Services Market Access** in IT, financial, professional, and education sectors
- **Mobility Provisions** for Indian professionals, startups, and independent service providers
- **Social Security Relief** under the Double Contribution Convention
- **Improved Regulatory Transparency** and removal of non-tariff barriers
- **Boost to MSMEs, exporters, and employment** across high-growth sectors

With bilateral trade currently around USD 60 billion and expected to double by 2030, this Agreement sets a new benchmark for fair, inclusive, and forward-looking economic cooperation.

Ministry of Commerce & Industry



A historic and ambitious deal to boost jobs, exports and national growth.

99% Indian exports to benefit from zero duty.

Opens up massive export opportunities for labour-intensive sectors such as textiles, marine products, leather, footwear, sports goods and toys, gems and jewellery, and other important sectors such as engineering goods, auto parts and engines, and organic chemicals.

Significant boost to trade in services, such as IT/ITeS, financial services, professional services, other business services and educational services.

Stronger strategic alignment and greater global mobility for aspirational young Indians.

Huge win with three-years exemption from social security payments for Indian employees working in the UK.

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Hon'ble Prime Minister of India Shri Narendra Modi and Hon'ble Prime Minister of the United Kingdom Sir Keir Starmer have announced the successful conclusion of a mutually beneficial India – UK Free Trade Agreement (FTA). This forward-looking Agreement is aligned with India's vision of Viksit Bharat 2047 and complements the growth aspirations of both the countries.

The engagement builds upon the discussions held between the two Prime Ministers on the sidelines of the G-20 Summit in Rio de Janeiro, Brazil, in November 2024. Following the meeting between the two Prime Ministers, intense FTA negotiations resumed in February 2025 marked by several engagements between the Commerce and Industry Minister Shri Piyush Goyal and the U.K. Secretary of State Mr. Jonathan Reynolds and their teams.

Prime Minister Shri Narendra Modi stated in his social media post on X (formerly twitter) “In a historic milestone, India and the UK have successfully concluded an ambitious and mutually beneficial Free Trade Agreement, along with a Double Contribution Convention. These landmark agreements will further deepen our Comprehensive Strategic Partnership, and catalyse trade, investment, growth, job creation, and innovation in both our economies.”

The Union Minister for Commerce and Industry Shri Piyush Goyal thanked the Prime Minister for his guidance and encouragement which made the trade deal possible, and under whose visionary leadership India is looked upon as “Vishwa Mitra – Trusted Partner” of the world.

Mr. Goyal stated “This Agreement sets a new benchmark for equitable and ambitious trade between two large economies. It will benefit Indian farmers, fishermen, workers, MSMEs, startups and innovators. It brings us closer to our goal of becoming a global economic powerhouse. This FTA is not only about goods and services, but also about people, possibilities and prosperity. It protects our core interests while opening doors to India’s greater participation in global value chains”.

The Commerce Secretary Shri Sunil Barthwal emphasised that this FTA is a game changer and will set India further on the path of rapid economic growth and benefit India’s global integration. This is the most comprehensive free trade deal ever entered into by India and will be the gold standard for our future engagements.

The FTA takes place in the backdrop of growing economic relations between India and the UK as exemplified in the bilateral trade of about USD 60 billion which is projected to double by 2030.

This comprehensive and forward-looking agreement is the culmination of intense negotiations aimed at deepening trade and investment ties across a range of sectors, including goods, services and technology. It is designed to promote sustainable and inclusive economic growth, ensure resilient supply chains and generate high-quality employment in India.

In an unprecedented achievement, India has secured an exemption for Indian workers who are temporarily in the UK and their employers from paying social security contributions in the UK for a period of three years under the Double Contribution Convention. This will make Indian service providers significantly more competitive in the UK.

Key Highlights of the India-UK FTA:

- The FTA with the UK is a modern, comprehensive and landmark agreement which seeks to achieve deep economic integration along with trade liberalisation and tariff concessions.
- The FTA ensures comprehensive market access for goods, across all sectors, covering all of India’s export interests. India will gain from tariff elimination on about 99% of the tariff lines covering almost 100% of the trade value offering huge opportunities for increase in the bilateral trade between India and the UK.
- The FTA provides positive impact on manufacturing across labour and technology intensive sectors and opens up export opportunities for sectors such as textiles, marine products, leather, footwear, sports goods and toys, gems and jewellery and other important sectors such as engineering goods, auto parts and engines and organic chemicals. This will substantially improve Indian goods competitiveness in the UK vis-a-vis other countries.
- The FTA will have significant positive gains for employment in India.
- India will benefit from one of the most ambitious FTA commitment from the UK in **Services** such as IT/ITeS, financial services, professional services, other business services and educational services,

opening up new opportunities and jobs.

- The FTA eases mobility for professionals including Contractual Service Suppliers; Business Visitors; Investors; Intra-Corporate Transferees; partners and dependent children of Intra-Corporate Transferees with right to work; and Independent Professionals like yoga instructors, musicians and chefs.
- Immense opportunities for talented and skilled Indian youth will open up in the UK which is a major global centre for digitally delivered services due to its strong financial and professional services sectors and advanced digital infrastructure.
- India has secured significant commitments on digitally delivered services for Indian service suppliers, specially in professional services such as architecture and engineering, computer related services and telecommunication services.
- The exemption for Indian workers who are temporarily in the UK and their employers from paying social security contributions in the UK for a period of three years under the Double Contribution Convention will lead to significant financial gains for the Indian service providers and enhance their competitiveness in the UK market that would create new job opportunities as well as benefit large number of Indians working in the UK.
- India has ensured that non-tariff barriers are suitably addressed to ensure free flow of goods and services and that they do not create unjustified restrictions to India's exports.
- The FTA seeks to promote good regulatory practices and enhance transparency that are in sync with India's own focus on domestic reforms to enhance the ease of doing business.

As two leading democracies and global innovation hubs, India and the UK reaffirm their commitment to strengthening economic cooperation and working together to address global challenges. The India – UK FTA sets a new benchmark for fair, ambitious, and modern trade agreements worldwide.

Abhishek Dayal/ Abhijith Narayanan

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