



# India and the United Kingdom Unleash a Next Generation Economic Corridor: Comprehensive Economic and Trade Agreement (CETA) and Agreement on Social Security Contributions Set to Enter into Force on 15th July 2026

Transformational Leap towards Viksit Bharat @2047: India and the United Kingdom to Activate a Historic Trade and Economic Partnership Architecture

CETA provides Zero-Duty Access on ~99% of India's exports to the UK, covering nearly 100% of trade value

Double Contribution Convention extended from 3 years to 5 years

CETA to significantly expand Services Exports across 137 sub-sectors, including IT/ITES, professional, education and business services

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In a major stride for India's global economic engagement, the India and United Kingdom today announced that the Comprehensive Economic and Trade Agreement (CETA) will enter into force on 15<sup>th</sup> July 2026, marking a new phase in the country's economic diplomacy. Simultaneously, the Agreement on Social Security—also referred to as the Double Contribution Convention (DCC)—will also come into effect on 15<sup>th</sup> July 2026, reinforcing the mobility and competitiveness of Indian professionals in the United Kingdom. Also, the period of exemption under DCC has been increased from 3 years to 5 years, thereby marking a major gain for India's temporary workers.

Following the successful completion of internal procedures and ratifications by both governments, the agreements will formally enter into force on 15<sup>th</sup> July 2026. Aligned with the national vision of "Viksit Bharat 2047," this milestone will operationalize a highly sophisticated, well-balanced economic framework that translates policy into active daily commerce with a major global economy.

The groundwork for this historic agreement was laid in May 2021 through the Enhanced Trade Partnership and the adoption of the *India–UK Roadmap 2030*, which set the goal of elevating bilateral ties to a Comprehensive Strategic Partnership and doubling trade to USD 100 billion by 2030.

Following fourteen intensive rounds of negotiations, CETA was concluded on 6 May 2025. The agreement was officially signed on 24 July 2025 in London by India's Union Minister of Commerce and Industry, Shri Piyush Goyal, and the UK's Secretary of State for Business and Trade, Mr. Jonathan Reynolds, in the presence of Prime Minister Shri Narendra Modi and British Prime Minister Sir Keir Starmer. To complete the framework, the companion Double Contribution Convention (DCC) was subsequently signed on 10 February 2026.

Hailing the agreement as a triumph of economic statecraft, India's Commerce & Industry Minister, Shri Piyush Goyal, stated:

“The simultaneous enforcement of the CETA and the Double Contribution Convention on 15<sup>th</sup> July 2026 will open up significant new opportunities for India's exports. By securing immediate duty-free access on 99% of our tariff lines, we have systematically dismantled long-standing tariff walls. This will effectively level the playing field, allowing our textiles, leather, marine, engineering, and processed food sectors to compete with no disadvantage and supply their world class products.

Crucially, this structure is built on absolute economic security; stringent exclusion lists are actively deployed to insulate our sensitive agricultural and rural economies from import volatility. Simultaneously, by exempting our professionals from double insurance contributions, we are protecting the financial interests of our talent pool. This dual breakthrough aggressively expands our global commercial footprint while fiercely guarding domestic sensitivities.”

### **A Next-Generation Trade Framework**

Comprising 30 chapters, CETA establishes a new paradigm for next-generation trade pacts, directly supporting India's "Viksit Bharat 2047" vision. Beyond traditional tariff-cutting, the agreement modernizes bilateral engagement by integrating traditional goods and services with advanced disciplines like digital trade, telecommunications, financial services, intellectual property, and—for the first time bilaterally—government procurement. It also embeds forward-looking chapters on innovation, SMEs, sustainability, and transparency to ensure inclusive growth. Ultimately, this framework is engineered to secure critical supply chains, accelerate technological collaboration, and establish a transparent, rules-based benchmark for India's future economic diplomacy.

### **Key Economic Gains**

The operationalization of the Comprehensive Economic Trade Agreement (CETA) and the simultaneous Double Contribution Convention (DCC) will mark a structural transformation in India's global trade architecture. This comprehensive framework leverages India's manufacturing prowess, service capabilities, and grassroots production directly into one of the world's premier consumer arenas.

#### **1. Transformational Market Access for Indian Exports**

With the entry into force, Indian exporters will benefit from the complete elimination of UK tariffs across several key sectors. Tariffs of up to 70% on processed food products, up to 21.5% on marine products, up to 18% on engineering goods and auto components, up to 16% on leather and footwear products, up to 12% on textiles and clothing, and up to 8% on chemicals and pharmaceutical products will be reduced to zero. The immediate duty-free access secured under CETA is expected to significantly enhance the competitiveness of Indian exports in the UK market, generate new opportunities for farmers, fishermen, workers, MSMEs and manufacturers, and strengthen India's integration into global value chains.

This immediate duty-free window injects immense pricing power into the engine rooms of Indian manufacturing, allowing traditional artisans, large-scale factories, and regional industrial hubs to compete entirely on merit from day one of implementation.

At the same time, India has protected sensitive sectors including dairy products, cereals, millets, edible oils, oilseeds, apples and several vegetable products.

## **2. Landmark Services Package and Mobility Provisions**

The UK has provided one of its most comprehensive services commitments ever, covering all major services sectors and 137 sub-sectors of export interest to India.

Indian service providers in IT and IT-enabled services, financial services, professional services, healthcare, education, engineering, telecommunications and consultancy services will benefit from enhanced market access and greater regulatory certainty.

The Agreement also provides predictable mobility pathways for:

- Business Visitors
- Intra-Corporate Transferees
- Contractual Service Suppliers
- Independent Professionals
- Investors

In a first-of-its-kind arrangement, 1,800 Indian chefs, yoga instructors and classical musicians will be able to access dedicated mobility opportunities annually under the Agreement.

## **3. Agreement on Social Security: A Major Breakthrough**

The Agreement on Social Security, entering into force alongside the Agreement, exempts Indian workers and employers from making dual social security contributions in the United Kingdom during temporary assignments. The period of exemption has been increased from 3 years to 5 years.

More than 75,000 Indian professionals and over 900 companies are expected to benefit. The Agreement will support mobility and continued social security coverage of the employees on temporary overseas assignments. This will enhance India-UK partnerships in the service sector, leveraging the high skills and innovative service sectors of both countries.

#### 4. Interests of Steel Exporters Protected

Demonstrating the collaborative strength of the India-UK Comprehensive Economic Partnership Agreement (CETA), India and the United Kingdom have successfully reached a landmark consensus to safeguard and promote bilateral steel trade. Following constructive deliberations regarding the UK's upcoming steel measures effective July 1, 2026, both sides mutually agreed to protect commercial interests, minimize market disruptions, and ensure an overall balanced and stable trading environment for exporters.

85% of India's exports are out of the Steel measures. On the lines under the Steel measures India's interest has been protected through a mix of CSQ, residual quota and access under Authorised Use Scheme (AUS).

#### A People-Centric Trade Agreement

The India-UK CETA has been designed as a people-centric agreement that delivers benefits across society.

Farmers gain access to premium export markets. Fisherfolk benefit from enhanced seafood exports. Workers gain new employment opportunities in labour-intensive sectors. Women entrepreneurs, youth, startups and MSMEs receive improved access to global value chains. Professionals benefit from enhanced mobility and recognition opportunities

The implementation of the India-UK CETA and DCC from 15<sup>th</sup> July 2026 marks a major step in India's journey towards becoming a globally integrated, resilient and competitive economy and reflects the shared commitment of India and the United Kingdom to deepen their strategic partnership and deliver prosperity for their people.

This historic economic architecture effectively prepares both nations to navigate the complexities of modern international commerce while permanently accelerating India's trajectory toward an inclusive, prosperous, and self-reliant "Viksit Bharat 2047.

The full details of the India-UK Comprehensive Economic Trade Agreement may be seen at <https://www.commerce.gov.in/#!/international-trade/trade-agreements/india-united-kingdom-comprehensive-economic-and-trade-agreement>.

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