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The Draft Public Procurement (India Trade Agreement) (Miscellaneous Amendments) (Scotland) Regulations 2026

Dear Convener,

I am writing to provide you with the additional information which I committed to share during my committee appearance on 4 February 2026 in relation to the draft Public Procurement (India Trade Agreement) (Miscellaneous Amendments) (Scotland) Regulations 2026.

The UK–India Free Trade Agreement is the first time that India has agreed to the inclusion of a standalone environment chapter in a trade agreement. That chapter ([Chapter 21](#)) reaffirms both countries' commitments to global environmental agreements such as the Paris Agreement and the 1.5°C goal, and contains provisions to promote trade in environmental goods and services, which could help to boost Scottish exports in key green sectors.

However, there are differences in UK and Indian net zero targets and domestic environmental policies. Additionally, [the UK Government's impact assessment of the Agreement](#) did not include the impact of carbon pricing. Any emissions impacts attributable to carbon leakage therefore remain uncertain and will depend on how the UK and India's domestic environmental policies develop. The Committee will be aware that the UK Government is in the process of introducing a Carbon Border Adjustment Mechanism.

Throughout the negotiations, the Scottish Government advocated for strong provisions on the environment, including on Environmental Goods and Services, climate adaptation and mitigation. We consistently pressed for robust, outcome-focused language to ensure that both parties advance ambitious climate measures. We also urged the UK Government to ensure that the Agreement's Environment Chapter would be subject to dispute settlement. Dispute settlement provisions will not apply to the environmental provisions, however, the

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Agreement will establish a subcommittee on sustainability, which will monitor the environmental impacts of the Free Trade Agreement.

In relation to the Agreement's impact on Scottish business and our market, the UK Government's impact assessment of the Agreement estimates an increase in real GVA of 0.12%, equivalent to £190 million a year in the long term. This is driven by the Scotch Whisky sector, which has played a significant role in these estimations.

The UK Government's impact assessment also reflects that while the Agreement presents clear opportunities for strategic sectors, some industries such as textiles and apparel, could experience increased import competition.

The full detail of the contracts which will be subject to the public procurement provisions of this agreement is set out in the Annexes to its [Chapter 15](#). As was noted when at Committee, the duty of equal treatment imposed by the SSI applies to the award of all contracts for goods and services subject to the procurement provisions of the agreement.

As I said at Committee, the Sustainable Procurement Duty in the Procurement Reform (Scotland) Act 2014 requires public bodies to consider and act on opportunities to facilitate the involvement of SMEs, third sector organisations and supported businesses through public procurement. This will continue to be the case.

Lastly, the Scottish Government will continue working with the Department for Business and Trade and other relevant departments to support ratification and implementation of the Agreement. This engagement will be maintained through intergovernmental fora such as the Inter-Ministerial Group for Trade, ensuring devolved ministers are kept informed of developments in trade policy and the implementation of FTAs. At official level, the Scottish Government has continued to press for involvement in the UK Government's management of its FTAs where devolved interests arise, including via relevant FTA committees between the UK and its trading partners, ensuring Scotland's priorities are fully reflected throughout implementation and governance.

In respect of ongoing monitoring and analysis, the UK Government has committed to produce a monitoring report for the UK-India FTA in 2028, this will support the Scottish Government remaining informed about how FTAs are reviewed over time. Most recently, the UK Government published the [Monitoring Report on the UK–Australia, UK–New Zealand and UK–Japan FTAs](#) which assesses the agreements' formal committees and institutional mechanisms, supplemented by regional trade-flow analysis since entry into force.

I hope this additional information is helpful to the Committee.



Ivan McKee MSP

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