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India-UK CETA and Double Contribution Convention Enter Into Force

15 July 2026 ·

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15 July 2026 · 4 min read ·

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WHY IN NEWS

On , the **India-UK Comprehensive Economic and Trade Agreement (CETA)** and the accompanying **Double Contribution Convention (DCC)**, a social-security agreement, **entered into force**. CETA gives India **immediate duty-free access on about 99 per cent of UK tariff lines**, while the DCC exempts Indian professionals working temporarily in the UK from paying social-security contributions there for up to **five years**.

A LANDMARK TRADE PACT TAKES EFFECT

The India-UK CETA is **India's first free-trade agreement with a major developed economy in about a decade**. Its entry into force marks the completion of a long negotiating journey and signals a strategic deepening of the India-UK economic partnership. For India, the agreement is significant not only for the immediate market access it delivers to labour-intensive exporters, but also as a **template** for the larger negotiations under way with the European Union.

From Negotiation to Enforcement

The pact was built over several years of talks. The key milestones are worth noting for the exam:

MILESTONE	DETAIL
Negotiations concluded	Ujjayi Current Affairs - ujjayi.com · Free Daily Current Affairs for UPSC & State PCS 6 May 2025 , after 14 rounds
Agreement signed	24 July 2025 in London
Signatories	Commerce Minister Piyush Goyal and UK Business and Trade Secretary Jonathan Reynolds
Entry into force	15 July 2026

WHAT INDIA GAINS: TARIFF ACCESS

Under CETA, tariffs fall to **zero on about 99 per cent of UK tariff lines**, covering the overwhelming majority of India's export value to Britain. The gains are concentrated in **labour-intensive and value-added sectors** where India has strong export capacity but had faced tariff walls.

SECTOR	EFFECT UNDER CETA
Marine products	Duty-free access
Engineering goods and autos	Tariffs to zero
Leather and footwear	Duty-free access
Textiles and apparel	Tariffs to zero
Chemicals and pharmaceuticals	Duty-free access

For India's exporters in textiles, leather and marine products, these are important gains because these sectors are **employment-intensive** and had earlier competed against countries that already enjoyed preferential access to the UK market. Tariff elimination narrows that disadvantage.

Protecting Sensitive Sectors

India retained **sensitivities in agriculture and dairy**, keeping these sectors outside the deepest liberalisation. This reflects a consistent negotiating stance: safeguarding the livelihoods of farmers and small producers while opening up manufacturing and services trade. The balance struck here is instructive for future FTAs, where agriculture is repeatedly a red line for India.

THE DOUBLE CONTRIBUTION CONVENTION

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The **DCC** is a **social-security (totalisation-type) agreement**. Ordinarily, an Indian professional posted temporarily to the UK would have to pay UK social-security contributions even though they draw no long-term benefit from them, in addition to any contributions back home. This is a form of **double taxation of labour**.

Under the DCC, such workers are **exempted from making social-security contributions in the UK for up to five years**, raised from the earlier **threshold** (<https://ujiyari.com/vocab/threshold/>) of **three years**. This benefits an estimated **75,000-plus Indian workers**, lowering the cost of deputing skilled professionals to Britain and improving the competitiveness of India's services exports, especially in IT and professional services.

WHY IT MATTERS

The CETA-DCC package illustrates the modern trade bargain India is pursuing: **market access for goods in exchange for services mobility**. India secures tariff cuts for its manufacturers while extracting concessions on the movement of its professionals, an area where India, as a young-workforce economy, holds a comparative advantage.

The deal also carries **template value** for the **India-EU FTA**, which is at an advanced stage. The way India balanced goods access, services mobility and agricultural protection with the UK offers a working model for the more complex EU negotiations.

UPSC RELEVANCE

GS Paper 2: India and its **bilateral** (<https://ujiyari.com/vocab/bilateral/>) and regional groupings and agreements involving India, and their effect on India's interests.

GS Paper 3: Effects of liberalisation on the economy, changes in industrial policy, and their effects on industrial growth and export competitiveness.

Prelims pointers:

- **CETA** entered into force on **15 July 2026**, along with the **Double Contribution Convention (DCC)**.
- CETA gives India duty-free access on about **99 per cent of UK tariff lines**.
- Negotiations concluded on **6 May 2025** after **14 rounds**; the pact was signed on **24 July 2025** in London by **Piyush Goyal** and **Jonathan Reynolds**.
- It is **India's first FTA with a major developed economy in about a decade**.
- The **DCC** exempts Indian professionals from UK social-security contributions for up to **five years** (raised from three), benefiting **75,000-plus** workers.

- India retained sensitivities in **agriculture and dairy**.

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Mains question: “The India-UK CETA balances market access for goods with mobility for services. Discuss how this template could shape India’s approach to the India-EU FTA and strengthen export competitiveness in labour-intensive sectors.” (15 marks, 250 words)

FACTS CORNER

★ FACTS CORNER, KNOWLEDGE PEDIA

Event (15 July 2026): India-UK CETA and the Double Contribution Convention (DCC) entered into force.

Tariff access: Duty-free on about 99 per cent of UK tariff lines; zero tariffs on marine products, engineering and autos, leather and footwear, textiles, and chemicals and pharmaceuticals.

DCC: Social-security (totalisation-type) pact; exempts Indian professionals from UK contributions for up to five years (raised from three); benefits 75,000-plus workers.

Timeline: Negotiations concluded 6 May 2025 (14 rounds); signed 24 July 2025 in London.

Signatories: Piyush Goyal and Jonathan Reynolds.

Significance: India’s first FTA with a major developed economy in about a decade; template for the India-EU FTA.

Sensitivities retained: Agriculture and dairy.

Sources: *Press Information Bureau* (<https://pib.gov.in/>), *Ministry of Commerce and Industry* (<https://commerce.gov.in/>), *Business Standard*

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