

(As of December 2025)

**High Commission of India
London
(Economic & Commerce Wing)**

BRIEF ON INDIA - UK ECONOMIC RELATIONS

ECONOMIC OVERVIEW

1. India and UK have a strong bilateral economic relationship with great potential for growth in goods and services trade. Besides bilateral trade, investment is also a key part of the India-UK economic relationship. Strong Indian community presence of over 1.8 million expatriates, accounting for 3.1% of UK's total population but contributing over 6% in GDP plays an important role in promoting bilateral trade and investment. Major Indian corporates are present in the UK market and new entrants are increasing. Similarly, UK has remained keen on exploring the potential of Indian market.

BILATERAL TRADE

2. India – UK bilateral trade (both goods and services) stood at £47.2 billion in the four quarters to the end of Q2 2025 (January - December), an increase of 15.2% or £6.2 billion in current prices from the same period in 2024. Out of the above, India's total imports from the UK amounted to £18.8 billion and India's total exports amounted to £28.4 billion. India was the UK's 10th largest trading partner in this period accounting for 2.5% of UK's total trade.

3. **Trade in Goods:** By the end of Q2 in 2025, total bilateral trade in goods (merchandise) was £17.9 billion, of which India's export to the UK was £11.2 billion while India's import from UK was £6.7 billion. During the same period in 2024, total bilateral trade in goods was £17.3 billion, of which India's export to the UK was £11.0 billion while India's import from UK was £6.3 billion. (Source: Department for Business & Trade, United Kingdom)

4. Trade in Services: During Q2 in 2025, total bilateral trade in services was £29.3 billion, comprising of India's export of £17.2 billion and India's import of services from the UK of £12.1 billion. During the same period in 2024, total bilateral trade in services was £ 26.5 billion, of which India's export to UK was £15.9 billion and India's import of services from UK was £10.6 billion. (Source: Department for Business and Trade, United Kingdom)

5. Merchandise Trade of India-UK as per Ministry of Commerce & Industry, India statistics

(Figures in USD Millions)

No .	Trade	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026 (Jan-June)
1	Export	8,157.56	10,461.29	11,405.63	12,922.65	14550	7040
2	Import	4,955.76	7,017.78	8,960.73	8,420.15	8607	4338
3	Total Trade	13,113.32	17,479.07	20,366.36	21,342.80	23157	11378
4	Trade Balance	3,201.80	3,443.51	2,444.90	4,502.50	5943	2702

6. Export: India's main exports to the UK are articles of textile, fabric, apparel & clothing accessories, medicinal & pharmaceutical products, telecoms & sound equipments, Mechanical power generators, refined oil, Electrical & Electronic equipment, Machinery appliances, Iron & steel, natural or cultured pearls, Gems & Jewellery.

7. Import: India's main imports from the UK are non-ferrous metals, metal ores & metal scrap, industrial machinery, transport equipment, beverages & tobacco, electrical machinery and appliances, professional -scientific instruments and chemicals.

BILATERAL INVESTMENT

8. Indian investment in UK: India invested in 106 projects and created 6067 new jobs in the UK to retain the position of second-largest source of Foreign Direct Investment (FDI) after the US, according to the Department for Business and Trade (DBT) inward investment statistics for 2024-25. At the end of 2023, the FDI from India in the UK was 12.4 billion, 22.2% or £2.3 billion higher than the end 2022. At the end of 2023, India accounted for 0.6% of the total UK inward FDI stock.

9. As per the CII-Grant Thornton ‘India meets Britain’ Report 2024, there are 971 Indian companies operating in the UK, with combined revenues of almost £68.09 billion. Together, they paid over £1.17 billion in corporate tax and employed 118,430 people. This figure excludes employees of UK branches of Indian companies.

10. As per the report ‘India in the UK: The Diaspora Effect’ prepared by Grant Thornton and FICCI, there are over 65,000 companies owned by Indian diaspora in the UK. The report further researched 654 companies with turnover of more than £100,000 per year. Their combined revenue is £36.84 billion; they paid over £1 billion in corporate tax, invested over £2 billion through capital expenditure, and created over 174,000 UK jobs.

11. UK’s investment in India: UK is the 6th largest inward investor in India and has invested US\$36.13 billion in FDI inflows between April 2000- June 2025. As per the CII-Grant Thornton report titled ‘Britain Meets India’ tracker 2024, there are 667 British companies in India with a combined turnover of approximately INR 5082 billion, and employing 5,23,460 people.

BILATERAL INSTITUTIONAL MECHANISMS

12. Bilateral cooperation on economic and commerce matters is guided by institutionalized dialogues to enhance trade and investment between the two countries. Both sides meet regularly to review the progress of bilateral trade and investment under the aegis of these mechanisms. The two main bilateral institutional mechanisms are: India-UK Joint Economic and Trade Committee (JETCO) and India-UK Economic and Financial Dialogue (EFD). They are supported by various JWGs, India-UK CEO’s Forum, India-UK Financial Partnership etc.

13. India-UK COMPREHENSIVE ECONOMIC AGREEMENT (CETA)

During the 15th India-UK Joint Economic and Trade Committee (JETCO) meeting held on January 13, 2022 in New Delhi between HCIM Shri Piyush Goyal and then SoS for International Trade Rt. Hon. Anne-Marie Trevelyan, India and UK formally launched the negotiations of the India-UK Free Trade Agreement (FTA). HCIM Shri Piyush Goyal visited the UK from July 10-13, 2023 to review progress of the talks. During the visit, the Hon'ble Minister had meetings with Ms. Kemi Badenoch, UK's then Secretary of State for Business and Trade and Mr. Douglas McNeill, then Chief Economic Adviser to Prime Minister of UK. HCIM Shri Piyush Goyal visited the UK from April 28-29, 2025 and met UK's Secretary of State for Business and Trade, the Rt. Hon Jonathan Reynolds to discuss the FTA.

On May 6, 2025, both the countries 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.

Hon'ble PM of India visited the UK from July 23-24, 2025. During his visit, both leaders, Hon'ble PM Shri Narendra Modi and Hon'ble PM of the UK Keir Starmer signed the historic Free Trade Agreement on July 24, 2025. Both the countries have successfully concluded the 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.

Hon'ble Prime Minister of the UK, Keir Starmer paid an official visit to India from 08-09 October 2025. PM Starmer was accompanied by a high-level delegation including Secretary of State for Business and Trade and President of the Board of Trade, the Rt Hon

Peter Kyle MP, Secretary of State for Scotland, the Rt Hon Douglas Alexander MP, Minister for Investment, Mr. Jason Stockwood, and 125 CEOs, entrepreneurs, university Vice Chancellors and cultural leaders. 29 investments into India worth over £3.6 billion.

14. India-UK Joint Economic and Trade Committee (JETCO): The JETCO was established on January 13, 2005 to develop a strategic economic relationship following the Joint Declaration "India-UK towards a new and dynamic partnership" between the then Prime Ministers of the two countries in September 2004. JETCO

has been conceived as a business-driven institutional framework to enhance bilateral trade and investment and is structured to meet annually under the leadership of the Minister of Commerce and Industry (CIM) from India and the Secretary of State (SoS) for Business and International Trade from the UK. The meetings are held alternatively in both capitals. During the visit of Hon'ble PM of the UK, Keir Starmer to India on 8-9 October 2025, both PMs welcomed the re-setting of the Joint Economic and Trade Committee (JETCO) which will support the governance and utilization of the CETA and drive forward our wider trade and investment partnership.

15. India-UK Economic and Financial Dialogue (EFD): The India-UK Economic and Financial Dialogue (EFD) was established on February 4, 2005, in pursuance of the proposals set out in the India-UK Joint Declaration signed by the Prime Ministers of India and UK in September 2004. The objective of the Dialogue is to strengthen the financial and economic relationship between India and the UK. The Dialogue discusses sustainable economic development, structural reforms including of financial systems and markets, improving regulatory frame-works and international development. The first meeting of the EFD was held on January 18, 2007.

The 13th Economic and Financial Dialogue (EFD) dialogue was held on April 9, 2025 in London led by Hon'ble Finance Minister of India, Smt. Nirmala Sitharaman and Rt. Hon. Rachel Reeves, the Chancellor of the Exchequer, UK. The two countries reaffirmed their commitment to continue collaboration in financial services sector, Fin Tech and Digital economy and between the respective regulatory bodies; collaboration at bilateral and multilateral for a to address mutual and global economic issues including mobilizing affordable finance and investment for low carbon economic growth, taxation matters and illicit financial flows. Both the countries welcomed the recent announcement of UK universities establishing campus in India, release of report of the **India-UK Financial Partnership (IUKFP)** on direct listings, launching of new private sector workstream on green finance, under the auspices of the IUKFP and other new areas of focus. . The existing UK India Infrastructure Financing Bridge (UKIIFB) is between NITI Aayog and City of London Corporation,

16. Technology Security Initiative (TSI) - The UK-India Technology Security Initiative (TSI) forms a key part of the growing strategic partnership between India and the United Kingdom, and was formally launched on 24 July 2024. Under this initiative, both countries committed to enhancing cooperation on emerging and critical technologies, including

secure telecom networks, cyber defence, AI and semiconductors by sharing best practices, promoting trusted supply chains and ensuring resilient digital ecosystems. Under the TSI, the following have been established:

- The India–UK Connectivity and Innovation Centre, a joint hub focused on developing AI native network for 6G, Non-Terrestrial Networks (NTNs), and cyber security for telecoms, with at least £24m of joint funding in the first phase of the project.
- The India–UK Joint Centre for AI, advancing responsible and trustworthy AI across health, climate, fintech, and engineering biology.
- India -UK Critical Minerals Processing and Downstream Collaboration Guild to build concrete partnerships which strengthen and diversify critical mineral supply chains and deliver investment and growth in both nations. Phase 2 of the India-UK Critical Minerals Supply Chain Observatory was also announced to expand Mineral coverage, further integrate advanced technologies, unlock new bilateral investment opportunities and establish a new satellite campus at IIT-ISM Dhanbad.
- On 10 October 2025, Department of Telecom and Department of Science and Technology announced a strategic partnership to advance digital inclusion and shape the future of secure and innovative communications through the **India-UK Connectivity and Innovation Centre**. India and the UK have committed a combined initial contribution of **£24 million over four years** to advance this initiative. This Centre, delivered as part of the **UK-India Technology Security Initiative**, stands as a flagship example of the **UK-India Research and Innovation Corridor**.
- The UK Forum for the Technology Industry in the India–UK corridor was launched by NASSCOM at the High Commission of India, London, in the presence of the High Commissioner of India to the UK, Mr Vikram Doraiswami, the UK Minister for AI and Online Safety, Mr Kanishka Narayan, and NASSCOM President Mr Rajesh Nambiar. With participation from technology industry, the Forum aims to advance collaboration across artificial intelligence, digital public infrastructure, skills development, SME digital adoption, and responsible technology, in alignment with the India–UK Technology Security Initiative, the Comprehensive Economic and Trade Agreement.

17. Renewal of India-UK Air Services Agreement -During Prime Minister Starmer’s visit to India both Prime Ministers reiterated their commitment to

improving connectivity and enhancing cooperation in the aviation sector and welcomed that both sides are discussing the renewal of India-UK Air Services Agreement, along with other aviation related matters.

OTHER SUPPORTIVE MECHANISMS

18. Financial Markets Dialogue (FMD): Financial services are a cornerstone of India-UK bilateral relations. The FMD was established at the 10th Economic and Financial Dialogue (EFD) in October, 2020. In July 2021, both sides held the first Financial Markets Dialogue (FMD) to share expertise, experiences and deepen collaboration between our financial sectors. The FMD covered progress in banking, insurance, and capital markets sectors, and discussed opportunities for future cooperation to grow bilateral financial services trade. The second edition of the India UK FMD was held on April 19, 2023 in London. The third edition of the India UK FMD was held on December 12, 2024 in Gujarat. The participants from both countries touched upon reforms in respective capital markets, insurance & reinsurance, pensions, Fintech, sustainable finance and International Financial Services Centre. Opportunities for inter-regulatory cooperation and private sector collaboration to increase bilateral trade and investment in financial services were also discussed.

19. India-UK Financial Partnership (IUKFP) was launched at the 7th India-UK Economic and Financial Dialogue (EFD) held in Delhi on July 8, 2014 by Shri Arun Jaitley, the then Finance Minister of India and Rt. Hon. George Osborne, the then Chancellor of the Exchequer of UK. Uday Kotak, Executive Vice Chairman and Managing Director, Kotak Mahindra Bank and Sir Gerry Grimstone, Chairman, Standard Life were appointed as co-chairs of the IUKFP representing India and the UK side respectively. It was decided that the Partnership would focus on development of corporate bond market, mutual sharing of expertise on financial sector and market regulation, enhancing financial training and qualification, financial inclusion, cross-border provision of financial and insurance services, pensions, internationalization of the Rupee and infrastructure funding. Since the formation of the Partnership, several papers have been published. During the 11th EFD held virtually on September 02, 2021, between Hon'ble Finance Minister of India, Smt. Nirmala Sitharaman and Mr. Rishi Sunak, Chancellor of Exchequer, UK a virtual business engagement with Chairpersons of India-UK Financial Partnership (IUKFP) was conducted and Climate Finance Leaders Initiative India Chapter (CFLI India) was launched, to support private sector financing in low carbon sustainable infrastructure projects in India. The last IUKFP meeting was held on April 9, 2025 on

the sidelines of 13th EFD, wherein a report ‘Catalysing bilateral growth: Connecting India and the UK’s equity capital markets’ on enhancing capital markets connectivity between India and the UK, including through listings of securities between Indian and UK stock exchanges was presented. New areas of focus such as Innovation and Artificial Intelligence (AI) in Financial Services, Green Finance, and Asset Management and Investment were also identified by the IUKFP for future work.

20. India-UK CEOs Forum: India-UK CEO’s Forum was launched on July 29, 2010 during the visit of the then Prime Minister of UK David Cameron to India, with the objective of making recommendations to Governments for increasing the level of bilateral trade and investment between the two countries. UKIBC acts as the secretariat for the CEOs Forum. First meeting of the CEO Forum was held in February 2011 in London. The 4th India – UK CEO’s Forum was held on April 18, 2018, in London during the visit of Prime Minister Shri Narendra Modi to the UK. It was co-chaired by Mr. Ajay Piramal, Chairman, Piramal Enterprises Ltd and Sir Gerry Grimstone, Chairman, Standard Life Plc. PM Modi and OM Starmer attended the reconstituted India-UK CEOs Forum in Mumbai on 8-9 October, 2025 which gathered business leaders from both nations to explore opportunities unlocked by the India-UK Comprehensive Economic & Trade Agreement (CETA)
