

# Anger at Indian payoff in 'biggest deal since Brexit'

Free trade worth up to £5bn for economy but undercuts UK workers

**Oliver Wright** Policy Editor

Britain has struck a £5 billion-a-year free-trade agreement with India after offering a controversial tax break to Indian workers and companies.

The agreement, which is the biggest involving trade since Brexit, will result in Indian taxes on British exports such as whisky and cars falling by up to 90 per cent.

It is expected to increase trade between the two countries by almost

40 per cent and boost GDP by £4.8 billion within 15 years.

Ministers agreed to exempt Indian workers seconded to the UK and their employers from national insurance contributions for three years. India said this would result in "significant financial gains" for its companies, which would "enhance their competitiveness in the UK market", and "benefit large numbers of Indians working in the UK".

The Tories accused Sir Keir Starmer of signing up to a "two-tier tax system".

Ministers defended the concession, which is expected to cost the Treasury more than £100 million, saying it had been "considered as part of the balance of the deal". They added that it was similar to the arrangement the UK had with other countries, including the United States and European nations, and would also benefit British workers in India.

Martin Muhlede of the immigration services firm Vialto Partners said government figures showed about 20,000

Indian workers who came to the UK on company transfers each year could benefit from the tax changes.

Within hours of the announcement, India said it had attacked nine sites in Pakistan and parts of Kashmir it controls, "from where terrorist attacks against India have been planned and directed". Pakistan condemned the "shameful and cowardly attack".

Under the terms of the trade deal India will reduce taxes on 90 per cent of

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