



Delhi Policy Group

Advancing India's Rise as a Leading Power

FOCUS EUROPE

OCTOBER 2025

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Volume I, Issue 4



Delhi Policy Group

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www.delhipolicygroup.org



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Vol. I, Issue 3

October 2025

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Cover Images:

Indian Prime Minister, Narendra Modi, with the UK Prime Minister Keir Starmer at the Raj Bhavan, Mumbai on October 9, 2025. Source: [X/@narendramodi](#)

India's Minister of Commerce and Industry, Mr Piyush Goyal with his counterpart from the UK signing the the Comprehensive Economic and Trade Agreement (CETA) on July 24, 2025 in London. Source: [X/@narendramodi](#)

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Focus Europe:

The India-UK Partnership: Trade, Innovation and Strategic Convergence

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The India-UK Partnership: Trade, Innovation and Strategic Convergence

by

Ambassador Ruchira Kamboj & Arshiya Chaturvedi

Executive Summary

In the years following India's independence, India and the United Kingdom have maintained a cordial yet limited relationship, largely anchored in people-to-people ties, education, and culture. However, the dynamics have shifted quite dramatically in recent years. The 2030 Roadmap for India-UK relations, signed in 2021, marks this shift – expanding into defence, digital, green energy, and mobility.¹

The year 2025 was a particularly defining moment in this renewed phase of cooperation, with the signing of the India-UK Free Trade Agreement (FTA)² and a series of high-level exchanges, notably the back-to-back visits of the Prime Ministers of India and the United Kingdom in July and October 2025.³ While these developments highlight a growing political commitment to deepen collaboration, current policies on migration and mobility appear to be not fully aligned with the spirit of deeper economic integration, potentially limiting the full scope of bilateral engagement.

This policy brief delves into the evolving India-UK partnership, key features that define the relationship today, offering a few recommendations on identified areas of concern.

A snapshot of India-UK Relations

India and the United Kingdom share a long and complex history, one that stretches from the colonial era to India's seventy-eight years of independence. At the heart, particularly in recent decades, lies a strong and enduring people-to-people connect. The UK is among the top countries that host the Indian diaspora worldwide, a population of 1.864 million as of the 2021 Census.⁴ Constituting 3.1% of the UK's total

¹ Media Center. "India-Uk Virtual Summit." Ministry of External Affairs (MEA), Government of India, May 4, 2021. https://www.mea.gov.in/press-releases.htm?dtl/33839/INDIAUK_VIRTUAL_SUMMIT.

² PIB. "India-UK CETA." Press Information Bureau (PIB), Government of India, 2017. <https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=154945&ModuleId=3>.

³ Prime Minister's Office (PMO). "India-UK Joint Statement." Press Information Bureau (PIB), Government of India, 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2176767>.

⁴ Gupta, Cherry. "Where Do Most Indians Live Abroad? Top 10 Countries with the Highest Indian Overseas Population." Indianexpress.com, October 7, 2025. <https://indianexpress.com/article/trending/top-10-listing/top-10-countries-with-the-largest-indian-diaspora-2024-9727289/>.

population, this demographic group contributes over 6% to the country's GDP and owns as many as 65,000 companies.⁵

The annual tourist footfall between the two countries is also substantial, with nearly 500,000 Indians visiting the UK⁶ and around 900,000 Britons traveling to India.⁷ The UK also receives the third highest number of Indian students, after the USA and Canada, who further make a significant contribution to the UK economy.⁸

Cuisine and culture have long influenced both ways, reflecting a connection that binds the two nations at a people-to-people level. Phrases such as 'a strong living bridge'⁹ and 'the diaspora effect'¹⁰ are often used to describe the profound impact of this relationship on human and cultural ties

However, progress in bilateral engagement between the two countries across major areas of cooperation has remained largely modest. This is despite the fact that India and the United Kingdom committed to deepening their partnership as far back as 2004, when they signed a Joint Declaration and established key mechanisms such as the Joint Economic and Trade Committee (JETCO) and the Economic and Financial Dialogue (EFD), along with several supportive initiatives including Joint Working Groups (JWGs) and the CEO's Forum.¹¹

For instance, on trade, India ranked as the UK's 12th largest importing partner country¹² and the UK was not among India's top 20 import sources. In investments, while Indian companies are now one of the largest sources of direct investment into the UK in terms of project numbers, and UK firms have cumulatively invested some

⁵ Economic & Commerce Wing. "Brief on India - UK Economic Relations." High commission of India London, February 2025. <https://www.hcilondon.gov.in/docs/1740720863General%20Economic%20Brief%20India-UK.pdf>.

⁶ British High Commission New Delhi. "India Receives Largest Share of UK Study, Work, and Visit Visas." GOV.UK, August 26, 2022. <https://www.gov.uk/government/news/india-receives-largest-share-of-uk-study-work-and-visit-visas>.

⁷ Ministry of Tourism. "India Tourism Data Compendium 2024." Press Information Bureau (PIB), Government of India, 2024. <https://tourism.gov.in/sites/default/files/2025-02/India%20Tourism%20Data%20Compendium%20key%20highlights%202024.pdf>.

⁸ TOI Education. "Indian Student Enrollment in the UK Soared in 2023 by 273.9% from 2019: Is the Graduate Route Visa Driving the Surge." Indiatimes.com, December 20, 2024. https://timesofindia.indiatimes.com/education/news/indian-student-enrollment-in-the-uk-soared-in-2023-by-273-9-from-2019-is-the-graduate-route-visa-driving-the-surge/articleshow/116499293.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst.

⁹ Department for Business and Trade. "UK-India Trade Deal: Conclusion Agreement Summary." GOV.UK, July 24, 2025. <https://www.gov.uk/government/publications/uk-india-trade-deal-conclusion-summary/uk-india-trade-deal-conclusion-summary#fn:3>.

¹⁰ Supra Note 5.

¹¹ Media Center. "India-UK Joint Declaration." Ministry of External Affairs (MEA), Government of India, September 20, 2004. <https://www.mea.gov.in/bilateral-documents.htm?dtl/7462>.

¹² Department for Business and Trade. "Trade and Investment Core Statistics Book." GOV.UK, October 23, 2025. <https://www.gov.uk/government/statistics/trade-and-investment-core-statistics-book/trade-and-investment-core-statistics-book>.

US\$ 30-35 billion in India since 2000¹³, the monetary scale and recent flow of those investments remain modest relative to both economies' stated ambition – signalling a relationship that is solid but still has meaningful untapped potential

With respect to defence cooperation, other than a few military exercises and port calls, there has been no major collaborations in recent years, the last being India's 2010 purchase of Hawk Advanced Jet Trainer Aircraft from BAE Systems.¹⁴ So, this has been modest and limited in scope.

Renewed Partnership

In May 2021, the bilateral relationship witnessed a significant boost with India and the UK upgrading their partnership to a Comprehensive Strategic Partnership, launched alongside a ten-year Roadmap for cooperation across key identified sectors: trade & economy, defence & security, climate & clean energy, people-to-people ties & education.¹⁵

Building on this upgraded partnership, the leaders of both countries also launched negotiations for an India-UK Free Trade Agreement (FTA) in January 2022.¹⁶ The renewed focus on deepening ties with India stemmed from its recognition as one of the world's most dynamic and promising economies, projected to grow at over 6 percent annually for at least the next few years.

Recognising this growing potential, key voices across the UK policy establishment spoke in support of a stronger partnership, in pursuit of national interests. During a House of Lords debate in January 2023, Baroness Verma, a Conservative peer, observed that 'the UK has a real opportunity to forge a much closer collaboration with India.' Likewise, Lord Tariq Ahmad of Wimbledon, Minister of State at the Foreign, Commonwealth and Development Office (FCDO), remarked that 'a strong trade deal with India could boost the UK economy by billions of pounds over the long term.'¹⁷

Furthermore, the House of Commons Foreign Affairs Committee report released in August 2023 – Tilting Horizons: The Integrated Review and the Indo-Pacific –

¹³ Department for Business and Trade. "Trade and Investment Core Statistics Book." GOV.UK, October 23, 2025. <https://www.gov.uk/government/statistics/trade-and-investment-core-statistics-book/trade-and-investment-core-statistics-book>.

¹⁴ Chaudhury, Rahul Roy. "India's Defence Minister Visits the UK." IISS, January 15, 2024. <https://www.iiss.org/online-analysis/online-analysis/2024/01/indias-defence-minister-visits-the-uk/>.

¹⁵ Supra Note 1.

¹⁶ Ministry of Commerce & Industry. "India and UK Launch Free Trade Agreement Negotiations." Press Information Bureau (PIB), Government of India, January 13, 2022. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1789631>.

¹⁷ Waitzman, Eren. "UK-India Relations: 2030 Roadmap and Future Trade Partnership." House of Lords Library, April 3, 2024. <https://lordslibrary.parliament.uk/uk-india-relations-2030-roadmap-and-future-trade-partnership/>.

highlighted India's centrality in the UK's Indo-Pacific strategy. It endorsed deeper collaboration under the Comprehensive Strategic Partnership 2030 Roadmap and stressed the importance of concluding the India-UK FTA negotiations at the earliest opportunity.¹⁸

Since 2021, the two sides have also been actively collaborating through multifarious initiatives and agreements. This includes the July 2024 launch of the Technology Security Initiative as a first-of-its-kind agreement, bringing together government, industry, and academia from India and the UK.¹⁹ In July 2025, during Prime Minister Modi's visit to London and following the announcement in May 2025 of the successful conclusion of trade negotiations, India and the United Kingdom signed the Comprehensive Economic and Trade Agreement (CETA).²⁰ During the same visit, the Prime Ministers of India and the UK adopted the India-UK Vision 2035, a ten-year plan built around five pillars: Growth; Technology and Innovation; Defence and Security; Climate and Clean Energy; and Education.²¹

More recently, in October 2025, after just two months of the July milestone, UK Prime Minister Keir Starmer visited India to attend the 6th edition of the Global Fintech Fest in Mumbai. He was accompanied by one of the UK's largest trade delegations in a decade and the first under his Prime Minister-ship, including around 126 business, university and cultural representatives.²² While addressing the press at the event, Prime Minister Starmer observed that Britain had a clear opportunity to deepen trade and economic engagement in light of India's vast potential as the world's largest democracy and its steady rise toward becoming the world's third-largest economy. He further noted that the recently signed India-UK trade deal served as a launch pad for the UK to seize the opportunity and enhance its global leadership across a wide range of sectors, including technology, renewable energy, life sciences, and beyond.²³

On the sidelines of the event, the Prime Ministers of the UK and India also met to discuss the advancing of the Comprehensive Strategic Partnership, pursuant to the CETA and the 'Vision 2035' agenda. They signed several agreements, including a £350

¹⁸ Ibid

¹⁹ Media Center. "The UK-India Technology Security Initiative." Ministry of External Affairs (MEA), Government of India, 2024. https://www.mea.gov.in/bilateral-documents.htm?dtl/37995/The_UKIndia_Technology_Security_Initiative.

²⁰ Supra Note 2.

²¹ Prime Minister's Office. "INDIA-UK VISION 2035." Press Information Bureau (PIB), Government of India, 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2147956>.

²² Media Center. "Transcript of Special Briefing by MEA on Prime Minister of UK's Official Visit to India (October 09, 2025)." Ministry of External Affairs (MEA), Government of India, October 9, 2025.

https://www.mea.gov.in/media-briefings.htm?dtl/40189/Transcript_of_Special_briefing_by_MEA_on_Prime_Minister_of_UKs_official_visit_to_India_October_09_2025.

²³ McKiernan, Jennifer. "Keir Starmer Hails India Trade Deal as 'Launchpad' after Meeting Narendra Modi." BBC, October 9, 2025. <https://www.bbc.com/news/articles/czjdj66llg9go>.

million contract for the UK to supply missiles to India²⁴, and launched new initiatives such as the Connectivity and Innovation Centre, the Joint Centre for Artificial Intelligence, the Critical Minerals Observatory Satellite Campus at IIT-ISM, and a Joint Climate Technology Start-up Fund. Other key outcomes of the meeting included the reconstitution of the India-UK CEO Forum, the revitalisation of JETCO, the exchange of Letters of Intent and approvals for establishing UK university campuses in India, along with new collaborations in the areas of climate change, health, and research.²⁵

However, with respect to any visa policy change, PM Starmer in a media interaction before his scheduled visit made it clear that the “UK will not relax visa rules for India”. As in many European countries, immigration and visa policies have become matters of intense public concern in the United Kingdom, with mounting civic pressure to reduce immigration levels. This climate has, in turn, enabled the rise of peripheral political parties advocating stricter anti-migrant reforms, which have gained traction in national polls. Prime Minister Starmer, while addressing the issue, acknowledged that visa-related considerations had previously hindered efforts to finalise a trade deal with India. He further clarified that the agenda for his visit was “to take advantage of the free trade agreement that we’ve recently struck,” and that since the agreement “had no visa implications,” it would not feature in discussions with the Indian Prime Minister.²⁶

Though mobility remains a politically sensitive issue, under the Comprehensive Economic and Trade Agreement (CETA), provisions have been streamlined in a limited sense, focusing on specific professional categories and durations of stay. The UK has committed to facilitating temporary entry and short-term stays for Indian professionals under categories such as Business Visitors, Intra-Corporate Transferees, Contractual Service Suppliers, Independent Professionals (in computing and R&D), and Investors—ranging from 90 days for business visitors to up to three years for others. Additionally, the agreement provides 1,800 annual visas for non-traditional professionals, including Indian chefs, yoga instructors, and classical musicians.²⁷

²⁴ The Hindu Bureau. “India Inks £350-Million Deal with U.K. To Buy Missiles.” The Hindu, October 9, 2025. <https://www.thehindu.com/news/national/india-to-buy-missiles-worth-350-million-from-uk-under-new-defence-deal-64-indian-firms-commit-to-invest-in-the-uk/article70143639.ece>.

²⁵ Prime Minister's Office. “India-UK Joint Statement.” Press Information Bureau (PIB), Government of India, 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2176767>.

²⁶ Garvit Bhirani. “Why Is UK Not Issuing More Visas for Highly Skilled Indians despite FTA? PM Keir Starmer Answers.” mint, October 8, 2025. <https://www.livemint.com/news/world/why-is-uk-not-issuing-more-visas-for-highly-skilled-indians-despite-fta-pm-keir-starmer-in-mumbai-india-news-11759909684130.html>.

²⁷ Supra Note 2.

Way Forward: Towards a stronger India-UK Partnership

While bilateral relations are progressing well, certain concerns remain that merit attention if the partnership is to evolve into a truly equal and future-oriented collaboration. One such concern is about bilateral mobility and migration policies.

India and the UK have long benefited from deep people-to-people connections and robust mobility exchanges, but growing public pressure in recent years has led to a tightening of border controls and the adoption of more restrictive migration policies in the UK. This presents a strategic paradox, as under the Vision 2035 Roadmap, the two countries had envisioned building a “living bridge” by facilitating a dynamic and continuous exchange of people, ideas, knowledge, and innovation.

For India and the United Kingdom to realise the objectives of their Comprehensive Strategic Partnership – centred on leadership in key sectors such as technology, trade, and innovation – seamless mobility is essential. Innovation, knowledge exchange, and capacity building thrive only when talent moves freely between universities, research laboratories, and industry. To reconcile this challenge, the two countries could explore establishing a Comprehensive Migration Framework, modelled on the European Legal Gateway Office proposed in the EU-India Strategic Agenda of 17 September 2025.²⁸ Such a mechanism could include a digital nodal platform to make migration governance more efficient and transparent through improved information-sharing, and by creating sector-specific talent-mobility pathways aligned with labour-market needs and demographic trends.

Another critical aspect that needs reflection is investment. India's strong economic fundamentals – one of the world's fastest-growing economies with a vast and rapidly expanding consumer market – hold appeal to investors worldwide. However, potential alone is not sufficient, particularly when India's investment regime is still perceived by some as falling short of global benchmarks in areas such as regulatory predictability and dispute resolution. To translate this potential into sustained inflows, India must reinforce investor confidence through greater transparency, consistency and ease of doing business. In this regard, a comprehensive bilateral investment agreement with partner countries could serve as a valuable instrument to harmonise standards, streamline procedures and address the regulatory and bureaucratic frictions that often constrain foreign investment. While the India-UK CETA articulates ambitious investment commitments, their effective implementation

²⁸ EEAS Press Team. “Joint Communication on a New Strategic Eu-India Agenda.” European Union, September 17, 2025.

https://www.eeas.europa.eu/sites/default/files/2025/documents/JOIN_2025_50_1_EN_ACT_part1_v9.pdf.

* The New Strategic Eu-India Agenda noted that the EU has recently launched its first European Legal Gateway Office under the Comprehensive Mobility framework with India.

could benefit potentially from a dedicated comprehensive investment agreement between the two countries.

India and the United Kingdom have adopted a new framework to strengthen cooperation in the education sector. Under this initiative, the two countries are working together to facilitate the establishment of campuses in India by leading UK universities. The arrangement is mutually beneficial, as it enables the UK to sustain one of its major sources of revenue without facing the associated challenge of immigration management, while for India, it helps retain foreign exchange and also curbs the persistent issue of brain drain. However, past experiences show that many foreign university branches have faced serious challenges in terms of poor governance, weak local partnerships, and limited adaptation to cultural and educational contexts, often leading to their underperformance. Therefore, for UK-based foreign campuses to succeed in India, simply replicating curricula and administrative models from their home environments will not suffice, and instead, they must adapt to India's specific needs to deliver globally recognised education that contributes to the nation's socio-economic growth.

Conclusion

The India-UK relationship is undergoing a pivotal transformation marked by renewed depth, shared strategic intent, and augmenting areas of cooperation. The conclusion of the Comprehensive Economic and Trade Agreement was a successful milestone, reflecting strong ambition and a political commitment towards a dynamic and future-oriented partnership. However, translating the India-UK Vision 2035 from policy articulation to tangible implementation will require sustained effort — built on mutual trust, institutional efficiency, and a spirit of partnership aligned with the developmental aspirations of both nations. By building a coherent and mutually reinforcing partnership, India and the United Kingdom can translate shared objectives into tangible outcomes — advancing innovation, growth, and strategic influence in line with their national interests.



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