



By: TA | AP Brief

# Starmer and Modi hail long-sought India-UK trade deal as historic



The prime ministers of Britain and India sealed a hard-wrought trade **agreement** on Thursday that will slash tariffs on products including Scotch whisky and English gin shipped to India and Indian food and spices sent to the U.K.

Keir Starmer and Narendra Modi met at Chequers, the British leader's official country residence outside London, where the U.K. and Indian trade ministers, Jonathan Reynolds and Piyush Goyal, formally signed the agreement.

Starmer said it was "the biggest and most economically significant trade deal" Britain has made since **leaving** the European Union in 2020.

Modi said it was "a historic day in our bilateral relations."

Alongside the agreement, the two countries announced almost 6 billion pounds (\$8 billion) in trade and investment deals in areas including AI, aerospace and dairy products, and pledged to work more closely together in areas such as defense, migration, climate and health.

The trade agreement between India and Britain, the world's fifth- and sixth-largest economies, was announced in May, more than three years after negotiations started, and stalled, under Britain's previous Conservative government.

It still must be ratified by Britain's Parliament.

The U.K. government said the deal will reduce India's average tariff on British goods from 15% to 3%. Import taxes on whisky and gin will be halved from 150% to 75% before falling to 40% by year 10 of the deal. Automotive tariffs will fall from over 100% to 10% under a quota.

Britain said the deal is expected to increase bilateral trade by 25.5 billion pounds (\$35 billion) annually from 2040 and add almost 5 billion pounds (\$6.8 billion) a year to the British economy.

India's Trade Ministry said in May that 99% of Indian exports will face no import duty under

the deal, which applies to products including clothes, shoes and food.

## Unique bonds of history, of family and of culture

Formal talks began in 2022 on a free trade agreement that then-Prime Minister Boris Johnson **hailed** as a key goal after Britain left the EU. Johnson famously promised to have a deal done by the Diwali holiday in October of that year.

The two countries held 13 rounds of negotiations without a breakthrough before talks were suspended while both nations held general elections in 2024.

Modi was **re-elected** and Britain **replaced** the Conservative government with one led by Starmer's center-left Labour Party.

Almost 2 million people in the U.K. have roots in India, where Britain was the colonial power until independence in 1947.

Starmer said Britain and India "have unique bonds of history, of family and of culture, and we want to strengthen our relationship further, so that it is even more ambitious, modern and focused on the long term."

Speaking as England and India face off in a cricket test **series**, Modi said the sport was "a great metaphor for our partnership."

"There may be a swing and a miss at times but we always play with a straight bat," he said. "We are committed to building a high-scoring, solid partnership."