ALUMINA CALCINED, CERAMIC TILES, NATURAL STONE, AUTO TYRE, WOODEN FURNITURE, PRINTED BOOKS, DECORATIVE LAMINATES & ALUMINIUM INGOTS WILL BRING CHEERS UNDER INDIA-UK FTA

India and the United Kingdom will sign a landmark Free Trade Agreement (FTA) today during Prime Minister Narendra Modi's visit to the United Kingdom. This comes after nearly three years of negotiations.

The FTA, India's first major bilateral trade agreement with a developed economy in over a decade, is expected to come into force after legal clearances from the British Parliament and India's Union Cabinet, likely within a year.

CAPEXIL's trade with UK over the last 5 years

CAPEXIL'S TRADE WITH UK OVER THE LAST 5 YEARS							
							Value in US$ Million
	2019-20	2020-21	2021-22	2022-23	2023-34	2024-25	CAGR growth over the last 5 years (%)
Exports to UK	589.96	701.92	857.58	795.56	1045.37	1010.65	11.37
Imports from UK	684.03	422.68	605.92	775.66	666.62	650.96	-0.98
Total Trade	1273.99	1124.6	1463.5	1571.22	1711.99	1661.61	
Balance of Trade	**-94.07**	**279.24**	**251.66**	**19.9**	**378.75**	**359.69**	

UK's Concessions:

Indian Exports: 99% of Indian products will receive duty-free access to the UK market, covering nearly all of India's current trade value.

Winners in Capexil's products

Sectors likely to benefit from the FTA include:

1. Alumina Calcined
2. Ceramic Tiles
3. Natural Stone/Sand stone
4. Auto Tyre
5. Wooden Furniture
6. Printed Books
7. Decorative Laminates
8. Aluminium Ingots
9. Suspension Shock Absorbers
10. Pet foods

Import duty in UK

Many of these currently face tariffs between 4% and 8% in the UK.

CAPEXIL's Imports from UK:

1. Waste Paper - (raw material)
2. Scrap Rubber - (raw material)
3. Printed Books - (value added products)
4. Sawn Timber - (raw material)
5. Prepared Binders and foundry moulds and cores - (value added products)
6. Coking Coal - (scarcity product)

The FTA also includes progressive commitments in the services sector and mobility:

- Short-Term Entry: The UK will offer temporary access for Indian yoga instructors, chefs, musicians, and other contractual service providers.
- Social Security Exemption: Indian professionals posted in the UK will be exempt from paying social security contributions for up to three years. This will potentially save Rs 4,000 crore annually.

Benefits of FTA

The deal aims to strengthen bilateral investment flows:

- Indian Presence in UK: Over 1,000 Indian companies currently operate in the UK, employing more than 1 lakh people and investing around $20 billion (Rs 1.73 lakh crore).
- UK Investment in India: The UK has invested close to $36 billion (Rs 3.11 lakh crore) in India, making it the sixth-largest foreign investor.