

# World's largest democracy to fast-track trade deal with Brexit Britain this year – 20x faster than EU

*This report has been co-published with our affiliated organisation, Brexit Facts4EU.Org. We are most grateful for their original research into the raw data which backs what follows.*

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## World's largest democracy to fast-track trade deal with Brexit Britain this year – 20x faster than EU

**After PM's visit, India agrees to target a trade deal with UK by October**

**Additional Brexit Benefits: Security and defence deal agreed, 11,000 UK jobs already created**

At the end of last week while 'Partygate' was rumbling on in the UK, Prime Minister Boris Johnson was on a pre-planned visit to India, drumming up trade and agreeing new defence and security cooperation.

The growth opportunities for Brexit Britain from its new relationship with India

- **Part One – What happened when the PM visited India and why is it important? Why is this another Brexit Benefit?**
- **Part Two** – In the next part of our series, we will be looking at the massive opportunities for British

companies if Indian tariffs are lifted on goods from the UK, as a result of a trade deal.

The production of this report has involved significant and original research from official sources. The results are firstly summarised for those short on time, then more detail is provided below.

Our sources include: No.10 | UK Dept for International Trade | Indian PM's Office | Indian Government Ministry of External Affairs | IMF database | EU Commission (EEAS and Eurostat) | United Nations.

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## Summary

India – Why it's important to a newly independent United Kingdom

- Population : 1.35 billion (**3 times the size of the EU** and the world's 2nd-largest after China)
- India is the **largest democracy in the world**
- 1.6 million people of Indian heritage live in the UK – the largest Indian diaspora
- GDP : \$1.9 trillion (No.6 in the world, **bigger than 16 of the 27 EU countries combined**)
- Land mass : 1,269,219 sq miles (78% of **all EU27 countries combined**)

This was Mr Johnson's first visit to India as Prime Minister, after being invited by Indian Prime Minister Shri Narendra Modi.

In India's 75th year of independence from the UK, what follows is Part One of a special series on the sub-continent's largest

player. We look at what happened last week, why it's important, and what the future might bring – **now that the UK is out of the EU.**

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## The Prime Minister, speaking in New Delhi on Friday



*“We’ve agreed new deals worth £1 billion, and created more than 11,000 new jobs across the UK, in everything from electric buses to the robotic surgery of Smith and Nephew which I saw yesterday as well as in artificial intelligence, where India’s strengths are remarkable.*

*“And perhaps most significantly for the long term, we are making full use of the freedom that we now have to reach a Free Trade Agreement.”*

*“So as India celebrates its 75th year of independence, I am filled with optimism about the years ahead and the depth of the friendship between our countries, and the security and prosperity that our partnership can deliver for our people for generations to come.”*

– The Rt Hon Boris Johnson MP, India, 22 Apr 2022

## **The EU and India – what if the UK had still been in the EU?**

The EU launched negotiations for a free trade agreement (FTA) with India in June 2007 – 15 years ago. These came to a de facto standstill in 2013.

According to the latest information from the EU dated February 2022: *“No date has been fixed yet for any of the negotiation tracks.”* **In other words, no actual achievement from the EU in 15 years.**

While the UK was an EU member it was forbidden from conducting its own trade negotiations with other countries. **Now all that has changed, thanks to Brexit.**

## **The Indian Prime Minister, speaking in New Delhi on Friday**



*“For the past several years, Prime Minister Johnson has played a very important role in strengthening the relations between India and the UK. At the time when India is celebrating the Amrit Mahotsav of its independence, Prime Minister Boris Johnson’s visit is a historic moment in itself. And yesterday, the whole of India saw that you started your visit to India by paying homage to Mahatma Gandhi at Sabarmati Ashram.*

*“Last year, we established the Comprehensive Strategic Partnership between the two countries... Teams of both countries are working on the subject of Free Trade Agreement. Good progress is being made in the negotiations. And we have **decided to make full efforts towards the conclusion of the FTA by the end of this year.**”*

– Indian Prime Minister Narendra Modi, 22 Apr 2022

## **The Brexit benefit**

By contrast with the EU, the UK and Indian governments started trade talks in January of this year. On Friday Boris Johnson and Indian PM Modi agreed to fast-track a trade deal to be

completed by the start of the Indian holy festival of Diwali, in October 2022.

Whilst we confidently predict this will never happen in that challenging timeframe, nevertheless it is clear that both parties are enthusiastic. Four chapters of the FTA have already been agreed. Even if the deal is not agreed in nine months, it cannot possibly take longer than the 15 years the EU has taken to achieve nothing. Below we show the details of existing trade and what came out of the PM's visit at the end of last week.

## Summary

### **Details of trade, negotiations, defence, and Memorandums of Understanding**

#### **1. UK's current trade with India**

- UK exports to India : £7.7bn
- UK imports from India : £13.8bn
- India is the UK's 15th largest trading partner
- The opportunities to increase UK exports to India are clearly very significant

#### **2. Trade negotiations**

- India has no Free Trade Agreement (FTA) with EU, so UK could not have one either
- UK launched FTA negotiations with India in January 2022 in New Delhi
- Both parties say negotiations are going well, four chapters of FTA already agreed

- Target is to complete FTA by end October (around 20 times faster than typical EU FTAs)
- New FTA would pave the way for doubling bilateral trade by 2030
- New deals worth £1 billion now agreed, creating 11,000 new jobs across UK

### **3. Defence co-operation**

- UK's Carrier Strike Group (CSG) conducted joint operations with India in October 2021
- New and expanded Defence and Security Partnership has been agreed
- India-UK Comprehensive Strategic Partnership will enhance co-operation on secure Indo Pacific
- UK is creating India-specific Open General Export License for defence equipment

### **4. Memorandums of Understanding (MoU's) exchanged during the official visit of PM to India**

Government-to-Government MoUs exchanged

- MoU on Implementation of Global Innovation Partnership between Ministry of External Affairs, Government of India and Foreign, Commonwealth and Development Office, UK
- MoU on Cooperation on Global Centre for Nuclear Energy Partnership between Department of Atomic Energy, Government of India and Department of Business, Energy and Industrial Strategy, UK

Non-Governmental MoUs exchanged

- MoU on establishment of short term Chair at

Birmingham City University between ICCR and Birmingham City University

- Joint Declaration of Intent for cooperation in the field of Offshore Wind Development between the National Institute of Wind Energy (NIWE) under Ministry of New and Renewable Energy, Government of India and the Offshore Renewable Energy Catapult, (OREC)
- Memorandum of Understanding on the creation of The Chevening/Adani Scholarships on Artificial Intelligence between the Foreign, Commonwealth and Development Office– British High Commission New Delhi and the Adani Group
- MoU on satellite launch programme between New Space India Limited (NSIL) and OneWeb

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## For editors and journalists

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**A full media pack** on this important report with photos and links to more background information is available to you. To contact one of CIBUK's Officers the email is [✖](#) .

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Founded in 1969, for over 50 years the CIBUK has made a significant contribution in campaigning on issues important to the majority of our population and in securing our exit from the European Union. Now it's time for the next chapter.