

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 1394
ANSWERED ON 29.07.2025

FREE TRADE AGREEMENT BETWEEN INDIA AND UK

1394. SHRI DHAIRYASHEEL SAMBHAJIRAO MANE:
SHRI MANISH JAISWAL:
SHRI CHAVAN RAVINDRA VASANTRAO:
SHRI SUDHEER GUPTA:

Will the Minister of **COMMERCE AND INDUSTRY** (वाणिज्य और उद्योग मंत्री) (be pleased to state :-

- (a) whether bilateral free trade agreement being signed between Government of India and Government of UK has reached its final stages/concluded, if so, the details thereof;
- (b) the salient features of the said bilateral trade agreement and the time frame by which it is likely to be implemented;
- (c) the manner in which the said trade deal will be beneficial to the traders of the country and will open export opportunities for domestic traders;
- (d) the sectors that are most likely to be benefited in the country by the said bilateral trade deal; and
- (e) the total bilateral trade value likely to be increased in terms of revenue between two countries in the upcoming three years?

ANSWER

वाणिज्य और उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)
THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a) to (b): The Prime Ministers of India and UK had announced the successful conclusion of India-UK FTA negotiations on 6th May, 2025. The trade deal, which has been named as Comprehensive Trade and Economic Agreement (CETA), has been signed on 24th July, 2025. The CETA with the UK is a modern, comprehensive and landmark agreement, which seeks to achieve deep economic integration along with trade liberalisation and tariff concessions. The CETA ensures comprehensive market access for goods, across all sectors, covering all of India's export interests. The CETA seeks to promote good regulatory practices and enhance transparency that are in sync with India's own focus on domestic reforms to enhance the ease of doing business. The CETA comes into force after ratification by both the countries.

(c) to (e): CETA provides an unprecedented duty-free access to almost 99 per cent of India's exports to the UK, covering nearly 100% of the trade value. This includes labour-intensive sectors such as textiles, leather, marine products, gems and jewellery, and toys as well as high-growth sectors like engineering goods, chemicals, and auto components etc. This will spur large-scale employment generation, empowering artisans, women-led enterprises, and MSMEs. The services sector, a strong driver of India's economy, will also see wide-ranging benefits. The agreement provides greater market access in IT and IT-enabled services, financial and legal services, professional and educational services, and digital trade. Indian professionals, including those deployed by companies to work in UK across all service sectors, professionals deployed on contracts such as architects, engineers, chefs, yoga instructors, and musicians, will benefit from simplified visa procedures and liberalised entry categories, making it easier to work in the UK. India has also secured an agreement on the Double Contributions Convention. This will exempt Indian professionals and their employers from social security payments in the UK for up to three years, improving the cost competitiveness of Indian companies. The agreement has been designed to make trade more inclusive. Women and youth entrepreneurs, farmers, fishermen, startups, and MSMEs will gain new access to global value chains, supported by provisions that encourage innovation, promote sustainable practices, and reduce non-tariff barriers. CETA is expected to boost trade volumes significantly in the coming years, creating jobs, expanding exports, and supporting a deeper, more resilient economic relationship between India and the United Kingdom. The bilateral trade between the two countries stand at nearly USD 56 billion, with a goal to double this figure by 2030. The press note issued by the Department in this regard may be seen at <https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=154945&ModuleId=3>.
