

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 4214
ANSWERED ON 19/08/2025

STATUS OF FREE TRADE AGREEMENTS WITH THE UNITED KINGDOM

4214. MS. PRANITI SUSHILKUMAR SHINDE

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

- (a) the current status of the Free Trade Agreement (FTA) between India and the United Kingdom;
- (b) the major sectors likely to benefit under the India-UK FTA and the expected impact on bilateral trade;
- (c) the present status of ongoing FTA or Comprehensive Economic Partnership Agreement (CEPA) negotiations with other countries or regional blocks; and
- (d) the steps being taken by the Government to ensure that FTAs serve India's economic and strategic interests while protecting domestic industries?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री जितिन प्रसाद)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a) & (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. 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 agricultural and processed food sector, 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>.

(c): India is currently engaged in FTA negotiations with the following trading partners:

S. No.	Name of the Agreement
1	<i>India-Oman Comprehensive Economic Partnership Agreement</i> (Negotiations have been concluded)
2	India – Australia Comprehensive Economic Cooperation Agreement (Expansion of Ind-Aus ECTA)
3	India-European Union Free Trade Agreement
4	India-Sri Lanka Economic and Technology Cooperation Agreement
5	India – Peru Free Trade Agreement
6	India-Chile Comprehensive Economic Partnership Agreement
7	India and New Zealand Free Trade Agreement
8	India and USA Bilateral Trade Agreement (BTA)
9	ASEAN-India Trade in Goods Agreement (AITIGA) (Review)
10	India-Korea CEPA (Review)

(d): The Department of Commerce engages in negotiations and reviews of trade agreements on an ongoing basis. Before entering into new FTA negotiations, a Joint Study Group is set up to study the feasibility of the proposed FTAs, including their impact on the domestic industry. The government ensures that wide stakeholder consultations are held at all stages of the negotiations. This includes the pre-negotiation phase, each round of negotiations, and the post-conclusion phase, during the implementation of the agreements.

Through these sector-specific consultations, domestic sensitivities and interests of farmers, MSMEs, etc. are carefully considered during the negotiations. The aim of FTAs is to generate benefits for industry, farmers, MSMEs and create job opportunities. FTAs are negotiated with the endeavour to deliver a comprehensive, balanced, broad-based and equitable agreement based on the principle of fairness and reciprocity. It also ensures a level playing field for Indian exporters vis-à-vis their competitors in the trading partner countries.

In addition to this structured approach, post-implementation, the Department of Commerce is continuously engaged with all stakeholders, including industry, to advance trade through trade promotion, trade facilitation and remedial measures for elevating trade and economic growth.

To protect the interests of the domestic industry, FTAs provide for maintaining sensitive, negative or exclusion lists of items on which limited or no tariff concessions are granted. In addition, in case of surge in imports and injury to the domestic industry, a country is allowed to take recourse to trade remedial measures such as anti-dumping and safeguards on imports within the period as mutually agreed to by the parties under the FTAs. The FTAs include provisions on Technical Barriers to Trade to promote mutual understanding of each sides' standards, technical regulations, and measures to enhance transparency.
