

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 £42.6 billion in 2024 (January - December), an increase of 8.3% or £3.3 billion in current prices from 2023. Out of the above, India's total imports from the UK amounted to £17.1 billion and India's total exports amounted to £25.5 billion. India was the UK's 11th largest trading partner in this period accounting for 2.4% of UK's total trade.

3. Trade in Goods: In 2024, total bilateral trade in goods (merchandise) was £17.8 billion, of which India's export to the UK was £10.8 billion while India's import from UK was £7.0 billion. During 2023, total bilateral trade in goods was £16.5 billion, of which India's export to the UK was £10.5 billion while India's import from UK was £6.06 billion. (Source: Department for Business & Trade, United Kingdom)

4. Trade in Services: In 2024, total bilateral trade in services was £24.8 billion, comprising of India's export of £14.7 billion and India's import of services from the UK of £10.1 billion. During 2023, total bilateral trade in services was £ 22.8 billion, of which India's export to UK was £12.7 billion and India's import of services from UK was £10.1 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 2019-2020 2020-2021 2021-2022 2022-2023 2023-2024 2024-2025 1 Export 8,737.85 8,157.56 10,461.29 11,405.63 12,922.65 14,550.2 6,712.63 4,955.76 7,017.78 8,960.73 8,420.15 8,607.3 Total Trade 15,450.49 13,113.32 17,479.07 20,366.36 21,342.80 23,157.4 4 Trade Balance 2025.22 3,201.80 3,443.51 2,444.90 4,502.50 5,943

6. Export: India's main exports to the UK are articles 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 108 projects and created 7533 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 2023. In 2023, the foreign direct investment (FDI) in the UK from India was £13.1 billion accounting 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\$35.66 billion in FDI inflows between April 2000- December 2024. 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 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. The 15th India-UK Joint Economic and Trade Committee (JETCO) meeting was held on January 13, 2022 in New Delhi between HCIM Shri Piyush Goyal and then SoS for International Trade Rt. Hon. Anne-Marie Trevelyan. During the above visit, 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.

14. 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, 4 improving regulatory frame-works and international development. The first meeting of the EFD was held on January 18, 2007.

15. 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.

OTHER SUPPORTIVE MECHANISMS

16. Financial Markets Dialogue (FMD): Financial services are a cornerstone of IndiaUK 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.

17. 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 5 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.

18. 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.

INDIAN COMPANIES IN THE UK

19. From Tata's purchase of the iconic Tetley tea and Jaguar-Land Rover in the UK to steel and mining giant ArcelorMittal, Indian companies have strengthened their presence in the UK. Major Indian corporates present in the UK include: TATA Group, Vedanta, Infosys, Wipro, HCL, Bharti Global, Mahindra, TVS Group, Hero, Apollo Tyres, Reliance Big Entertainment, ITC Infotech etc.

OTHER INITIATIVES

20. The Green Growth Equity Fund (GGEF): During the 9th round of EFD, India and the UK announced the launch of an Early Market Engagement for a joint UK-India Fund - Green Growth Equity Fund (GGEF), to be managed by EverSource Capital. GGEF is a joint initiative by the Governments of India and the UK under India's flagship National Investment and Infrastructure Fund (NIIF). The two countries have invested over £240 million of anchor capital into the fund, providing a high-quality conduit for international institutional investment, including from the City of London, into green and renewable infrastructure projects in India. GGEF had first close of GBP 260m in April 2019 (including GBP 20m from EverSource). GGEF announced its first investment of £150m into Ayana Renewable Power as part of new partnership with CDC Group to develop utility scale solar and wind generation projects across India. During the 11th EFD, India and the UK announced \$1.2bn (£0.87bn) green growth initiative package of public and private finance to help drive South Asian country's green growth. It includes a \$1 billion (£0.7 bn) 6 investment from CDC, the UK's development finance institution, joint investments from both governments to support businesses working on innovation green tech solutions as well as a new \$200 million (£144.7m) private and multilateral investment into the GGEF. The Climate Finance Leadership Initiative India partnership has also been launched to mobilise private capital into sustainable infrastructure in India, including solar and wind power and other green technologies. During the 12th India-UK EFD in September, 2023, the UK's Development Finance Institution-British International Investment (BII) committed over \$300 million in climate finance in India including to solar solutions, electric vehicles and sustainable agriculture.

21. TechXchange Program: techXchange program was launched by the High Commission in cooperation with FICCI-UK on June 20, 2018. Under the first phase of the programme, a cohort of 21 high potential tech Start-ups from across India were selected and invited to the UK to pitch their business and raise funding as well as interact with hitech enterprises and incubators in the UK. The second cohort of techXchange comprising of 13 scaled up Start-ups visited UK from September 17-

21, 2019. The third edition of techXchange was held virtually from October 26-30, 2020. The fourth cohort of techXchange visited the UK on January 30 – February 3, 2023. The 5th edition of 'techXchange 2024' was held in the UK from March 4 – 8, 2024.

FLIGHT CONNECTIVITY BETWEEN INDIA AND UK

22. There are several flights between London and major cities of India, operated by Air India, Vistara, Virgin Atlantic and British Airways.

As of May 2025