

India | UK Business Link



2027 Discovering Business

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UK INDIA
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Department for
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Department for Business, Innovation, Science & Trade

Harjinder Kang, HM Trade Commissioner for South Asia



Harjinder Kang

The UK-India Comprehensive Economic and Trade Agreement (CETA), which came into effect on 15 July 2026, marks a defining moment in the relationship between two of the world's largest economies. It is one of the most ambitious trade agreements India has concluded to date, and one of the most significant the UK has secured in recent years.

As His Majesty's Trade Commissioner for South Asia, I have seen first-hand the ambition and effort that both governments, as well as businesses on both sides, have invested in reaching this point. CETA is the product of that shared commitment, and it is now for all of us, in government and industry alike, to make the most of the opportunities it creates.

Through CETA, India will remove or reduce tariffs on 90% of its tariff lines for UK goods, while the UK will eliminate tariffs on 99% of its own for Indian goods. The result is a genuinely reciprocal partnership, opening new markets for British exporters in whisky, automotive products, medical devices and advanced manufacturing, while giving Indian businesses improved access to UK markets for textiles, engineering goods, leather, and gems and jewellery, among many other sectors.

The scale of opportunity is considerable. Bilateral trade is forecast to grow by £25.5 billion annually in the long run, with the agreement expected to add £4.8 billion to UK GDP and £5.1 billion to India's GDP each year. These

are not abstract figures: they represent new jobs, new investment, and new opportunities for businesses and workers across both countries.

We have already seen the momentum this partnership can generate. Since the agreement was signed in July 2025, investment announcements from British and Indian firms alike have created thousands of jobs, from AI engineering campuses in Bengaluru to fintech expansion and film production in the UK. India remains the second-largest investor in the UK by number of projects, a position it has now held for seven consecutive years.

CETA extends well beyond tariffs. It secures new certainty for services trade, from financial services to professional and business services. It also opens pathways for skilled professionals to work and collaborate across both countries. It protects the sectors that matter most to our respective domestic industries, ensuring that liberalisation is balanced and sustainable.

This agreement is only the beginning. Through the India-UK Vision 2035, our two countries have set out a shared ambition to deepen cooperation in innovation, research and regulation across priority growth sectors.

As we move into implementation, I encourage businesses in both the UK and India to seize the opportunities this agreement creates, and to help shape the next chapter of our shared partnership. ■



UK India Business Council

Dr Kishore Jayaraman OBE, CEO, UKIBC



Dr Kishore Jayaraman OBE

The UK-India relationship has evolved into one of the world's most dynamic and consequential partnerships, underpinned by deep people-to-people connections, shared democratic values, strong educational links, and an increasingly ambitious economic agenda. Today, businesses in both countries are not only trading and investing with one another but are collaborating to drive innovation, create jobs, and develop solutions that improve lives.

At UKIBC, our mission is to facilitate and catalyse the growth of UK-India trade and investment. We support businesses and universities to explore, enter, and expand in both markets. Success in India requires more than ambition; it requires a strategy grounded in market insight, strong networks, and practical execution. UKIBC is proud to provide the knowledge,

connections, and expertise that help organisations unlock opportunities and succeed.

The year ahead marks an important moment in the UK-India story. The Great North Trade Mission to India, continued engagement through Joint Economic and Trade Committee (JETCO), and the implementation of the UK-India Free Trade Agreement will strengthen the foundations of bilateral collaboration and open new avenues for growth, investment, innovation, and skills exchange.

As the focus shifts from agreement to action, our collective responsibility is to ensure businesses of all sizes are equipped to seize these opportunities. We firmly believe that a strong UK-India economic partnership is a force for positive change, creating prosperity in both nations and contributing to a more connected and resilient global economy. ■

Twenty years in the making: Building the UK-India growth story

UK India Business Council

Next year marks an important milestone: twenty years of supporting one of the world's most dynamic economic partnerships. It is an opportunity to reflect on the journey so far and to recognise how the UK-India relationship has evolved into one defined by shared ambition, innovation, investment, and opportunity.

When the organisation was established in 2007, the objective was simple: help industry navigate the opportunities emerging between two increasingly interconnected economies. Since then, the relationship has changed and grown stronger. India is a global powerhouse in technology, innovation, manufacturing, and entrepreneurship; the UK continues to demonstrate its strengths in finance, research, education, professional services, and innovation.

This evolution is reflected in the economic relationship. In 2007, UK-India trade in goods was valued at £8.31 billion. Today, total trade in goods and services stands at £48.4 billion, with the UK-India Free Trade Agreement this is meant to grow even further.

As the relationship has matured, so too has the nature of support industries require. Over the years, the focus has increasingly been on creating the last-mile connectivity between government, academia, and industry. Bringing the right people together at the right time can help turn policy ambition into commercial outcomes, and opportunities into lasting partnerships.

Advocacy remains a central part of this work. By convening stakeholders from across the UK-India corridor and providing a forum for constructive dialogue, UKIBC has helped ensure that industry perspectives inform policy discussions while supporting stronger engagement between the public and private sectors.

The impact of this work is perhaps best measured not in headlines, but in relationships. Behind many successful investments, market expansions, collaborations, and partnerships are the conversations, introductions, and connections that have helped build greater trust and understanding between the two countries.

Looking ahead, the opportunities are significant. From artificial intelligence and advanced manufacturing to clean energy, life sciences, education, textiles, and digital technologies, the UK and India are well positioned to work together on many of the defining challenges and opportunities of the coming decades.

The recent signing of the UK-India Free Trade Agreement underscores the growing strategic importance of the relationship and provides a strong foundation for the next phase of growth, investment, and collaboration. The agreement reflects years of engagement between governments and industry and signals a shared commitment to unlocking new opportunities across both economies.

The need for trusted networks, informed advocacy, and meaningful collaboration is only likely to grow. As the partnership continues to evolve, the focus remains on helping strengthen the connections that enable trade, investment, innovation, and shared prosperity.

It has been an inspiring journey so far. Yet, with the UK-India relationship entering an increasingly strategic phase, it also feels as though the most exciting chapter is still ahead. The story has never been just about trade. It is about bringing together industry, government, academia, and innovators to create lasting value on both sides of the corridor. Nearly twenty years on, that sense of purpose remains as relevant as ever. ■

UK INDIA BUSINESS COUNCIL

India is one of the world's most dynamic and fast-growing economies, while the UK is a global hub for finance, innovation, education and professional services. Together, they offer significant opportunities for business, investment and collaboration.

From artificial intelligence and advanced manufacturing to clean energy, life sciences, education, textiles and digital technologies, the UK and India are well positioned to collaborate in the sectors that will shape the coming decades.

The UK-India Free Trade Agreement marks a major new chapter in this relationship, providing a strong foundation for greater trade, investment and business collaboration. It reflects years of engagement between government and industry and a shared ambition to unlock opportunities across both economies.

UKIBC is the leading industry-led organisation dedicated to strengthening trade and investment between the UK and India. Through strong government relationships, deep market expertise and an extensive industry network, we help businesses navigate opportunities, overcome barriers and catalyse growth across both markets.



DRIVING GROWTH AND INVESTMENT ACROSS THE UK-INDIA ECONOMIC CORRIDOR

Connecting Business • Enabling Opportunity • Shaping Policy

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RECOGNISED BY GOVERNMENT AND SUPPORTED BY INDUSTRY



HOW THE UKIBC CREATES IMPACT



INDIA

Introduction: Growing together

India's economy has advanced quickly over the past decade, and so has its relationship with the UK. It remains the world's fastest-growing major economy, and current IMF projections put it back among the world's four largest economies within the next two years, and among the top three by 2031¹.

Growth is no longer concentrated in the handful of industries that have long dominated India's international reputation, such as IT services and pharmaceuticals. It now extends across the economy into dynamic global sectors such as semiconductors, renewable energy, defence manufacturing, insurance and capital markets. Areas where India was, until recently, a minor player on the world stage – and where it is fast becoming a significant one.

A country on the rise

India's middle class has grown larger and more digitally connected. Its stock markets have enjoyed a sustained run, and its government has pressed ahead with reforms in areas from insurance and legal services to logistics and taxation. Manufacturing has continued to expand under the government's Make in India programme, supported by production-linked incentives that now cover more than a dozen sectors, while services, still the largest part of the economy, have kept pace with strong export earnings in IT, business process outsourcing and financial services^{2,3}.

Much of this momentum is being driven from within. A growing consumer base, rising incomes and continued urbanisation are giving domestic demand a bigger role alongside exports in sustaining growth across manufacturing and services alike.

A handful of themes recur across India's economy, whatever the sector. Digital adoption is one of them: the digital public infrastructure, from the payments system to identity and data-sharing frameworks, is reshaping how business is done in areas as varied as retail, healthcare and financial services.

Sustainability is another, as India works to expand renewable generation and cleaner manufacturing while still meeting the energy needs of a growing population and economy.

A third theme is skills: employers in sectors from technology to healthcare consistently point to the availability of trained staff, rather than demand, as the binding constraint on growth. This itself, is an opportunity for UK training providers and education partners.

A fourth theme is the gradual opening of areas that were until recently closed or heavily restricted to foreign participation. Insurance, legal services, defence manufacturing and parts of financial markets have all seen a degree of liberalisation in recent years, generally at a measured pace that regulators consider sustainable. This steady, sector-by-sector approach looks set to continue, widening the field for new entrants year on year.

Closer by design

The UK-India relationship itself has deepened alongside these domestic changes. Total trade between the two countries reached more than £48 billion in the year to the first quarter of 2026, and both governments aim to grow this further⁴. Regular ministerial dialogues now cover everything from financial regulation to education and skills, and the

flow of students, professionals and capital between the two countries continues to grow in both directions.

The strength of this relationship is based on more than trade figures alone. A long-established Indian community in the UK, tens of thousands of Indian students at British universities, and a growing number of Indian companies with a UK base, from major industrial names to smaller, fast-growing technology firms, all add depth and resilience to an already warm relationship.

Shared institutions reinforce this closeness: a common language, related legal traditions, and decades of academic and scientific collaboration between UK and Indian institutions mean that India is more accessible to UK businesses than many others.

The most significant recent development is the UK-India Comprehensive Economic and Trade Agreement (CETA), which entered into force in July 2026⁵. Its effects run through much of the wider relationship, from lower tariffs on manufactured goods to new commitments on financial services, government procurement and the movement of skilled professionals between the two countries. This is complemented by a growing web of tax treaties and professional recognition arrangements that shape how business is carried out across numerous industries.

For UK businesses, the combination of a fast-growing economy, a widening range of open sectors, and a deepening bilateral relationship makes India hard to ignore. Nor is the opportunity confined to large, established multinationals. It increasingly extends to mid-sized firms



and specialist providers able to move quickly into fast-evolving markets across multiple sectors.

Much of this will play out over years rather than months, as CETA's tariff cuts phase in, reforms continue, and India's position among the world's largest economies settles. But the direction is already clear: a market that is larger, faster growing and more open to UK business than it was even a few years ago. ■

¹ https://www.business-standard.com/economy/news/india-gdp-ranking-imf-2026-rupee-depreciation-base-revision-126041600790_1.html

² <https://www.pib.gov.in/PressNoteDetails.aspx?NotelId=154660&ModuleId=3®=3&lang=2>

³ <https://nasscom.in/knowledge-center/publications/technology-sector-india-strategic-review-2026>

⁴ <https://assets.publishing.service.gov.uk/media/6a69cc36f23ff62c51c1a7ff/india-trade-and-investment-factsheet-2026-07-31.pdf>

⁵ <https://www.lexology.com/library/detail.aspx?g=27752615-3d30-449a-83bd-d9550edaa6a8>

UK-India CETA: What it means for business

Key highlights

- In force since 15 July 2026 – the Comprehensive Economic and Trade Agreement (CETA) is the UK's most economically significant bilateral deal since leaving the EU, and the most comprehensive trade agreement India has struck with any partner.
- Big tariff reductions on both sides: the UK removes tariffs on 99% of Indian goods; India cuts tariffs on 90% of UK tariff lines.
- Bilateral trade, already worth £48 billion in 2025, is forecast to grow by £25.5 billion a year in the long run.
- Automotive is a headline win for both sides: UK car tariffs fall from over 100% to 10% under a rising quota, while Indian auto components gain tariff-free UK access.
- Financial and professional services have a standalone chapter in the agreement, securing £13.6 billion of UK market access.
- A dedicated quota of 1,800 places a year for Indian chefs, yoga instructors and classical musicians.
- Double Contributions Convention (DCC) that removes dual social security payments for staff posted between the two countries.
- UK firms gain guaranteed access to India's £38 billion public procurement market – the first such chapter in any Indian trade agreement.

Source: <https://www.business.gov.uk/campaign/alive-with-opportunity/the-uk-india-trade-deal/>

A deal a decade in the making

The UK and India have long discussed the idea of a trade agreement, but it never quite came to fruition. What finally sealed the deal in 2025 was the sheer weight of mutually beneficial interests: a UK economy eager for export growth after leaving the EU, and an Indian economy looking to cement its growing position in global trade.

The relationship rests on what the UK Government calls a “living bridge”: at least 1.9 million people of Indian heritage live in the UK, and India had already become Britain's 11th largest trading partner, despite sitting behind some of the highest tariff walls of any G20 economy¹.

Talks were finally concluded in May 2025, the agreement signed that July, and the Comprehensive Economic and Trade Agreement (CETA), alongside a companion Double Contributions Convention (DCC) on social security, entered into force a year later on 15 July 2026.

India's Commerce and Industry Minister, Piyush Goyal, called the simultaneous entry into force of CETA and the DCC a “triumph of economic statecraft” that has “systematically dismantled long-standing tariff walls².”

Tariffs are the issue that has understandably grabbed the news headlines. The UK has eliminated tariffs on 99% of Indian exports, while India has removed or reduced tariffs on 90% of its lines with the UK³. Most of this liberalisation happens within five to seven years, with

the remainder phased in over a decade, so a majority of trade becomes duty-free immediately, and the rest catches up in stages.

But CETA is not simply a tariff-cutting exercise. It covers goods, services, investment, digital trade, intellectual property and government procurement, and includes chapters that are firsts for any Indian free trade agreement, on gender, anti-corruption, labour and development.

Winners on both sides

For UK exporters, the gains are focused on some familiar strengths. Scotch whisky and gin tariffs have been reduced sharply from 150%, falling further over the following decade, while seafood exports such as salmon and cod have dropped from 33% to zero⁴.

Automotive is arguably the deal's most closely watched sector. Tariffs on UK combustion-engine vehicles are down from over 100% to just 30%-50% initially, phasing down to 10% by year five, with electric and hybrid vehicles gaining their own, later-starting allowance⁵. Auto-component manufacturers get tariff-free access much sooner than finished vehicles do.

Financial and professional services merit a standalone chapter in the agreement, locking in substantial new market access and a firm cap on UK ownership of Indian insurers and banks, while the great majority of pharmaceutical tariffs were removed almost immediately. UK firms have also gained unprecedented legal access to India's government procurement market⁶.

India's exporters gain just as much room to grow. The vast majority of its agricultural tariff lines become duty-free, textiles and leather tariffs disappear immediately or within five years, and gems and jewellery,



already close to fully duty-free at entry, are projected to double their UK sales within two to three years. Indian auto components and vehicles gain immediate UK tariff relief, and a substantial number of engineering tariff lines gain duty-free entry⁷.

Movement, money and mutual recognition

Beyond goods, the deal reshapes how people and money move between the two economies. Indian professionals in IT, finance and healthcare gain access to the UK market without quotas or economic needs tests, and both countries have committed to negotiate mutual recognition of qualifications in fields such as healthcare, accounting and architecture.



On the morning of 15 July 2026, the first consignments to move under CETA's preferential terms left an inland container depot in Sanand, Gujarat.



In a detail that reflects the breadth of the agreement, a dedicated annual quota has been carved out specifically for Indian chefs, yoga instructors and classical musicians.

Underpinning this is the DCC, which prevents employees posted between the two countries from paying social security twice, modelled on similar UK agreements with Switzerland, Norway, Canada, Japan, Chile and South Korea⁸.

What comes next

The transition from negotiation to daily practice happened almost immediately. On the morning of 15 July 2026, the first consignments to move under CETA's preferential terms left an inland container depot in Sanand, Gujarat – a shipment of industrial equipment, pharmaceuticals, automobiles, polymers and textiles worth over £236,000 from seven regional exporters⁹.

It was a deliberately symbolic start, but the substance was not far behind. Grant Thornton estimates the agreement will deliver around £400 million in tariff savings in its first year alone, on top of a UK-India trading relationship that was already growing before the deal took effect, with bilateral trade up 10% year-on-year to £47.9 billion in 2025¹⁰.

This momentum is visible on the investment side, too. The number of Indian-owned businesses operating in Britain has climbed to 1,912, up almost 60% in a single year, together generating over £105 billion in UK turnover and employing more than 200,000 people¹¹.

The emphasis now shifts from negotiation to impact. For UK and Indian businesses alike, the opportunity is no longer a matter of if, but how quickly they can turn a decade of negotiation into practical advantage that benefits the bottom line. ■

¹ <https://assets.publishing.service.gov.uk/media/6a69cc36f23ff62c51c1a7ff/india-trade-and-investment-factsheet-2026-07-31.pdf>

² <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2274280®=48&lang=2>

³ <https://www.business.gov.uk/campaign/alive-with-opportunity/the-uk-india-trade-deal/>

⁴ <https://www.gov.uk/government/publications/uk-india-trade-deal-conclusion-summary/uk-india-trade-deal-conclusion-summary>

⁵ <https://www.business.gov.uk/campaign/alive-with-opportunity/the-uk-india-trade-deal/>

⁶ <https://www.business.gov.uk/campaign/alive-with-opportunity/the-uk-india-trade-deal/>

⁷ UK India Business Council Kickoff Brief, available at [https://www.ukibc.com/reports/comprehensive-economic-and-trade-agreement-\(ceta\)-opportunities-for-growth-and-collaboration](https://www.ukibc.com/reports/comprehensive-economic-and-trade-agreement-(ceta)-opportunities-for-growth-and-collaboration)

⁸ <https://www.gov.uk/government/publications/uk-india-trade-deal-conclusion-summary/uk-india-trade-deal-conclusion-summary>

⁹ <https://www.briefindia.com/the-india-uk-fta-at-entry-into-force/>

¹⁰ <https://www.granthornton.co.uk/insights/the-uk-india-ceta-is-live-are-you-ready/>

¹¹ <https://www.granthornton.co.uk/insights/the-uk-india-ceta-is-live-are-you-ready/>

Business, Legal & Finance: Forging a new partnership

India's business, financial and professional services sector is more accessible to UK businesses than it has ever been. The new UK-India trade agreement has come into force, India has lifted the ceiling on foreign ownership of insurance companies, its stock markets have enjoyed a record run, and the rules governing foreign lawyers have been loosened¹.

This progress builds on a deep and ongoing dialogue between the two countries. UK and Indian finance ministers and central bank governors meet roughly once a year to discuss banking, insurance, capital markets and fintech, and these talks have become noticeably more substantive: recent rounds have produced new agreements between UK and Indian regulators, discussions on developing London and GIFT City (India's flagship financial hub in Gujarat) as complementary centres, and closer cooperation on sustainable finance and the digital economy². India's banks, meanwhile, are in better shape than in the recent past, giving the sector a stronger foundation from which to support the wider liberalisation now underway³.

A growing market

The insurance sector exemplifies this trend. India's Parliament has passed legislation allowing 100% foreign ownership of insurance companies as part of a long-term push to widen insurance coverage across the country⁴. This is expected to attract new capital and technical know-how, and to make it considerably easier for overseas insurers and reinsurers to enter or expand in the Indian market. A young, increasingly affluent population, combined with very low existing levels of cover, means the potential customer base for insurers is enormous.

Capital markets are also performing well. India was again the world's busiest market for new stock listings in 2025, with a record 367 initial

public offerings (IPOs) – more than any other country – though the US still raised more money overall from its (fewer, larger) listings⁵. Analysts expect this pace of fundraising to continue, if not accelerate, in the years ahead. This is generating strong demand for the advisory and legal work that accompanies any listing, and is drawing renewed attention from international banks and investors who previously viewed Indian markets as a secondary consideration.

Legal services are growing more steadily, but from a low base, as India's expanding economy generates more cross-border transactions, more mergers and acquisitions, and greater demand for regulatory and compliance advice – all areas where UK firms have well-established expertise.

Open to investment

The overall direction of travel is towards greater openness, combined with strong domestic oversight. The insurance reforms are a case in point: full foreign ownership is now permitted, but the regulator has simultaneously been given wider powers, and certain safeguards remain in place, such as a requirement for an Indian citizen among an insurer's most senior leadership⁶.

Regulators have also made it easier for companies to reorganise into India ahead of a listing, contributing to the buoyant market for IPOs. India became the world's fourth largest stock market by value in 2024, a shift attributed to sustained economic growth, an expanding base of domestic investors, and a more streamlined listing process⁷.

Gujarat International Finance Tec-City (GIFT City), India's purpose-built international financial centre, is increasingly the focal point for foreign firms exploring the market. It already hosts several hundred financial institutions, including a growing number of UK names, and



The Bar Council of India relaxed its regime for foreign lawyers in 2023, allowing them to advise on foreign and international law.



both governments have discussed developing it further as a base for reinsurance, fund management and cross-border listings. For UK businesses not yet ready to establish a full presence elsewhere in India, GIFT City offers a lighter touch, more internationally familiar entry point, with tax incentives and a regulatory approach designed specifically to appeal to overseas financial firms⁸.

Impact of CETA

The new UK-India comprehensive trade agreement (CETA), includes a dedicated chapter on financial services. This gives UK financial firms clearer and more reliable access to the Indian market, alongside commitments from both governments to cooperate more closely on fintech and to work towards mutual recognition of professional qualifications, an area of particular interest to UK accountants and other professional advisers⁹.

Legal services were left out of the trade agreement, a gap the Law Society of England and Wales has described as a missed opportunity

for both economies¹⁰. Progress is instead being driven through India's own domestic rules. The Bar Council of India relaxed its regime for foreign lawyers in 2023, allowing them to advise on foreign and international law and to represent clients in international arbitration from within India, albeit still on a fairly restricted, reciprocal basis and without the right to practise Indian law or appear in Indian courts¹¹. Although the regime has since been further modified, the direction of travel seems clear.

UK firms now have two distinct, and increasingly promising, routes into India's professional and financial services market: a more formal treaty relationship covering financial services broadly, and a still-evolving set of domestic reforms gradually opening the door to foreign legal practice. In practical terms, firms considering India should treat the trade agreement as a starting point rather than a complete answer, and expect to keep a close watch on further domestic reform, particularly in legal services, where the most significant changes may still be to come. ■

¹ <https://www.eij.news/post/uk-india-free-trade-agreement-comes-into-force-opening-a-new-chapter-in-bilateral-trade-and-investm>

² https://assets.publishing.service.gov.uk/media/67f7d08ec6046b50261bc803/13th_UK-INDIA_EFD_JS_090425.pdf

³ <https://www.newsonair.gov.in/rbi-releases-its-report-on-trend-and-progress-of-banking-in-india-2024-25>

⁴ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2206011®=3&lang=1>

⁵ https://www.ey.com/en_ie/newsroom/2026/01/global-ipo-market-stabilises-in-2025-while-2026-pipeline-signals-potential-ai-led-mega-wave

⁶ <https://acuitylaw.co.in/sabka-bima-sabki-raksha-amendment-of-insurance-laws-act-2025/>

⁷ <https://www.dlapiper.com/en-us/insights/publications/2025/05/a-listing-strategy-for-global-companies-and-financial-sponsors-india>

⁸ <https://www.omfif.org/meetings/opportunities-in-indias-maiden-ifsc-at-gift-city-for-uk-institutions/>

⁹ <https://www.lexology.com/library/detail.aspx?g=ad141c31-1e31-4723-88e4-23b7b96919c4>

¹⁰ <https://www.lawsociety.org.uk/contact-or-visit-us/press-office/press-releases/uk-india-trade-deal-misses-the-target-on-legal-services-market-access>

¹¹ <https://www.ibanet.org/foreign-law-firms-in-india-evolution-regulation-and-the-road-ahead>

GIFT City: Building the financial infrastructure for the UK-India corridor

Rishi Patel, Chief Executive Officer, Interpolitan Money Plc



Rishi Patel

For decades, the commercial relationship between India and the United Kingdom has grown faster than the financial infrastructure supporting it. GIFT City is where that gap starts to close.

India's first International Financial Services Centre (IFSC) represents something more significant than a new financial district. It is a deliberate attempt to create an internationally connected financial centre within India, supported by a regulatory framework designed specifically for cross-border financial activity.

For Interpolitan Money, establishing a regulated presence in GIFT City was a natural extension of how we see the global financial system evolving. Businesses, investors and institutions are increasingly international, but the infrastructure supporting their capital can remain fragmented across countries, currencies, entities and providers.

The timing is significant. The UK and India are entering a new phase in their economic relationship, with bilateral trade already exceeding £48 billion, and the trade agreement between the two countries is set to create further opportunity for businesses on both sides.

Companies operating between India and the UK need to collect, hold and move capital across currencies. They need to manage international payments, treasury

requirements and increasingly complex corporate structures. As they expand, they also need infrastructure capable of supporting multiple entities and jurisdictions without introducing unnecessary friction.

First, it provides a dedicated framework for international financial activity within India. The International Financial Services Centres Authority has created an environment intended to connect the Indian economy more directly with global financial markets, while supporting the development of payments, investment, insurance, fund and other financial services within the IFSC.

This gives businesses and investors more options for structuring international activity within India, rather than routing every cross-border requirement through another global financial centre.

Second, GIFT City has an important role to play in how companies operate internationally.

This is visible across the sectors driving the UK-India relationship, from pharmaceuticals and advanced manufacturing to trade and professional services, where cross-border transactions increasingly require more than a single domestic banking relationship can support.

International expansion ultimately must work at an operational level. Capital needs to move. Businesses need accounts and payment infrastructure. Currency

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Cross-Border Capital Infrastructure

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exposures need to be managed. Transactions need appropriate controls. Companies with multiple subsidiaries, investment vehicles or project structures need an operating model that can support them across jurisdictions.

At Interpolitan Money, we describe this as cross-border capital infrastructure: the accounts, payments, foreign exchange, controls and transaction capabilities that allow internationally active organisations to structure, operate and scale more effectively.

Our presence in GIFT City gives us an important base from which to support that activity between India and international markets.

It also matters from a resilience perspective. Reliance on a single market, financial relationship or operating structure creates unnecessary concentration risk. For organisations managing capital across several markets, access, control and continuity can matter as much as the transaction itself.

Third, GIFT City should be viewed in the context of India's longer-term financial internationalisation. Indian companies are expanding overseas, international businesses are increasing their exposure to India, and family capital, funds and institutional investors are operating across increasingly complex combinations of markets and legal structures. The infrastructure around them must evolve at the same pace.

GIFT City is still developing. It does not yet have the depth, liquidity or professional services ecosystem of financial centres that have been operating for several decades. That is to be expected. International financial centres are built over time through regulation, market participation, talent, infrastructure and confidence.

What is important is the direction of travel.

The regulatory architecture is becoming established, international participation is increasing, and the UK-India economic relationship is



moving into a new phase. Organisations that engage early will be better placed to understand how the ecosystem develops and where it can create practical advantages for their own international operations.

For UK businesses looking at India, and for Indian businesses looking outward, GIFT City should therefore be seen as more than a future opportunity. It is becoming part of the financial infrastructure that supports cross-border growth today.

Our presence in GIFT City adds an important Indian component to the cross-border capital infrastructure we are building for businesses, investors and institutions operating across countries, currencies and structures. India's financial internationalisation is no longer simply an ambition; it is becoming operating infrastructure, and we are proud to be part of it. ■



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India beckons: Why the UK-India trade deal opens the door to long-term growth

Shikha Bagai, Country Head & Siddharth Dhawan, Commercial Head, Vistra



Shikha Bagai

Beyond tariff reductions (99% of Indian tariff lines eliminated, 90% of UK tariff lines reduced) – what are the practical implications for UK mid-market and enterprise companies considering India?

The FTA doesn't simply make trade cheaper – it makes businesses more competitive. That's the real game changer.

By reducing or eliminating tariffs across a wide range of goods, UK companies can offer more competitive pricing in one of the world's fastest-growing markets. This not only improves margins but also enhances their ability to compete, scale and invest with greater confidence. Coupled with easier market access and stronger economic cooperation, the agreement creates a compelling commercial case for long-term expansion.

More importantly, the FTA comes at a time when global businesses are diversifying supply chains and looking for resilient growth markets. India has evolved into far more than a sourcing destination – it's a strategic market for innovation, manufacturing, digital services and consumption. We're already seeing UK organisations explore India not just to sell products, but to establish operations, access world-class talent and build regional hubs.



Siddharth Dhawan

India presents enormous opportunities, but businesses often perceive it as a complex market. What advice would you give to UK companies?

India offers one of the world's most compelling growth opportunities, but success requires a long-term, well-planned approach. The biggest mistake many companies make is treating India as a single, homogeneous market. In reality, India is a collection of diverse regional economies, each with its own customer preferences, language, regulatory nuances, talent pools, and business ecosystems. A strategy that works in Bengaluru may not necessarily succeed in Mumbai or Delhi.

The first step for UK businesses is to clearly define their market-entry strategy. This means identifying the right location based on their industry, customer base, supply chain requirements, and talent availability, rather than simply choosing the largest city. It is equally important to determine the most appropriate operating model – whether through a liaison office, branch office, wholly owned subsidiary, joint venture, distributor network, or strategic partnership.

While regulatory compliance remains important, India today is significantly more business-friendly than it was a decade ago. However, compliance should be viewed

not as a hurdle but as an enabler of sustainable growth. Building strong governance, financial controls, tax compliance, payroll processes, and corporate secretarial frameworks from day one helps businesses avoid costly disruptions as they scale.

Another critical success factor is investing in local expertise. Having trusted advisers and experienced local teams enables companies to navigate regulatory requirements, cultural expectations, hiring practices, and commercial negotiations more effectively. Local knowledge often accelerates market entry while reducing execution risk.

As businesses grow in India, how can they balance rapid expansion with the country's evolving regulatory, HR and compliance requirements?

India's regulatory framework is well established, but navigating it effectively requires planning rather than reaction. It is an evolving market in many ways and business environment predictability is getting stronger by the day. Businesses that get the fundamentals right in their first year spend less time resolving operational issues and more time capturing market opportunities.

Beyond choosing the right legal structure, businesses need to establish robust tax, accounting, payroll and governance frameworks from day one. Equally important is understanding India's employment landscape – hiring the right talent, implementing compliant HR policies and ensuring statutory obligations are met from the outset.

Another critical factor is adopting an integrated approach rather than treating compliance, finance and HR as separate workstreams. When these functions are aligned from the beginning, businesses gain better visibility, reduce operational risk and can focus on executing their growth strategy.



Ultimately, companies that invest in building the right operational foundation early are the ones best positioned to scale confidently and sustainably in India.

Which sectors are likely to benefit the most from the UK-India Free Trade Agreement, and where do you see the greatest opportunities for UK businesses over the next five years?

The UK-India Free Trade Agreement is set to unlock opportunities across multiple sectors, particularly where the UK's strengths align



Increasingly, businesses are also leveraging digital platforms and AI-enabled solutions to improve visibility across jurisdictions.



with India's scale and growth ambitions. We expect technology, financial and professional services, advanced manufacturing, life sciences, healthcare, clean energy and education to benefit significantly. With reduced trade barriers and improved market access, UK businesses will be better positioned to offer competitive pricing, expand their customer base and invest with greater confidence. At the same time, India's growing digital economy, skilled workforce and strong domestic demand make it an increasingly attractive destination for long-term investment.

Beyond sector opportunities, businesses should think strategically about why they are investing in India. For some, India will be a high-growth consumer market; for others, it will serve as a hub for innovation, global capability centres, manufacturing or regional supply chains. There is a huge tier III, tier IV and rural market that presents disruption opportunities. The FTA provides the momentum, but success will depend on selecting the right market-entry strategy, operating model and location to align with long-term business objectives.

Over the next five years, I believe the biggest winners will be organisations that move beyond a traditional export mindset and establish a meaningful presence in India. The FTA opens the door, but sustainable growth will come from combining global expertise with local execution, strong governance and a long-term commitment to one of the world's most dynamic economies.

To learn more, search for **Vistra UK-India trade agreement: what businesses need to know**.

Vistra supports businesses across more than 50 markets. How does an integrated global operating model help organisations reduce complexity and accelerate international expansion?

One of the biggest challenges organisations face during international expansion is fragmentation. Different providers often manage company incorporation, accounting, tax, payroll, corporate governance and compliance independently, resulting in inconsistent processes and limited visibility.

At Vistra, our purpose is to remove the friction that comes from the complexity of global business. We achieve this by providing an integrated operating model that supports businesses throughout their entire expansion journey – from initial market assessment and entity establishment through to ongoing operational management.

With a presence across more than 50 markets with 100+ offices and over 9,000 professionals globally, we combine deep local expertise with a consistent global governance framework. This enables our clients to expand confidently while maintaining high standards of compliance, transparency and operational efficiency.

Increasingly, businesses are also leveraging digital platforms and AI-enabled solutions to improve visibility across jurisdictions. By combining technology with specialist expertise, organisations can make faster decisions, reduce administrative burden and focus on what matters most – growing their business.

To learn more, please visit our website www.vistra.com. For further enquiries, please contact: newdelhi@vistra.com. ■



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Redefining accountancy for a sustainable future

ACCA (The Association of Chartered Certified Accountants)

With strong member communities in both the UK and India, ACCA (the Association of Chartered Certified Accountants) looks forward to playing a key role in the deepening relationship between these two vibrant economies.

The launch of the UK-India free trade agreement (FTA) marks an exciting time of huge potential for both countries. After all, it's often said: 'If you want to walk fast, walk alone. If you want to walk far, walk together.'

At ACCA we like to say that our capacity for partnership is our super-power, and that is reflected by our many partnerships with employers, regulators, educators, professional bodies and governments in both India and the UK, as well as around the world.

We are the only truly global professional accountancy body and we've been breaking down barriers to the accountancy profession since we were founded in 1904 in the UK where we were granted a Royal Charter over fifty years ago. Today we proudly support a diverse community of over 266,100 members and 546,500 future members in 179 countries, including 177,000 members and future members in the UK and a rapidly growing network of over 84,000 members and future members in India.

ACCA members in action

Across business, financial services, public practice, government, public sector and education, we see how our quarter of a million members worldwide operate at the heart of organisations in finance and operational roles where they have influence and the opportunity to make a positive impact.

They also work for the 'Big Four' and other professional services firms of all sizes as partners, owners and auditors. They expertly advise clients on driving trade, managing tax, AI, sustainability and help businesses of all sizes obtain finance.

Senior level roles include CFO and finance director, while mid-level roles include business and finance analysts. Many accountants move into wider management or strategy roles – some becoming CEOs or specialists in a specific area that have caught their interest or imagination. Sustainability and the acceleration of technology is widening existing roles and creating new ones.

We regularly work with governments to support international trade. Notably, in the UK industrial and trade strategies and Gift City, where we are proud to see our profession recognised as being key for growth.

Get ready for growth: how working with ACCA can benefit your organisation

We partner with employers, helping them access and grow the finance talent they need to succeed through our trusted forward-looking qualifications and continuous learning. Our cutting-edge business and technical insights keep them ahead and our global community opens doors to new opportunities including connections with ACCA professionals, new talent, potential partners and forward thinkers.

The ACCA Qualification is always the most forward-looking on the market – it's globally recognised and has the most comprehensive syllabus of any accountancy body. It creates ethical finance professionals who add value fast to your organisation. Wherever your

organisation is, ACCA students and members will have the relevant knowledge and certifications to support you.

We enjoy strong links with the employer and education community in India and the UK, and we work to attract and nurture the coming generation of accounting talent that both countries need to promote sustainable business and to grow their economies.

For example in the UK, ACCA works across a range of sectors including practice, corporates, financial services and the public sector, embedding the ACCA Qualification and, beyond that, ACCA Learning – our suite of learning opportunities – into the development of finance teams throughout their careers. ACCA Learning includes courses on existing and emerging areas on everything from AI and tech to sustainability reporting, to business strategy, and much more.

Our consultative approach means employers shape their strategic priorities alongside us as the training landscape shifts, including recent changes to apprenticeship funding, and the growing need for data and AI fluency.

In India, we support the country's rise as a Global Capability Centre hub by producing thought leadership research, building strong connections, satisfying evolving needs for finance skills and providing strategic value. We are well connected with India's banking, financial services and insurance sectors, conglomerates, the Big Four and IT.

Your future finance talent

Sourcing finance talent can be a challenge, but the award-winning ACCA Careers jobs board has an unrivalled reach of finance and accountancy professionals at all levels, making ACCA the talent partner of choice for employers.

Finance talent doesn't appear overnight, so we think ahead to give the next generation the opportunity to join the accountancy profession. We're already investing in India's young demographic by embedding ACCA into higher education, improving their work readiness and employability and enhancing the attractiveness of the accountancy profession. We're also strategically expanding into second and third-tier cities to open up access to global qualifications and build local talent pipelines. And we continue to promote financial literacy, sustainability, and ethics – demonstrating ACCA's purpose of being a force for public good and leading the global accountancy profession by creating opportunity.

The UK-India FTA creates an opportunity to deepen collaboration between businesses, governments, educators and the accountancy profession. With strong roots in both countries, ACCA looks forward to working with employers, policymakers, education partners and professional bodies to develop future-ready finance talent, strengthen business capability and support sustainable economic growth across the UK and India.

Accountancy redefined

The UK and India need accountants now, more than ever. At ACCA, we're leading the way by equipping our members and future members for this exciting new landscape that will bring them wider and more varied opportunities.

Through our latest redesign of the ACCA Qualification which launches in 2027, we're making sure that we continue to help future members look beyond the bottom line and bring more value than ever to their employers. The ACCA Qualification has always been the gold standard, globally recognised and highly valued by employers. It will remain as rigorous, relevant, and future-focused as ever, with an even sharper focus on employability. ■



Helen Brand OBE



The UK-India FTA offers a significant opportunity for our two vibrant and significant global economies to deepen our trading relationship and benefit positively from it. ACCA is committed to using our global expertise to provide India and the UK with dynamic, ethical accountancy professionals who can help businesses and national economies thrive and grow.



Helen Brand OBE, Chief Executive, ACCA



Abdul Goffar



India and the UK share many economic and cultural links and this is reflected by the interconnectedness of the ACCA communities and the mobility between our two countries. ACCA UK is delighted to pursue the journey towards sustainable, inclusive prosperity with India's business community, policymakers and finance leaders.



Abdul Goffar, Director – UK, ACCA



Md. Sajid Khan



This landmark agreement means that the ambition, innovation, and energy of India and the UK will power both economies to the next level. ACCA has a strong role in both countries in contributing to the profession, the economy, and society guided by our public value agenda. We look forward to supporting a prosperous future for both countries.



Md. Sajid Khan, Director – India, ACCA

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INTRODUCING THE INDIA DESK

Bridging Two Markets

*Your guide to the new UK–India trade era—
and the boutique team built to navigate it.*

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- High Value Real Estate & Property Law

Bridging two markets: Your India Desk Guide to the new UK-India trade era

Vishal Aggarwal, Head of India Desk, Albertson Solicitors



Vishal Aggarwal

With the India-UK Comprehensive Economic and Trade Agreement (CETA) in force, businesses on both sides of the corridor face a window of opportunity. Albertson Solicitors' India Desk explains what this means for Indian companies expanding into the UK, UK businesses entering India, and why timing and the right adviser matter more than ever.

How do CETA, law, trade and investment interact?

CETA is far more than a tariff schedule. It is a legal architecture that simultaneously reshapes the rules governing trade in goods and services, investment flows, and the professional frameworks within which businesses operate across the UK-India corridor. The agreement lowers barriers at the border, but its deeper impact is in the legal and commercial infrastructure it creates behind the border.

"On trade, CETA reduces or eliminates tariffs across key sectors, making cross-border supply chains more viable. On investment, it provides greater certainty for businesses putting capital into the other market. But it is the legal layer that ties everything together: investment protection provisions, dispute resolution mechanisms, and regulatory equivalence frameworks that reduce duplication. For lawyers advising on transactions in this corridor, CETA changes the starting assumptions."

**Vishal Aggarwal, Head of India Desk,
Albertson Solicitors**

Why does timing matter so much here?

Trade agreements create a first-mover advantage. Businesses that have their structures, contracts, and compliance in place when CETA takes effect will be positioned to act immediately, securing better terms and capturing market share. Getting "CETA-ready" means reviewing corporate structures, checking regulatory exposure, and ensuring dispute clauses anticipate the new landscape. Businesses that start now will be moving on day one, not month six.

For Indian companies looking at the UK, what does the India Desk help with?

Typically company formation and corporate structuring, regulatory set-up, employment law for first UK hires, and commercial contracts all handled by one coordinated team. We act for technology and fintech companies, real estate investors, private equity and venture capital funds, and high-net-worth individuals and family offices, establishing a UK footprint.

And for UK businesses entering India?

India's regulatory environment has transformed. Up to 49% foreign institutional investment can proceed automatically in most sectors; insurance foreign ownership limits have risen to 74%; and capital markets are deep. But simplified isn't simple banking and defence still require approval, and commercial culture differs in ways that catch out experienced investors. We help UK businesses structure correctly from the outset.



Getting “CETA-ready” means reviewing corporate structures, checking regulatory exposure, and ensuring dispute clauses anticipate the new landscape.



The India Desk covers a broad range of services – can you summarise?

- Corporate & M&A: India-UK transactions, joint ventures, restructurings
- Investment, Banking & Finance: fundraising and finance structures across both jurisdictions
- Private Client & Family Office Services: for families with India-UK interests
- Fraud, Asset Tracing & Recovery : Uncovering, Tracing, Recovering Assets across jurisdictions
- Dispute Resolution & International Arbitration
- High Value Real Estate and Property Law

Tell us about the disputes side.

However well a deal is structured, disputes happen and cross-border ones are more complex. Our team has acted in international arbitration and the English Commercial Court across a range of India-connected matters, including manufacturer disputes, royalty and commodity disagreements, commercial litigation, and investor-state arbitration.

The lesson: get contracts and dispute clauses right from the start, and know that if something goes wrong, you have a team ready to act with both legal expertise and cross-border perspective.

Why choose a boutique firm for this kind of work?

Size isn't the advantage clients think it is. What matters is depth, responsiveness, and people who understand both legal systems

and both business cultures. Because we're boutique, clients get direct access to senior lawyers from day one, decisions get made faster, and fees reflect a leaner structure without sacrificing quality. For businesses trying to move quickly to capture a CETA-driven opportunity, that agility is often decisive.

With so many firms now claiming an “India Desk,” what makes Albertson's different in practice?

Plenty of firms have added India to their letterhead in response to the headlines. What clients need is a team that has lived the corridor lawyers who understand both sides of the table, who know why an Indian counterparty might want a clause structured differently, and who can reach trusted local counsel the same day. Our India Desk is built around continuity: the same senior team handles a matter from first call through to completion, coordinating across jurisdictions so advice is joined-up, not assembled from silos.

What's the first step?

Talk to us early, ideally before terms are agreed or structures are locked in. Tax structuring, regulatory approvals, and dispute clauses are far easier to get right at the outset than to fix later.

Contact Our India Desk

Contact Albertson Solicitors' India Desk for a confidential discussion, whether you are an Indian business expanding into the UK, a UK business entering India, or want to be positioned to move.

Email:

vishalaggarwal@albertson.law | jessicalumley@albertson.law ■

Technology: From services to solutions

India's technology sector has expanded well beyond its roots as an outsourcing hub. It is now the world's leading location for global capability centres, a fast-growing base for artificial intelligence work, and one of the most active markets anywhere for financial technology. The new UK-India trade agreement adds an extra layer of certainty to what was already a long-standing and successful relationship.

India's technology industry continues to grow at a steady pace, with revenue on course to pass £230 billion this financial year, according to the National Association of Software and Services Companies (Nasscom)¹. Software and IT services still dominate, but the focus is shifting from delivering large volumes of routine work towards higher-value engineering, research and AI, with the industry's own trade body describing this as a move from experimentation with AI to embedding it into everyday operations².

The global capability centre boom

The clearest sign of this shift is the continued growth of global capability centres (GCCs) – in-house hubs that multinational companies use to run engineering, finance, legal and increasingly research work from India, rather than through Indian outsourcing partners.

India is now comfortably the world's leading destination for GCCs, and their remit keeps expanding, from back-office support towards genuine product ownership and AI development³. UK companies are among the fastest-growing groups of new entrants, adding to an already well-established base of UK-owned centres in India. Many of these are moving beyond cost-driven support work altogether, taking on entire product development cycles, partly in response to engineering skills shortages in the UK⁴.

Steady flow of capital

Private investment into Indian technology and software has remained resilient, even as global venture funding has been more selective. Financial technology continues to attract particular attention, given the scale of India's digital payments infrastructure and the pace at which lending and wealth products are being built on top of it.

The main change for UK investors is regulatory rather than financial. India's Digital Personal Data Protection Act, passed in 2023, only became operational in late 2025, introducing GDPR-like obligations on consent, breach notification and cross-border data transfers⁵. Compliance is being phased in over the next couple of years, giving UK firms time to prepare, but the direction of travel towards tighter, more codified oversight is clear⁶.

A trade agreement with useful limits

The UK-India Comprehensive Economic and Trade Agreement (CETA), is the first UK free trade deal to include a dedicated digital trade chapter alongside a services chapter covering IT and IT-enabled services⁷. It gives legal recognition to electronic contracts and signatures, protects source code and algorithms from forced disclosure, and commits both governments to cooperate on cybersecurity and emerging technology.

What it doesn't do is equally significant. Unlike some UK trade agreements, CETA contains no binding commitment to free cross-border data flows and no ban on data localisation⁸. For UK technology firms, the agreement is best read as a foundation for market access and intellectual property protection, rather than a settled framework for how data itself will move between the two countries.

Deepening ties on the ground

Alongside CETA, the UK-India Technology Security Initiative (TSI), launched in 2024, has become the more active channel for collaboration in frontier areas including semiconductors, quantum computing and AI⁹. Within it, a joint centre for responsible AI is already running projects on safe adoption, and the semiconductor strand is focused specifically on chip design and supply-chain resilience, complementing India's separate push to attract chip fabrication plants¹⁰. The initiative also provides a framework for deeper collaboration between researchers, businesses and technology specialists, helping both countries develop capabilities in strategically important technologies and strengthen the resilience of critical supply chains.

British firms with a long-standing presence illustrate what this evolving relationship looks like in practice. Barclays, for instance, has run a technology and operations centre from Pune for close to two decades, taking on progressively more sophisticated work, including ownership of trading platforms and risk systems¹¹. Newer UK entrants are increasingly choosing India for its AI and engineering talent, with cost savings now a secondary consideration. This reflects a broader shift towards India as a strategic technology partner, with UK companies

seeking access to specialist skills, innovation ecosystems and opportunities to develop products and services for growing markets.

Fintech – a corridor of its own

Financial technology is the sharpest expression of India's digital economy, and one of the sectors where the country is now setting the pace rather than following it. Payments, built almost entirely around the government-backed Unified Payments Interface (UPI), remain the anchor, but lending, wealth management and insurance are the areas now growing fastest as platforms bundle credit and investment products alongside payments¹².

The two governments have given the relationship its own dedicated channel. The India-UK Fintech Corridor, launched in 2025 to link GIFT City with the London Stock Exchange, sits alongside the longer-running India-UK Financial Partnership and is intended to make it easier for start-ups on both sides to pilot and scale products more efficiently across borders¹³.

Regulation is tightening in line with growth, most notably around buy-now-pay-later lending, which moved from a supervisory grey area to formal Reserve Bank of India oversight in late 2025¹⁴ – a reminder that this is a maturing market as much as a fast-growing one. ■

¹ <https://nasscom.in/knowledge-center/publications/technology-sector-india-strategic-review-2026>

² <https://nasscom.in/knowledge-center/publications/technology-sector-india-strategic-review-2026>

³ <https://zinov.com/centers-of-excellence/zinov-nasscom-india-gcc-landscape-2026-report/>

⁴ <https://zinov.com/centers-of-excellence/uk-global-capability-centers-gccs-in-india-2025-report/>

⁵ <https://www.fisherphillips.com/en/insights/insights/indias-new-data-privacy-rules-are-here>

⁶ <https://www.fisherphillips.com/en/insights/insights/indias-new-data-privacy-rules-are-here>

⁷ <https://www.gov.uk/government/publications/uk-india-ceta-chapter-12-digital-trade>

⁸ <https://www.techuk.org/resource/uk-india-free-trade-agreement-what-it-means-for-the-uk-tech-sector.html>

⁹ <https://www.gov.uk/government/publications/uk-india-technology-security-initiative-factsheet>

¹⁰ <https://www.techuk.org/resource/the-uk-and-india-sign-a-new-technology-and-security-initiative-what-does-it-mean-for-the-uk-tech-sector.html>

¹¹ Business of GCC, Barclays India GCC Profile: <https://www.businessofgcc.com/gcc-data/companies/barclays-india>

¹² Mordor Intelligence, India Fintech Market Size, Growth & Industry Share: <https://www.mordorintelligence.com/industry-reports/india-fintech-market>

¹³ Business Today, NSE Backs India-UK Fintech Corridor: <https://www.businesstoday.in/india/story/nse-backs-india-uk-fintech-corridor-eyes-deeper-gift-city-london-ties-497593-2025-10-09>

¹⁴ Product Growth, India Fintech Market 2026: State of the Industry: <https://productgrowth.in/insights/fintech/india-fintech-2026/>

Infrastructure: Foundations for growth

India is now spending more on infrastructure, in a single financial year, than at any point in its history¹. This spending is matched by an increasingly open business environment: a new trade agreement, a professional mobility framework taking shape, and a pipeline of projects large enough to absorb substantial capital over the long-term.

The country's latest budget set capital expenditure on infrastructure at around £95 billion, with roads and railways accounting for the largest shares². This scale of commitment reflects a deliberate policy of treating infrastructure as the multiplier that unlocks manufacturing competitiveness, rather than an expenditure to be trimmed when budgets tighten.

The National Infrastructure Pipeline, first launched in 2019, is the organising framework behind this spending. It now covers around 13,000 projects worth a combined £1.4 trillion, covering transport, energy, urban development and digital connectivity³. The national highway network has expanded substantially and rail electrification is now close to complete, both signs of a build-out that has moved from ambition into delivery⁴. Most analysts expect the pipeline to keep growing through the rest of the decade as states add their own priority schemes.

Ports, aviation and the logistics push

Maritime development continues under the 'Sagarmala programme', a flagship port-led development initiative launched in March 2015 to modernise the maritime sector and reduce logistics costs. Sagarmala has so far delivered several hundred port and coastal connectivity projects worth tens of billions of pounds, with a substantial share

already complete⁵. The Ministry of Ports, Shipping and Waterways is targeting a near-fourfold increase in total port capacity by 2047, implying a sustained pipeline of expansion work for years to come⁶.

Aviation is on a similar trajectory. A newly modified UDAN regional connectivity scheme will fund the conversion of existing airstrips into operational airports over the next decade, building on a period in which the number of operational airports has more than doubled⁷. India is already the world's third-largest domestic aviation market. Tying these efforts together is PM Gati Shakti, a national digital masterplan that maps roads, railways, ports, airports and logistics parks onto a single system, intended to reduce the planning delays that have historically slowed large projects⁸.

Money moving in

A second National Monetisation Pipeline, launched in 2026, has identified well over £100 billion of monetisation potential across public assets, a meaningful share of which is earmarked for private investors⁹. Alongside this, a three-year public-private partnership (PPP) pipeline worth more than £130 billion has been published, giving investors, developers and lenders early visibility of projects coming to market¹⁰.

India's National Investment and Infrastructure Fund (NIIF), the country's sovereign infrastructure investor, manages several billion pounds in assets under management, with backing from international institutions including the Abu Dhabi Investment Authority, Temasek and the Canada Pension Plan Investment Board¹¹. Cumulative foreign direct investment into construction and construction-related infrastructure activity has passed £49 billion since liberalisation

began, reflecting sustained confidence from long-term investors in the sector's fundamentals¹². None of this is risk-free: land acquisition delays and financing costs remain the obstacles most commonly cited by investors, and project-level due diligence is essential.

Trade deal changes the game

The attractions of the Indian infrastructure sector for UK investors were transformed by the India-UK Comprehensive Economic and Trade Agreement (CETA), which entered into force in July 2026. Under the agreement, Indian suppliers gain access to a UK government procurement market worth around £90 billion, while UK suppliers gain reciprocal access to an Indian public procurement market of a similar order of magnitude, with construction named explicitly among the sectors opened up on both sides¹³. For UK engineering, design and construction firms, this converts what was previously a market entered through joint ventures and local partnerships alone into one where public tenders are now directly accessible.

The agreement also sets a timetable for professional recognition, with mutual recognition arrangements covering architecture and accountancy due to be scoped within its first year¹⁴. For a sector

that depends on portable professional qualifications, this is arguably as significant as the tariff schedule itself, since it would allow UK-qualified architects and quantity surveyors to practise in India with far less friction than today.

A companion social security agreement, the Double Contribution Convention, took effect alongside CETA and lets staff posted temporarily between the two countries remain within their home social security system for up to five years, removing a cost that had made short-term postings to Indian project sites more expensive than they needed to be¹⁵. This provides greater certainty for UK companies managing international teams and project-based assignments.

Both governments have also committed, under the India-UK Vision 2035 framework, to work towards an early conclusion of a Bilateral Investment Treaty¹⁶. The UK's Trade Commissioner for South Asia has said such a treaty would give investors greater legal confidence and could meaningfully lift UK capital flows into Indian projects¹⁷. Together with an active NIIF and a matured PPP and monetisation pipeline, the conditions for deeper UK-India infrastructure collaboration are the strongest in a decade. ■

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¹⁷ <https://www.tribuneindia.com/news/bilateral-investment-treaty/uk-india-investment-pact-can-boost-investor-confidence-drive-higher-fdi-into-india-former-india-uk-fta-chief-negotiator>

Industry & Manufacturing: Building together

India's factories are producing more than ever, and the country's ambitions for the manufacturing sector keep growing with them. For UK manufacturers, this creates real opportunities, not least due to the advantages of the new trade agreement.

The manufacturing base is expanding steadily. The Government puts manufacturing gross value added at around 16%-17% of GDP, employing more than 27 million people¹. Medium and high-technology industries now account for close to half of manufacturing value added, up from a much smaller share a decade ago².

India's Purchasing Managers' Index has stayed comfortably above the 50 point expansion mark every month since March 2023, one of the longest unbroken runs of growth among major economies, underlining just how consistent this expansion has been³.

Supporting local production

'Make in India', now over a decade old, is the government initiative that drives most of this activity, supported by an expanding policy framework. The flagship Production Linked Incentive (PLI) scheme, launched in 2020 across 14 sectors with an outlay of roughly £15 billion, has attracted realised investment of around £17 billion and supported an estimated 1.4 million jobs⁴, according to official data. Mobile phone production has grown roughly 28-fold over the past decade, for example, turning India into a net exporter of handsets, while drone turnover has jumped seven-fold, making India a global leader in drone manufacturing⁵.

India has been clear in its aim to close its manufacturing cost gap with China, and to move production from basic assembly into components and materials⁶. This requires a partnership approach to bring in

expertise in areas such as precision engineering, automation and specialist components – strengths UK manufacturers are well placed to offer.

Building strength in strategic sectors

The original ambition behind Make in India was to lift manufacturing's share of GDP to 25%, and while the sector is still building towards this target, momentum has shifted towards an arguably more durable strategy: building depth in a smaller number of strategic sectors, then let scale follow.

Semiconductors illustrate this approach, with the £6 billion Semicon India programme securing commitments from global manufacturers including Micron Technology and NXP Semiconductors⁷. Defence manufacturing has grown even faster in relative terms, with indigenous production nearly four times its value a decade ago⁸.

Capital flows

India recorded total FDI inflows of around £60 billion in the 2024-25 financial year, a 14% increase on the previous year, with manufacturing FDI specifically up 18%, to roughly £14 billion⁹. Private equity and venture capital activity has broadened too: total PE-VC investment held broadly steady at around £24 billion in 2025, and manufacturing overtook healthcare in deal value for the first time, a shift analysts have linked to growing investor interest in 'old economy' sectors undergoing tech-led transformation¹⁰.

This broadening base is reinforced by the government's own incentive pipeline. As PLI implementation matures, officials expect the range of manufacturing sub-sectors qualifying for support to widen further, giving UK investors more entry points across the value chain.

Deepening ties on the ground

Among UK manufacturers, one of those demonstrating a clear commitment to Indian opportunities is Rolls-Royce, which describes India as a candidate to become its third ‘home market’ outside the UK. In 2026 it announced a strategic partnership with Reliance Industries to explore a dedicated Aerospace Gas Turbine Complex for India’s Advanced Medium Combat Aircraft (AMCA) jet fighter programme¹¹. This builds on an existing footprint of more than 4,000 people in India, including an expanded Global Capability and Innovation Centre in Bengaluru, and sourcing partnerships with more than 100 Indian vendors, including Tata, Bharat Forge and Godrej.

Tariff walls come down

The single biggest change to the UK-India manufacturing relationship is the Comprehensive Economic and Trade Agreement (CETA), which entered into force alongside a companion Double Contribution Convention on social security – the UK’s most significant bilateral trade deal since leaving the EU¹².

The UK has removed duties on 99% of Indian tariff lines; India is cutting or removing duties on 90% of its own, covering 92% of goods

imports from the UK^{13,14}. Tariffs on aircraft parts, for example, currently up to 11%, become duty-free immediately, while duties on electrical machinery and industrial equipment, some as high as 22%, are being phased down to zero, giving UK component makers a clearer route into Indian supply chains¹⁵.

Total bilateral trade, worth £48 billion in 2025, is expected to grow by £25.5 billion annually as a result, with roughly £5 billion added to each country’s GDP by 2040¹⁶.

Beyond tariffs, the agreement opens new ground on digital trade, intellectual property protection and streamlined customs clearance, giving manufacturers on both sides a clearer, more predictable framework for cross-border supply chains.

The agreement also includes the UK’s first bilateral government procurement chapter, opening India’s public contracts to UK bidders for the first time, while the Double Contribution Convention allows staff posted between the two countries for up to three years to pay social security only at home, saving firms an estimated 20% of associated salary costs^{17,18}. ■

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¹⁸ <https://www.deccanherald.com/india/india-secures-3-year-exemption-from-social-security-contribution-for-domestic-workers-in-uk-3527726>

Automotive: Shifting into a higher gear

Few industries capture India's manufacturing ambitions as powerfully as automotive. What began as a market built on affordability and volume has become a testing ground for advanced engineering, electrification and export-grade quality control, with global supply chains increasingly running through Indian factories.

The scale of the automotive sector is striking. A record 34.71 million vehicles were produced in the year to March 2026, and domestic sales reached a seven-year high of 28 million units, up 7.1% on the previous year, as every major vehicle segment enjoyed growth¹. This ongoing expansion is one of the main reasons the country's automotive supply chain is now seen as integral to global production networks, rather than just a low-cost assembly base.

The automotive sector's scale is most visible in specific categories. India is the world's largest tractor producer and third-largest heavy truck manufacturer, while its two-wheeler market dwarfs most competitors by volume².

This scale increasingly extends beyond India's own roads. The sector exported more than 5.3 million vehicles across all categories in the most recent full year, with global players such as Skoda Auto Volkswagen India and Maruti Suzuki now sending a significant share of their India-built output to overseas markets³. As production quality and safety standards converge with those in more mature markets, opportunities are opening for UK component makers, testing houses and design consultancies, not only for fully-built vehicles.

Investment targets exceeded

The government's production linked incentive scheme for the sector, PLI-Auto, has already exceeded its own targets. As of March 2026,

approved applicants had reported £3.47 billion of realised investment, comfortably ahead of the target originally set for March 2027⁴.

India's automotive sector has attracted more than £27 billion in foreign direct investment over the past 25 years, among the highest of any Indian industry.

This investment is increasingly aimed at higher-value products rather than simple assembly. The scheme's incentive structure requires at least 50% domestic value addition and is focused on advanced automotive technology products, from safety systems to electric drivetrains, pushing Indian manufacturing further up the value chain and closer to the kinds of components UK suppliers already specialise in⁵.

This relationship already runs deep in the other direction. Jaguar Land Rover, part of Tata Motors since 2008, is Britain's largest automotive manufacturer, a reminder that Indian capital is as significant a contributor to UK automotive manufacturing as UK expertise is to India's⁶.

In focus: Electric vehicles

Nowhere is India's shift from volume to sophistication clearer than in electric vehicles (EVs). A market once dismissed as too price-sensitive for EVs to gain traction is now one of the fastest-growing anywhere in the world, led not by cars but by the humble scooter and auto-rickshaw.

India's electric vehicle sales rose 30% in the year to March 2026, lifting EVs to 8.62% of total vehicle sales, an increase led overwhelmingly by two- and three-wheelers rather than passenger cars⁷.

The government's £852 million PM E-DRIVE scheme has been extended from its original 2026 end date to March 2028 to sustain purchase incentives and fund charging infrastructure across the country⁸.

The segment remains a small share of overall FDI and PLI activity today, but it is where the fastest change is happening: Tata Motors and Mahindra & Mahindra have both made significant PLI-linked investment in EV production capacity⁹. Separately, the government's PLI scheme for advanced chemistry cell battery storage aims to build a domestic supply chain currently served almost entirely by imports.

Broader investment potential

India permits 100% foreign direct investment under the automatic route in the automotive sector, with no prior government approval required¹⁰. This allows UK vehicle and component manufacturers to establish wholly owned Indian subsidiaries, joint ventures, or dedicated research and design centres, without the ownership restrictions that apply in some Indian sectors. UK testing and certification bodies are well placed to benefit too, as Indian manufacturers increasingly seek internationally recognised safety and emissions accreditation to support export ambitions.

The PLI-Auto scheme itself now counts 82 approved applicants, including both established manufacturers and new entrants from outside the traditional automotive industry, reflecting how the incentive

has broadened the pool of companies investing in Indian production capacity rather than simply rewarding existing players¹¹.

Cross-border implications

Automotive tariffs were one of the most closely watched elements of the Comprehensive Economic and Trade Agreement (CETA). UK internal combustion engine vehicles now enter India at sharply reduced tariffs, falling from over 100% to 10% within five years, under a tariff-rate quota that expands over the same period. UK electric, hybrid and hydrogen passenger vehicles gain similar, if slightly delayed, access from year six. UK auto-component manufacturers, meanwhile, gain tariff-free entry to India over five to 10 years¹². For UK Tier 1 and Tier 2 suppliers, this earlier tariff-free window for components is arguably the more immediate opportunity, given how much longer finished-vehicle quotas take to reach meaningful volume.

The scale of the opportunity this unlocks is significant. Despite exporting more than 600,000 cars globally each year, the UK typically exports fewer than 1,000 vehicles annually to India, reflecting just how restrictive tariffs on finished vehicles had been before CETA¹³.

The practical effect of CETA is to convert a market that was until recently effectively closed to finished vehicles into one with a defined, growing quota and a clear tariff glide path, while components, the area where UK suppliers are strongest, gain tariff-free access far sooner. ■

¹ <https://www.ibef.org/industry/india-automobiles>

² <https://www.ibef.org/industry/india-automobiles>

³ <https://www.pib.gov.in/PressNoteDetails.aspx?Noteld=154025&ModuleId=3®=48&lang=2>

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⁷ <https://www.ibef.org/industry/india-automobiles>

⁸ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2154408®=48&lang=2>

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Food & Drink: Appetite for growth

India's food and drink sector is one of the most closely watched consumer stories in the world, shaped by a young population, rising incomes and fast-changing retail habits.

For UK businesses, the new UK-India trade agreement has added further impetus to a market that was already growing steadily. In particular, certain segments, such as whisky, will benefit from a much more favourable tariff regime. The opportunity, though, extends well beyond the drinks cabinet, into how food itself is grown, processed and brought to market.

Reshaped by convenience and choice

India's food and beverage market remains one of the largest and fastest-growing anywhere, with total value expected to almost double to around £650 billion by 2030¹. Growth is increasingly concentrated in convenience, premium and health-conscious categories rather than basic staples, as a growing urban middle class looks for products that save time as much as they satisfy appetite.

Organised retail, still a modest share of overall food spending compared with Western markets, continues to expand into smaller cities, bringing packaged, branded and imported products within reach of a much larger consumer base than a decade ago. Private label has also grown, with large retail chains increasingly using their own brands to compete on price against the international names sitting alongside them on the shelves.

Quick commerce, offering grocery and food delivery within minutes, has become one of the main battlegrounds for brands seeking shelf space, reshaping how products reach urban consumers and rewarding

those able to adapt packaging and pack sizes to a smaller, faster basket². For international brands, this channel has become almost as important as traditional retail for building visibility in the country's largest cities, even where the wider distribution network beyond them remains fragmented and heavily reliant on local wholesalers, and changing consumer expectations.

Room to grow

India's changing demographic profile is driving much of this growth. A large working-age population, continued urbanisation and rising female workforce participation are all expanding the number of households with money to spend on packaged food, eating out and higher-value staples. Foodservice, restaurants, cafes and quick-service chains, has become one of the more reliable growth channels in its own right, expanding fastest in mid-sized cities where organised retail was previously thin on the ground. This gives UK businesses a broader map of realistic entry points than existed even five years ago. Furthermore, India's young median age means this consumer base will keep expanding for at least another decade before the demographic curve begins to fade.

Building supply chains, not just brands

Behind the branded products consumers see on the shelves are equally significant changes to how India processes, preserves and moves food in the first place. Food processing has long been open to full foreign ownership. Cumulative foreign investment in the sector has passed £10 billion since the early 2000s, spread across dairy, packaged foods, marine products and increasingly plant-based and millet-based products³.



Growth is increasingly concentrated in convenience, premium and health-conscious categories rather than basic staples.



A dedicated production-linked incentive scheme, running until 2027, has drawn in around 170 approved applicants to date and is being used alongside a national network of food parks and cold-chain projects to close the gap between India's vast agricultural output and patchwork of processing and logistics infrastructure¹. For UK businesses in food technology, cold chain and processing equipment, this could be a particularly attractive opportunity, less exposed to shifting consumer taste and more directly aligned with government policy.

Regulatory scrutiny is increasing alongside growth. On one hand, food safety regulators have simplified licensing for smaller operators, including a move towards licences that no longer need routine renewal². On the other, enforcement of product standards has tightened, illustrated by Diageo's recent agreement to reformulate several India-made whisky and rum products after regulators raised concerns over flavouring additives³.

The clearest, most quantified UK opportunity is Scotch whisky. Under the new trade agreement, India's tariff on Scotch and gin has been cut from 150% to 75% immediately, with a further step down to 40% over the next decade⁴. India is already the world's largest whisky market

by volume and Scotch's third-largest export destination by value, and the Scotch Whisky Association has estimated the change could add up to £1 billion in exports over five years⁵. Beyond spirits, the same agreement reduces tariffs across a range of processed food categories, extending a similar, if less dramatic, benefit to other UK food and drink exporters.

Prospects for UK businesses

While tariff relief lowers the cost of getting a product onto an Indian shelf, it does not remove the hard work of building distribution through a still-fragmented retail network, keeping pace with tightening food-safety enforcement, or deciding whether to sell finished products, invest in local processing capacity, or do both.

Businesses that have succeeded so far, across both drinks and food, tend to treat the tariff cut as a starting point rather than the whole strategy, pairing it with sustained investment in formulation, labelling and local supply chains. For UK businesses sizing up India for the first time, this combination, cheaper access plus genuine commitment, is likely to matter more than the benefits of the trade agreement on their own. ■

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Professor Tim Jones

Vice-Chancellor, University of Liverpool



Professor Tim Jones

The Indian Government's visionary National Education Policy has set an ambitious course to expand access to high-quality higher education and equip future generations with the skills and knowledge needed to thrive in a rapidly changing world. We at the University of Liverpool are both proud and honoured to have been granted the opportunity to play our part in that journey through the opening of our new campus in Bengaluru, a city renowned as a global centre for innovation and technology.

The University of Liverpool has always been an international institution. For nearly 150 years we have welcomed students and scholars from across the globe, developed international partnerships and collaborated on research that addresses global challenges. We are particularly proud of the success of our joint venture institution, Xi'an Jiaotong-Liverpool University, in Suzhou, China, which has shown the transformative potential of international higher education collaboration, growing to a student community of more than 26,000 over the last 20 years.

As the world becomes increasingly interconnected, we are committed to expanding our global reach. Through our institutional strategy, Liverpool 2031, we have pledged to deepen international partnerships, increase the global impact of our research and education, and extend the benefits of our work to communities around the world. The University of Liverpool Bengaluru is a significant step forward in delivering that vision.

As our first international branch campus in two decades, our plans for Bengaluru are ambitious. We aim to build a community of 10,000 students within ten years, all studying our research-informed, employer-led curriculum, in our purpose-built facilities. We are equally committed to establishing a research environment befitting our reputation as a world-leading university.

Founded by the city of Liverpool, for the city of Liverpool, we remain deeply committed to contributing to the social, cultural and economic success of our region. We intend to bring that same civic-minded approach to Karnataka, working alongside local institutions, businesses and communities to generate lasting impact.

We also see tremendous potential to strengthen ties between Liverpool and Karnataka, bringing together researchers, students, industry leaders and policymakers to tackle shared challenges and unlock new opportunities. By fostering these relationships, we hope to create benefits that flow in both directions, supporting innovation, economic growth and societal progress in Liverpool, in Karnataka and far beyond.

The University of Liverpool Bengaluru, represents an exciting new chapter in our history. Through education, research and partnership, we aspire to make a lasting contribution, helping to develop future leaders while building enduring relationships that deliver impact on a global scale. ■



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Professor Richard Grose

Provost, University of Liverpool, Bengaluru



Professor Richard Grose

Established for advancement of learning and ennoblement of lives, the University of Liverpool has a long and proud history of educating some of the world's brightest minds. We are proud to deliver a gold-rated teaching and learning experience. Our curricula are informed by the very latest research from our world-leading researchers and are developed with industry leaders to ensure our students graduate with the skills and knowledge they need for a rapidly evolving global workplace.

Now, for the first time, we are delighted to bring that same learning experience, delivered by world-class faculty, to our own purpose-built campus in the vibrant city of Bengaluru. Our inaugural cohort are benefitting from state-of-the-art facilities and studying a range of undergraduate and postgraduate programmes carefully chosen to reflect the region's skills priorities and employment landscape. We are the only international branch campus in India offering a BSc in Biomedical Sciences and our Game Design programme is the perfect fit for a city renowned as the tech capital of India. This is only the beginning. We plan to continue to innovate and grow, delivering the very best of the University of Liverpool in our new home.

We know that we cannot achieve this alone. Strong partnerships have always been central to the University of Liverpool's success, and we are fortunate to build on longstanding relationships across Bengaluru and Karnataka and to have been welcomed by a range of industries keen to forge new links. Collaborations with organisations such as Wipro, Axis Bank, AstraZeneca and Dream11 will provide students with invaluable opportunities to apply their learning in real-world settings, build professional networks and gain insights from leaders across a range of industries. Meanwhile a range of additional career advancement opportunities, from access to our successful alumni, enhanced support for enterprise activity and a stellar global mobility scheme, will ensure University of Liverpool Bengaluru students are provided with all they need to realise their potential and go on to become the next generation of leaders and change-makers.

As we look to the future, our ambition is clear: to create a distinctive educational and research hub that connects Liverpool and India, nurtures exceptional talent and delivers lasting impact for society. Together with our partners, students and communities, we are building a campus that will inspire opportunity, innovation and global citizenship for generations to come. ■

Education: Educated expansion

India's education system is enormous by any measure, and it is still growing. Higher education enrolment reached a record 45 million students in the most recent national survey, spread across more than 1,400 universities and upwards of 54,000 colleges¹. Growth has slowed slightly as the easiest gains, from demographics and first-generation entrants, have already been captured, and the sector's Gross Enrolment Ratio for 18 to 23 year-olds remains at around 30%, well short of the government's own target of 50% by 2035². Closing that gap, rather than simply adding more seats, has become the more pressing policy question, and it is one that increasingly involves inviting in foreign institutions rather than relying solely on domestic capacity.

Doors open to foreign campuses

The main lever for this change is the National Education Policy (NEP) of 2020, which set out an explicit ambition to internationalise Indian higher education. New regulations that followed allow top-ranked foreign universities to operate branch campuses in India for the first time, rather than only partnering with local institutions from a distance³. By March 2026, 19 foreign universities had already received approval to do so, with several already enrolling students. The pipeline suggests this is an early stage of a longer trend rather than a one-off policy experiment⁴.

UK universities have moved faster into this opening than almost any other national group. Queen's University Belfast became the first Russell Group institution to open a campus in Gujarat's GIFT City financial hub, welcoming its first postgraduate cohort in early 2026⁵, while Coventry University became the first English university to secure approval for a GIFT City campus as part of a wider £1 billion global investment programme by its parent group⁶. The University of

Southampton and the University of Liverpool have followed with their own India campuses, offering degrees identical to those awarded on their UK campuses, typically at roughly half the cost of studying in Britain⁷.

Between them, these openings represent one of the more visible forms of UK services investment into India, because a physical campus, unlike a services contract, cannot easily be reversed. The combination of scale and structural change is precisely why UK universities have opted to invest in an on-the-ground presence in India, rather than focusing on the traditional model of recruiting students from a distance.

Mutual recognition smooths the way

Underpinning this expansion is a bilateral agreement signed in 2022, under which the UK and India formally recognise each other's academic qualifications, from senior secondary school certificates through to bachelor's, master's and doctoral degrees⁸. In practical terms, this means an Indian student graduating from a UK-branded campus in Gujarat can have that qualification recognised for further study or public-sector employment in India, while UK universities can be confident that Indian entry qualifications map cleanly onto their own admissions systems.

A small number of regulated professions, including engineering, medicine, law and architecture, sit outside the agreement and continue to require separate recognition, so prospective students and employers in those fields still need to check requirements case by case⁹.

Beyond universities

Higher education is only part of the picture. India's schools' sector, valued at more than £48 billion, is growing at close to 10% a year,



New regulations allow top-ranked foreign universities to operate branch campuses in India for the first time.



largely driven by private schools responding to rising parental aspirations and a policy shift towards structured early years and foundational learning under NEP 2020¹⁰.

Ed-tech, which boomed during the pandemic and then cooled as investors reassessed the sector, has settled into a steadier phase focused on tutoring, test preparation and skills training rather than the ambitious, subsidy-driven expansion of a few years ago. The market is expected to reach £22.5 billion by 2031, from £526-£600 million in 2021¹¹. For UK education technology and content providers, this steadier market is arguably a better and more stable entry point, even if headline growth is less dramatic.

Vocational and skills training is another area showing great potential. NEP 2020 has set a target of routing half of all students through vocational education by 2035, with courses now being introduced from Grade 9 onwards and delivered in tens of thousands of schools

already¹². This is a slower moving, less visible opportunity than a university campus, but it plays to a genuine UK strength in apprenticeships and technical qualifications, and is likely to become a larger part of the bilateral education relationship as India works through the practical difficulty of building a skills system at this scale.

A long game

None of this is without risk. Operating a branch campus in India means navigating a still-evolving regulatory framework, competing with a fast-growing domestic private education sector, and building a brand in a market where local institutions such as the Indian Institutes of Technology carry substantial prestige of their own. For UK institutions willing to commit for the long-term, though, the combination of a large, English-speaking, university-age population and a government actively courting foreign providers makes education a strong growth opportunity for UK providers. ■

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² <https://educationist.com/article/indias-higher-education-system-reaches-45-million-students-nep-reforms-show-uneven-progress>

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⁵ <https://www.qub.ac.uk/home/News/QueensUniversityjoinsUKPrimeMinisterstradedelegationtoIndiaaheadof.html>

⁶ <https://www.edtechinnovationhub.com/news/coventry-university-to-open-first-english-campus-in-india-gift-city-by-2026>

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⁸ <https://education-services.britishcouncil.org/news/market-news/agreement-mutual-recognition-of-qualifications-signed-between-india-and-uk>

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Beyond the headcount: Why education is the India-UK relationship's most strategic trade

Aritra Ghosal, Founder & CEO, OneStep Global



Aritra Ghosal

When the India-UK Comprehensive Economic and Trade Agreement came into force on 15 July 2026, the coverage focused on whisky, cars and textiles. Education barely featured. That is a curious omission: education is one of the deepest and most commercially significant services relationships the two countries have, and it is going through its most important structural change in decades.

Consider the scale. Indian nationals were the largest single nationality granted UK sponsored study visas in the year ending March 2026 – 90,425 to main applicants, roughly a quarter of the global total – and took more Graduate route extensions than any other nationality, over 70,000. Against bilateral trade of some £48 billion in 2025 and an FTA projected to add £25.5 billion annually, education is no soft adjunct to the trading relationship. It is one of its most reliable engines.

The trend line complicates that picture. Indian sponsored study visas fell roughly 19% in the year to June 2026, part of a broader 11% decline that leaves the UK around 41% below its 2023 peak. The causes are well understood: dependant restrictions, higher costs, and a rupee down more than 10% against the dollar, adding lakhs to the annual cost of a UK degree.

The lesson is not that the relationship is weakening, but that headcount was always a fragile way to measure it.

Enrolment moves with visa policy and exchange rates, neither of which reflects the strength of institutional ties. Judge this partnership by how many young people board a plane each September and you will keep mistaking policy volatility for strategic decline.

The relationship is becoming two-directional

The more consequential development is happening in India. Following the UGC's 2023 regulations, a remarkable cluster of British institutions has secured approval to operate campuses on Indian soil. Southampton opened in Gurugram, the first foreign university to do so under the new framework. Liverpool and Lancaster are establishing themselves in Bengaluru; York, Aberdeen and Bristol in Mumbai; Surrey and Queen's University Belfast through GIFT City under IFSCA rules. Coventry and Imperial are building research and innovation footprints.

This reverses the traditional model. Rather than importing Indian students, the UK is exporting its education directly into one of the world's largest and youngest talent markets – trade in the fullest sense, with capital deployed, entities incorporated, faculty hired, standards exported and, under UGC expectations, profits substantially reinvested in India.

CETA supports this shift. Education services sit inside the twelve sectors and 137 sub-sectors the agreement covers, business mobility provisions let education



Rather than importing Indian students, the UK is exporting its education directly into one of the world's largest and youngest talent markets.



specialists work across both markets, and the Double Contributions Convention removes dual social-security liability. The pledge to conclude Mutual Recognition Agreements in nursing, accountancy and architecture within twelve months, if met, would materially improve how qualifications travel in both directions.

Presence is not the same as capability

I write this from the operator's side of the relationship. OneStep Global began in 2018 with one partner university and two people. Today we represent more than 100 institutions through over 170 specialists across nine offices in seven countries, supporting upwards of 30,000 students a year – and the UK remains, by a considerable distance, our largest partner market. British institutions including Nottingham Trent, Sussex, Stirling, Kingston University London and Falmouth have trusted us with their India and South Asia operations, in several cases for more than six years. Our advisory board includes the Pro-Vice-Chancellor (International) at the University of Reading and the Deputy Pro-Vice-Chancellor for International and External Affairs at the University of Worcester. We built the business through the pandemic, tripling in size while much of the sector paused, and we now research this market as well as operate in it – our Student Perception Study benchmarks how Indian students actually evaluate competing destinations, rather than how institutions assume they do.

That vantage point makes one thing plain. Announcing an India strategy is straightforward; operating one is not. The institutions that succeed treat India as a market to build in rather than to visit – compliant in-country employment structures, state-level fluency in school systems and admissions cycles, disciplined agent governance and employer

relationships formed long before a student graduates. The gap between a letter of intent and a functioning campus is measured in approvals, hiring, data compliance and local credibility, not press releases. We have watched well-resourced institutions lose two or three recruitment cycles to that gap, and others close it in one by putting real capability on the ground from day one.

Employability is the other bilateral objective. Indian families now judge a UK degree by career outcome, and many of those careers will be built in India, inside global capability centres and multinationals that specifically value internationally trained talent. Supporting graduates back into their home labour market is not a retreat from internationalisation; it is what keeps the investment defensible to the next cohort of parents.

A better set of metrics

Over the next decade, three measures matter more than visa counts: enrolment and research output generated through transnational provision in India; graduate employment outcomes in *both* economies; and the speed with which CETA's promised MRAs are actually concluded.

Trade agreements create conditions, not outcomes. The conditions are now unusually favourable. What remains is the unglamorous work of building things that last – which is where this relationship has always been strongest.

Aritra Ghosal is Founder & CEO of OneStep Global, a higher education market-entry and in-country representation firm operating across South Asia, the Middle East, Southeast Asia and Africa. ■



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The Living Bridge

Vanita Uppal OBE, Director, The British School New Delhi



Vanita Uppal OBE

The most fitting metaphor for British international education at The British School New Delhi (TBS) is that of a living bridge. Unlike a fixed structure, a living bridge is organic – it grows, adapts and becomes stronger over time. For more than six decades, TBS has connected young people to a world of opportunities, nurturing curiosity, purpose, empathy, and the confidence to become globally minded citizens.

At its heart, British international education bridges national identity and global citizenship. Students remain rooted in their own cultures and values while developing the knowledge, skills and confidence to engage with diverse perspectives. Its balanced, rigorous, and internationally recognised qualifications open pathways to leading universities and careers across the UK and around the world.

Yet the true value of a TBS education extends far beyond academic achievement. By focusing on the whole child, TBS develops critical thinking, effective communication, collaboration, creativity and compassion – qualities increasingly valued by universities, employers and society. Central to this approach is inquiry-based

learning. Students are encouraged to question, analyse, evaluate, and form well-informed, independent opinions. They learn not simply what to think, but how to think, equipping them to navigate an increasingly complex and unpredictable world with confidence and integrity.

As artificial intelligence and emerging technologies reshape the future at unprecedented speed, education must also foster adaptability, resilience and the capacity for sound ethical judgement. Tomorrow's leaders will be those who combine technological fluency with critical thinking, creativity and a deep understanding of human values. TBS graduates fit that bill because they are nurtured in an ecosystem predicated on teaching with purpose, building character and a passion to serve. While technology will transform how we learn and work, education must remain fundamentally human-centred.

This philosophy comes to life in a diverse and inclusive international community where collaboration, shared experiences and mutual respect are woven into everyday school life. Students develop an appetite for innovation while learning the importance of belonging, service and responsible leadership. Underpinning every aspect of

life at TBS is an unwavering commitment to student wellbeing and safeguarding, ensuring every learner feels safe, valued and empowered to thrive.

As is the norm in high-quality British international schools, learning extends well beyond the walls of a classroom. Here at TBS, a thoughtfully designed after school Enrichment Programme encourages students to explore their passions, discover new interests and develop future-ready skills. A rich variety of opportunities – including music, STEAM, computing, languages, Model United Nations, journalism, debating, sustainability, and financial literacy clubs – enables students to deepen their interests, lead their own learning and drive social action projects. Students are further inspired through participation in leadership programmes, prestigious national and international competitions such as F1 in Schools, the Mathematics and Science Olympiads, Trinity College London and LAMDA, ABRSM examinations to name a few. Assemblies, art exhibitions, concerts, dramatic productions, and student-led events celebrate the diverse talents and achievements of every learner. Physical fitness and sport are equally central to a British international experience. Here at TBS, through an inclusive Physical Education curriculum and a dynamic programme of competitive and recreational sport, students develop teamwork, leadership, perseverance and a lifelong commitment to healthy lifestyles and wellbeing. Parents and alumni are also invited to participate in sporting events, reinforcing the strong sense of connection and community that defines life at TBS.

To ensure that we remain at the forefront of best educational practice, TBS is committed to investing in the continuous professional development (CPD) of its teachers and staff. Our multi-layered CPD programme includes collaborations with leading UK and international facilitators, opportunities for teachers to attend and present at national



and international conferences; and participate in The Fountainhead: I Teach. I Inspire., our bespoke in-house professional development programme, curated and delivered by school leaders and colleagues. Our award winning, decade long Oxbridge Internship Programme, the summer school run by UCL and a wide range of university fairs and affiliations with several prestigious international organisations ensure that our entire school community benefits from innovative educational initiatives that are meaningful, relevant, and focused on the future.

Ultimately, British international education at TBS connects tradition with innovation, knowledge with values and intellectual rigour with empathy. More than a pathway to academic success or admission to world-leading universities, it equips young people to embrace change, build meaningful connections and shape the future with confidence, compassion, and purpose. ■

Entertainment & Media: Scripting the next chapter for India's creative sector

India's ambition to become a global content hub took a major step forward in May 2025, when the Ministry of Information and Broadcasting hosted the country's first World Audio Visual & Entertainment Summit (WAVES) in Mumbai.

The event attracted 10,000+ delegates from more than 90 countries to discuss the future of film, gaming, broadcasting and digital media¹. It was also a reminder of how central Anglo-Indian ties already are to the sector. English-language storytelling, a shared broadcasting heritage and one of the UK's largest diaspora communities, give British companies a natural advantage that few other international partners can match.

The success of WAVES reflects a market already on a strong upward trajectory. India's media and entertainment (M&E) industry grew 9% in 2025 to reach £21.7 billion. Digital media exceed £7.8 billion for the first time, overtaking television to become the industry's largest media segment².

Growth is broad-based rather than confined to streaming: live experiences, digital advertising and regional-language content are all expanding. Animation, visual effects, gaming and comics, known collectively as AVGC, have been formally recognised by the Ministry of Information and Broadcasting as a "sunrise sector" warranting dedicated national and state-level policy support to build production infrastructure and skilled talent pipelines across the country³. For UK studios, this expansion is already familiar territory. Indian visual effects and post-production houses have worked on major international film and streaming titles for well over a decade, and the sector's success

suggests genuine partnership, rather than simple outsourcing, will increasingly define the relationship.

A stage set for growth

The M&E sector is forecast to reach £25.8 billion by 2028, with new media, spanning digital platforms, gaming and online advertising, expected to account for more than half of total industry revenue for the first time, as smartphone penetration and connected-TV adoption continue to reshape how Indian audiences consume content⁴.

India's increasing profile as a global content producer underpins this expansion. The country already produces close to 200,000 hours of content a year across television, film and streaming, and its animation and visual effects studios have become established partners for major international productions, offering British studios and streaming platforms a deep pool of technical talent alongside a fast-growing domestic audience⁵. Regional-language content is a particular opportunity: platforms investing in Hindi, Tamil, Telugu and Bengali productions are reaching audiences well beyond India's traditional English-language market, creating openings for UK distributors and co-production partners able to work across multiple language markets.

London-headquartered DNEG, the world's largest independent visual effects studio, illustrates the depth of this relationship. Its Mumbai facility, built around a 18,600m² studio complex with eight sound stages, forms part of a global workforce of more than 10,000 people⁶. The studio has now won eight Academy Awards for Best Visual Effects since 2011, most recently for *Dune: Part Two* in 2025, confirming the calibre of work now routinely delivered from its Indian operations⁷.

Simplified investment

India permits 100% foreign direct investment under the automatic route for broadcasting content services other than news and current affairs channels, and applies the same default treatment to film production, which is not subject to any sector-specific cap. News channels and digital news media, by contrast, remain subject to separate, lower limits⁸. In practice, this allows UK production companies, studios and distributors to establish wholly owned Indian subsidiaries or enter joint ventures with local partners, without the ownership restrictions that constrain many other consumer-facing sectors.

International productions filming in India can also claim a cash rebate of up to 40% of qualifying local spend, capped at around £2.7 million per project, with an additional 5% rebate bonus for films that feature “significant Indian content”. Similar incentives are available for VFX and animation, with the scheme being administered by India Cine Hub under the Ministry of Information and Broadcasting⁹.

Deal activity in the sector is picking up, too: the sector recorded 105 transactions in 2025, an 8% increase on the previous year, with the majority concentrated in digital platforms and sports, as investors reposition around the segments driving the industry’s next phase of expansion¹⁰.

Deepening the relationship

The UK-India trade agreement (CETA), includes a dedicated intellectual property (IP) chapter setting clear minimum standards for copyright and related rights covering authors, performers and broadcasters, alongside civil, border and criminal enforcement tools, giving UK content owners a more predictable environment for licensing and distribution in India¹¹.

This builds on long-standing foundations. The UK and India first signed an official film co-production treaty in 2005¹², allowing qualifying joint productions to benefit from UK tax relief, while pooling creative and financial resources with Indian partners¹³.

CETA’s business mobility provisions add a further practical benefit, giving content designers, production crews, advertising agencies and consultancies clearer, more transparent routes to work on Indian projects without the visa uncertainty that has historically complicated location shoots and short-term collaborations. These provisions make it considerably more straightforward for UK production teams to plan multi-week shoots, festival appearances and business development trips to India, reducing a friction point that has historically slowed collaboration between the two industries and support longer-term partnerships. ■

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¹¹ <https://www.business.gov.uk/export-from-uk/markets/india/sector/creative-industries-exports-to-india/>

¹² <https://www.gov.uk/government/publications/film-co-production-agreement-between-the-uk-and-india>

¹³ <https://www.screenuk.org/industry/article/cultural-test-treaties-and-conventions/>



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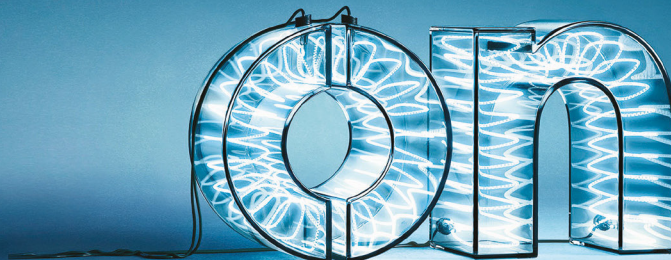
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100 Years of British Airways in India

David Wright, General Manager, India, British Airways



David Wright

What is the history of BA's presence in the UK-India market?

British Airways has an incredibly proud and longstanding history of serving India and the UK, operating between the two countries for more than 100 years.

Over the past century, we have continued to grow our presence in India, connecting customers, businesses, families and communities, while supporting the trade, cultural and people-to-people links between our two countries.

We currently operate up to 63 flights per week between India and London Heathrow, connecting customers from five Indian cities, including Delhi, Mumbai, Bengaluru, Chennai and Hyderabad to the UK, and more than 200 destinations worldwide.

From 20th September 2026, we will further strengthen our presence in the market with the launch of a third daily flight from Delhi. This will increase our schedule to 70 flights per week, providing customers with even greater choice, flexibility and convenience when travelling.

How important is the Indian sub-continent to BA's global operations?

India is one of British Airways' most important markets and our second-largest international market after the United States. It serves as a key destination and gateway for customers connecting through London

Heathrow to destinations across North America, Europe and further afield.

India is also home to CallBA, a wholly owned subsidiary of British Airways, and home to two contact centres within our wider Customer Care family, located in Gurgaon and Noida. After nearly two decades, CallBA has a team of more than 2,000 colleagues, and plays a significant role in providing customer support 24 hours a day, seven days a week, around the world.

Demand for travel between India and the UK continues to grow, supported by strong business, education and cultural links between our two countries. The market generates substantial demand for both direct travel and onward connections through Heathrow, reinforcing our commitment to investing in our services, products and operations across the region.

Beyond India, we are continuing to strengthen our presence across the wider Indian subcontinent. From 24th October 2026, we will resume flights between Sri Lanka and London Gatwick, alongside our existing daily service from the Maldives and three weekly flights from Islamabad.

What is the scale of BA's investment in the Indian market?

Our commitment to India is reflected in the continued investment we are making across our network, customer experience and people.



The UK-India Free Trade Agreement is a landmark agreement that reflects the growing strength of the relationship between our two countries.



By the end of 2026 we will have increased flight operations between India and the UK by 25% versus last year. This is through the third daily Delhi service, and doubling our frequency in Bengaluru.

In addition to growing capacity, we have invested significantly in our onboard experience, including Club Suite, our latest business class seat that offers customers greater privacy, comfort and flexibility.

As business, trade, education and cultural ties between the UK and India continue to deepen, we will continue to assess opportunities to further invest in the market and elevate the customer experience.

Does BA offer connections and codeshares for connections through its Indian gateways?

Yes. In addition to our direct services from India to London Heathrow, customers can connect seamlessly onwards through Heathrow to more than 200 destinations across Europe, North America, the Caribbean and other global markets.

British Airways also offers greater connectivity through its partnerships. Our expanded codeshare partnership with IndiGo enables customers from an additional 25 cities across India to connect onto London, North America and beyond on a single ticket.

Through our joint business partnership with Qatar Airways, customers also benefit from additional connectivity across India, with access to a further 99 weekly services. Together, these partnerships help provide

customers travelling to and from India with more choice, flexibility and convenient onward connections.

Could you describe the premium services BA offers to the Indian market?

British Airways offers a range of premium products and services tailored to the needs of both business and leisure travellers from India.

Customers can enjoy our Club Suite (business class) and World Traveller Plus (premium economy) cabins, access to premium lounges, priority services and benefits through The British Airways Club loyalty programme.

To provide a more personalised experience, every flight from India is supported by three to four Indian cabin crew, while onboard dining includes Indian cuisine designed to reflect local tastes and preferences.

We are also proud to be the only airline offering a complimentary Meet and Assist service for customers requiring additional support, helping to make the airport journey smoother and more comfortable from check-in through to boarding. The service is available across all five Indian airports we serve and, in 2026, was expanded to support customers travelling from India via London Heathrow and onwards to destinations such as Canada. Since its launch, the service has assisted over 13,000 customers.

Through these investments, we continue to focus on delivering a premium travel experience from booking to arrival.

How do you assess the value and potential of the new Free Trade Agreement to BA?

The UK-India Free Trade Agreement is a landmark agreement that reflects the growing strength of the relationship between our two countries. We welcome its potential to drive closer economic, business and cultural ties and recognise the important role aviation plays in enabling that growth.

As trade and investment increase, strong air connectivity becomes a key enabler of business activity, facilitating the movement of people, ideas and opportunities.

How will BA support businesses looking to participate in the FTA opportunity?

British Airways has connected the UK and India for more than a century, and we see first-hand how businesses, entrepreneurs, students, tourists and families rely on frequent, reliable links between our two countries.

The agreement creates greater opportunities for growth across sectors including technology, financial services, education, life sciences and advanced manufacturing. Increased movement of people naturally drives increased demand for connectivity. SME's are the bedrock of this agreement, and we are pleased to offer our On Business programme to support businesses with new travel needs.

We're proud to support this next phase of UK-India growth with an expanding network, elevated customer experience and increased capacity.

Can you describe the BA On Business programme aimed at India's SME market?

On Business is British Airways' loyalty and rewards programme designed specifically for small and medium-sized enterprises, helping them get more value from their travel.



Through the programme, companies can earn On Business Points when employees travel on eligible flights, which can then be redeemed for flights, upgrades and other travel rewards. At the same time, travellers continue to earn their personal loyalty benefits, creating value for both the business and the individual.

As India's SME sector continues to expand and strengthen its international reach, On Business provides a practical way for companies to make the most of their travel investment while benefiting from British Airways' extensive global network and connectivity. ■

Tourism & Hospitality: Rolling out the welcome mat

India's tourism sector has experienced rapid changes over the past decade and the momentum shows little sign of slowing. According to the World Travel & Tourism Council (WTTC), the sector's contribution to GDP is expected to grow by 8.5% in 2026, comfortably outpacing the wider economy¹. For UK operators, India already ranks among the world's largest hospitality markets, spanning heritage tourism, wellness retreats, business travel and a fast-emerging luxury segment. This growth is creating opportunities across established hotel markets as well as wellness, business travel and luxury hospitality.

Domestic travel is the engine behind this growth, accounting for 86% of total tourism expenditure, leaving considerable potential for India to capture a larger share of global travel demand from international visitors².

Broadening the tourism offer

The government's ambition, set out under its 'Vision 2047' national development plan, is to attract 100 million international tourist arrivals by the time India marks a century of independence in 2047. The Union Budget for 2026-27 places tourism at the centre of employment and infrastructure policy, with plans to develop new tourist destinations, expand the Buddhist circuit, and build eco-trails and medical tourism hubs³.

The push on medical tourism is already underway. Plans for five Regional Medical Hubs, developed with state governments and private partners, will pair advanced treatment facilities with traditional healthcare and wellness centres under one roof⁴.

Efforts to unlock the country's rich tourism potential are continuing. The government's UDAN regional connectivity scheme, which subsidises airfares on underserved routes, has operationalised 663 routes across 95 airports since its 2016 launch, with a newly approved ten-year, £2.3 billion extension aimed at reaching 100 more airports⁵. Yet other areas are still a work in progress: visa-free access currently extends to just three countries, against 70 for China, for example, and improvements to air and land connectivity are still progressing⁶.

More visitors creating more jobs

India's tourism sector is predicted to nearly double in size over the coming decade, from £211.9 billion in 2026 to around £390 billion by 2036, a compound annual growth rate of 6.3%. This would lift India from the world's tenth-largest travel and tourism economy to fourth, with employment rising by more than 15 million jobs over the decade⁷. Inbound visitors already stay for an average of 18.5 days, among the longest of any major destination, giving India scope to convert length of stay into higher-value spending⁸.

This growth extends well beyond well-known heritage sites and major cities. Around 40% of hotel transaction activity now occurs in tier II and III cities and leisure destinations such as Rishikesh, Udaipur and Goa, as operators chase a growing middle class increasingly willing and able to travel within India⁹. At the same time, wellness retreats, adventure tourism and pilgrimage circuits are all expanding briskly, creating openings well beyond the traditional gateway cities of Delhi and Mumbai.

Investment opportunities

India permits 100% foreign direct investment in the tourism and hospitality sector under the automatic route, meaning no prior government approval is required for the development of hotels, resorts or associated tourism infrastructure. In practice, this allows UK groups to enter through wholly-owned subsidiaries, joint ventures, or straightforward management and franchise agreements, without the ownership caps that apply in some other Indian sectors¹⁰.

Hotel investment reached around £420 million in 2025, a 67% increase on 2024, as institutional and private equity investors compete for a shrinking pool of tradeable, income-generating assets¹¹. Momentum has carried into 2026, with annual hotel transaction volumes on track to reach around £740 million this year¹².

International hotel groups are increasingly active. UK-headquartered IHG Hotels & Resorts, whose brands include InterContinental, Crowne Plaza, Holiday Inn and Six Senses, signed 24 hotels into its network in India in the first half of 2026 alone¹³, and now aims to have more than 400 properties open or in development within five years¹⁴.

Cross-border implications

The UK-India trade agreement is best known for its tariff cuts on goods, but its provisions on services and professional mobility are just as important for tourism and hospitality.

The agreement creates defined temporary entry categories covering business visitors, intra-corporate transferees, contractual service suppliers and independent professionals. It also includes a notable hospitality-specific detail: a dedicated annual quota of 1,800 places for Indian chefs, yoga instructors and classical musicians to work in the UK under the agreement's contractual service supplier route. Measures such as these give UK hospitality operators, consultants and hotel management specialists clearer routes to work on Indian projects, alongside a framework for future mutual recognition of professional qualifications¹⁵.

Similarly, the accompanying Double Contribution Convention allows staff posted between the two countries for up to five years to pay social security only in their home country, another important consideration for hotel groups rotating senior staff between markets¹⁶. ■

¹ <https://wtfc.org/news/india-unlock-international-demand-become-leading-player-global-tourism>

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³ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2221781®=48&lang=2>

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Sport & Leisure: Building towards a home Olympics

Sport in India usually means cricket. Its dominance is not in question, but it is far from being the only story. The sector as a whole is developing rapidly, creating myriad opportunities for UK businesses: a growing sports goods manufacturing base, increasing exports, an expanding fitness and equipment market, and a national push to support India's 2036 Olympic bid that is reshaping how cities invest in and plan sporting infrastructure.

Tale of two cities

India has a genuine manufacturing strength in sports goods, concentrated overwhelmingly in two cities: Jalandhar, in the Punjab, and Meerut, in Uttar Pradesh. Together, these two powerhouses account for around three-quarters of national production¹. Around 500,000 people work in the sector, and some 60% of the goods produced are exported, mostly cricket, football and hockey equipment sold into markets that trust Indian manufacturing for these categories specifically².

Government policy is now pushing this base to scale up sharply. The sports ministry has set a target of expanding sports goods exports roughly twenty-five-fold over the coming years, alongside a dedicated manufacturing allocation and a push to build India into a global hub for affordable, quality sporting equipment³.

Broadening beyond cricket

Consumer demand is broadening in parallel with the export story. The domestic sports and fitness goods market is relatively modest in global terms but is growing steadily. This is being driven by rising

health consciousness, expanding gym and fitness-centre chains, and government campaigns such as Khelo India and Fit India that are working to widen sports participation well beyond cricket⁴.

This means a market that once only had eyes for cricket bats, is now buying running shoes, home gym equipment and connected fitness devices, for example, in far larger numbers than a decade ago.

Aiming for Olympic glory in 2036

The clearest expression of India's sporting ambition is architectural rather than commercial. Ahmedabad has already secured the right to host the 2030 Commonwealth Games⁵ and is now the centrepiece of India's bid for the 2036 Olympics, built around a purpose-built sports enclave in Motera, set to become one of the largest multi-sport complexes in the world, including the world's largest cricket stadium⁶.

Whether or not the Olympic bid succeeds, the infrastructure spending it has triggered, on stadiums, athlete housing and urban transport links, is already opening up opportunities for international sports architecture, engineering and event-management firms.

The clearest evidence of investor appetite is the Indian Premier League, whose business value reached roughly £15.3 billion in 2026, up more than 11% on the year before, with the league's standalone brand now worth around £3.2 billion in its own right⁷.

Ownership rules here are unusually open by global sporting standards. Unlike major American leagues or Germany's Bundesliga, the IPL

imposes no percentage cap on private equity ownership of a franchise, a structure that has coincided with record franchise sale prices in 2026. Transfers are not unrestricted, however: Board of Control for Cricket in India (BCCI) approval and contractual lock-in periods still govern when and how shareholders can sell their stakes⁸.

The relationship is not entirely one-way, either. Several IPL owners have used the proceeds to buy into English cricket's Twenty20 competition, The Hundred, including Reliance Industries' stake in Oval Invincibles and Sun Group's acquisition of Northern Superchargers, evidence that capital and expertise are increasingly moving in both directions between the two countries' sporting economies⁹.

The CETA impact

The new UK-India Comprehensive and Economic Trade Agreement (CETA) will affect the sports sector from both directions. On sporting goods, India has secured duty-free access to the UK market for cricket gear, footballs, rugby balls and similar equipment. Exports are projected to grow substantially over the next few years now that Indian manufacturers can compete on a level footing with rivals such as China and Vietnam, which currently supply a large share of the UK's sports goods imports¹⁰. In the other direction, the same agreement removes India's tariffs on UK-made sports equipment, making British

kit, footwear and outdoor gear more competitively priced for Indian retailers and consumers¹¹.

Grassroots relationship

This two-way relationship builds on ties that already exist in certain segments of the market. In football, for example, the UK Premier League has invested in grassroots football in India since 2007. It opened its first standalone India office, in Mumbai, in April 2025, using it to run coach-education programmes in partnership with the British Council and to bring Premier League clubs' community coaches into direct contact with Indian coaching organisations such as the OSCAR Foundation¹².

In commercial terms, it is not a major investment, but it typifies a pattern that recurs across UK engagement with Indian sport: a preference for building coaching and grassroots relationships over the long-term, rather than treating India as a market to sell into and nothing more.

None of this displaces cricket from its position at the top of the league in India's sports sector, but it illustrates the evolving direction of travel: a manufacturing base with strong export potential, a rapidly broadening consumer market, and a government willing to invest in the infrastructure needed to host the world. ■

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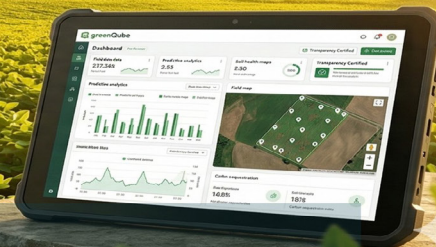


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InQube Technologies

InQube is built on two intertwined strengths – a Climate Tech capability and a Carbon Project Development practice. Technology gives the projects their integrity, and the projects give the technology its purpose. As climate commitments harden and vague sustainability claims wear thin, the two together turn corporate net-zero ambition into environmental impact that can actually be measured.

The backbone of the Climate initiatives of InQube is its proprietary, AI-enabled Digital MRV (Measurement, Reporting and Verification) platform. Carbon offsetting has long been dogged by validation delays and audit inconsistencies; InQube fixes this by tying every project to verifiable, ground-level data. Real-time remote sensing, satellite image analytics, AI and field-level data collection close the gap between on-the-ground ecological restoration and enterprise carbon accounting.

InQube originates and runs high-integrity, nature-based projects in India across sectors like Rice Methane Reduction, blue carbon (mangrove afforestation and restoration), biochar (converting agri waste into a stable carbon store) and Enhanced Rock Weathering (converting mining overburden into soil amendment and long-term carbon removal).

From bases in the UK and India, InQube develops and supports agri and climate projects across India, emerging South Asian economies and wider hubs in Africa and LATAM. Supporting the new regulations like EUDR, CBAM etc., InQube helps digitise millions of smallholder farmers, manage expansive natural landscapes, and bring transparency to international supply chains and multi-national carbon markets. It also partners with UK based consulting and project-finance firms to

channel expertise and investment into carbon projects in India, linking local land stewardship to global carbon finance.

InQube is led by its two co-founders. Tridibesh Bandyopadhyay works on the overall strategy and handles the finance. Subhankar Pandey builds the technology and data science that make every credit auditable, and drives the project origination and partnerships that get projects onto the ground.

InQube's technical innovation and social impact have drawn substantial acclaim across the global tech and climate ecosystem, including:

- Best Digital MRV – Innovation Zero, London 2024
- Google Startups for Sustainable Development (driving the UN SDGs)
- Innovate UK & GSMA Innovation Fund UK
- FoodTech 500 (2023 and 2025)
- Climate Action Fund grant from NABARD (Govt of India)

In 2025, HM Treasury and the Department for Business, Innovation, Science and Trade (BIST) named InQube among 20 companies supporting the UK-India Economic and Financial Dialogue. The company is also a regular at BIST supported agri and climate-tech events across Indian states like Punjab, West Bengal, Karnataka and Maharashtra.

For forward-thinking enterprises across UK and India seeking trusted, tech-verified pathways to net-zero, InQube delivers the tools, projects, and data precision required to turn corporate ambition into impactful environmental action. ■

Energy & Renewables: Powering the next phase of growth

India's energy sector is changing at remarkable speed. Electricity demand continues to rise as the economy expands, cities grow, manufacturing increases and more homes and businesses become electrified. At the same time, the country is undertaking one of the world's largest programmes of renewable-energy development.

With overall power demand increasing rapidly, and energy security and affordability remaining important policy considerations, fossil fuels – mainly coal – will undoubtedly continue to play a significant role for some time. Alongside this, however, solar, wind, hydro, battery storage, green hydrogen and new grid infrastructure are attracting growing levels of investment.

By the end of June 2026, more than 54% of India's installed electricity-generating capacity was coming from non-fossil sources¹, well ahead of its target of 50% by 2030². Its longer-term objective remains to build 500GW of non-fossil capacity by the end of the decade. To achieve these aims, India needs technology, engineering skills, finance and operating experience throughout the energy system, from offshore wind and storage to transmission, digital networks and low-carbon industrial processes.

Renewables move into the mainstream

Solar power has been the main engine of India's renewable expansion to date. Large utility-scale parks continue to be developed, while rooftop installations are becoming more common as businesses and households look to manage electricity costs and improve security of supply across the country.

Policy is also moving towards developing a domestic clean-energy manufacturing industry. Government incentives have encouraged

investment in solar modules and cells manufacturing, reducing reliance on imports while creating opportunities for international companies prepared to manufacture, license technology or work with Indian partners³.

Wind power is entering another phase of development. India already has an established onshore industry and a substantial turbine manufacturing base. Offshore wind is now moving onto the agenda, particularly off Gujarat and Tamil Nadu, where the Government has identified significant potential and introduced financial support for early projects⁴.

Upgrading the grid

The rapid growth of renewable generation is also changing where investment is needed. Adding solar and wind farms is relatively straightforward. Integrating large quantities of intermittent electricity into the national power system presents a more complex challenge.

India is therefore investing heavily in transmission, storage and smarter electricity networks. Battery storage and pumped-storage hydro are expected to become an increasingly important part of the system, helping electricity generated during sunny or windy periods to meet demand later in the day.

Distribution is more complicated. India's state electricity distribution companies vary in financial and operational performance, and investors must consider payment risk, tariffs and the financial strength of power purchasers. Land acquisition, transmission capacity and differences between state regulatory regimes can affect project timelines and economics. These are not new problems, but have become more important as renewable investment has increased.

Green hydrogen takes shape

India wants to become a producer of green hydrogen and its derivatives. The National Green Hydrogen Mission combines incentives for electrolyser manufacturing with support for hydrogen production and creating demand in industries where direct electrification is difficult¹. Heavy industry, refining, fertilisers, shipping and potentially aviation are among the markets being considered. Ports are looking at the potential for green ammonia and other hydrogen-derived fuels.

The hydrogen sector is still at an early stage. Costs remain high and projects depend on renewable electricity, water, infrastructure and customers willing to enter long-term purchase agreements. Nevertheless, the scale of India's industrial economy means that successful projects could develop quickly.

Investments in the whole energy system

India permits 100% foreign direct investment through the automatic route in renewable-energy generation, and the sector has attracted investor interest². Large Indian groups, infrastructure funds, development finance institutions and overseas investors are active across the market.

The first wave of investment centred on utility-scale solar and wind projects. Capital is now moving into batteries, power networks, manufacturing, electric mobility, hydrogen and technologies that help industrial businesses reduce their emissions. This changes the opportunity for UK businesses. A company does not have to be a renewable-energy developer to participate. Engineering consultancies, specialist manufacturers, technology providers, insurers, financiers and

professional advisers all have roles to play. Domestic-content policies do, however, mean that market entry needs careful thought. India is increasingly interested in building supply chains at home rather than importing finished technology indefinitely. Joint ventures, licensing arrangements, local manufacturing and technology partnerships may therefore offer stronger prospects than a purely export-led model.

A stronger UK-India energy partnership

Energy and climate have become important parts of the wider UK-India economic relationship. India-UK Vision 2035 identifies offshore wind, energy storage, grid transformation and carbon markets among the areas where the two governments intend to deepen collaboration. It also envisages closer cooperation between regulators and a dedicated offshore wind taskforce⁷.

The UK-India Comprehensive Economic and Trade Agreement, strengthens this relationship further. Its environmental provisions support cooperation on clean energy and trade in environmental goods and services, while the wider agreement reduces barriers affecting businesses operating between the two markets⁸.

For UK businesses, the most interesting feature of India's energy transition may be its breadth. Solar and wind remain central, but the market is increasingly about the infrastructure and technology needed around them: storage, networks, manufacturing, offshore engineering and industrial decarbonisation. India needs to add power capacity while simultaneously changing how that power is produced, stored and delivered. This makes the energy transition a long-term investment programme rather than a single renewable-energy boom. ■

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Healthcare, Life Sciences & Pharma: Moving up the value chain

India's healthcare and life sciences sector can rightly claim to be the 'pharmacy of the world'. This role, built on decades of generic drug manufacturing, is now being reshaped by a fast-growing push into research, biologics and complex generics. At the same time, the new UK-India trade agreement is changing how medicines and medical devices move between the two countries.

India's pharmaceutical industry is the world's largest supplier of generic medicines by volume, manufacturing around a fifth of all generics sold globally and meeting more than 60% of global vaccine demand¹. Its reach into the UK specifically is significant and often underappreciated: roughly a quarter of all medicines used in the UK originate in India, making the two countries' healthcare systems more interdependent than headlines often suggest². This gives UK policymakers and businesses alike a direct stake in how India's pharmaceutical sector performs, well beyond the usual language of export opportunity.

The domestic market, valued at somewhere between £49 billion and £51 billion, is expected to grow at a double-digit pace over the rest of this decade, driven by rising chronic disease, an ageing population and a steady stream of high-value patent expiries opening the door to new generic competition³.

Growth is increasingly concentrated at the more technically demanding end of the industry. India's active pharmaceutical ingredient (API) sector, the raw chemical building blocks of medicines, has become a particular focus of policy and investment, partly as global buyers look to diversify supply chains away from China.

A dedicated production-linked incentive scheme has pushed cumulative investment in API manufacturing well past £3 billion,

targeting dozens of critical bulk drugs that India has historically imported⁴. At the same time, a wave of major patent expiries on blockbuster drugs, including widely used diabetes and weight-loss treatments, is opening a large and immediate opportunity for Indian generic manufacturers to bring lower-cost versions to market both domestically and for export⁵.

Beyond pharma

Beyond pharmaceuticals, the wider healthcare delivery market, hospitals, diagnostics and medical devices, is expanding quickly in its own right, supported by growing insurance coverage and continued investment in private hospital capacity beyond India's largest cities⁶.

Government schemes are increasingly nudging this expansion towards smaller urban centres, with several states offering land, stamp-duty and capital incentives to hospital operators willing to build where capacity is thinnest. This expansion of hospital infrastructure into tier-two and tier-three cities is arguably as significant as growth in the largest, since it is creating an entirely new customer base for equipment that previously had a much narrower market to focus on.

Friendlier climate for clinical research

India's large and genetically diverse patient population, combined with a lower cost base than Europe or North America, makes it an increasingly credible location for trial recruitment, not just manufacturing.

The regulatory environment for clinical research and drug approvals has also been moving in a more investor-friendly direction. Reforms to the rules governing clinical trials have shortened statutory approval timelines for test licences, and the national regulator has introduced structured, faster response mechanisms for applications, changes

explicitly designed to make India a more attractive base for conducting the clinical trials that underpin new drug development⁷.

Foreign ownership rules add a further layer of nuance. Hospitals, diagnostics and medical device manufacturing are all open to full foreign ownership under the automatic route⁸. Pharmaceutical manufacturing is more finely graded: greenfield projects, building new plants from scratch, are similarly open to full automatic-route investment, while brownfield projects, acquiring or expanding existing Indian manufacturers, are capped at 74% before government approval is required⁹. The practical implication of this policy is that a new, wholly owned facility is administratively simpler to establish than acquiring a stake in an existing Indian drugmaker.

Uneven impact of the CETA

The new UK-India trade agreement benefits this sector in both directions. On pharmaceuticals, the agreement moves toward zero tariffs on nearly all products, a change that overwhelmingly favours Indian exporters: the UK is already India's third-largest pharmaceutical export market globally and the largest in Europe, and industry bodies expect several years of accelerated export growth as a direct result¹⁰.

On medical technology, the benefit runs more clearly the other way. India has committed to cutting tariffs on UK-origin medical devices from a typical range of 7.5% to 15% down to roughly 3%, a change expected to improve access to advanced diagnostic and monitoring equipment for hospitals well beyond India's largest cities¹¹.

The agreement also commits the UK's Medicines and Healthcare products Regulatory Agency and India's Central Drugs Standard Control Organisation to closer regulatory cooperation, intended to reduce duplicated testing and speed up the approval of new medicines in both markets¹².

AstraZeneca's expansion in India illustrates the kind of deepening this cooperation is designed to support: the company has made two significant investments in its Indian operations in recent years: expanding a global innovation and technology centre in Chennai and a global hub in Bengaluru covering research and development, data analytics and regulatory support. This takes its combined Indian workforce to around 4,000 people¹³, exemplifying the changing pattern of UK companies treating India less as an export destination, and more as a genuine base for higher-value scientific and technical work. ■

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Defence & Security: An innovation ecosystem takes shape

Defence is one of the more geopolitically sensitive sectors, but also one of the fastest-changing. India has spent a decade reducing its reliance on imported weapons. The UK, traditionally more of a science and services supplier than a hardware provider, is positioning itself as a reliable partner for engines, propulsion and the technology behind the next generation of Indian-built defence platforms, rather than the finished equipment itself. This is happening against a backdrop of rising regional tension and a broader push by India to reduce dependence on any single supplier, whether that is Russia, historically its largest arms source, or the West.

India's push for defence self-sufficiency, known domestically as *Atmanirbharta*, has moved from political slogan to measurable outcome. Domestic defence production reached a record £13.9 billion in the 2025–2026 financial year, nearly four times its level a decade earlier, while defence exports reached £3 billion to more than 80 countries¹. The clearest measure of this change is import dependence: foreign spending as a share of capital procurement has fallen from 70% in 2010 to just 12% today. Government targets for the rest of the decade suggest this momentum will continue².

From equipment sales to co-development

For the UK, this new approach has altered the nature of the relationship. Rather than compete to sell India finished platforms, as American and French suppliers still do, the UK has focused on propulsion, electronics and joint design, areas where India wants technology transfer and sovereign capability more than it wants another off-the-shelf purchase.

Two agreements moving toward signature in 2026 illustrate the point: an inter-governmental agreement to co-develop electric propulsion

systems for four Indian Navy landing platform docks³, and a parallel push by Rolls-Royce, working alongside Reliance Industries, to design and manufacture the jet engine for India's next-generation fighter, the Advanced Medium Combat Aircraft⁴.

Alongside these headline programmes, smaller contracts are keeping the relationship active on a more regular basis. In 2025, Thales UK secured a contract with Bharat Dynamics to supply Starstreak air-defence missile systems⁵, and India has separately become one of the largest overseas customers for Thales's Martlet lightweight missile⁶. The UK has also created a dedicated Defence Partnership-India cell within its Ministry of Defence to manage this pipeline, and Indian air force officers are now embedded as instructors at all three UK service academies, a level of military-to-military integration that did not exist a decade ago⁷.

Alongside the big-ticket propulsion and engine programmes, India is building out a broader innovation base intended to reduce reliance on both imports and a handful of large state-owned manufacturers. Two dedicated defence industrial corridors, in Uttar Pradesh and Tamil Nadu, are drawing investment into weapons and component manufacturing outside the traditional public-sector heartlands⁸, while the government's iDEX programme has brought more than 670 start-ups, MSMEs and individual innovators into the sector since 2018, working on everything from drones to AI-enabled surveillance⁹.

Foreign ownership rules

Foreign ownership rules for defence manufacturing are relatively liberal on paper: up to 74% is allowed under the automatic route, with full ownership possible subject to government approval where

a case promises access to modern technology¹⁰. In practice, the numbers show foreign investors have been cautious. Cumulative FDI into India's defence sector has reached only around £19 million since 2000, a relatively small figure given the scale of domestic production¹¹. Much of the sector's real growth to date has instead come from Indian public and private manufacturers, with private companies now responsible for 45% of all defence exports, up from a much smaller share a decade ago¹².

The new UK-India trade agreement plays only a minor role in this sector. Defence procurement and dual-use technology are treated as matters of national security rather than tariff policy in both countries, and sit outside CETA's main commitments. The more consequential framework is bilateral and government-to-government, running through the India-UK Defence Consultative Group and the newer Defence Partnership-India cell, rather than through trade negotiators.

None of this makes defence an easy sector to enter. But for UK firms with genuine propulsion, electronics or systems-integration expertise, India's declared preference for co-development over off-the-shelf purchase is a rare example of a government saying plainly what kind of partner it wants. The relationship is still young enough that its shape could change quickly, but the direction, away from

transactional arms sales and towards shared design and production, looks unlikely to reverse.

Space: a sector taking off

India's space economy, valued at around £6.2 billion, has expanded rapidly since the sector was opened to private investment in 2020, attracting more than 400 start-ups¹³. Hyderabad-based Skyroot Aerospace became India's first space-tech unicorn in 2026 after raising £44 million, and its Vikram rocket family has moved the country's private launch industry from sub-orbital tests to a genuine commercial orbital launch capability, alongside competitors such as Agnikul Cosmos and Pixxel¹⁴.

Foreign investment rules were liberalised in 2024 along the same graded, security-conscious lines seen elsewhere in India's strategic sectors, ranging from full automatic-route ownership for satellite components down to a much lower cap for the more sensitive business of launch vehicles and spaceports¹⁵. Space and defence increasingly overlap in India, with several companies supplying both civil and military customers from the same production lines, which is worth bearing in mind for any UK space business assessing the sector, as export-control and dual-use considerations may apply even to seemingly commercial contracts. ■

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UK

Introduction: Europe's centre of finance & technology

The UK is one of the world's most influential and internationally connected economies. As a leading centre for finance, innovation and trade, the country offers international investors access to a highly developed business environment, deep capital markets and a world-class research base.

Despite a period of global economic uncertainty, the UK attracts international companies seeking a stable and transparent commercial framework. Its legal and regulatory institutions, together with strong protection of intellectual property, provide a high degree of certainty for investors.

Services at the forefront of the economy

Services dominate the economy, accounting for around four-fifths of total economic output. Financial services is a particular strength. London is a major financial centre, hosting a concentration of banks, asset managers, insurers and fintech companies. The financial and related professional services sector contributed £290 billion to the economy in 2025 and supports almost 2.5 million jobs nationwide, reinforcing its central role in national prosperity¹.

Beyond finance, the UK has developed internationally competitive capabilities across sectors including life sciences, advanced manufacturing, aerospace, clean energy and AI. These industries benefit from strong research universities and skilled talent, underpinned by close collaboration between academia and industry.

The country also attracts significant levels of foreign direct investment (FDI). According to international investment monitoring data, the UK

attracted the second-highest number of FDI projects in Europe in 2025, despite a fall in overall project numbers across the continent².

Landmark partnership with India

Government policy continues to emphasise openness to international trade and partnerships. Recent economic strategies have focused on strengthening relationships with fast-growing regions including the Indo-Pacific and the Middle East, while maintaining strong commercial ties with Europe and North America.

The relationship with India is a case in point. The Comprehensive Economic and Trade Agreement (CETA) between the two countries is the UK's most economically significant bilateral trade deal since leaving the EU, building on the countries' long-standing comprehensive strategic partnership³.

Total UK-India trade was worth £48 billion in 2025, and CETA is expected to add a further £25.5 billion to that figure in the long run, with 99% of Indian goods entering the UK and 90% of UK goods entering India now duty-free or on reduced tariffs.

Combined with existing ties across a wide array of industries, the agreement gives businesses on both sides a clearer and more predictable framework for trading with, and investing in, each other's markets⁴.

Strength in science and innovation

The depth of the UK's research and innovation ecosystem is a key consideration for investors. The country hosts four universities ranked



Regional development initiatives are also playing an increasingly important role in shaping the country's economic landscape.



among the world's top 10: Imperial College, Oxford, Cambridge, and UCL, and six in the European top 10, reflecting the strength of its higher education sector and its role in supporting research collaboration⁵.

These capabilities have helped establish the UK as a highly dynamic hub for tech and innovation. The UK technology sector is now valued at £1.2 trillion, making it the world's third largest tech economy, behind only the US and China, and the most valuable technology ecosystem in Europe⁶.

The UK's long-term economic strategy places strong emphasis on innovation and sustainability, underpinned by international collaboration. Government initiatives such as the Modern Industrial Strategy, the Clean Power 2030 Action Plan and the Carbon Budget and Growth Delivery Plan are designed to accelerate growth in emerging sectors and drive investment.

AI is a particular area of focus. The government's AI strategy aims to position the country as a global leader in AI research, development and commercial deployment, supported by investments in computing infrastructure, advanced research facilities and specialist digital skills.

Infrastructure and regional growth

Economic activity across the UK is supported by extensive transport, digital and energy infrastructure. Major international airports such as Heathrow, Gatwick and Manchester connect the country to every corner of the globe, while the UK's port network handles hundreds of millions of tonnes of freight each year. Regional development initiatives are also playing an increasingly important role in shaping the country's economic landscape. Cities such as Manchester, Birmingham, Leeds and Glasgow have developed strong sectoral clusters in areas including advanced manufacturing, digital technology, financial services and life sciences, supported by a range of policies that aim to strengthen these clusters and expand economic opportunity beyond London and the South East.

For international investors and businesses, the UK offers more than a large domestic market. It provides access to a highly skilled workforce, a powerful research ecosystem and one of the world's most sophisticated financial centres. In an increasingly competitive global economy, these strengths firmly position the country as an attractive location for international investment, innovation and global trade. ■

¹ <https://www.thecityuk.com/our-work/key-facts-about-uk-based-financial-and-related-professional-services-2026/>

² https://www.ey.com/en_uk/newsroom/2026/05/foreign-direct-investment-uk-retains-second-place-in-europe

³ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2274280®=48&lang=2>

⁴ <https://www.business.gov.uk/campaign/alive-with-opportunity/the-uk-india-trade-deal/>

⁵ <https://www.topuniversities.com/world-university-rankings>

⁶ <https://www.uktech.news/ai/uk-tech-sector-hits-1-2-trillion-valuation-20260608>

Professional & Business Services: Expertise and global influence

The professional and business services (PBS) sector is one of the most internationally competitive and strategically significant components of the UK economy. Generally understood to encompass legal services, accounting, management consultancy, architecture, engineering, advertising, recruitment and other specialist advisory services, the sector underpins both domestic enterprise and the UK's global commercial footprint.

In global competitiveness rankings for professional services and legal infrastructure, the UK consistently ranks among the leading jurisdictions in Europe. Although competition from EU centres, North America and emerging advisory hubs is growing, the UK's strengths in legal certainty, language, global networks and deep capital markets continue to differentiate it.

Although London is by far the most significant PBS centre, the sector is geographically distributed across the UK, with significant clusters in Manchester, Birmingham, Leeds, Bristol, Edinburgh and Glasgow. In fact, over half of sector employment is located outside London and the South East, reinforcing its national economic role¹.

Overall, PBS contributes approximately £300 billion in gross value added annually, representing around 13% of total UK economic output.

In addition, PBS businesses employ more than five million people, making it one of the largest private-sector employers in the country².

Institutional credibility is central to the sector's success. Regulatory oversight of legal and accounting services is conducted through a framework of independent professional bodies and statutory regulators, including the Solicitors Regulation Authority and the Financial Reporting Council.

Global legal leaders

The legal services market is widely regarded as one of the most influential in the world. English common law underpins a substantial proportion of global commercial contracts, cross-border finance documentation and international dispute resolution.

The UK's legal sector generates more than £52 billion in annual revenue, with exports accounting for a significant share of that total³. London, in particular, is one of the world's leading centres for international arbitration, dispute resolution and cross-border M&A advisory work.

Major international law firms headquartered in the UK operate across Europe, North America, the Middle East and Asia, and English law is

the governing law of choice for international commercial agreements. The stability, predictability and global recognition of the UK's legal framework are enduring competitive advantages.

Accounting, audit and advisory services

The UK is also home to one of the largest accounting and audit markets globally. The 'Big Four' global accounting networks maintain substantial UK operations, alongside a broad base of mid-tier and specialist advisory firms.

According to the Financial Reporting Council, UK audit and assurance services generate tens of billions of pounds in annual revenues, while the broader advisory and consulting segments are growing at a faster pace than audit⁴. The UK's accounting standards and governance framework are widely respected, and the country plays an influential role in international standard-setting through its engagement with global accounting bodies.

Management consultancy and strategic advisory

Management consultancy is another fast-growing segment of the PBS sector. Industry estimates indicate that the UK consulting market generates over £22 billion in annual revenues, positioning it as Europe's largest consulting market⁵.

UK consultancies advise clients across the globe on hot-button topics such as digital transformation, AI, sustainability strategy, operational



restructuring and public sector reform, with the country's deep corporate base, strong technology ecosystem and proximity to global financial markets reinforcing its consultancy leadership.

Engineering, architecture and the built environment

The architecture sector also has a strong export orientation, with British firms involved in landmark projects worldwide. Industry data suggests that exports account for a significant share of revenues in both architecture and engineering consultancy. These capabilities are closely linked to the UK's strengths in project finance, legal structuring and insurance, creating an integrated ecosystem of professional expertise.



Industry estimates indicate that the UK consulting market generates over £22 billion in annual revenues.



Professional engineering and architectural firms headquartered in the UK are accustomed to operating globally, delivering infrastructure, transport, energy and urban development projects across Asia, the Middle East and Africa.

Major export engine

According to ONS trade data, professional and management consulting services, legal services and accounting services collectively generate tens of billions of pounds in annual service exports, contributing significantly to the UK's overall services trade surplus. Indeed, services classed as 'Other business services' accounted for over one-third of UK services exports in 2025⁶.

The UK consistently ranks among the top two global exporters of commercial services, alongside the United States. This export strength reflects the international portability of UK expertise,

English language advantages, and the global recognition of British professional standards.

Digital transformation and AI integration

Technology is reshaping service delivery right across the PBS sector. Law firms and consultancies are increasingly deploying AI-powered tools to boost efficiency and productivity. Digitalisation is also expanding service scalability and enabling new hybrid delivery models that combine in-person advisory with remote and platform-based solutions. The Government is committed to supporting this transformation, highlighting the potential of AI to boost productivity in "knowledge-intensive industries" in its AI Opportunities strategy.

The UK PBS sector combines scale, international reach and institutional trust, with the expertise and dynamism to remain a key influencer in the global economy for decades to come. ■

¹ https://assets.publishing.service.gov.uk/media/6892153b66bdd4490c610996/industrial_strategy_professional_and_business_services_sector_plan_accessible.pdf

² https://assets.publishing.service.gov.uk/media/6892153b66bdd4490c610996/industrial_strategy_professional_and_business_services_sector_plan_accessible.pdf

³ <https://www.thecityuk.com/our-work/uk-legal-services-2025/>

⁴ https://media.frc.org.uk/documents/Audit_market_and_competition_developments_2025_Update.pdf

⁵ <https://www.consultancy.uk/news/44832/rising-exports-drove-uk-consulting-industry-growth-in-2025>

⁶ <https://www.gov.uk/government/statistics/trade-and-investment-core-statistics-book/trade-and-investment-core-statistics-book>

Financial Services: A longstanding financial powerhouse

The UK's financial services sector is one of the jewels in the country's economic crown. Rooted in the City of London, but extending deeply into regional centres such as Edinburgh, Leeds, Manchester and Birmingham, the sector combines global connectivity with domestic scale in a way that few countries can match.

Financial and related professional services make a substantial contribution to the UK economy. The industry contributed £290 billion to UK gross value added in 2025 and supports almost 2.5 million jobs, with two-thirds of employment located outside London¹. The UK also continues to record the world's largest trade surplus in financial and related professional services, which reached £119.1 billion in 2024².

Internationally, London is Europe's top-ranked financial centre and continues to compete with New York at the top tier globally³. Although market access arrangements with the EU have evolved, the UK has deepened bilateral financial regulatory cooperation with major partners, reinforcing its role as a global intermediary bridging North America, Europe, the Middle East and Asia.

International banking leadership

At the heart of this dynamic sector is the internationally significant banking system. The UK boasts the fourth-largest banking centre globally and the second largest in Europe in terms of banking assets⁴, as well as being the world's largest centre for cross-border banking⁵. In foreign exchange markets, London is a global leader, handling roughly 38% of global FX turnover⁶.

Capital markets reinforce this outward-facing model, though new listings activity has faced a well-documented, multi-year slowdown. Momentum picked up markedly towards the end of 2025, with full-year

IPO proceeds reaching £2.1 billion – a 170% year-on-year increase⁷. Reforms to the UK Listing Rules implemented in 2024-2025 aim to streamline the public market structure and further improve London's competitiveness in attracting high-growth and international issuers.

Fast-growing fintech

Financial technology (FinTech) is a particular and fast-growing area of innovation. Global FinTech investment rebounded strongly in 2025, and the UK retained its second place ranking worldwide (behind only the US) and first in Europe, attracting £2.6 billion in investment⁸. London also remains home to more fintech 'unicorns' than any other European city. Overall, the UK has now produced over 185 'unicorns', ranking first in Europe and third globally, behind only the USA and China⁹, with the integration of open banking, embedded finance and AI continuing to dramatically reshape both retail and wholesale financial services.

Institutional credibility underpins this ecosystem. The UK's regulatory framework, led by the Financial Conduct Authority and the Prudential Regulation Authority, balances prudential resilience with market competitiveness. In the post-Brexit era, regulatory autonomy has become a strategic tool. The Financial Services and Markets Act 2023 and subsequent secondary legislation have enabled the UK to tailor elements of its regime, including capital markets, insurance solvency and digital asset oversight, to domestic priorities.

Insurance strengths

One notable reform area is insurance capital. Updated Solvency UK rules, which took effect during 2024-2025, were designed to unlock tens of billions of pounds of additional investment capacity from the

life insurance sector. Insurers are already delivering on this. As part of a pledge to invest £100 billion in UK productive assets over ten years, the industry had invested £22.8 billion by the end of 2025¹⁰. Pension reform is also progressing, with policy measures aimed at consolidating defined contribution schemes and directing more long-term savings into productive domestic investment.

Insurance and asset management provide additional depth. The UK is the largest insurance and long-term savings market in Europe and the third-largest in the world. According to the Association of British Insurers, member firms manage investments of around £1.4 trillion, making the sector one of the country's largest sources of long-term institutional capital¹¹. Asset management is similarly significant, with the UK maintaining its position as Europe's largest asset management hub¹². These long-term pools of capital are central to infrastructure finance, corporate investment and sustainable transition funding.

Sustainable finance has become another increasingly high-profile priority in recent years. The UK has embedded mandatory climate-related disclosures across large corporates and financial institutions and is advancing Sustainability Disclosure Requirements (SDR) to strengthen market transparency. London ranks among the leading

global centres for green bond issuance and transition finance, reflecting both policy alignment and investor demand.

Digital innovation

Following the expansion of the regulatory framework under the Financial Services and Markets Act, the Government has moved toward establishing a comprehensive regime for digital assets such as stablecoins and broader cryptoasset activities, with full rules due to take effect from 2027¹³. The stated objective is to position the UK as a credible and well-regulated global hub for digital finance, balancing innovation with financial stability. Take-up remains substantial, with UK consumers holding an estimated £13 billion in cryptoassets as at December 2025¹⁴.

Looking ahead, the UK financial services sector combines three strengths: scale, credibility and adaptability. The system is well-capitalised and internationally integrated; its regulatory framework is respected and increasingly autonomous; and its ecosystem is embracing technological and structural transformation. In an era of global competition, these characteristics, supported by reform and innovation, suggest the UK will remain one of the world's most influential financial centres into the coming decade. ■

¹ <https://www.thecityuk.com/our-work/key-facts-about-uk-based-financial-and-related-professional-services-2026/>

² <https://www.thecityuk.com/news/uk-retains-world-leading-financial-services-trade-surplus-and-global-hub-status/>

³ <https://www.longfinance.net/programmes/financial-centre-futures/global-financial-centres-index/>

⁴ <https://www.thecityuk.com/news/uk-retains-world-leading-financial-services-trade-surplus-and-global-hub-status/>

⁵ <https://www.thecityuk.com/news/uk-retains-world-leading-financial-services-trade-surplus-and-global-hub-status/>

⁶ <https://www.thecityuk.com/news/uk-retains-world-leading-financial-services-trade-surplus-and-global-hub-status/>

⁷ https://www.ey.com/en_uk/newsroom/2026/01/ipo-eye-q4-2025-london-stock-exchange

⁸ <https://www.innovatefinance.com/announcements/global-fintech-investment-rises-21-in-2025-reaching-53-billion-across-5918-deals-the-uk-reclaims-second-spot-in-global-rankings/>

⁹ <https://www.business.gov.uk/invest-in-uk/sectors/technology>

¹⁰ <https://www.abi.org.uk/media-hub/news-post/industry-making-strong-progress-on-100-billion-uk-growth-pledge>

¹¹ <https://www.abi.org.uk/about-the-abi/about-us/>

¹² <https://www.business.gov.uk/invest-in-uk/sectors/asset-management/>

¹³ <https://www.fca.org.uk/firms/new-regime-cryptoasset-regulation>

¹⁴ <https://www.coindesk.com/markets/2025/12/16/number-of-crypto-users-in-the-uk-drops-even-as-amount-held-increases>

Digital & Technology: A digital pioneer

The digital and technology sector has assumed a critical role in shaping the UK's industrial strategy, attracting investment and strengthening its global competitiveness. With world-class universities, deep capital markets and an increasingly active government policy framework, the UK has consolidated its position as Europe's leading technology ecosystem and remains one of the most internationally connected innovation hubs globally.

The economic weight of the sector is substantial. According to the Department for Science, Innovation and Technology (DSIT), the digital sector contributes more than £177 billion in gross value added (GVA) to the UK economy each year and employs over 1.7 million people across the country¹. These figures place technology among the largest single industrial contributors to national output and employment. This is supported by almost universal access to high-speed digital broadband. Over 89% of UK homes or 27.1 million residential premises have access to gigabit-capable broadband coverage as of January 2026².

Unlike many advanced economies where technology activity is heavily concentrated in one metropolitan area, the UK's digital strength is geographically distributed. Unsurprisingly, London is the main focus and remains Europe's largest technology investment hub, but this is complemented by significant strength in other regions. Cambridge, for example, has developed global prominence in AI and deep tech, anchored by its world-leading university; Manchester and Leeds have developed considerable strengths in digital media and platform development; Edinburgh has become a centre of fintech and data science; and Bristol and South Wales host important semiconductor and compound electronics clusters.

Appetite for investment

The high level of capital investment is one of the distinguishing features of the UK digital and tech ecosystem. It is Europe's leading destination for venture capital investment and has produced more than 185 'unicorns' (tech start-ups with a valuation of £751 million or more), ranking first in Europe and third globally, behind only the USA and China³. The UK is also the largest venture capital (VC) market in Europe, with over £17.5 billion raised in 2025⁴, more than France and Germany combined, providing access to capital needed to commercialise and scale up innovations.

AI has become a central pillar of this growth story. In 2024, the Government established the AI Security Institute, designed to evaluate frontier AI models and reinforce international trust in AI development⁵. The Institute is intended to position the UK at the forefront of safe and responsible AI deployment. This approach, combining pro-innovation regulation with risk management, differentiates it from more restrictive regulatory environments, making it attractive for AI research and model development.

Sector focus

The policy framework underpinning this ecosystem is set out in the Science and Technology Framework, published in 2025⁶. The framework identifies five priority technologies: advanced connectivity technologies; artificial intelligence; engineering biology; quantum technologies; and semiconductors. Each area is backed by targeted funding commitments and regulatory support mechanisms.

Semiconductors, for example, are supported through the National Semiconductor Strategy, which outlines government backing for

design capability and compound semiconductor clusters. The strategy explicitly identifies South Wales and the South West as key centres for compound semiconductor development. The UK's focus is less on large-scale fabrication and more on high-value design, intellectual property and specialised materials – areas aligned with its research strengths.

Quantum computing is another priority. The UK was the first country in the world to launch a national quantum programme in 2014, which has already been backed by more than £1 billion in public funding to support skills, research, and infrastructure. In 2026, the Government announced a pioneering programme worth up to £2 billion of public sector investment to ensure the UK stays at the forefront of quantum innovation. This includes an extra £13.8 million injected into the UK's five National Quantum Research Hubs, with researchers working in healthcare, clean energy, and national security projects among the first in the world to get access to quantum technology⁷.

The Government has also announced a new UK-US technology partnership to deepen collaboration on quantum research, workforce development and commercialisation, reflecting a broader push to build international alliances while safeguarding economic competitiveness. Together, the funding and transatlantic cooperation are designed

to move quantum technologies from experimental promise towards widespread commercial and societal impact.

Policy support

The increasing importance of digital technologies in the national economy raises questions about cybersecurity. With this in mind, the Cyber Security Growth plan⁸, published in September 2025, aims to position the UK as a global cyber power. The UK hosts one of Europe's largest cybersecurity sectors, underpinned by the National Cyber Security Centre and strong collaboration between government and industry. This capability is increasingly export-oriented, reflecting global demand for cyber resilience.

Regulatory reform has also played a role in sustaining competitiveness. A new Data Use and Access Act 2025 came into force in June 2025, updating some of the legal framework about digital information matters⁹. By refining data protection laws, it aims to reduce administrative burdens without compromising cross-border data flows – a critical factor for multinational technology firms operating in the UK.

As the Government consolidates its position over the next few years, the prospects for the digital and technology sector remain positive, providing a solid foundation for the UK to remain a leading European technology hub and a globally significant innovation centre. ■

¹ <https://www.gov.uk/government/statistics/economic-estimates-digital-sector-annual-2010-to-2024-and-regional-2010-to-2022-gross-value-added>

² <https://www.ofcom.org.uk/phones-and-broadband/coverage-and-speeds/connected-nations-update-spring-2026>

³ <https://www.business.gov.uk/invest-in-uk/sectors/technology>

⁴ <https://www.digit.fyi/uk-vc-investment-rebounds-in-2025>

⁵ <https://www.aisi.gov.uk/about>

⁶ <https://www.gov.uk/government/publications/science-and-technology-framework/science-and-technology-framework>

⁷ <https://www.gov.uk/government/news/uk-quantum-leap-to-help-beat-disease-deliver-high-paid-jobs-and-strengthen-national-security-as-first-country-in-the-world-to-roll-out-quantum>

⁸ <https://www.gov.uk/government/publications/cyber-growth-action-plan-2025>

⁹ <https://ico.org.uk/about-the-ico/what-we-do/legislation-we-cover/data-use-and-access-act-2025/the-data-use-and-access-act-2025-what-does-it-mean-for-organisations>

Advanced Manufacturing: Powering the future

The high profile of the manufacturing sector in the UK reflects both its economic importance and its role as an enabler for wider national priorities, such as energy security, net zero, defence resilience and productivity growth.

While ‘manufacturing’ covers a broad range of activities, the government’s policy focus is on higher-value, technology-led manufacturing where the UK can compete globally.

Its Advanced Manufacturing Sector Plan sees the sector as a long-term growth engine and explicitly links it to the next wave of industrial transformation, from decarbonisation to the adoption of AI and digital production methods¹.

Rather than concentrating on a single subsector, advanced manufacturing is positioned as a portfolio of frontier industries where the UK has scale, talent and competitive strengths. It distils these down into six priority sectors:

- Automotive: building the next generation of zero emission and connected vehicles.
- Batteries: powering the transition to net zero, backed by landmark investments such as Agravas’ £4 billion gigafactory project which will create up to 4,000 new jobs².

- Aerospace: supporting defence activities and pioneering technologies such as Rolls-Royce’s UltraFan engines and systems for Airbus’ new narrow wide-body aircraft³.
- Space: driven by increasing economic, national security, defence, and geopolitical interests.
- Advanced materials: with UK manufacturers leading the charge in next-generation components and sustainability.
- Agri-tech: pioneering revolutionary approaches to agricultural productivity and sustainable food production, supporting both domestic and global supply chains.

National impact

Advanced manufacturing is significant not only for output, but also for employment and regional impact. According to government figures, advanced manufacturing supports over 760,000 jobs and generates around £82 billion in annual gross value added⁴.

Production is shared across all nations and regions of the UK, anchoring supply chains, export capacity and skilled employment in clusters such as the North East (automotive and batteries), the Midlands (automotive and advanced propulsion), the South West and North West (aerospace), and Scotland and Oxfordshire (space and enabling technologies).



Advanced manufacturing is positioned as a portfolio of frontier industries where the UK has scale, talent and competitive strengths.



This dynamic advanced manufacturing base is tightly linked to international trade, both as an exporter of high-value goods and as an importer of specialised components and capital equipment. While advanced manufacturing is not the entirety of goods trade, the leading UK export categories and markets include many areas associated with advanced manufacturing, such as machinery, transport equipment, aircraft and pharmaceuticals⁵.

Connected ecosystem

What differentiates UK advanced manufacturing is the depth of its surrounding ecosystem. The country combines manufacturing capability with globally recognised strengths in research, engineering services, regulation, finance and intellectual property frameworks. In practice, this supports fast development cycles, from concept and prototyping through to industrialisation, particularly in complex or regulated manufacturing environments, such as aerospace systems, battery technologies and advanced materials.

A major institutional asset is the UK's applied R&D infrastructure. The High Value Manufacturing (HVM) Catapult, for example, works with 5,810 companies (including 3,496 SMEs) and generated approximately £275 million in collaborative R&D and commercial

income in 2025⁶. While these figures do not represent the whole sector, they are a useful proxy for the scale of structured innovation support available to manufacturers seeking to develop new processes, materials and products.

Future trends

The current UK strategy is explicitly investment-led. The government's 10-year strategy aims to grow business investment in advanced manufacturing to £39 billion by 2035, backed by up to £4.3 billion in public funding, including up to £2.8 billion for R&D by 2030⁷.

Alongside capital and R&D support, the policy package highlights the practical barriers that affect manufacturing competitiveness, particularly energy costs for electricity-intensive industries, skills pipelines, and adoption of digital tools and AI in production.

Looking ahead, the growth of the UK's manufacturing sector will be shaped by three trends:

First is electrification and the battery value chain, driven by transport decarbonisation, grid storage needs and industrial electrification, with batteries regarded as a frontier industry within the government's sector plan framework.

Second is aerospace and space, where the UK combines advanced engineering, high-value supply chains and strong export orientation, and where demand is shifting towards more efficient propulsion, sustainable aviation solutions and new satellite-enabled services.

Third is advanced materials and agri-tech, which connect manufacturing to national priorities on resilience, productivity and sustainability through novel materials, precision engineering, automation, and technologies that strengthen resource efficiency.

Running through all of these is the transformative potential of digitalisation and AI-enabled manufacturing. The government's 2026 Advanced Manufacturing AI Adoption Plan has reinforced this focus, setting out a pathway to move industrial AI from pilot projects into wider deployment⁸. In practice, this spans robotics and automation, digital twins, advanced sensing, predictive maintenance and data-driven quality control – capabilities that raise productivity and reduce time-to-market, while also enabling shorter, more resilient supply chains.

The UK's world-leading advanced manufacturing proposition is based on a combination of strong R&D clusters, a sophisticated services base, and a policy framework that aims to both attract investment and



accelerate commercial scale-up. The opportunities for investors are substantial, particularly where manufacturing growth aligns with the net zero transition, defence and resilience needs, and demand for higher-value engineering solutions. ■

¹ <https://www.gov.uk/government/publications/advanced-manufacturing-sector-plan>

² <https://www.gov.uk/government/news/business-secretary-champions-flagship-investment-in-uks-largest-gigafactory>

³ <https://aviationweek.com/aerospace/manufacturing-supply-chain/uk-commits-rd-funding-airbus-ngsa-rolls-ultrafan>

⁴ <https://www.business.gov.uk/campaign/invest-in-great/advanced-manufacturing>

⁵ <https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/bulletins/uktrade/july2026>

⁶ <https://hvm.catapult.org.uk/resource-hub/annual-reviews>

⁷ <https://www.business.gov.uk/campaign/invest-in-great/advanced-manufacturing>

⁸ <https://www.gov.uk/government/publications/ai-champions-ai-adoption-plans/ai-adoption-plan-advanced-manufacturing>

Creative Industries: Cultural capital that drives economic strength

The UK creative industries generate £146 billion in gross value added (GVA) annually¹, according to data from the Department for Culture, Media and Sport (DCMS). This places creative industries among the largest individual contributors within the DCMS portfolio and reinforces their significance within the wider services economy.

Employment is equally substantial. DCMS reports that almost 2.5 million people are employed in the sector, demonstrating the breadth of opportunity across production, design, digital content, technical specialisms and entrepreneurial activity².

The UK's creative industries combine global cultural influence with measurable economic scale. Spanning film and television, music, video games, advertising, design, fashion and digital media, the sector is both a driver of economic growth and a powerful instrument of soft power. In recent years, it has moved firmly into the centre of government growth policy, recognised not only for its cultural value but also for its export performance, inward investment and high-skilled employment base.

London is consistently recognised as one of the world's leading creative hubs, but it is far from a one-city proposition. There are major creative clusters across the UK in dynamic cities like Manchester, Leeds, Bristol, Cardiff, Glasgow and Belfast. Screen production in Scotland and Northern Ireland, gaming studios in the Midlands and the

North, and advertising and digital agencies across England and Wales contribute to a geographically diversified ecosystem. The result is a sector that supports regional regeneration as well as national exports.

Among the most internationally visible segments is film and television production. The UK has become a premier global destination for large-scale production, supported by skilled crews, world-class studios and competitive tax incentives.

According to the British Film Institute (BFI), total UK film and high-end television production spend reached £6.8 billion in 2025, the highest level on record³. Of that total, around £5.8 billion represented inward investment activity, underlining the UK's ability to attract global studios and streaming platforms. The strength of this inward investment model reflects not only fiscal incentives but also the depth of the UK's technical and post-production capabilities.

Music and gaming

Music has long been a global cornerstone of the UK's creative profile, from the Beatles and the Rolling Stones through to more recent superstars such as One Direction, Coldplay and Ed Sheeran. The UK music industry contributed £8 billion to the economy in 2025, according to UK Music's most recent data⁴. British artists, producers and songwriters continue to perform strongly in global markets, supported by London's enduring position as a hub for publishing and

rights management. Beyond recorded music, live performance and touring make a significant contribution to economic output, reinforcing the UK's global cultural footprint.

The video games and interactive media sector illustrates how creativity and advanced technology increasingly intersect. The UK is one of Europe's leading games development centres, with a strong track record in original intellectual property and immersive technologies. Ukie, the trade body for the UK games and interactive entertainment industry, reports that UK consumers spent £8.8 billion on video games in 2025, highlighting the scale of the domestic market⁵. The sector's integration with digital innovation, AI and advanced design places it at the forefront of the government's wider technology strategy.

Advertising and creative services further demonstrate the commercial depth of the UK's creative economy. Overall UK advertising reached £46.7 billion in 2025⁶, and is expected to increase to £50.5 billion in 2026, demonstrating the scale of the domestic and international client base served by UK agencies⁷. British firms combine creative excellence with data-driven analytics, serving multinational brands across Europe, North America, the Middle East and Asia.

A government priority

Creative industries also play a material role in the UK's export economy, with the portability of intellectual property, English-language advantage

and internationally recognised professional standards contributing to this sustained export strength.

Government policy reflects the sector's economic importance. The UK's Creative Industries Sector Plan, published in June 2025 as part of the country's Modern Industrial Strategy, sets out a long-term framework to expand investment, improve skills pipelines and strengthen international market access⁸. It aims to increase business investment in the sector from around £17 billion to £31 billion by 2035, supported by £380 million of targeted government investment⁹.

Emphasis is placed on sustaining competitive tax relief regimes for film, television and games, enhancing digital capability, and supporting regional clusters. Increasingly, AI and digital tools are being integrated into content creation, post-production, advertising analytics and game design, reinforcing productivity and scalability across subsectors.

In an increasingly competitive global marketplace for talent and capital, the UK's creative industries retain powerful structural advantages, thanks to its deep creative workforce, internationally recognised content brands, strong institutional support and a stable legal environment. As global demand for content, design and digital experiences continues to expand, the UK remains well positioned to sustain its leadership as one of the world's foremost creative economies. ■

¹ <https://www.gov.uk/government/statistics/dcms-economic-estimates-gva-2024-provisional/dcms-sectors-economic-estimates-gross-value-added-2024-provisional>

² <https://www.gov.uk/government/statistics/economic-estimates-employment-january-2025-to-december-2025-for-dcms-sectors/dcms-sector-economic-estimates-employment-january-2025-to-december-2025>

³ <https://core-cms.bfi.org.uk/media/43378/download>

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⁵ <https://cms.ukie.org.uk/wp-content/uploads/2026/04/UK-Games-Market-Valuation-2025.pdf>

⁶ <https://www.ukaop.org/hub/aa-warcs-updates-advertising-expenditure-report-to-capture-evolving-uk-media-landscape-and-records-46-7bn-media-investment-in-2025>

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Clean Energy: Energising the economy

The UK's clean energy transition has entered a decisive phase. What was once framed primarily as a long-term climate commitment is now firmly embedded within national industrial strategy, infrastructure planning and energy security policy. The past two years have marked a transition from ambition to execution, with a focus on expanding renewable capacity at scale, advancing carbon capture and hydrogen deployment, and strengthening domestic manufacturing capability to capture greater economic value from the energy transition.

Official data confirms the structural transformation of the UK's electricity system. Around 52.1% of total UK electricity generation came from renewable sources in 2025, followed by gas at 31.8%. Notably, it was the first year with zero generation from coal¹.

This change highlights a wholesale redesign of the UK's energy mix. Wind generation reached a new record in 2025, supported by additional offshore capacity, including further development at Dogger Bank². Wind conditions in 2025 were broadly similar to those in 2024, with the uptick in generation due to additional capacity. The development of the wind power sector has been underpinned by the Contracts for Difference (CfD) mechanism, which provides long-term price stability for low-carbon generators.

Solar charging ahead

One of the most successful developments has been the expansion of solar power. Solar panels generated 20.1TWh in 2025, up 34% on the previous year, helped by both exceptionally sunny conditions and continued capacity growth³. New projects included the 373MW Cleve Hill development in Kent, the UK's largest solar farm, while 269,000 solar installations were completed nationwide during the year, the highest total ever recorded in a calendar year and 37% larger than the

year before. Around 255,000 of these were rooftop solar – meaning at least 95% of all new solar was installed on homes, businesses and other buildings. This equates to a new rooftop solar installation every 2 minutes throughout 2025⁴.

Bioenergy generation also reached a record level in 2025, rising 2.2% to 41.0TWh⁵. Approximately two-thirds of this is derived from plant biomass, with Drax's former coal-fired power station in Yorkshire the largest individual biomass generator. Drax subsequently signed a four-year low-carbon dispatchable contract covering 2027-2031, under arrangements that reduce subsidised generation and introduce tighter sustainability requirements⁶. The Government is also developing a common sustainability framework intended to strengthen and harmonise biomass standards across relevant sectors.

Driving decarbonisation

The UK's clean energy strategy extends beyond renewable generation alone. As renewable penetration increases, system resilience and industrial decarbonisation have become parallel priorities. Carbon capture, usage and storage (CCUS) has moved from policy design into delivery. The UK's first clusters have reached major commercial and investment milestones, with transport and storage infrastructure and initial capture projects progressing towards operation⁷. The development of CCUS clusters is designed to support decarbonisation in energy-intensive industries such as steel, cement and chemicals, while preserving regional industrial capacity.

Hydrogen policy has similarly advanced. The Government retains its ambition for up to 10GW of low-carbon hydrogen production capacity by 2030, while projects supported through the first Hydrogen Allocation Round are progressing towards investment, construction

and operation⁸. The strategy maintains the UK's 'twin-track' approach, supporting both electrolytic (green) hydrogen and CCUS-enabled (blue) hydrogen. Hydrogen is positioned not as a universal solution, but as a strategic complement to electrification, particularly for heavy industry, long-duration energy storage and certain transport applications in key sectors.

Supporting national capabilities

Alongside deployment targets, the Government has placed domestic clean-energy manufacturing at the heart of its Modern Industrial Strategy. Its Clean Energy Industries Sector Plan combines public finance, supply-chain funding and incentives through the Contracts for Difference regime to encourage investment in manufacturing, ports and critical infrastructure. The plan aims to more than double annual investment across frontier clean-energy industries to over £30 billion by 2035⁹.

This industrial dimension is increasingly central to the UK's clean energy narrative. Offshore wind deployment, for example, requires significant investment in turbine assembly, blade manufacturing, subsea cabling and port infrastructure. Hydrogen and CCUS similarly demand specialised engineering, compression equipment and pipeline systems. By directing funding toward domestic capacity, the

Government aims to secure a greater share of value-added activity within the economy rather than relying solely on imported component and skilled employment.

These developments demonstrate a market that has moved beyond early-stage experimentation. Renewables now provide more than half of electricity generation. Offshore wind continues to expand through competitive auctions. Carbon capture clusters are moving into delivery, while hydrogen projects are beginning to progress from funding awards towards investment and construction.

Delivery momentum

The next phase of the UK's clean energy transition will hinge on maintaining delivery momentum. Grid capacity, planning reform and supply chain competitiveness will shape the pace at which projects can move from award to operation. However, the institutional architecture supporting the transition is now well established: transparent auction mechanisms, statutory climate targets, commercial frameworks for emerging technologies and dedicated industrial funding streams.

For international investors and strategic partners, the UK clean energy sector is a mature but still expanding market that will continue to shape the country's growth trajectory over the coming decades. ■

¹ https://assets.publishing.service.gov.uk/media/6a6a3b71bf4a7aca8f8976c9/DUKES_2026_Chapters_1-7.pdf

² https://assets.publishing.service.gov.uk/media/6a6a3b71bf4a7aca8f8976c9/DUKES_2026_Chapters_1-7.pdf

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⁶ <https://www.gov.uk/government/consultations/common-biomass-sustainability-framework/common-biomass-sustainability-framework-consultation-document-accessible-webpage>

⁷ <https://www.gov.uk/government/publications/hynet-track-1-expansion-selected-projects/hynet-expansion-project-negotiation-list>

⁸ <https://www.gov.uk/government/publications/clean-flexibility-roadmap/clean-flexibility-roadmap-july-2026-update-accessible-webpage>

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Healthcare & Life Sciences: A national system with global reach

The UK's healthcare and life sciences sector is distinguished by the integration of its institutions, as much as by the scale of its impact. Few countries combine a globally recognised public health system, research-intensive universities, deep biomedical science capability and a sophisticated regulatory framework within a single, connected ecosystem and commercial base.

At the centre of this model are the close connections between academia, industry and the National Health Service (NHS). The UK's university research base consistently ranks among the most cited in biomedical sciences, while the NHS provides a uniquely comprehensive clinical environment for trials, data analysis and innovation adoption. This alignment enables early-stage research to translate more efficiently into diagnostics, therapeutics and medical technologies than in many more fragmented systems.

The sector's strength also lies in its diversity. Pharmaceuticals, biotechnology, medical devices, genomics, digital health and advanced therapeutics operate within a mature investment and regulatory environment. Clusters of specific expertise across the country form part of a broader national network of science parks, translational institutes and manufacturing facilities. Together, they support an industry that is research-intensive, export-oriented and increasingly data-driven.

As global healthcare systems confront ageing populations, rising chronic disease burdens and accelerating technological change, the strength of the UK's life sciences ecosystem lies in the ability to combine scientific excellence, clinical depth and commercial sophistication within a stable and internationally trusted regulatory framework for global partners.

Nationally integrated health system

The NHS is one of the largest publicly funded health systems in the world. The scale of public funding is reflected in the £208 billion budget for NHS England, integrated care boards, and NHS providers in 2025/26¹.

This level of nationally coordinated spend underpins the NHS's role not only as a service provider, but also as a major economic actor supporting extensive employment, procurement, and capital investment across the country. The NHS also functions as a unique national 'testbed' for innovation. Its scale allows for population-level research, real-world evidence generation and rapid adoption pathways where policy and procurement align. From advanced imaging and robotics to digital triage systems and AI-supported diagnostics, the NHS is central to the commercialisation pathway for many UK-developed health technologies.

Globally significant life sciences

Alongside public service delivery, the UK's life sciences sector is one of Europe's most research-intensive industrial bases. It combines multinational pharmaceutical companies, fast-scaling biotechnology firms, medical technology manufacturers, clinical research organisations and a dense network of universities and teaching hospitals with global reach.

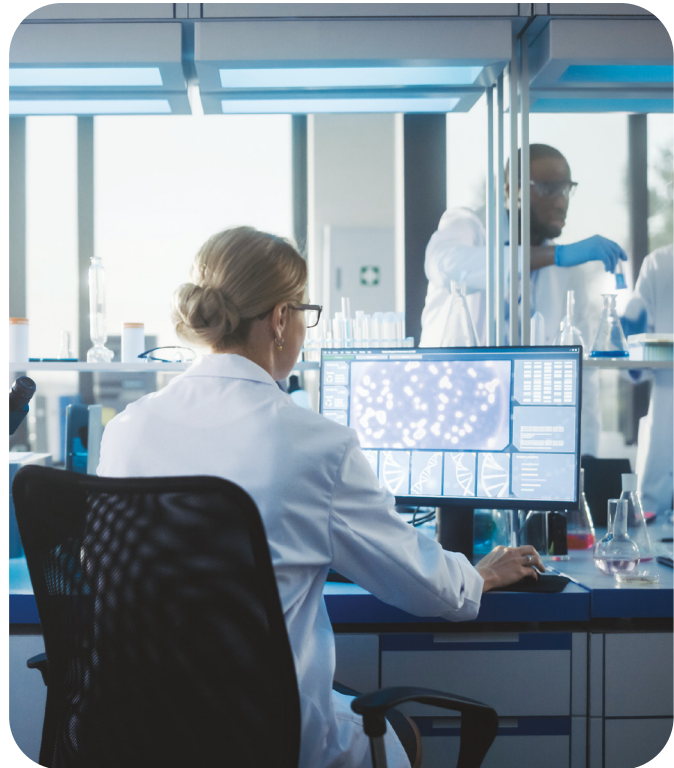
Official statistics estimate that the UK life sciences sector comprises around 7,600 companies, employing 306,700 people and generating £125.8 billion in annual turnover². Pharmaceuticals are a particularly high-value segment. The industry contributes £20.4 billion in direct gross value added to the UK economy and supports 125,000 high-skilled jobs, reflecting the capital-intensive and knowledge-intensive nature of medicines development and manufacturing³.

The UK also maintains a strong position in clinical research. Its integrated health system, academic excellence and regulatory expertise enable it to attract early-stage and late-stage trials, particularly in oncology, rare diseases and advanced therapies.

Evolving government strategy

Since 2025, government policy has become more explicitly aligned around integrating NHS transformation with industrial strategy. The Life Sciences Sector Plan, published in July 2025, positions the sector as a core growth engine within the broader Industrial Strategy framework.

A central pillar of the Sector Plan is accelerating innovation within the NHS. The government announcement accompanying the plan includes an ambition of up to £600 million to build an advanced health data



system to support faster development and deployment of treatments⁴. The emphasis is on reducing trial set-up times, streamlining regulatory processes and embedding research activity within routine care pathways. The aim is to make research a core NHS function, rather than a separate, specialist activity.

Encouraging investment

The UK is a leading European destination for life sciences investment. The BioIndustry Association reports that UK biotech companies secured £1.9 billion in equity financing in 2025, of which £1.8 billion was raised through venture capital⁵. This level of investment indicates resilience, though companies are facing longer fundraising cycles and greater scrutiny on commercialisation pathways. Later-stage



Digital health innovation, including remote monitoring, wearable technologies and AI-based clinical decision tools, also continues to expand.



funding, strategic partnerships and cross-border capital flows remain particularly important for scaling therapies into global markets.

In addition, the UK continues to offer competitive R&D tax credits and manufacturing incentives, reinforcing its attractiveness for pharmaceutical production and advanced therapy manufacturing.

Advanced therapies and digital health

The UK has developed a particularly strong position in advanced therapies, including gene and cell therapies. Research institutions and manufacturing facilities in London, Oxford, Cambridge and the North West are integral parts of a nationally coordinated advanced therapy ecosystem.

Genomics is another strength. The UK's national genomic sequencing initiatives have created one of the largest integrated genomic datasets

globally, supporting both research and precision medicine. This capability complements broader digital health investments and AI-supported diagnostics development.

Digital health innovation, including remote monitoring, wearable technologies and AI-based clinical decision tools, also continues to expand. The integration of these tools within NHS pathways is increasingly seen as essential to addressing demographic pressures and improving productivity.

Although pressures on NHS performance, global competition for R&D, and supply chain resilience remain challenges, the UK's legal certainty, science base, integrated health data and trusted regulatory framework position it well to strengthen its status as both a leading European health system and a competitive life sciences hub. ■

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² <https://www.gov.uk/government/statistics/bioscience-and-health-technology-sector-statistics-2024-to-2025>

³ <https://www.abpi.org.uk/publications/uk-pharmaceutical-investment-competitiveness-report-2026/>

⁴ <https://www.gov.uk/government/news/life-sciences-sector-plan-to-grow-economy-and-transform-nhs>

⁵ <https://www.bioindustry.org/resource/uk-biotech-financing-2025.html>

Defence: Innovation, investment and security

The UK's defence industry is entering a period of sustained growth. Against a backdrop of heightened geopolitical uncertainty and renewed emphasis on European security, defence has moved to the centre of national economic and industrial debate.

Short-term modernisation targets have been replaced by multi-decade capability programmes, expanded alliance commitments and increasing domestic production capacity. The Defence Industrial Strategy published in September 2025 formalised this change in emphasis, placing defence among the priority sectors of the UK's Modern Industrial Strategy and linking procurement, innovation and industrial capacity more explicitly.

Recent spending commitments underline this trajectory, with the country remaining one of the highest defence contributors in NATO. At the NATO Summit in June 2025, the UK joined allies in committing to spend 3.5% of GDP on core defence by 2035, within a wider 5% commitment covering defence, security and resilience. The Defence Investment Plan published in June 2026 provides almost £298 billion for the Ministry of Defence over the four years to 2029/30, when the annual MOD budget is expected to reach £79.1 billion¹.

The industrial impact of this spending is considerable. Defence expenditure supported around 274,000 direct and indirect jobs in 2024/25. Including UK-based Armed Forces personnel and MOD civilian employees, the figure rises to around 462,000 overall – around one in every 60 jobs². Employment is widely distributed across the UK, with major regional concentrations in aerospace, shipbuilding, nuclear, advanced manufacturing and digital technologies.

Export strengths

Export performance remains robust, the government announced more than £20 billion of defence export deals in 2025, which is expected to be the highest annual total since records began more than 40 years ago³ and maintains the UK's position among the world's top defence exporters. Combat air platforms, missile systems and maritime technologies remain central to export success, underpinned by interoperability with NATO allies and long-term service agreements.

The UK is looking to build on this success in 2026 by delivering further deals with allies, actively seeking to export systems such as advanced aircraft, the latest maritime technology and systems, and armoured transport vehicles such as Boxer.

To strengthen the UK's position as a leading defence exporter, it has also joined the Agreement on Defence Export Controls with France, Germany and Spain, with new licensing arrangements introduced in 2026 to reduce administrative barriers for qualifying collaborative defence exports⁴.

Sector superiority

Combat air is at the heart of the UK's technological innovation. The Global Combat Air Programme (GCAP) International Government Organisation, which the UK ratified in October 2024⁵, aims to deliver a next-generation combat aircraft by 2035 and is one of the most significant collaborative defence aerospace programmes underway globally. The programme, a joint initiative with Japan and Italy, moved into a new phase in July 2026 with the award of a £4.6 billion trilateral design and development contract to the Edgewing joint venture⁶.

Maritime and submarine capability is another traditional strength in the sector. The submarine fleet, including the Dreadnought-class ballistic missile submarines and Astute-class vessels, is one of Europe's most technologically advanced defence manufacturing bases.

Under the AUKUS partnership, the UK plans to expand its conventionally armed, nuclear-powered attack submarine fleet to up to 12 SSN-AUKUS craft, alongside major investment in submarine production capacity. This integration enhances both domestic production capacity and allied interoperability⁷.

The government has also committed to securing the future of the country's nuclear deterrent, by committing to a £15 billion investment in the sovereign warhead programme by 2030, supporting over 9,000 jobs across the UK⁸.

Digital warfare

Beyond traditional platforms, defence modernisation is increasingly digital. Britain is embarking on a sweeping transformation of its military capabilities, with plans to embed AI, autonomous systems and advanced digital infrastructure at the heart of its armed forces within the next two years.

Central to this is a shift to what the Ministry of Defence calls an 'Integrated Force' – a digitally networked military built around shared data and AI. A flagship deliverable is a digital targeting web, due by 2027, designed to link sensors, decision-makers and weapons systems

at machine speed. Underpinning this is a defence-wide 'Secret Cloud' for secure data sharing, expected to go live in 2026, alongside a new Digital Warfighter group to be embedded within frontline units⁹.

That transformation is already moving into implementation. In 2026 the government committed more than £5 billion over four years to drones and autonomous systems, opened a dedicated Uncrewed Systems Centre in Swindon and established a Rapid AI Delivery Taskforce to accelerate the deployment of AI-enabled capabilities¹⁰. The UK is also investing in space resilience and cutting-edge directed energy weapons, including the laser system DragonFire, as part of efforts to maintain a technological edge¹¹.

Backing the entire programme is a significant shake-up of defence procurement. A new body, UK Defence Innovation, was established in July 2025 with a £400 million annual budget. Its mandate is to bring commercial technology into service within three-month contracting cycles, a striking departure from the MoD's historically slow acquisition processes¹².

As NATO defence spending rises across Europe and Indo-Pacific partnerships deepen, the UK's integrated defence ecosystem, combining sovereign engineering capability, export strength and advanced research infrastructure, is well positioned for sustained growth. In an era where security and industrial strategy are increasingly intertwined, the defence industry is both a strategic necessity and a high-value economic asset. ■

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¹⁰ <https://www.gov.uk/government/news/uk-drone-transformation-to-strengthen-armed-forces-backed-by-more-than-5-billion>

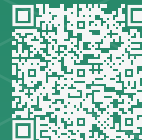
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