HOUSE OF LORDS

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INTERNATIONAL AGREEMENTS COMMITTEE

Summary of the roundtable engagement event with businesses: UK-India CETA

18 November 2025

On Tuesday 18 November, the International Agreements Committee held an hour-long private roundtable event with representatives from a range of businesses and sectors, to ask their views on the UK-India Comprehensive Economic and Trade Agreement (UK-India CETA). The roundtable consisted of representatives from the following organisations:

- Chartered Institute of Export & International Trade Ltd
- Food and Drink Federation
- Inclusive Trade
- India Business Group (IBG)
- London Chamber of Commerce and Industry
- International Trade Matters Ltd
- Navara Oat Milling
- UK Division of Indian National Association of Legal Professionals
- UK India Business Council
- Federation of Small Businesses

Discussions focused on the impact of the UK-India Comprehensive Economic and Trade Agreement (UK-India CETA) on UK industry and businesses. Participants discussed anticipated opportunities and risks and particularly addressed the extent to which the Government could support SMEs in trading with India.

The main themes and points arising out of the discussion are outlined below.

General view

- The roundtable comprised several representatives from trade bodies and sectoral organisations. Several such organisations reported that most of the engagement that they had had with their members related to implementation timelines, suggesting that businesses are positive about the agreement and keen to use it. The context of the impact of the US tariffs was addressed in the discussion. It was acknowledged that these tariffs have had the effect that exporters in the UK are seeking new markets for their products.

- One organisation had run an ‘India readiness survey’ to ask companies about the extent to which they feel able to utilise the agreement and trade with India. 850 businesses responded and reported positive sentiments, and submitted questions and queries about how to use the agreement.

- Another representative highlighted the overall strength of the Agreement in its capacity to strengthen relationships not only in trade, but in boosting cooperation in higher education, developing skills, and improving mobility.

- Certain sectors particularly stand to gain from the agreement, particularly advanced manufacturing and certain (though not all) food and beverage industries. For example, the pre-existing 33% tariff on Scottish salmon will be eliminated once the agreement enters into force.

- Overall, and with a few sectoral exceptions, the agreement was described as a flexible agreement which is well regarded and accepted. It was described as a floor rather than a ceiling for the UK's ambition in its future engagement with India.

Increased competition

- Although the agreement secures impressive access for a range of UK products, it also offers immediate access to the UK market to a range of Indian imports which some participants reported as possibly detrimental for their industry. For example, producers of milled oats had hoped to benefit from better access to the Indian market. However, in the final agreement, tariffs on Indian oat imports were removed while UK exports of oats remain subject to high tariffs.

- Representatives from the UK food and drink sector more broadly raised the concern that the tariff concessions in the agreement were more heavily weighted in favour of Indian producers. The UK retained protection for products across only five tariff lines (eggs, pork, chicken, milled rice and sugar). For almost all other tariff lines across food and drink, the UK has eliminated tariffs without the benefit of quotas or staging. By contrast, Indian tariffs on most UK food and drink exports will be reduced slowly, over long staging periods, meaning any benefits for the UK will only be realised over the longer term. For example, breakfast cereals, chocolate, sugar confectionary, and sweet biscuits will all be subject to 7-10 years of staged tariff reductions. In the short term, they remain subject to a high base line tariff of over 30%. As such, the food and drink sector do not expect to feel any benefits from the agreement in the first 2-3 years.

- However, there was an acknowledgement of the Government's success in protecting UK milled rice from liberalisation. Participants noted that the 11 rice mills in the UK will be able to benefit from the arrangement under the Agreement, which maintains the UK's tariffs on milled rice, but widens access for unmilled rice for Indian producers. This reflects the main recommendation of rice millers in the UK during negotiations and will ensure the vitality of the rice milling industry in the UK.

- In the context of the textiles and fashion industry, the discrepancy between wages between the UK and India was addressed, which may have some impacts on some textile producing sectors e.g. wool. However, it was also noted that many clothes and textiles retailers manufacture outside the UK in any case. Clothing and fashion design and innovation remains UK based, and the agreement may open up new avenues for cooperation with Indian manufacturers, and producers to support UK designers.

Value of the Indian market for UK producers

- Most participants were positive about the value, real or potential, of the Indian market for their businesses. For example, for the food and drink sector, India is the

18th largest market, with alcohol accounting for a large proportion of exports. India is also the UK's 17th largest supplier of food and drink. This includes some food and drink ingredients which are imported tariff free already.

- Some producers, e.g. of oats, noted that some in this sector have begun expanding their operations in the Indian market in anticipation of an FTA making trade with India more commercially viable.

- For organisations representing SMEs, the view was that although the Indian market offered opportunities, these are not necessarily yet accessible to smaller businesses.

- One participant cautioned that, as India is a member of BRICS, it might be prudent for companies selling goods into that subcontinent to be aware of the potential need for End User Undertakings to avoid sanctions and obligations under controlled goods.

Small and Medium Enterprises (SMEs)

- Several participants addressed the capacity for SMEs to engage with FTAs. One participant suggested that barriers such as understanding and utilising rules of origin are difficult for businesses with limited resource. It was remarked that there is "no silver bullet" to improve utilisation rates of agreements, and a range of proposals were made in the session to help support SMEs in utilising trade agreements. These include:

    - Sectoral specific guidance and support for intermediary organisations such as Chambers of Commerce or business groups to distribute such guidance.

    - Guidance should be written in clear and straightforward language by people with a background in business and international commerce, rather than from a policy perspective, and communicated via Chambers of Commerce.

    - Guidance should be available well in advance of a trade agreement's entry into force. It could be made available in a single portal, further reducing the barriers to finding and identifying the correct information.

    - A 'mapping exercise' could map regional industries in the UK and India with the aim of supporting businesses to identify areas and regions they should be considering in their supply chains.

    - Chambers of Commerce or other relevant business groups with networks in India could help businesses build networks and regional understanding of the relevant industries and politics necessary to trade effectively.

- One participant noted that for many SMEs, their first experience of utilising a trade agreement was the Trade and Cooperation Agreement with the European Union. This experience led to many viewing trade agreements and international commerce too onerous to engage with. It was suggested that the Government could engage directly with this point and communicate that, for example, the rules of origin in the India agreement are less complicated than those in the Trade and Cooperation Agreement.

- Participants stressed that they looked forward to the deal being implemented and to learning more about the Government's support for businesses, particularly SMEs, seeking to use the agreement.

Services, innovation and investment, digital trade & technology

- Participants were welcoming of the digital chapter, particularly provisions around e-signatures and e-contracts and commitments around cooperating to support paperless trade.

- Representatives from organisations who work on services, digital innovation and new technologies reported that India is well equipped to be a competitor in this field. Rather than trade in the traditional sense, companies working in this area are interested in collaborations and mutual exchange. A free trade agreement which could facilitate this type of cooperation between companies and industries across border was viewed as a positive development in this context.

- One participant highlighted this in particular for the financial services sector. The UK financial services sector is interested in the new need for finance for sustainable energy development projects in India, and also around servicing its growing middle class e.g. in insurance and asset management. Economic and financial dialogues were viewed as a positive step in this context, and collaboration between industry bodies more generally.

- The point was raised that there is great diversity across Indian suppliers and there may not be the readiness, awareness or capability to be able to trade with ease from day one. For UK businesses, being able to engage and do business in India may require connections and support to develop an effective trade and commercial relationship.

- It was noted that technology-rich regions and areas of the UK often benefit from Indian investment, who avail of the cooperative relationship between UK universities and the private sector to spur innovation. This innovation is then scaled up and applied to processes within India. The FTA may accelerate some of these dynamics and support research collaboration in this manner.

Legal services

- The absence of legal services from the agreement was remarked upon. It was noted that the Indian legal sector is a close-knit society with political influence and protectionist in outlook. There is little appetite for foreign competition in the Indian legal community. It was noted that this is not a straightforward negotiation and that the Law Society and Bar Council continue to engage with the Indian Bar Council on the matter.