

## **Light at the End of the Tunnel – UK Hoping to Finalise Indian Trade Deal by Diwali**

### **Erin Henwood**

Despite the turbulence of the past few months, it is business as usual for the Department of International Trade as negotiators work hard to finalise the UK-India Free Trade Agreement in time for Diwali, a mere three weeks away.

A finalised deal by 24<sup>th</sup> October would be the first big international win of Liz Truss' premiership and Kemi Badenoch's incumbency, the latter of whom spoke last week of the UK's entrepreneurship, ambition and desire for growth to foreign investors at the Atlantic Future Forum in New York. The UK-India Free Trade Agreement certainly promises to deliver growth for both countries, with an already impressive bilateral trading relationship predicted to increase by up to £16.7 billion by 2035.

From a regional perspective, businesses in the West Midlands already trading goods with India will hugely benefit from reduced market access barriers and potential tariff concessions: local automotive businesses exported £155 million worth of equipment to India between Q2 2021 and Q1 2022 and will experience the highest relative gains from the proposed removal of the existing 125% tariff rate. Similarly, more people are employed by Indian businesses in the West Midlands – 29,200 people – than any other English region, with stronger pathways for Indian investors likely to spur opportunities for more workers for years to come.

Media outlets have reported that securing more UK visas for Indian skilled workers is one of the key priority areas for the Government in New Delhi. Greater mobility of skilled workers and increasing the UK's access to talent could not be more important or timely, with more than three quarters of firms in Greater Birmingham experiencing recruitment difficulties in Q2 2022 according to the Greater Birmingham Chambers of Commerce's Quarterly Business Report.

With the new Secretary of State for International Trade touting Brexit as a once in a generation opportunity for the UK to embrace the world, it will undoubtedly be encouraging for the UK Government to see light at the end of the tunnel in their negotiations. Though many are optimistic about engaging with new markets as a result of the Free Trade Agreement, some sectors remain concerned about what will – and will not – be included in the final deal.

Regardless of the detail, Badenoch must stick to her commitments at this week's Conservative Party Conference to ensure that businesses can easily understand and navigate existing trade agreements. Without clear explanation, businesses already pre-occupied by the all-consuming cost of living crisis will be unable to fully take advantage of everything that the deal has to offer.