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UK-India FTA — A Stabilising Anchor in a Volatile World

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UK-India FTA — A Stabilising Anchor in a Volatile World

 **The Indian Express** 2 June 2026 **GS2** **GS3**

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INTERVIEW ANGLE

"The UK-India FTA took years to negotiate partly because of India's insistence on protecting sensitive sectors. Was the final compromise a net gain or a missed opportunity?"

The operationalised UK-India FTA is a stabilising anchor in a world disrupted by US tariffs and China's assertiveness. Deeper defence, technology, and financial cooperation will amplify the deal's strategic dividends.

THE ARGUMENT IN ONE LINE

The UK-India FTA is a floor, not a ceiling — full strategic dividends require layering defence, technology, and services cooperation on top of the tariff schedule.

WHAT THE FTA DELIVERS

INDIA GAINS	UK GAINS
Better pharma, textiles, IT services market access	India's fast-growing consumer/industrial market
Professional-mobility improvements	Scotch whisky liberalisation
Strategic partnership framework	Indo-Pacific alignment

THE STRATEGIC CONTEXT

- **US-Trump tariff regime** disrupts WTO rules; reliable bilateral partners gain value.
- **China's assertiveness** — both India and UK seek supply-chain diversification.
- **Tech Bridge** — connects UK-India innovation ecosystems.

UPSC RELEVANCE

PAPER	RELEVANCE
GS2	India-UK bilateral; post-Brexit UK; Indo-Pacific
GS3	Trade policy; FTA; IT services; pharma exports

Sources: *Indian Express, Ministry of Commerce*

Source: UK-India FTA — A Stabilising Anchor in a Volatile World — Ujyari.com | Free UPSC & State PCS Editorial Analysis

● KEY ARGUMENTS AT A GLANCE

The newly operationalised UK-India FTA arrives at a moment of maximum global trade disruption, positioning bilateral ties as a stabilising anchor for both nations against US tariff volatility and China’s assertiveness, and deeper cooperation in defence, technology, and financial services can amplify strategic dividends well beyond the trade deal itself.

✓ SUPPORTING

- With the US-Trump reciprocal-tariff regime disrupting global trade rules and China’s assertiveness in the Indo-Pacific rising, both India and the UK are looking for reliable trading partners anchored in shared democratic values and rule-of-law.
- The UK-India FTA provides improved market access for Indian pharma, textiles, IT services, and professionals into the UK, while UK financial services, Scotch whisky, and goods gain improved access to India’s fast-growing market.
- Beyond the tariff schedule, the two countries share interests in the Indo-Pacific security order, critical technology cooperation (semiconductors, AI, quantum), and the “Tech Bridge” initiative connecting their innovation ecosystems.

⚠ COUNTER

Critics argue India negotiated too defensively (on pharma pricing, data-localisation carve-outs, student-visa mobility) and that the deal's commercial dividends are modest compared to what a more ambitious agreement could have delivered; the UK, facing post-Brexit challenges, needed the deal more urgently than India.

→ **WAY FORWARD**

Use the FTA as a platform — add defence procurement cooperation (UK carriers, Rolls-Royce Kaveri), deeper university-industry R&D linkages, and a bilateral mutual recognition agreement for professional qualifications to amplify the trade deal's economic gains.

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MAINS ANSWER FRAMEWORK

QUESTION

"Trade agreements between established and emerging economies are as much about strategic positioning as commercial advantage." Examine with reference to the UK-India Free Trade Agreement. (250 words)

INTRODUCTION

The UK-India FTA, in force since 2025, comes into sharp strategic focus in 2026 as US tariff instability and China's economic nationalism push both nations toward reliable, like-minded partners. The FTA is the foundation; the full edifice requires deeper cooperation across defence, technology, and services.

BODY

The commercial provisions are significant for India: improved market access for generic pharmaceuticals, textiles, and IT services; better professional mobility for skilled Indians in the UK; and duty reductions on a range of manufactured goods. For the UK, it secures access to India's fast-growing consumer and industrial market, Scotch whisky liberalisation, and a footprint in Asia's third-largest economy.

But the strategic multiplier is outside the tariff schedule. The UK's "Tech Bridge" with India connects leading universities and start-up ecosystems; a bilateral Comprehensive Strategic Partnership covers defence, intelligence sharing, and Indo-Pacific coordination.

At a time when the US-China tech decoupling is creating pressure on both India and the UK to choose supply-chain partners, a deepened India-UK technology partnership provides alternatives in semiconductors, AI, and quantum. The weak point remains services mobility — India seeks easier movement for its IT professionals; the UK faces domestic political pressure on immigration. Bridging this gap is the next phase of the relationship.

CONCLUSION

The UK-India FTA is a necessary but not sufficient foundation. To unlock the relationship's full potential as a strategic anchor in a turbulent trading environment, both governments must move from tariff liberalisation to technology partnership, defence cooperation, and professional-mobility frameworks that reflect the relationship's depth.

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