



**KAMARAJ IAS ACADEMY**  
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# India–UK CETA and Social Security Pact to Come into Force from 15 July 2026

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India and the United Kingdom have announced that the Comprehensive Economic and Trade Agreement (CETA) and the Double Contribution Convention (DCC) on social security will come into force from 15 July 2026. The agreements mark a major milestone in India–UK economic relations and are expected to significantly boost bilateral trade, investment, services, and labour mobility. Under the pact, 99% of Indian tariff lines will receive duty-free access to the UK market, benefiting sectors such as textiles, leather, gems and jewellery, engineering goods, marine products, chemicals, and processed foods.?

The agreements were finalized after completing all ratification procedures in both countries and are considered an important step towards India's Viksit Bharat 2047 vision and the goal of expanding India–UK economic cooperation.

## **Key Highlights of the Agreement**

### Duty-Free Access for Indian Exports

The CETA provides immediate duty-free access for nearly 99% of India's exports to the UK market.

### **Major beneficiary sectors include:**

Textiles and Apparel

Leather Products

Gems and Jewellery

Marine Products

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Engineering Goods

Chemicals

Pharmaceuticals

Electronics

Processed Food Products

The agreement is expected to improve the competitiveness of Indian products in the UK market and boost export earnings.

### **Social Security Benefits for Indian Professionals**

The Double Contribution Convention (DCC) eliminates the requirement for Indian professionals on temporary assignments in the UK to contribute simultaneously to both Indian and UK social security systems.

A key feature of the new pact is the extension of the exemption period from 3 years to 5 years, reducing the financial burden on Indian workers and companies operating in the UK.

### **Protection of Sensitive Sectors**

India has secured safeguards for sensitive domestic sectors through exclusion lists and phased tariff reductions. Similarly, concerns regarding the UK's new steel safeguard measures were resolved, with about 85% of Indian steel exports remaining outside the scope of the restrictions.

### **India–UK Enhanced Trade Partnership (ETP)**

Launched in May 2021.

Serves as the foundation for the India–UK trade agreement.

Aims to double bilateral trade and strengthen economic cooperation by 2030.

Roadmap 2030

### **India and the UK adopted the Roadmap 2030 to elevate bilateral relations to a Comprehensive Strategic Partnership, focusing on:**

Trade and Investment

Defence and Security

Climate Change

Science and Technology

Health and Education

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People-to-People Ties

### **Timeline of CETA**

Negotiations Started: January 2022

Agreement in Principle: May 2025

Formal Signing: 24 July 2025

Entry into Force: 15 July 2026

Major UK Concessions

### **The UK will provide duty-free access on nearly all Indian exports, benefiting sectors such as:**

Textiles

Footwear

Engineering Products

Chemicals

Agricultural Products

Marine Products

Major Indian Concessions

### **India will gradually reduce tariffs on selected UK products, including:**

Scotch Whisky

Automobiles (under quotas)

Certain medical devices and industrial products

while protecting sensitive sectors through phased implementation.

### **Importance for India**

The agreement supports India's objectives of:

Increasing exports

Enhancing global competitiveness

Creating employment

Integrating into global supply chains

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Attracting foreign investment

Advancing the "Make in India" initiative

It is also expected to benefit Indian professionals working abroad by reducing social security-related costs.

**Exam Focus Points (Quick Revision Notes)**

Agreement ? India–UK Comprehensive Economic and Trade Agreement (CETA)

Associated Pact ? Double Contribution Convention (DCC)

Duty-Free Access ? 99% of Indian tariff lines

Social Security Exemption ? Extended from 3 years to 5 years

Foundation Agreement ? Enhanced Trade Partnership (2021)

Strategic Framework ? India–UK Roadmap 2030

Signed By ? India and United Kingdom

Major Beneficiaries ? Textiles, Leather, Marine Products, Engineering Goods, MSMEs

Objective ? Increase trade, investment, and labour mobility