House of Commons

Business and Trade Committee

UK-India Comprehensive Economic and Trade Agreement (CETA)

Twelfth Report of Session 2024–26

HC 996

Business and Trade Committee

The Business and Trade Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Business and Trade and its associated public bodies.

Current membership

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Dan Aldridge (Labour; Weston-super-Mare)

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Gregor Poynton (Labour; Livingston)

Rosie Wrighting (Labour; Kettering)

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The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the internet via www.parliament.uk.

Publication

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Committee Reports are published on the Committee's website at www.parliament.uk/CommonsBTC and in print by Order of the House.

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Summary

The UK–India Comprehensive Economic and Trade Agreement (CETA) is the UK’s most economically significant bilateral free trade agreement since leaving the European Union. The Government estimates that, by 2040, the Agreement could increase UK GDP by £4.8 billion (0.13%) and raise bilateral trade with India by £25.5 billion, relative to a scenario without an agreement. It delivers the UK’s largest package of tariff reductions to date, with estimated duty savings for UK exporters of around £400 million at entry into force, rising to £900 million after ten years. Tariff liberalisation is particularly significant in sectors facing historically high Indian tariffs, notably automotives, where exports are expected to increase by 311%, and spirits, where exports are expected to increase by 180%.

The strategic importance of India, which is expected soon to become the world’s third-largest economy, underpins the case for an ambitious partnership. India is already the UK’s 12th largest trading partner, and its growing middle class offers long-term opportunities for UK exporters in goods and services. In a global environment characterised by rising tariffs and a shift towards protectionism, the UK has secured a “first-mover” advantage in a market where other major partners, including the EU, have yet to conclude negotiations. Alongside accession to Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and agreements with Japan, Australia, New Zealand, Singapore and South Korea, the UK-India CETA embeds the UK as one of the most economically integrated non-regional partners in the Indo-Pacific and supports the Government’s wider strategy for the region.

The Committee is clear however, whether this promise is realised will be determined by the success of implementing a closer economic relationship. India’s extensive non-tariff barriers, including regulatory opacity, inconsistent implementation, state-level frictions, export health certification requirements and the expanding use of Quality Control Orders, pose a material risk to UK exporters. The Government must work to get all unreasonable barriers lifted. The Committee recommends that successful implementation will require clear ownership within Government. This means assigning explicit Ministerial responsibility for FTA implementation, supported by the right resources, and publishing a detailed implementation plan ahead of CETA’s entry into force along with a budget for the resources needed.

Although tariff reductions can deliver real commercial benefits, long staging periods, complex rules of origin and administrative burdens risk limiting their use in practice, especially by smaller firms. The Committee therefore considers it essential that the Government continues to publish data on how widely tariff preferences are being used and explains any shortfalls in uptake. Outcomes are uneven across sectors: stakeholders in the dairy industry raised concerns about limited reciprocal access to the Indian market, while increased import competition is expected in textiles and ceramics. The Government must ensure that trade remedies and bilateral safeguard mechanisms are accessible, timely and proportionate, supported by clear guidance for businesses and active monitoring of sensitive sectors. In parallel, the Responsible Business Conduct Review should result in clear and enforceable expectations for UK businesses operating overseas.

In services, the Agreement provides greater certainty and stability for UK providers but delivers limited new market access. Its practical value will therefore depend on effective implementation, particularly progress on mutual recognition of professional qualifications. The Government should identify priority sectors for mutual recognition within the timeframe set out in the Agreement and set out clearly how it intends to progress arrangements of greatest commercial value. In investment, the absence of a concluded investment chapter means that enhanced investor protection remains an ambition rather than a secured outcome, leaving a future bilateral investment treaty as unfinished business.

Parliament's powers to scrutinise treaties remain constrained by the limitations of the Constitutional Reform and Governance Act 2010 (CRaG). We welcome the Government's decision to provide a non-statutory 20 sitting-day period for select committee scrutiny before formally laying the Agreement under CRaG. We also welcome the Minister's commitment to schedule a debate during the statutory scrutiny period. We recommend that this debate should be on a substantive motion, and that such debates on free trade agreements should become the default arrangement for all future deals.

1 Background and purpose

1. The UK–India Comprehensive Economic and Trade Agreement (CETA) negotiations were formally launched in January 2022.[1] The UK Government published its strategic approach to negotiations, including its response to a public consultation, its negotiating objectives, and an accompanying scoping assessment in January 2022.[2] Negotiations continued over 15 rounds between 2022 and 2025. The UK and India announced the conclusion of substantive negotiations in May 2025.[3] Alongside the Agreement, the UK and India reaffirmed their commitment to the India–UK Vision 2035, which sets out wider economic and strategic objectives for the bilateral relationship.[4]

2. The Government's objectives for the UK–India CETA were to agree a free trade agreement with "one of its fastest-growing and most strategically important partners" which would send "a powerful signal that the UK champions free and fair trade and removes barriers to trade at every opportunity". The UK sought to increase trade in goods, services and cross-border investment with India while "maintaining high standards for UK consumers and workers, and not compromising on high environmental protection, animal welfare and food standards". The objectives also included securing provisions to promote open and fair competition between UK and Indian businesses, and upholding the principle that the NHS, its services and the cost of medicines would not form part of the negotiations.[5]

3. Upon signing the Agreement in July 2025, the Government published the text and associated documents.[6] The Trade and Agriculture Commission (TAC), a public body which scrutinises free trade agreements, published its advice on the Agreement on 30 October 2025.[7] The Secretary of State's section 42 report, which includes advice from the Food Standards Agency

1 Department for Business and Trade, UK launches India negotiations, gov.uk, January 2022
2 Department for Business and Trade, UK-India Free Trade Agreement, The UK's Strategic Approach, January 2022
3 Department for Business and Trade. UK concludes trade deal with India, gov.uk, May 2025
4 Foreign, Commonwealth& Development Office, India-UK Vision 2035, gov.uk, July 2025
5 Department for Business and Trade, UK-India Free Trade Agreement, The UK's Strategic Approach, January 2022, p.10
6 Department for Business and Trade, Comprehensive Economic and Trade Agreement between the United Kingdom of Great Britain and Northern Ireland and India, gov.uk, July 2025
7 Department for Business and Trade, Trade and Agriculture Commission: advice to the Minister of State for Business and Trade on the UK-India Free Trade Agreement, gov.uk, October 2025

and Food Standards Scotland was published on 25 November 2025.[8] Under the Constitutional Reform and Governance Act 2010 (CRaG), the Agreement must be laid before Parliament for 21 sitting days before it can be ratified.[9] This period is expected to begin in January 2026. The Government has stated that time will be made available in the House of Commons for a debate on the Agreement, likely in late January 2026.[10]

Purpose of this Report

4. The purpose of this report is to provide Parliament with a strategic assessment of the UK–India CETA. It examines the economic, geopolitical, and regulatory implications of the Agreement, drawing on Government documentation, statutory assessments, and stakeholder evidence, as well as relevant scrutiny undertaken by other Parliamentary committees. The report considers both the opportunities created by the Agreement and the challenges that may affect the ability of UK exporters and investors to realise its full benefits. In particular, the Committee has identified twelve key issues which it considers Parliament should focus on scrutinising this agreement. These are:

- Economic Growth
- Strategic and geopolitical context
- Fairness of tariff concessions
- Sectoral tariff beneficiaries
- Agriculture, Dairy and SPS
- Constraints on services access
- Intellectual Property Protections
- Business mobility
- Sustainability and labour standards commitments
- UK-Indian investment
- Implementation challenges
- Parliamentary scrutiny

8 Department for Business and Trade, Report under Section 42 of Agriculture Act 2020 with respect to the UK-India Comprehensive Economic and Trade Agreement, gov.uk, November 2025

9 Constitutional Reform and Governance Act 2010, section 20

10 Q155

5. This report is published during the CRaG scrutiny period to support Parliament in exercising its scrutiny responsibilities under the Constitutional Reform and Governance Act 2010, including ahead of the debate on CETA, expected in January 2026.

Our Scrutiny

6. In the last Parliament in March 2022, the then International Trade Committee (ITC) began scrutiny of the negotiation of the UK-India agreement. That inquiry was cut short by the abolition of the Committee, following the creation of the Department for Business and Trade in 2023. In April 2023, the ITC published a report summarising the findings of its incomplete inquiry into the negotiations.[11] Since inheriting the ITC's scrutiny functions, the Business and Trade Committee has received regular confidential private briefings from the Department for Business and Trade's chief negotiator on the India FTA, for which we thank the Department.

7. The Business and Trade Committee opened its inquiry on the signed India CETA, alongside scrutiny of UK relations with Europe and the US, on 6 June 2025. We held a one-off evidence session with 12 expert witnesses over four panels on 2 December 2025. At that session, we took evidence from representatives of the automotive, agriculture, spirits, pharmaceuticals, ceramics, services, technology, and legal sectors, as well as civil society.[12] We concluded with evidence from the Minister of State for Trade, Sir Chris Bryant MP, accompanied by Kate Thornley, UK–India chief negotiator, Department for Business and Trade (DBT). In conducting our scrutiny, we also drew on evidence taken by the House of Lords International Agreements Committee in its parallel inquiry into the Agreement.[13] We are grateful to all who have contributed to our inquiry.

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11 UK trade negotiations: Agreement with India, International Trade Committee, Eighth Report of Session 2022–23

12 Many thanks to Murray Paul (JLR), Tom Bradshaw (NFU), Jonathan Brenton (Pernod Ricard) and Mike Archer (AstraZeneca); John Cooke (TheCityUK), Amanda Tickel (Deloitte), Dr Claus Zimmermann (Ashurst) and Pankaj S. Kulkarni (Tech Mahindra); and Rachel Timmins (Ceramics UK) and Tom Wills (Trade Justice Movement).

13 The House of Lords International Agreements Committee launched their inquiry into the UK-India Free Trade Agreement on 9 September 2025, and held multiple oral evidence hearings between October 2025 - December 2025.

2 Economic growth

8. This is the largest bilateral trade agreement the UK has concluded since leaving the European Union.[14] India recently became the world's fifth largest economy and is expected to rise to third place within the next three years.[15] In 2024, India was the UK's 12th largest trading partner, with total trade valued at £43 billion.[16] It is the fastest growing economy in the G20, with the International Monetary Fund projecting real GDP growth of 6.2% in 2025 and 6.3% in 2026.[17] As the Indian economy expands, so will the number of Indian consumers seeking higher-quality goods and services. India's middle class is projected to reach around 60 million people by 2030, potentially rising to a quarter of a billion by 2050. As these changes unfold, they will create significant long-term opportunities for UK exporters.[18]

9. India, however, has the highest average tariffs of any G20 economy, with a trade-weighted average tariff of 12% in 2024.[19] This includes steep tariff peaks on important UK exports, such as Scotch whisky (150%) and cars (110%).[20] India also retains the legal right to raise many tariffs substantially at any time as their WTO-bound tariff rates are significantly higher than its applied rates.[21][22] India is ranked as the eighth most restrictive services market by the Organisation for Economic Co-operation and Development

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14 Department for Business and Trade (UKT0061), para 15
15 Department for Business and Trade (UKT0061), para 15
16 Department for Business and Trade, UK-India trade deal: conclusion summary, The strategic case for a deal with India
17 International Monetary Fund, World Economic Outlook: A Critical Juncture amid Policy Shifts, April 2025, p.12
18 Department for Business and Trade, UK-India trade deal: conclusion summary, The strategic case for a deal with India
19 Department for Business and Trade (UKT0061), para 15
20 Department for Business and Trade (UKT0061), para 15
21 Bound tariffs are the maximum tariff levels a WTO member commits to for a given product. These commitments are agreed when countries join the WTO or during WTO trade negotiations and relate to bound, rather than applied, tariff rates. Members may increase or decrease applied tariffs on a non-discriminatory basis, provided they do not exceed their bound levels. In practice, applied tariffs are therefore less than or equal to bound tariffs for any given product.
22 WTO tariff data indicates that India's average bound tariff rate is approximately 50.8%, compared with a simple MFN applied average of around 16.2%.

(OECD).[23] The regulatory environment is characterised by uncertainty, and risk and cost have historically hindered UK companies seeking to enter or expand in the Indian market.[24]

10. India's trade policy has evolved from a period of strong post-independence protectionism to a more liberalised but strategic approach, since reforms in 1991, with recent initiatives such as 'Make in India' and the Production-Linked Incentive (PLI) scheme reflecting a continued emphasis on strengthening domestic manufacturing alongside engagement with global markets.[25][26] India maintains a relatively limited network of trade agreements, including bilateral FTAs with Australia, Japan, the United Arab Emirates and the European Free Trade Association (EFTA) states, as well as regional arrangements such as the Association of Southeast Asian Nations (ASEAN) and South Asian Free Trade Area (SAFTA).[27][28] Negotiations with the European Union remain ongoing and have not yet concluded.[29]

11. By securing an agreement ahead of other major economies, the Department of Business and Trade believes that the UK gains a first-mover advantage in a market where high barriers have historically restricted access.[30] The Government's impact assessment estimates that, by 2040, the UK–India CETA could increase UK GDP by £4.8 billion (0.13%) relative to a scenario

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23 OECD, OECD Services Trade Restrictiveness Index, February 2024, p.11

24 Department for Business and Trade, UK-India trade deal: conclusion summary, The strategic case for a deal with India

25 A severe balance of payments crisis in India forced policymakers to reform its economic model. With the support of Prime Minister Narasimha Rao, India devalued the rupee, relaxed foreign exchange restrictions, abolished most import controls, scrapped industrial licensing, and opened the country to more foreign investment - all within a few weeks in July–August 1991. Within three years, the government adopted a flexible exchange rate, and the rupee was made convertible for current account transactions. This fundamental change to the exchange rate regime made any return to the draconian import controls of the past unnecessary. Over the next decade, the average tariff on imports was reduced from more than 100 percent to about 40 percent. The Long Road to India's 1991 Trade Reforms, Douglas Irwin, National Bureau of Economic Research, January 2025

26 Economics Observatory, "How is India's trade landscape shaping up for the future?", March 2024

27 EFTA states include Iceland, Liechtenstein, Norway, and Switzerland.

28 Government of India, Ministry of Commerce, Trade Agreements, Accessed December 2025

29 European Commission, EU-India Negotiations: Documents, October 2025

30 Department for Business and Trade, UK-India Free Trade Deal: A Deal For Growth - GOV.UK, 6 May 2025

without an agreement.[31][32][33] By 2040, real wages are projected to be 0.19% higher, equivalent to £2.2 billion a year, than they would be without the Agreement.[34] The Committee hopes these are merely milestones en route to higher goals, and not merely end-destination target figures.

12. DBT modelling suggests that the Agreement is not expected to lead to a significant change in the overall sectoral mix of the UK economy, with no sector's share of total GVA expected to shift by more than 0.01 percentage points as a consequence of CETA.[35] The strongest export growth is expected in sectors benefiting from substantial tariff reductions, such as automotives and spirits.[36] The UK–India CETA removes uncertainty for UK exporters by binding India to lower, predictable tariff rates and clear staging schedules.

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31 Sensitivity analysis in the Department's impact assessment estimates that the long-term GDP impact could range between 0.11% and 0.14% (equivalent to £4.2 billion to £5.4 billion). This range reflects different assumptions about reductions in non-tariff measures, utilisation of rules of origin, and consumer responses to tariff changes. Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.24, p. 70 and Annex 5

32 The Regulatory Policy Committee rated the impact assessment "Green", indicating that it met the Government's standards for analytical quality. Department for Business and Trade, UK-India Free Trade Agreement: RPC Opinion, July 2025

33 It should be noted the Impact Assessment states that it does not take account of any impacts arising from the Windsor Framework, which impacts how the Agreement will operate in Northern Ireland. , Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p 111, Annex 8 8.3

34 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.29

35 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.31

36 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.32

3 Strategic and geopolitical context

13. The value of the Comprehensive Economic and Trade Agreement (CETA) with India cannot be measured solely in terms of GDP gains. The agreement also presents significant geopolitical opportunities. The Government's trade strategy identifies India as one of the UK's four "Global Pillars", alongside the EU, US, and China, where detailed, bespoke and sustained policy attention is required.[37]

14. The UK and India have a deep and broad relationship, and a strong 'living bridge' of at least 1.9 million people with Indian heritage living in the UK.[38] On 23 October 2025, the Business and Trade Committee asked the Foreign, Commonwealth and Development Office (FCDO) to set out exactly what geopolitical and strategic implications of the UK–India CETA were anticipated.[39] In its response, the FCDO described the Agreement as a "cornerstone of the UK's evolving strategic partnership with India, aligned with the objectives of the National Security Strategy 2025, the Strategic Defence Review and the India–UK Vision 2035". The FCDO stated that the Agreement reinforces the UK's commitment to a "free and open Indo-Pacific, underpinned by a rules-based international order".[40]

15. Since 2021, the UK has used free trade agreements as a central instrument of its "Indo-Pacific tilt", concluding new bilateral agreements with Australia and New Zealand, a Digital Economy Agreement with Singapore, upgrading its FTA with Korea and acceding to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).[41] Taken together, these five deals mean the UK is now one of the most economically integrated,

37 Department for Business and Trade, The UK's Trade Strategy, p.38, 26 June 2025
38 Department for Business and Trade, UK-India trade deal: conclusion summary, The strategic case for a deal with India
39 Letter from the Chair of the Business and Trade Committee to the Minister for the Indo-Pacific regarding geo-political implications of UK-India CETA, 23 October 2025
40 Letter from the Minister for the Indo-Pacific to the Chair regarding geo-political implications of UK-India CETA, 19 November 2025
41 Department for Business and Trade, UK trade agreements in effect, Accessed December 2025

non-regional partners in the Indo-Pacific.[42] In correspondence with the Committee, the FCDO emphasised that progress on the trade relationship with India complements wider diplomatic and security engagement in the region, including through the UK–India Defence Industrial Roadmap and the UK–India Technology Security Initiative.[43]

16. The Agreement is an important check on the global rise of protectionism and illustrates how, in a world of new great power competition, 'middle countries' can come combine to safeguard international cooperation. In evidence to the House of Lords International Agreements Committee, Dr Mattia di Ubaldo said "the current context…[especially] Trump's tariffs, certainly provided a big push to both parties to reach an agreement that can provide certainty of access, and it was a big opportunity to provide support to the rules-based trading system, of which both the UK and India are strong supporters."[44] He described a shift "away from a more normative value-based trade policymaking towards more realist policymaking".[45] For example, "the UK side did not get as much market access to services as it would have liked. On the Indian side, it has not got as much on the mobility issue as it would have liked, but this is what helped to get the agreement over the line."[46] In evidence to the same Committee, Dr Chietigj Bajpaee of Chatham House similarly thought "the geopolitical context clearly matters", describing the agreement as evidence that India "remains open for business" and as part of its effort to "reaffirm… strategic autonomy in its foreign policy".[47] He added that, for the UK, India's "proclivity to offer a more benign world view, which is non-western but not explicitly anti-western, makes it a preferred partner in the global South".[48]

42 The Committee has examined this strategic shift in previous work, including our report on CPTPP accession and our recent inquiry into export-led growth in the Asia–Pacific region. Business and Trade Committee, Second Report of Session 2023–24, UK accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and Business and Trade Committee, Eighth Report of Session 2024–25, Export led growth: Trade with the Asia-Pacific region

43 Letter from the Minister for the Indo-Pacific to the Chair regarding geo-political implications of UK-India CETA, 19 November 2025

44 Lords International Agreements Committee, UK Trade Policy Observatory, Dr Mattia di Ubaldo, Q3, 14 October 2025

45 Lords International Agreements Committee, UK Trade Policy Observatory, Dr Mattia di Ubaldo, Q3, 14 October 2025

46 Lords International Agreements Committee, Dr Chietigj Bajpaee, Senior Research Fellow for South Asia, Asia-Pacific Programme, Chatham House , Q24, Tuesday 28 October 2025

47 Lords International Agreements Committee, Dr Chietigj Bajpaee, Senior Research Fellow for South Asia, Asia-Pacific Programme, Chatham House , Q24, Tuesday 28 October 2025

48 Lords International Agreements Committee, Dr Chietigj Bajpaee, Senior Research Fellow for South Asia, Asia-Pacific Programme, Chatham House , Q24, Tuesday 28 October 2025

17. Civil society groups raised concerns about the absence of binding human rights provisions in the Agreement. For example, the Indian Labour Society told the Committee of a recent investigative report into the Indian shrimp industry, which found sites to be responsible for human rights abuses and environmental destruction.[49] The Committee also heard concerns about the labour practices in the brick industry, discussed later in this report. Finally, the Committee also heard concerns regarding restrictions on freedom of association and expression, and the potential loss of leverage to help secure the release of British citizen Jagtar Singh Johal.[50] In oral evidence, the Minister for Trade, Sir Chris Bryant MP, told us that signature of the Agreement "does not" compromise the UK's ability to pursue its wider geopolitical objectives with India, noting that "there are lots of things that I want to achieve in the world and not all of them can be achieved through FTAs".[51] He stated that Ministers "regularly make the point to the Indian Government" regarding Mr Johal and that he was "passionate in wanting to see his release".[52]

18. India's energy relationship with Russia is an especially important geopolitical consideration. Russian crude oil rose from around 2.5% of total Indian oil imports before 2022 to approximately 35.8% in 2024–25.[53] This prompted criticism from the international community, and particularly strong criticism from the US.[54] In September 2025, the US imposed a 25% tariff on Indian goods in response to what it described as India's "energy ties with Moscow", while India has defended its position as a matter of national energy security.[55] The Minister told us that the UK had already "banned imports of oil products refined from Russian crude in third countries", including imposing sanctions on entities such as India's Nayara Energy Ltd, and that the UK "holds firm to our position that we want India to do less business with Russia because we want Russia's machine to be debilitated".[56]

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49 A multi-year research report "Hidden Harvest" documents "several points of concern". India Labour Solidarity (UKT0052)

50 Global Justice Now (UKT0014), Trade Justice Movement (UKT0038), India Labour Solidarity (UKT0052)

51 Q92, Q89

52 Q91

53 BBC News, 'India's largest conglomerate stops Russian oil imports amid global pressure', 21 November 2025

54 BBC News, 'Trump orders India tariff hike to 50% for buying Russian oil', 6 August 2025

55 However, mounting external pressure appears to be having some effect: Reliance Industries, responsible for roughly half of Russian crude flows into India, has stopped importing Russian crude for its export-focused refinery ahead of the EU's January 2026 ban on fuels refined from Russian crude via third countries, and state-controlled refiners reportedly skipped Russian cargoes for December contracts. BBC News, 'India's largest conglomerate stops Russian oil imports amid global pressure', 21 November 2025

56 Q89

4 Fairness of tariff concessions

19. The Government's impact assessment shows the CETA with India is positive for economic growth in the long term. By 2040, the UK GDP could increase by £4.8 billion (0.13%) relative to a scenario without an agreement.[57] Sectoral impacts from the Agreement are contingent on a range of factors, but the impact assessment notes that "the main impacts are expected to be driven by large tariff and non-tariff measure liberalisation in sectors with large existing bilateral trade flows with India."[58] A full breakdown of these macroeconomic impacts by sector is provided in Annex 1.

20. Tariff reductions will account for a substantial proportion of the estimated gains. Table 1 sets out goods exports between the UK and India in 2024, alongside the average tariffs each side faced before the Agreement and the preferential rates that will apply under CETA. This chapter examines how the benefits of the tariff liberalisation in this Agreement are distributed between the UK and India, and over what timeframe.

Table 1: UK–India Goods Exports and Average Tariffs Before and After the CETA

Metric	UK to India	India to UK
Annual Exports[59]	£19 billion	£28 billion
Annual Goods Exports[60]	£6.7 billion	£11.2 billion
Average Tariff[61]	12%	4%
Post CETA Average Tariff[62]	3%	0%

57 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.24,
58 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.31
59 Department for Business and Trade, Trade and Investment Factsheet: India, October 2025
60 Department for Business and Trade, Trade and Investment Factsheet: India, October 2025
61 Department for Business and Trade (UKT0061), para 17
62 Department for Business and Trade (UKT0061), para 17

21. At entry into force (EIF), 64% of UK tariff lines will become eligible for duty-free access to Indian markets, covering around £1.9 billion of current UK exports or 28% of UK goods exports to India.[63][64] Once CETA is fully implemented, 85% of UK tariff lines, accounting for 66% of the value of current UK exports, will be duty-free.[65] By contrast, the UK will remove tariffs on almost all Indian goods from day one, meaning almost all Indian exports will enter the UK tariff-free immediately.[66] These tariff liberalisation outcomes are summarised in Table 2.

Table 2: Tariff Liberalisation Outcomes Under the UK–India CETA

Metric	UK to India	India to UK
Percentage of value of trade tariff-free on day one[67]	28%	>99%
Percentage of value of trade tariff-free after ten years[68]	66%	>99%
Estimated duty savings[69]	£400-£900 million	£220 million

22. However, there are asymmetries in some sectors. For example, the Food and Drink Federation (FDF) argued that, for the food and drink sector, tariff liberalisation under the Agreement is "weighted more in favour of Indian producers", with India retaining five to ten-year staging periods on many sensitive products while the UK adopts an "all-or-nothing" approach.[70] FDF told us that these lengthy staging periods mean that the benefits of the Agreement for UK food and drink exporters will not be felt for some time, describing CETA as "an agreement for the future".[71] It highlighted that key UK exports such as breakfast cereals and soft drinks face five-year staging periods, protein concentrates ten years, chocolate seven years,

63 As a result of the Windsor Framework the tariff provisions of the Agreement will operate differently for imports into Northern Ireland. In some circumstances the EU rather than the UK tariff may apply. See UK trade negotiations: Agreement with Australia, HC 117, 6 July 2022, paragraphs 403–419 for an explanation of this point.
64 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.14
65 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.14
66 Sensitive domestic sectors such as sugar, milled rice, pork, chicken, and eggs, are excluded from liberalisation. Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.34
67 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.14
68 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.14
69 Q100
70 Food and Drink Federation (UKT0042)
71 Food and Drink Federation (UKT0042)

and cheese no tariff reduction. Despite this, the Federation stated that it remains supportive of the Agreement overall and sees substantial long-term opportunities for UK food and drink businesses.[72]

23. In oral evidence, the Minister for Trade, Sir Chris Bryant, told us that "the number of lines is less relevant than the commercial value of the total package".[73] As India begins from significantly higher tariff levels, the financial value of its tariff reductions are larger in absolute terms than the UK's. As a result, UK exporters are expected to save around £400 million in duties at entry into force, compared with £220 million for Indian exporters, with UK tariff savings rising to approximately £900 million after ten years.[74]

Textiles and Ceramics

24. Despite the positive overall gains projected from the Agreement, not all sectors are expected to benefit, and some may experience adverse impacts. The Government's Impact Assessment identifies textiles as the only UK sector projected to experience a decline in gross value added, estimated at £114 million (-0.7%), as a result of increased imports from India.[75]

25. UK Fashion and Textile (UKFT) Chief Executive, Adam Mansell, stated that the Agreement "will provide many opportunities for the British fashion and textile industry" but warned that UK imports from India already "vastly outstrip our more modest exports and this is likely to continue".[76] Paul Alger, Director of International at UKFT, told the House of Lords International Agreements Committee (IAC) that duty-free Indian competition could pose particular risks to the UK's wool textile industry in northern England and Scotland. He noted that Indian manufacturers "will be gearing up both to replicate some of those textiles and to start selling them into the UK marketplace competitively… [posing] a threat to British jobs".[77] Alger also stated that export gains are "likely to be modest, as India's fashion market operates at low margins, around 70% of world prices."[78]

26. The Committee also heard concerns from the ceramics sector about the potential impacts of the Agreement. UK imports of ceramics from India increased from £15 million in 2015 to £117 million in 2024, a 716% rise over

72 Food and Drink Federation (UKT0042)
73 Q102
74 Q100
75 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.14
76 UK Fashion and Textiles, UK and Indian Governments sign trade agreement, May 2025
77 Lords International Agreements Committee, Paul Alger, Director of International Business, UK Fabrics and Textiles, Q15, Tuesday 21 October 2025
78 Lords International Agreements Committee, Paul Alger, Director of International Business, UK Fabrics and Textiles, Q14, Tuesday 21 October 2025

the decade. Once CETA enters into force, all import tariffs will be zero, lowering the remaining protective tariffs on the most at-risk products such as tableware and sanitaryware. Some UK export tariffs will also fall to zero, but Ceramics UK told us they were "disappointed" that for most ceramic products, tariff reductions to zero will be phased in gradually over ten years.[79] Rachel Timmins, Ceramics UK, told us "tableware members … thought that this may be an opportunity to increase exports…but for tableware the tariffs are still can be as high as 35%."[80] She also noted "some very long-standing concerns about imports from India", noting that 85% (£100 million) of UK ceramic imports from India are tiles and that in 2024 "the one remaining large tile manufacturer (Johnson Tiles in Stoke-on-Trent) has ceased manufacturing".[81] She added that the sector faces wider pressures, including high energy costs and the recent increases to national insurance.[82]

79 Ceramics UK (UKT0030)
80 Q72
81 Q71
82 Q71, Q73

5 Sectoral tariff beneficiaries

27. Following the Minister's assurance that duty savings provide the appropriate basis for assessing the balance of tariff reductions, the Committee wrote to the Department on 8 December 2025 requesting the details of duty savings by sector. The full information is reproduced in Annex 2.[83] These duty-saving estimates may under-estimate the UK's tariff savings because they assume no increase in UK exports as a result of the tariff reductions.[84] In practice, the Government's Impact Assessment indicates that significant export growth is expected in sectors where India's tariff cuts are particularly steep, as set out in Annex 1.

28. Table 3 sets out the five sectors with the greatest duty savings for UK exporters at entry into force of the Agreement. Prepared foodstuffs, which includes whisky, account for the largest share of duty savings, with £213 million of duties removed, representing 54% of total duty savings across all sectors. Taken together, the top five sectors, prepared foodstuffs, vehicles, machinery and electronics, chemicals, and precious metals, account for 84% of total tariff reductions. In the short run, the gains are therefore highly concentrated by sector and in consumer-facing sectors (especially food & drink).

Table 3: Duty Savings for UK exporters at Entry into Force

Sector	Duty Saving (£m)	Cumulative Duty Saving (£m)	Cumulative % of total duty saving
IV – Prepared foodstuffs	213	213	54%
XVII – Vehicles	41	254	64%
XVI – Machinery & electrical	34	288	72%
VI – Chemicals	24	312	78%

83 Letter to the Minister of State for Trade relating to further information following evidence session on trade with India, 8 December 2025

84 Q102

Sector	Duty Saving (£m)	Cumulative Duty Saving (£m)	Cumulative % of total duty saving
XIV – Precious metals	22	334	84%

29. Table 4 sets out the five sectors with the greatest duty savings for UK exporters ten years into the Agreement, illustrating how tariff liberalisation is staged over time for some sectors. Prepared foodstuffs, including whisky, remain the sector with the greatest duty savings at £310 million, although this represents a smaller share of total duty savings (36%). Precious metals emerge as the second-largest beneficiary, with £216 million in duty savings, while machinery and electronics and chemicals remain among the top five sectors. In the long run, while the principal winners remain prepared foodstuffs, capital goods, chemicals, and precious metals become much more significant.

Table 4: Duty Savings for UK exporters ten years after the Agreement

Sector	Duty Saving (£m)	Cumulative Duty Saving (£m)	Cumulative % of total duty saving
IV – Prepared foodstuffs	317	317	36%
XIV – Precious metals	216	533	60%
XVI – Machinery & electrical	106	639	72%
VI – Chemicals	71	710	80%
XVII – Vehicles	54	764	86%

30. These results do not capture the full tariff reductions applicable to the automotive sector, as further calculations are required to assess outcomes under the tariff-rate quota arrangements that apply in this sector. Assuming full utilisation of the quotas, the Department told the Committee that duty savings for UK automotive exporters could total up to £1.6 billion in electric vehicles, and a further £669 million on ICE vehicle exports once the quotas are fully phased in. The full information of duty savings by quota is reproduced in Annex 3.

31. Separately, the Government's Impact Assessment identifies motor vehicles and spirits as two of the biggest projected beneficiaries of the Agreement. The beverages and tobacco sector (which includes whisky) are estimated to increase exports to India by around £700 million, equivalent to a 180% rise,

while UK motor vehicle exports are estimated to increase by £890 million, a 311% increase.[85] The remainder of this chapter examines outcomes in these sectors in greater detail.

Spirits

32. In 2024, India was the leading export destination for Scotch whisky by volume, with shipments exceeding 191 million bottles and generating £248 million in revenue.[86] Jonathan Brenton, Director of Public Affairs at Pernod Ricard UK, a whisky company, told us that this reflects "a very healthy trend", noting that export values to India were already up 49.5% since 2019.[87] Demand is projected to grow sharply as India's whisky market expands; total spirits consumption is expected to increase by 144% between 2021 and 2035.[88] The CETA delivers significant reductions in the tariffs facing Scotch whisky entering India; from entry into force, the tariffs will be halved from 150% to 75%, and then over the subsequent 10 years, decrease to 40% in even staging. These reductions will apply to both bottled and bulk exports, with no minimum import price threshold.[89]

33. Pernod Ricard described the Agreement as a "game changer", while the Scotch Whisky Association (SWA) similarly referred to it as a "major accomplishment".[90] Mr Brenton said that, if he had been told in 2021 that this would be the final tariff outcome for the sector, he would "have been incredulous".[91] He emphasised that "the growth opportunity in India is massive", though "it is important to be cautious… [as] it will take a while for the tariffs to come down".[92] The SWA estimates that exports could rise from £250 million to £1 billion within five years as a result of the Agreement.[93]

34. The SWA raised concern regarding ensuring the inclusion of all relevant tariff codes, as one product "was not liberalised to the same extent as the Scotch specific tariff codes, despite industry raising its importance".[94] Mr Brenton described this as "a snag in the deal" and "a technical issue that we think we can resolve with the Indian Government".[95] The SWA warned that,

85 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.32
86 Scotch Whisky Association (UKT0029)
87 Q2
88 Scotch Whisky Association (UKT0029)
89 Scotch Whisky Association (UKT0029)
90 Scotch Whisky Association (UKT0029), Pernod Ricard (UKT0011)
91 Q12
92 Q46, Q3
93 Pernod Ricard (UKT0011)
94 Tariff line (HS 22089099), Scotch Whisky Association (UKT0029)
95 Q7

unless addressed, "a significant proportion of Scotch Whisky exports will not benefit from the agreed tariff liberalisation" and urged the Department "to ensure that this important technical point is addressed satisfactorily".[96]

35. Pernod Ricard noted that securing the removal of a minimum import price requirement was "a significant win for the UK Government and a lesson that has been learned from previous trade agreements India has signed, e.g. India–Australia".[97] This outcome "should also open up opportunities for British gin, which has a lower price point than Scotch".[98] India's gin market, valued at $1.8 billion in 2025 and projected to reach $3 billion by 2032, is considerably smaller than its whisky market, but industry stakeholders told us that its inclusion in the Agreement "will allow the spirits industry to benefit across the UK".[99]

Automotive

36. Although the UK exported over 600,000 cars globally in 2024, the Society of Motor Manufacturers and Traders (SMMT) told us that "at present, we typically export less than 1,000 units" to India.[100] SMMT described the CETA as "a major milestone, by partially liberalising the Indian automotives market of finished vehicles for the first time", and said it "represents a significant improvement compared with the status quo".[101] SMMT added that the Agreement is "highly complex" and "confirms some significant compromises", but that its entry into force "will provide commercial opportunities for UK manufacturers".[102] A detailed explanation of the automotives outcome, including the tariff-rate quota structure for finished vehicles, is set out in Box 1.

37. Box 1: Automotive tariff-rate quota structure

Under the CETA, market access for internal combustion engine (ICE) vehicles and electric vehicles (EV), including hybrids, is governed by a set of tariff-rate quotas (TRQ). The TRQ reduces the applied tariff, "in-quota", for a set number of vehicles each year. Any that are above that number will face the standard, "out-of-quota", tariffs each side typically applies.

96 Scotch Whisky Association (UKT0029)
97 Pernod Ricard (UKT0011)
98 Pernod Ricard (UKT0011)
99 Pernod Ricard (UKT0011)
100 Society of Motor Manufacturers and Traders (SMMT) (UKT0027)
101 Society of Motor Manufacturers and Traders (SMMT) (UKT0027)
102 Society of Motor Manufacturers and Traders (SMMT) (UKT0027)

What India gets:

There is no TRQ in place for UK imports of Indian-made ICE vehicles. The UK agreed to immediately reduce its tariffs to 0% for all ICE vehicle imports from India, on day 1 of the agreement.

UK imports of Indian-made EVs are subject to a TRQ, split by vehicle price. UK tariffs will reduce to 0% from year 6 of the deal, with the total volume permitted increasing steadily over a 9-year staging period. Any UK imports of Indian-made EVs outside of the quota limit will face a UK import tariff. Indian EVs priced above £80,000 cannot use the TRQ.

Staging Year (Post-EIF)	Total Electric Vehicles
6	17,600
10	52,800
15 onwards	88,000

What the UK gets:

Indian imports of both UK-made ICE and EVs are subject to a TRQ. Across both vehicle types, the maximum number of UK-made vehicles permitted at a reduced Indian tariff is 37,000. India does not reduce its tariff on UK-made EVs until year-6, in line with the UK's own approach. At year 6, the UK's ICE volumes begin to decrease, allowing for increased EV access.

For UK-made ICE vehicles, the TRQ is split by engine size, with the in-quota Indian tariff reducing to 10% at year 5. India will also reduce its out-of-quota tariff for ICE vehicles to around 50% at year 10.

For UK-made EVs, the TRQ is split by vehicle price, with the in-quota Indian tariff reducing to 10% at year 10. India will not reduce its out-of-quota tariff for imports of UK-made EVs. UK-made EVs priced below £40,000 cannot use the TRQ.

Staging Year (Post-EIF)	ICE Vehicles	Electric Vehicles	Total Vehicles (ICE + EV)
1	20,000	0	20,000
5	37,000	0	37,000
10	23,800	13,200	37,000
15 onwards	15,000	22,000	37,000

38. Murray Paul, Public Affairs Director at Jaguar Land Rover, told us that although India currently accounts for only a small fraction of JLR's global exports, "the direction is very clear. It is positive."[103] He highlighted, however, that aspects of the negotiated framework are "quite complicated in its execution".[104] For example, he pointed to engine-size categories within the automotive quota potentially affecting JLR export volumes.[105] On the electric vehicle provisions, he noted that anchoring thresholds to price creates "odd" incentives that could be "gamed within the system".[106] He summed up his view by saying that "[UK and Indian automotive] are two industries that are not really in competition with each other, so we have rather overcomplicated the execution… which is unfortunate."[107]

39. SMMT told the Committee that "automotive businesses and government departments typically dealing with manufacturing businesses lack expertise in handling quotas".[108] In addition, not all details on quota administration have been agreed. They recommend that quota administration should be agreed in "advance of implementation to maximise utilisation, lower uncertainty and ensure fairness. Appropriate domestic legislation might be needed should the parties decide to allocate quotas through a licensing mechanism."[109]

40. The Government acknowledged the complexity of the package.[110] The Chief Negotiator, Kate Thornley, explained that this reflects "the automotive [sector], for both UK and India, [is] incredibly sensitive".[111] She told us that quotas were designed to allow the UK to sell "more high-end cars and [for] India [to sell] some lower-value vehicles, but without threatening concerns that [UK] companies like Nissan had."[112] Sir Chris Bryant MP added the UK focuses on securing access to "the higher-end market, because that is where we have an exceptional offer that travels well".[113] Ms Thornley told us that India's long-term strategy is to produce "cheap electric vehicles, in the way that China do", and in response, the UK did "not want just a blanket opening" of its EV market and instead sought a phased, quota-based approach to manage competitive pressures while India transitions towards EV production.[114]

103 Q10
104 Q10
105 Q10, Q11
106 Q12
107 Q12
108 Society of Motor Manufacturers and Traders (SMMT) (UKT0027)
109 Society of Motor Manufacturers and Traders (SMMT) (UKT0027)
110 Q106
111 Q106
112 Q106
113 Q108
114 Q115

41. Ms Thornley also highlighted that the Agreement contains annual reviews, and the five-year review points will allow either Party to seek adjustments as market conditions evolve.[115] Overall, the Government thought this outcome was "a good reflection of the UK offer to India in this space."[116] As with the wider tariff outcome, the Minister argued that the quota volumes themselves are not the best measure of balance; rather, the appropriate metric is the value of duty savings for both UK and Indian exporters assuming full utilisation of the quotas.[117] Following correspondence from the Committee, the Government's modelling of these savings is reproduced in Annex 2.[118]

Procurement

42. The CETA sees India open its central government procurement market for the first time, although contracts at India's state and local levels remain excluded.[119] According to the UK Government, the deal grants UK businesses access to India's public procurement market of an estimated 40,000 tenders with a value of at least £38 billion a year across its central government entities.[120] In oral evidence to the IAC, Dr Mattia di Ubaldo, the UK Trade Policy Observatory, noted that this was a first for India in any of its agreements, "which is a significant gain for the UK.[121] India has also agreed to expand its existing Make in India suppliers' preference scheme to UK firms, who can now benefit from "Class 2" supplier treatment, if they meet the relevant criteria.[122] By comparison, the UK granted India access to contracts across all central UK government entities. Based on the most recent available annual data, the UK spent £341 billion on procurement.[123]

43. When asked if UK firms would now bid for more Indian procurement contracts, witnesses were hopeful but noted the difficulty UK firms faced in accessing foreign markets and the importance of proper government

115 Q108
116 Q108
117 Q118
118 Letter to the Minister of State for Trade relating to further information following evidence session on trade with India, 8 December 2025
119 Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India, Government Procurement, Annex 15A.i: Government Procurement Schedules, Schedule of India
120 Department for Business and Trade, UK-India trade deal: conclusion summary, 3. An agreement that delivers growth.
121 Lords International Agreements Committee, UK Trade Policy Observatory, Dr Mattia di Ubaldo, Q6, 14 October 2025
122 Department for Business and Trade, UK-India trade deal: conclusion summary, Chapter Summary, 4.15 Government Procurement.
123 House of Commons Library, Procurement Statistics: a short guide, Research Briefing, Number 9317, 28 July 2025

support.[124] Ms Tickel noted “anything that can be done to help business understand the opportunity will make the difference here”,[125] and that this should become a core part of the UK’s CETA implementation plan. Their assessment is that it would negatively impact UK productivity if UK firms were persistently bidding, and persistently missing out, on Indian contracts.[126] TheCityUK reinforced this assessment, telling the Lords IAC in written evidence that the absence of proper support and contract notification (including on India’s behalf) of the potential procurement opportunities, would make the “access rights afforded to them by the Agreement redundant”.[127]

124 Q63
125 Q62
126 Q64
127 Lords International Agreements Committee, TheCityUK, (UIA0034)

6 Agriculture, dairy and SPS

44. Agriculture was a highly sensitive sector for both the UK and India in negotiations. Kate Thornley, the UK–India Chief Negotiator, explained that it was discussed "in the round" because trade liberalisation in agriculture is politically and economically sensitive for farmers in both countries, requiring outcomes to be considered as part of the overall negotiating balance rather than on a product-by-product basis.[128] She said that the overall package was designed to protect the "most sensitive" products on both sides, for example, the UK retained full tariffs on milled rice, sugar, pork, chicken and eggs, while India protected its dairy industry.[129] British Sugar welcomed the UK's retention of sugar tariffs as essential to shielding UK beet growers from heavily subsidised Indian competition.[130] However, both British Sugar and the NFU criticised the Government's subsequent increase of the UK autonomous tariff quota for sugar, which they argued undermined these gains.[131]

45. The UK also secured tariff elimination on lamb exports to India with the NFU noting that the reduction of India's lamb tariff quota from 33% to zero is "very welcome".[132] However, India receives full access to the UK dairy market, while UK dairy exporters continue to face tariffs of over 30%. The National Farmers' Union (NFU) described this outcome as "deeply disappointing", noting that it is the third consecutive UK free trade agreement to liberalise UK dairy imports.[133] Tom Bradshaw, NFU President, told us that although India is not currently a major dairy exporter, this reflected "where the market is today rather than where that will be in 10, 15 or 20 years' time", as India modernises production and develops export surpluses.[134] He also said that India "was a real opportunity… particularly for some of our specialist cheesemakers".[135] By contrast, the Minister for

128 Q134
129 Q134
130 British Sugar (UKT0016)
131 Q9
132 National Farmers' Union (UKT0023)
133 National Farmers' Union (UKT0023).
134 He stressed that UK farmers make long-term investment decisions and that negotiators should "think about the same long-term horizon" (Q16)
135 Q9, Tom Bradshaw, NFU President, also questioned what "other negotiating chips" were realistically available, noting that while the UK "would like access to their apple market", it was unlikely that "we are going to get apples and dairy", underscoring his concern that "the principle of reducing or removing our tariffs without any reciprocal access back the other way" weakens the UK's ability to stand up for its dairy sector. (Q26)

Trade told us that “at the moment we do not import dairy products from India” and that dairy “was not raised as one of the main concerns from our agricultural sector in terms of competitive threats coming in”.[136]

Sanitary and phytosanitary (SPS) standards

46. Section 42 of the Agriculture Act 2020 requires the Secretary of State to report to Parliament on whether any free trade agreement (FTA) affecting trade in agricultural products is consistent with maintaining UK levels of statutory protection for (a) human, animal and plant life or health, (b) animal welfare and (c) the environment. For the UK–India CETA, the Secretary of State sought advice from the Trade and Agriculture Commission (TAC), the Food Standards Agency (FSA) and Food Standards Scotland (FSS).[137] TAC concluded that the Agreement “does not require the UK to change its existing levels of statutory protection in relation to animal or plant life or health, animal welfare, or environmental protection”.[138]

47. The SPS chapter of the CETA ensures both the UK and India can protect their biosecurity, while putting in place enhanced commitments, structures and processes that avoid unnecessary trade barriers.[139] Tom Bradshaw, President of the National Farmers’ Union, told us that the NFU’s major concern was maintaining the UK’s SPS protections and “the deal that has been put forward has achieved that so that is something that we do welcome”.[140] The FSA also confirmed that “this trade agreement does not restrict the UK’s ability to negotiate an SPS Agreement with the EU”.[141] In Northern Ireland, if the terms of the CETA and the Windsor Framework are

136 Q134

137 Department for Business and Trade, Section 42 Report: Comprehensive Economic and Trade Agreement between the United Kingdom of Great Britain and Northern Ireland and India, November 2025

138 Trade and Agriculture Commission: Advice to the Secretary of State for Business and Trade on the UK-India Free Trade Agreement, October 2025

139 The Treaty includes provisions on the processes that UK and India may, in the future, undertake in determining the equivalence of each other’s SPS measures and the recognition of regional conditions. Future recognition of equivalence could help facilitate access for goods into each country’s market and make it easier for producers to export - Department for Business and Trade, Draft Explanatory Memorandum on the Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India

140 Q9

141 Department for Business and Trade, Section 42 Report: Comprehensive Economic and Trade Agreement between the United Kingdom of Great Britain and Northern Ireland and India, November 2025

incompatible, the terms of the Windsor Framework will prevail. CETA does not alter the way in which the Windsor Framework's terms relating to SPS will continue to apply in Northern Ireland.[142]

48. However, we heard some concern over production standards in India. Mr Bradshaw highlighted practical risks arising from India's use of antimicrobials, where UK farmers have made "such strides" to reduce antibiotic use.[143] The TAC noted these concerns but concluded that the agreement "did not limit the UK's ability to protect against any harms occurring in the UK as a result of imports".[144] The Agreement also includes a commitment for the UK and India to work together on tackling antimicrobial resistance.[145] The NFU has "aligned with the WWF and RSPCA" in calling for "core standards of production that we expect imports to achieve", to ensure a level playing field for UK farmers.[146] Mr Bradshaw warned that without this, "we are offshoring our production to other parts of the world that have lower standards than we have here".[147]

49. **CONCLUSION**

India's scale, growth trajectory and strategic importance mean that the UK–India CETA offers the UK a meaningful opportunity to deepen its economic and diplomatic presence in one of the world's most important emerging markets. The Agreement secures a first-mover advantage for the UK ahead of other major economies, reinforces shared commitments to a rules-based trading system, and strengthens the UK's strategic position in the Indo-Pacific.

142 This is the same approach that has been taken by the UK in other post-Brexit FTAs in order to preserve the operation of arrangements put in place for Northern Ireland after the UK left the EU. Comprehensive Economic and Trade Agreement between the United Kingdom of Great Britain and Northern Ireland and India, Article 1.2.4, see UK trade negotiations: Agreement with Australia, HC 117, 6 July 2022, paras 403 to 427

143 Q27, We also heard similar concerns in Indian aquaculture, particularly in relation to warm-water prawns India Labour Solidarity (ILS) (UKT0052), WWF-UK (UKT0043)

144 Trade and Agriculture Commission: Advice to the Secretary of State for Business and Trade on the UK-India Free Trade Agreement, October 2025, p.9

145 Article 6.13 "recognises the link between animal health and anti-microbial resistance" and commits both Parties to cooperate under a "One Health" approach. Department for Business and Trade, Comprehensive Economic and Trade Agreement (CETA), Chapter 6: Sanitary and Phytosanitary Measures, 24 July 2025

146 Q29

147 Q29

50. **CONCLUSION**

The most immediate benefits are concentrated in goods sectors facing historically high Indian tariffs, particularly spirits and automotives, where the Agreement delivers commercially significant and predictable market access for the first time. The Agreement also delivers new market access in government procurement, with India opening its central government procurement market for the first time. At the same time, the Agreement preserves the UK's existing sanitary and phytosanitary protections, does not compromise a closer SPS deal with the EU and ensures that market access gains are not achieved at the expense of domestic standards.

51. **CONCLUSION**

There remain important issues that will require resolution and ongoing monitoring if the full benefits of the Agreement are to be realised. The Committee heard that the key bulk whisky tariff line has not been liberalised to the same extent as the Scotch-specific tariff codes. The automotive sector will also require support to make effective use of tariff rate quotas, and consideration should be given to the introduction of core food production standards.

52. **RECOMMENDATION**

The Government must ensure that the remaining issues which risk undermining the Agreement's benefits for key sectors are addressed. Ratification should not be treated as the conclusion of the process. Ministers must be held accountable for ensuring that businesses are able to use the Agreement effectively to drive growth and contribute to the Government's wider growth mission. The Government should keep the details of the terms under review to make the most of opportunities of mutual benefit. The Government must regularly report to Parliament on rates of business utilisation of the Agreement, particularly in priority sectors, including providing evidence of increased exports and progress in resolving key barriers.

7 Constraints on services access

53. The UK is a services superpower.[148] However, India has a relatively high level of regulatory barriers impacting services trade, with UK firms in India operating in a more restrictive trade environment than most other markets.[149] In its Trade Strategy, the UK Government stated the "UK's services sectors are the most powerful engine of our growth and prosperity" and that "building on these strengths is a central part of our Industrial Strategy".[150] The UK-India CETA has several services-related chapters, each covering different aspects of services trade.[151] These include:

a. Trade in Services Chapter:[152] This chapter locks in market access for many services sectors. It ensures that UK businesses in the sectors covered will not face restrictions, such as limits on the number of businesses that can provide a service or the need to establish a commercial presence in India. It ensures that UK firms receive the same treatment in India's market, as their Indian competitors do, and are not discriminated against.

148 Department for Business and Trade, The UK's Trade Strategy, p18

149 Department for International Trade, UK India Free Trade Agreement, The UK's Strategic Approach, 13 Jan 2022, pg.49

150 Services industries like Creative Industries, Digital and Technologies Sectors, Financial Services and Professional and Business Services are growth-driving sectors, as set out in the Industrial Strategy.
Department for Business and Trade, The UK's Trade Strategy, p18

151 Department for Business and Trade, Draft Explanatory Memorandum on the Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India.

152 Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India, Trade in Services, Annex 8A, Article 8A.4

b. Financial Services Chapter:[153] The agreement contains a dedicated financial services chapter, which secures UK companies' ability to deliver financial services to clients in India, supporting the long-term competitiveness and stability of the UK's sector.[154]

54. John Cooke, Co-chair of the Liberalisation of Trade in Services (LOTIS) expert advisory group at TheCityUK, told us that the CETA "is an agreement that does much more for goods than for services".[155] Where the deal did incorporate services access, Mr Cooke's view was that the agreement failed to deliver any new UK market access into India, and was much more about "confirming [the] existing conditions of access".[156] Amanda Tickel, Partner and Head of Tax and Trade at Deloitte UK, reinforced this assessment; however, she noted that the agreement still provided "an important foundation for stability," that would likely encourage UK services businesses to further explore India's market, particularly in a time of wider geopolitical instability.[157] In the explanatory memorandum for the CETA, the Government also acknowledges that the agreement effectively locks-in the existing market access for many services sectors.[158] Table 3, below, sets out the predicted increases in UK and Indian services exports due to the CETA.[159]

Table 5: Predicted increases in UK and India services exports, by services sector.

Services Sector	Increase in UK Exports	Increase in Indian Exports
Business Services	£474 million (26.9%)	£229 million (4.2%)
Communications	£140 million (22.8%)	£443 million (18.4%)
Financial	£233 million (22.9%)	£0

153 Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India, Financial Services
154 Department for Business and Trade, Draft Explanatory Memorandum on the Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India.
155 Q47
156 Q47
157 Q48
158 Department for Business and Trade, Draft Explanatory Memorandum on the Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India.
159 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.32

Services Sector	Increase in UK Exports	Increase in Indian Exports
Insurance	£149 million (34.6%)	£0
Construction	£26 million (28.4%)	£0
Wholesale/retail	£395 million (38.4%)	£-9 million (-0.4%)

55. For some professions, like architecture and accounting, the lack of mutual recognition of professional qualifications (MRPQ) can act as a barrier to trade. There is no current UK-India arrangement to support MRPQ, and under CETA, both sides retain their rights to regulate. However, the deal addresses this by creating a Professional Services Working Group to support further MRPQ dialogues. In oral evidence to the IAC, Sophie Hale highlighted the importance of securing such agreements, and their ability to influence the overall value of the deal for the UK. Ms Hale noted this was a key implementation element going forward, as "without those arrangements it is not particularly deep on any one sector".[160]

56. The UK's trade strategy also recognises the importance of MRPQ arrangements on services trade and commits to pursuing MRPQ deals with India.[161] The timelines for these negotiations are therefore set out in the CETA; sectors of "mutual benefit" for MRPQ must be identified within 12-months of EIF, with these negotiations ideally concluded within three years thereafter.[162] Notwithstanding the CETA commitments, the UK has a limited existing framework of MRPQ arrangements with trade partners, including no such provisions with the European Union.[163] Ms. Tickel noted that while these types of arrangements were important to support bilateral services trade, the UK should be realistic about what can be achieved with India. Ms Tickel noted "We have not been successful, nor have countries and bilateral talks generally" when pursuing these types of arrangements.[164]

160 Lords International Agreements Committee, Resolution Foundation, Sophie Hale, Q1, 14 October 2025

161 Department for Business and Trade, The UK's Trade Strategy, pg46

162 Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India, Trade in Services, Annex 8A, Article 8A.4

Q47

163 Following its departure from the European Union and the Single Market, UK professionals no longer have their qualifications automatically recognised in the EU. While the UK - EU Trade and Cooperation Agreement establishes a framework through which MRPQ can be achieved, to date, no agreements have been reached.

164 Q57

Legal services

57. India's legal services market remains one of the last jurisdictions where foreign lawyers face significant restrictions.[165] The CETA provides no further market access for legal services, with the sector effectively being excluded from the deal. The Law Society of England and Wales views this as a "missed opportunity for a significant market access breakthrough" that would have significantly benefitted both sides, potentially boosting the liberalisation already secured.[166] Dr Claus reiterated to the Committee that "Parliament should not lose sight" of the ambition to include legal services in any further revisions of the agreement.[167] Reflecting on their exclusion, the Minister for Trade Policy noted "there came at point at which we deemed it would be too difficult".[168]

58. **CONCLUSION**

While the Agreement provides greater certainty and stability for UK services providers, it delivers limited new market access into India. The practical value of the services provisions will therefore depend largely on effective implementation, particularly progress on mutual recognition of professional qualifications. Notwithstanding the Agreement's commitments and the establishment of frameworks to support further UK–India mutual recognition of professional qualifications dialogue, the Committee is sceptical about the likelihood of how much will be delivered in practice.

59. **RECOMMENDATION**

The Government should identify sectors where mutual recognition of professional qualifications would benefit both parties and use the Professional Services Working Group to seek progress within twelve months of the Agreement taking effect. It should set out how it intends to progress priority arrangements within the timetable established by the Agreement.

165 Law Society of England and Wales, (UKT0002)
166 Law Society of England and Wales, (UKT0002)
167 Q69
168 Q142

8 Intellectual property protection

60. The UK ranks second in the world for intellectual property (IP) protection, whereas India ranks 43rd.[169] Strong IP protections are critical for UK businesses, particularly life sciences, where the UK exports around £26 billion of medicines globally but only £127 million of that goes to India, roughly 0.5% of total UK pharmaceutical exports.[170] At the same time, the NHS benefits significantly from access to low-cost generic medicines manufactured in India.[171][172] Mike Archer highlighted the asymmetry between UK and Indian access: Indian pharmaceutical companies already have "pretty good access into the UK market" and benefit from strong UK IP rules, whereas "that [is] not being reciprocated for UK companies in the Indian market".[173]

61. CETA has a standalone chapter on IP, covering copyright and related rights, designs, trademarks, geographical indications (GIs), patents, and trade secrets, as well as the enforcement of IP rights, and ongoing cooperation in relation to IP matters.[174] However, it sees both sides largely reaffirming existing international commitments. In addition, the UK will have the ability to apply for India's highest standard of protection for all UK GIs listed for protection in CETA, extending this beyond wines and spirits, which are the only products that currently benefit from the higher standard.[175] India has also agreed to continued engagements and further UK dialogue on

169 Key weaknesses in India include non-standard patent procedures, a lack of patent protection enforcements, and limited commitments to existing international IP treaties. US Chamber of Commerce, 2025 International IP Index, April 15, 2025

170 Q8

171 House of Commons International Trade Committee, UK trade negotiations: Agreement with India, Eighth Report of Session 2022 - 23, para 25

172 The UK BioIndustry Association (BIA) (UKT0044) also noted that "innovative UK SMEs with products on the market and large life science companies will face pricing pressures and competition from generics companies in the Indian market, which will reduce revenues."

173 Q38

174 Department for Business and Trade, UK-India trade deal: conclusion summary, Intellectual Property

175 Department for Business and Trade, UK-India trade deal: conclusion summary, Intellectual Property

aspects of copyright, and improvements to its existing patent application procedures, simplifying the process.[176] The Department for Business and Trade highlighted that outcomes "go far beyond India's precedent in FTAs."[177]

62. However, the Association of the British Pharmaceutical Industry (ABPI) said it was "disappointed that the deal does not appear to address longstanding industry concerns about IP protections" and that it "won't support the UK's growth ambitions for pharmaceuticals".[178] Mike Archer highlighted three unresolved risks:

a. regulatory data protection, where India "does not operate a commensurate system to the UK, and goes against at least the spirit of the TRIPS agreement at WTO level";

b. patentability, including a regime where "any individual can continually raise an opposition to a patent before it is granted";

c. and weak enforcement.[179]

Mr Archer told us these gaps mean the Agreement will not achieve "any material uplift in the amount of exports from this country to India".[180] The BioIndustry Association similarly told us that CETA "does not commit India to raising its IP standards to those of the UK", though it welcomed the recognition of voluntary licensing mechanisms.[181]

63. In oral evidence, the Minister acknowledged the limitation of the IP outcome, stating he "would have liked to have been able to see us [the UK] go further".[182] However, "it would have required significant and legislative change in India" and there is a "balancing act between wanting to be able to ensure that your own country is able to innovate in life sciences and pharmaceuticals and being able to take advantage of generic products … and India falls into a different camp from us."[183]

176 Department for Business and Trade, UK-India trade deal: conclusion summary, Intellectual Property
177 Department for Business and Trade, UK-India trade deal: conclusion summary, Intellectual Property
178 Association of the British Pharmaceuticals Industry, UK-India trade agreement does not support UK life sciences ambitions, May 2025
179 Q36
180 Q37
181 UK BioIndustry Association (BIA) (UKT0044)
182 Q141
183 Q141

64. **CONCLUSION**

The Committee concludes that the Agreement does not introduce significant changes to India's intellectual property regime that are likely to support growth in UK pharmaceutical exports. At the same time, the Committee recognises India's role as a major producer of generic medicines and the importance of retaining some flexibility within its IP framework. The Committee welcomes the establishment of the Working Group on Intellectual Property established under the Agreement.

65. **RECOMMENDATION**

The Government should use the Working Group on Intellectual Property to pursue further progress with India in areas of mutual benefit and UK strategic importance, including in sectors identified in the Industrial Strategy. This should include continued dialogue on issues raised by industry, such as regulatory data protection, patentability and enforcement, while recognising the constraints on legislative change.

9 Business mobility

66. Business mobility plays a key role in driving economic growth and enabling the provision of goods and services. The Government's latest data, provided in response to correspondence from the Committee, show that 14,188 main applicants entered the UK under Global Business Mobility (GBM) visa routes in the year ending June 2025, representing approximately 7% of all work visas. Indian nationals accounted for 5,863 of these visas. The data also indicate that GBM usage is heavily concentrated in senior intra-corporate transfers, which made up the vast majority (13,348) of visas issued.[184] Full analysis is provided in Annex 4.

67. The CETA has two main effects on business mobility. Firstly, it 'locks in' access for certain business mobility visa routes for Indian nationals under the FTA.[185] This ensures that UK professionals can travel to India (and Indian professionals to the UK) to attend conferences, transfer to branches of their organisation, and supply services under the agreement as part of a contract.[186] Secondly, the UK has also somewhat expanded the existing contractual service supplier route, to include "additional sectors not previously committed to India by the UK."[187][188] Indian companies can now send their employees in specified sectors to the UK for up to one-year.[189] For a limited number of occupations, including chefs de cuisine, yoga teachers

184 Letter from the Ministers for Trade and for Migration and Citizenship relating to migration impacts of the UK-India Comprehensive Economic and Trade Agreement, 17 November 2025

185 'Locking in' means these routes must remain available to Indian professionals for the duration of the agreement, along with their length-of-stay provisions.

186 Department for Business and Trade, Draft Explanatory Memorandum on the Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India.

187 Sectoral access expanded beyond WTO baseline (e.g. architecture, engineering, IT), up to 33 occupations from 15, "in line with other trade agreements". Self-employed professionals will also be able to apply for a visa to fulfil services contracts in the UK, for 16 sectors of the economy.

188 Department for Business and Trade, Draft Explanatory Memorandum on the Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India.

189 Department for Business and Trade, Draft Explanatory Memorandum on the Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India.

and classical musicians, access is capped at total of 1,800 individuals per year.[190] The Government has highlighted that the provisions agreed with India do not create any new types of visas or visa routes, and that "the standards to apply to work in the UK have not changed".[191]

68. Alongside the mobility chapter, both sides also agreed to negotiate a separate Double Contributions Convention (DCC), which allows temporary workers to continue to pay solely into their home country social security schemes, rather than both, for up to three years.[192] This is expected to come into force alongside CETA. John Cooke told us that such provisions are regularly sought in FTAs and are "important" for improving access to international talent and supporting UK competitiveness.[193] He added that the Agreement "will not drive a coach and horses" through the UK's immigration system.[194] However, the Institute of Directors raised concerns from some members, including fears that "businesses will replace workers in the UK with workers from India" via Indian companies working in the UK such as Tata Consulting Services, Wipro and Mastek.[195]

69. The Minister for Trade rejected concerns that the mobility provisions would undercut UK workers, including in the IT sector, stating that Government analysis suggested this "is not the case", and he is "confident in the projections that we have made."[196] He emphasised that the immigration routes to the UK are temporary and involve significant costs, meaning they are "not a cheap option", and noted that DCC agreements have a long-standing precedent in UK trade arrangements.[197] The Committee wrote to the Home Office and HM Treasury seeking clarification on the labour market impacts of the mobility provisions and the proposed DCC; Ministers from both Departments confirmed that they do not expect the Agreement to result in a material impact on employment or labour conditions in the UK.[198]

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190 Department for Business and Trade, Draft Explanatory Memorandum on the Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India.

191 Department for Business and Trade, Draft Explanatory Memorandum on the Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India.

192 Department for Business and Trade and HM Treasury, UK India Double Contributions Convention (DCC) Explainer, 23 July 2025

193 Q53

194 Q54

195 Institute of Directors, (UKT0032)

196 Q148

197 Q145-Q146

198 Letter from the Ministers for Trade and for Migration and Citizenship relating to migration impacts of the UK-India Comprehensive Economic and Trade Agreement, 17 November 2025 and Letter from Exchequer Secretary to the Treasury relating to Double

Following oral evidence, the Committee also wrote to the Minister for Trade seeking the evidence base for this assessment.[199] The Minister's response will be published in due course.

70. **CONCLUSION**

The Agreement locks in and modestly extends existing arrangements for mobility. The Government maintains that the provisions are limited in scope and will not have a material impact on the UK labour market.

71. **RECOMMENDATION**

The Government should closely monitor labour market impacts arising from the Agreement and report back to Parliament on its assessment.

Contributions Convention in the UK-India Comprehensive Economic and Trade Agreement, 17 November 2025

199 Letter to the Minister of State for Trade relating to further information following evidence session on trade with India, 8 December 2025. The Committee requested projections of visa use under each mobility category and a cost comparison between hiring an Indian national via the Intra-Corporate Transferee route and recruiting a UK worker.

10 Sustainability and labour standards

72. CETA breaks new ground by delivering India's first standalone trade agreement chapters on anti-corruption, labour rights, environment, gender equality and development, including the first time India has committed to consumer protection provisions. The Department for Business and Trade told us these "chapters help to strengthen the wider relationship between our two countries, promoting trade as a force for good and supporting commitments to global agreements, including the Paris Agreement [on climate change]."[200] Mattia di Ubaldo told the House of Lords International Agreements Committee (IAC) that their inclusion marks a significant step forward for India and is viewed by Indian negotiators as "a big win for the UK."[201]

73. While the inclusion of standalone chapters on labour, environment and related issues represents a step forward in India's trade agreements, the Committee heard substantial concerns about their enforceability and real-world impact.

Labour rights

74. The Labour chapter within CETA says "the UK and India commit to upholding international labour protections for workers."[202] However, Tom Wills, Director at the Trade Justice Movement, highlighted the risk that "neither party shall have recourse to dispute settlement" for these chapters, making the commitments "unenforceable… voluntary… warm words with no real teeth".[203] The Trade Justice Movement told us the Labour Chapter "falls short" of recommendations made by trade unions on how trade agreements can meaningfully uphold labour rights.[204] The India Labour

200 Department for Business and Trade (UKT0061)
201 Lords International Agreements Committee, UK Trade Policy Observatory, Dr Mattia di Ubaldo, Q2, 14 October 2025
202 Department for Business and Trade, Draft Explanatory Memorandum on the Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India
203 Q74
204 Trade Justice Movement (UKT0038)

Society and the Trade Union Congress welcomed references to ILO principles but recommended to Parliament that "ratification/implementation should be suspended until enforceable labour, environmental, and public health protections are incorporated".[205]

75. The Committee wrote to the Foreign Commonwealth and Development Office (FCDO) seeking clarification on how labour rights will be pursued with India moving forward.[206] The FCDO replied that they provide "input to ensure that foreign policy considerations are factored into decision-making. Our approach reflects a pragmatic and principled stance." They confirmed that "the FCDO will continue to pursue labour and human rights as key foreign policy priorities in our engagement with India".[207] However, when asked whether CETA created any leverage to influence Indian behaviour, Tom Wills told us: "If [CETA] has value, it is purely symbolic… there is nothing that we can do to influence behaviour based on this."[208] He added that the Department for Business and Trade's ongoing Responsible Business Conduct Review "could well help", but only if its recommendations lead to "decent binding standards for businesses to respect human rights and labour rights within their supply chains".[209]

76. Concerns were also raised about conditions in specific Indian export sectors. Ceramics UK warned that the imports of bricks from India carry "risks to health and safe well-being of the largely bonded labour used to make these bricks" and create "unnecessary consumption of energy in less regulated factories".[210] Rachel Timmins told us "the ILO estimates that [bonded] labour affects about 70% of all workers in the brick trade in India, and that about 20% of workers in the brick trade in India are children under 14."[211] She noted while CETA has language on adhering to ILO standards, "there is no teeth to do something about it".[212] She also confirmed the risk of Government housing targets being met through the use of cheaper Indian bricks being used that undercut other producers.[213] The Minister for Trade confirmed to the Committee that "the Department is in review of … and one of the

205 India Labour Solidarity (ILS) (UKT0052), Trade Union Congress (UKT0064)
206 Letter from the Chair of the Business and Trade Committee to the Minister for the Indo-Pacific regarding geo-political implications of UK-India CETA, 23 October 2025
207 Letter from the Minister for the Indo-Pacific to the Chair regarding geo-political implications of UK-India CETA, 19 November 2025
208 Q86
209 Q79
210 Ceramics UK (UKT0030)
211 Q70
212 Q80
213 Q81

issues raised is the issue around forced labour. I am glad [CETA] reaffirms commitments ... under the ILO and it encourages good practice. These issues will be referred to though the sub-committees… if serious enough."[214]

Environment

77. In 2023, India accounted for 7.6% of global carbon dioxide emissions and the UK for 1.0%. On a per-capita basis, India's emissions (2.9t CO_2 per person) remain roughly half those of the UK (5.5t per person).[215] The Environment chapter within CETA "commits the UK and India to strive to ensure their respective environmental laws encourage high levels of environmental protection, and not to waive their environmental laws to encourage bilateral trade or investment."[216] However, we heard concerns that, without recourse to dispute settlement, the Environmental Chapter "lacks teeth".[217] In particular, it was highlighted that "the Regulatory Policy Committee noted that the rise in UK greenhouse gas emissions of 0.2% as a consequence of the Agreement is higher than the projected rise in UK GDP. That suggests that this is not just growth-driven emissions, these are particularly dirty growth-driven emissions."[218] The Impact Assessment has further information on the environmental impacts of the agreement.[219]

78. The FCDO told the Committee that UK–India cooperation on climate focuses on three areas:

- mitigation and energy security (renewables, offshore wind, grid integration, critical minerals, storage, batteries, CCUS);
- climate finance (mobilising affordable finance for India's transition); and
- global leadership (joint work on renewables, green connectivity, supply chains and adaptation), with focus at the UK-India Energy Dialogue - held annually at Secretary of State level.[220]

214 Q150
215 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.31
216 Department for Business and Trade, Draft Explanatory Memorandum on the Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India
217 Q83
218 Q84
219 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, Section 8: Environmental impacts, p.56
220 Letter from the Minister for the Indo-Pacific to the Chair regarding geo-political implications of UK-India CETA, 19 November 2025

79. **CONCLUSION**

The Committee concludes that the Agreement establishes useful environmental, social and governance (ESG) frameworks. However, while the inclusion of standalone chapters on anti-corruption, labour rights, environment, gender equality and development represent a step forward in India's trade agreements, their impact is significantly constrained by the absence of enforceable dispute settlement mechanisms.

80. **RECOMMENDATION**

The Government should ensure that its ongoing Responsible Business Conduct Review results in clear and enforceable expectations on UK businesses, including respect for human rights and labour rights within their supply chains. The Government should report to Parliament on the outcome of the Review.

11 UK-Indian investment

81. There is no investment chapter in the Agreement nor a standalone bi-lateral investment treaty (BIT). The lack of clarity with India regarding investment is a concern for UK stakeholders, like the City of London Corporation, and Vodafone.[221] Pankaj S Kulkarni, Head of Banking, Financial Services and Insurance at the IT services and consulting company, Tech Mahindra, also noted that a BIT would set the broad goals on investment for both sides, and help to focus attention in areas where further investments could be beneficial, telling the Committee "For me, that is a necessary second step", which could potentially unlock further UK-India investments in sectors like Artificial Intelligence or other areas of interest.[222]

82. Investment chapters or BITs, can sometimes feature investor-state dispute settlement (ISDS) provisions, allowing private companies to sue governments. These are opposed by civil society groups, as they can restrain governments' ability to regulate on key policy areas. The UK is currently subject to two active ISDS claims, and its position on ISDS provisions with India is unclear.[223] Tom Wills, Director of the Trade Justice Movement, told us that the UK-India BIT will likely include an ISDS provision, further adding that given the UK is already facing two live ISDS claims, "It seems therefore completely beyond credence", the UK would be actively seeking to increase its potential exposure to further litigation.[224]

83. In written evidence, the Minister for the Indo-Pacific, Seema Malhotra MP, said "These discussions and negotiations remain live", and that both sides are committed to securing a BIT.[225] This ambition also features in the UK-India Vision 2035, with both sides working towards the Treaty's "early conclusion".[226] However, when asked about the status of BIT negotiations, the Minister for Trade, told us "It is not very alive at the moment", but it did require further consideration, as investment was key to enabling other aspects of the agreement.[227] In oral evidence given to the IAC, the UK's chief negotiator, Kate Thornley, highlighted that the previous discussions on a

221 City of London Corporation, (UKT0057) and Vodafone, (UKT0060)
222 Q59
223 Trade Agreements: Dispute Resolution, 89908, Answered 18 November 2025
224 Q88
225 Letter from the Minister for the Indo-Pacific to the Chair regarding geo-political implications of UK-India CETA, 19 November 2025
226 Foreign, Commonwealth & Development Office, India-UK Vision 2035, 24 July 2025
227 Q154

BIT stalled as it “wasn’t good enough for what the UK wanted”, but noted that the UK was willing to engage in further discussions with India.[228] The timelines for a BIT, and what UK leverage exists to secure a meaningful outcome post-CETA conclusion, remain unclear.

84. **CONCLUSION**

The absence of a concluded bilateral investment treaty means that greater certainty for investors remains an ambition rather than a secured outcome. Ministers should set to the work of creating an ambitious compelling vision for the potential of a BIT to help re-energise these talks.

228 Lords International Agreements Committee, Department for Business and Trade, Kate Thornley, Q57, 9 December 2025

12 Implementation challenges

85. Although signed in July 2025, the Agreement will only enter into force after several stages, as set out in Table 6. In parallel, India must complete its own domestic approval process. Only once both sides exchange notifications will the Agreement enter into force; and until that point, none of the tariff reductions, mobility provisions, procurement rights, or regulatory commitments apply.

Table 6: UK-India CETA Implementation Process

Implementation Stage	Date
Agreement in Principle	6 May 2025
CETA Signed	24 July 2025
Trade and Agriculture Commission Assessment	August 2025-October 2025
Government Section 42 Report	25 November 2025
CRAG period expected to begin	January 2026: 21 sitting days
Indian Domestic Approval	Pending
Exchange of Notifications	To be confirmed
Entry into Force	60 days after exchange of notification

86. SMMT told us "The UK ratification process is expected to be lengthier than India's ratification process".[229] Delays to ratification risk depressing UK exports in the short term, particularly in sectors where tariff reductions under the CETA are commercially significant. According to SMMT, uncertainty over the UK's legislative timetable, combined with the absence of provisional application, could have "cooling effects on orders, as customers might prefer to wait for lower tariffs to be available before purchasing big-ticket items." It also noted that tariff phase-out periods only begin once the Agreement formally enters into force, meaning any delay postpones the point at which lower tariffs become available.[230] Reporting from India already indicates that customers are postponing purchases

229 Society of Motor Manufacturers and Traders (SMMT) (UKT0027)
230 Society of Motor Manufacturers and Traders (SMMT) (UKT0027)

in anticipation of lower post-agreement prices.[231] Murray Paul confirmed this dynamic, telling us: “when a tariff rate changes quite substantially, the impact on the customer will be to hold off to see the new rate being implemented, and that is a challenge for your existing sales and volumes in the market.”[232]

87. **CONCLUSION**
The Committee notes evidence that uncertainty during the ratification period risks delaying commercial decisions, particularly in sectors where tariff reductions under the Agreement are commercially significant. Given the absence of provisional application, timely ratification and clear communication on implementation timelines will be critical to minimising disruption for UK businesses.

Implementation concerns

88. Once ratified, the quality of the implementation of CETA will help determine the degree to which UK businesses will benefit. Agreements do not deliver commercial outcomes automatically: exporters must understand the rules, regulators must apply them consistently, and both governments must respond quickly when barriers emerge. John Cooke told us:

> “This is an agreement that, in terms of past agreements concluded by the UK, does not break much new ground, but in the case of India it is the biggest thing that India has done. Both sides are saying that it is a floor, not a ceiling. If we are going to build on that floor, implementation and taking all the opportunities for discussion and contact and smoothing edges that remain will be terribly important, more than in many other agreements.”[233]

89. The Committee heard many examples of the practical implementation challenges businesses may face when seeking to use the Agreement, even in sectors that, in theory, stand to benefit the most from tariff reductions. In particular, the Committee has identified four issues that will require the Government to apply sustained energy to ensure the full measure of CETA’s potential is realised; non-tariff barriers; state-level barriers; rules of origin and trade remedies. The remainder of this Chapter examines these issues in turn.

231 MoneyControl, ‘Jaguar Land Rover sales slow in India over lack of clarity on UK FTA’, 15 May 2025
232 Q1
233 Q69

90. Paragraf, a UK electronics company, recommended that the Government publish a detailed CETA implementation roadmap, including sector-specific guidance for SMEs, to ensure firms understand how to make use of the Agreement from day one.[234] SMMT recommended that "the Government must immediately open discussions on regulatory barriers that might greatly reduce market access to the Indian market."[235] The Minister for Trade told us that "there are a series of commitments made by the Indian Government to address all of these issues," but cautioned that he did not want to "presume that everything is going to change very suddenly."[236]

Non-tariff barriers

91. India maintains various forms of non-tariff barriers. A recent mapping exercise identified 479 regulations containing 4,618 individual non-tariff measures, issued by 38 agencies, including 17 ministries.[237] The Minister for Trade told us that "there will be a number that are perfectly legitimate", and comparable regulatory requirements also exist in the UK, "but there are others where we will want to take action."[238] Exporters also face persistent uncertainty due to limited transparency or lack of information - for example, inconsistent publication of restrictions in the Gazette of India and incomplete notifications to WTO committees.[239]

92. CETA contains some measures intended to improve non-tariff barriers. The customs chapter commits both Parties to faster, simpler and more transparent procedures, including quick processing (under 48 hours where possible), deferred duty payments for eligible traders, and online publication of customs rules in English.[240] The Technical Barriers to Trade chapter commits the UK and India to clearer and more transparent regulatory processes - restating core WTO obligations, requiring proposed measures to be published in English, and establishing pathways for UK and

234 Section 4.2, Paragraf (UKT0034)
235 Society of Motor Manufacturers and Traders (SMMT) (UKT0027)
236 Q123
237 Sarmeen, R. and A. Sundaram (2022), 'Non-tariff Measures in India', in Ing, L.Y.,D.P. Rial and R. Anandhika (eds.), Non-tariff Measures: Australia, China, India, Japan, New Zealand and Republic of Korea. Jakarta: ERIA, pp. 59–70.
238 Q125
239 United States Trade Representative, 2025 National Trade Estimate Report on Foreign Trade Barriers, India, p.196
240 Department for Business and Trade, Draft Explanatory Memorandum on the Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India.

Indian conformity-assessment bodies to seek recognition by the importing regulator, while maintaining each side's right to decide whether to accept them.[241]

93. However, industry evidence emphasised that significant barriers remain. The British Beer and Pub Association said that the "biggest barrier to exporting to India are the non-tariff barriers" and that without clear guidance on how the CETA addresses them, "this [agreement] will have little positive impact on the sector".[242] SMMT warned that "some manufacturers would not be able to export any vehicle to India unless regulatory barriers stemming from India's new fuel policy are addressed".[243] Dow told us that India's expanding system of Quality Control Orders "has created challenges to import chemical products necessary to India's downstream manufacturing".[244] Tom Bradshaw, NFU, highlighted that export health certificates "can be a real barrier", and that despite tariff cuts "it could be just about impossible to get into the marketplace at the moment".[245] The Minister for Trade, acknowledging these challenges, told us that CETA "has thrown up a lot of problems we know will exist" and that securing commitments on customs and governance structures to address technical barriers to trade were essential.[246]

241 Department for Business and Trade, Draft Explanatory Memorandum on the Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India.

242 British Beer and Pub Association (UKT0005)

243 SMMT identified India's fuel standard IS17021 for E20 petrol (20% ethanol blend) as a significant non-tariff barrier for UK vehicle manufacturers. There were issues concerning limits on water content in E20 fuel in India, and when combined with the content of inorganic chloride, it was indicated that these together make for a significant risk of fuel system corrosion. These parameters are currently unregulated within the IS17021 fuel standard. Due to this situation, it is not possible for UK vehicle manufacturers to provide the necessary certificates of conformity for their vehicles to meet India compliance requirements, and thus not possible to place any UK manufactured vehicle on the market in India. This represents a significant non-tariff barrier.

Work has been ongoing, and the standard will be updated to include maximum limits on water content (of 3000 mg/kg), alongside commitments to some checking and efforts by fuel suppliers to control the water content in E20 fuel. Society of Motor Manufacturers and Traders (SMMT) (UKT0027)

244 Dow (UKT0041)

245 Q44

246 Q126

State Level barriers

94. India's constitutional structure, a quasi-federal system in which regulatory powers are divided between national and state governments, adds a further layer of complexity.[247] Jonathan Brenton said state-level concerns include excise rate increases offsetting tariff cuts, price controls, and severe payment backlogs, highlighting a $337 million backlog in the state Telangana (which contains Hyderabad) alone.[248][249] However, he was "guardedly optimistic" and emphasised the strong support DBT is providing to resolve these issues. He described Indian states as "major economies in their own right", presenting states as "an opportunity for UK commercial and political engagement".[250] Mike Archer, Director of Public Affairs, AstraZeneca, said "we need some sort of mechanism" between national and state authorities to address patent issues, ensuring that when a state grants a licence for a product with an existing patent "it is communicated to the national Government and is communicated to the UK … in a timely way."[251] Jonathan Brenton added that tackling state-level barriers "will not happen overnight" and will rely on Indian states "listening to business" and competing to improve their regulatory environments.[252]

Rules of origin

95. The Rules of Origin chapter of CETA sets the criteria exporters must meet to access lower tariffs. Deloitte described the outcome as a "notably flexible framework", citing self-certification, exemptions for low-value imports and targeted verification. As such, they evaluated the outcome as "India's best-ever agreement".[253] However, they cautioned that product-specific rules "will still require close review". SMMT cautioned that the UK–India FTA introduces

247 Most laws and regulations, are tabled, discussed, and passed by the Union (national) government, especially those that are nationally relevant, such as laws related to the environment, narcotics, and tax systems. State governments largely consider Union laws as the standard and include changes to fit local and regional considerations. But a state or group of states may have regulations containing NTMs that are inapplicable in other states or even nationally.

Sarmeen, R. and A. Sundaram (2022), 'Non-tariff Measures in India', in Ing, L.Y.,D.P. Rial and R. Anandhika (eds.), Non-tariff Measures: Australia, China, India, Japan, New Zealand and Republic of Korea. Jakarta: ERIA, pp. 59–70.

248 Q3

249 The Scotch Whisky Association also noted that individual states can set their own excise rates, pricing controls and other non-tariff measures, warning that these "threaten the true potential of the CETA". Scotch Whisky Association (UKT0029)

250 Q3

251 Q45

252 Q5

253 Deloitte, The UK-India FTA: what's in it for businesses?, August 2025

asymmetrical and complex procedures for claiming preferential treatment, with UK exports to India facing significantly greater administrative burdens.[254]

96. The Government's Impact Assessment similarly notes that rules are stricter than in previous UK agreements and has therefore assumed some exporters will not take advantage of lower tariffs in some, unspecified, sectors. Sophie Hale, Chief Economist at the Resolution Foundation, told the Lords International Agreements Committee that these stricter rules could result in "quite low utilisation rates" if UK exporters cannot meet them.[255] Recent Government data shows utilisation rates (the amount companies make use of rules of origin) vary widely across UK partner countries, from 92% with Turkey to 44% with Switzerland.[256][257]

Trade remedies

97. CETA includes a Trade Remedies chapter, which sets out procedures for investigations, transparency and the use of safeguard measures where UK firms face a surge in import competition. However, stakeholders questioned whether the UK's system is sufficiently responsive. Paul Alger, UKFT, told the Lords International Agreements Committee that "the general perception is that the UK is a low-intervention country and other countries that we compete with are more interventionist and quicker at market surveillance".[258] Ms Timmins told us that "some of our members may want to look at doing [bilateral safeguards] straight away when this comes into force", noting that the ceramics sector has struggled with the complexity of existing TRA processes: "Seventy-five per cent of our members are SMEs and the bilateral safeguard needs to be a lot simpler for companies."[259] The Government has recently issued a Strategic Steer to the Trade Remedies

254 It warned that the origin declaration and authentication requirements go beyond those in previous FTAs, and that unresolved implementation details risk preventing UK exporters from benefiting from the Agreement from day one. Society of Motor Manufacturers and Traders (SMMT) (UKT0027)

255 Lords International Agreements Committee, Resolution Foundation, Sophie Hale, Q1, 14 October 2025

256 Department for Business and Trade, Preference utilisation of UK goods in 2023, November 2025

257 Preference Utilisation Rates (PURs) measure the extent to which tariff preferences provided by a particular trade agreement are being used. The UK PUR methodology is as follows: a PUR is calculated by dividing the value of imports entering under preferences by the value of the imports eligible for preferences – this is then multiplied by 100 to obtain a percentage.

258 Lords International Agreements Committee, Paul Alger, Director of International Business, UK Fabrics and Textiles, Q18, Tuesday 21 October 2025

259 Q88

Authority (TRA), setting out expectations for a more accessible, assertive and agile trade remedies system, including through clearer routes for businesses to raise concerns and improved timeliness of investigations.[260]

98. **CONCLUSION**
Tariff liberalisation under the Agreement is commercially meaningful for key UK exports. However, long staging periods, complex rules of origin and administrative burdens risk limiting utilisation, particularly among SMEs. The Committee notes that some sectors, including textiles, ceramics and potentially dairy, may face increased competitive pressures as a result of the Agreement.

99. **RECOMMENDATION**
Concerns about remaining barriers to trade undermining UK exports to India despite the Agreement are well-founded. The Government should publish utilisation data for tariff preferences under the Agreement, consistent with its approach for other UK free trade agreements, and report regularly to Parliament on uptake. In doing so, it should explain where utilisation is lower than expected, including where this reflects the complexity or restrictiveness of rules of origin under this Agreement.

100. **RECOMMENDATION**
The Government should ensure that UK trade remedies and bilateral safeguard mechanisms are accessible, timely and proportionate for sectors facing increased import competition as a result of the Agreement. This should include clear guidance for businesses, particularly SMEs, on how to raise concerns and trigger investigations, active monitoring of import trends in sensitive sectors, such as textiles and ceramics, once the Agreement is in force, and work to ensure that UK producers are able to compete on a more level playing field.

CETA implementation

101. The Treaty establishes a Joint Committee responsible for supervising the implementation and operation of the Treaty. The CETA Joint Committee can consider any proposal to amend or modify the Treaty.[261] In particular, it is likely the Sub-Committee on Standards, Technical Regulations and Conformity Assessment will lead removal of non-tariff barriers. In addition,

260 Department for Business and Trade, Strategic steer to the Trade Remedies Authority (TRA), 11 December 2025

261 Department for Business and Trade, Draft Explanatory Memorandum on the Comprehensive Economic and Trade Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of India.

five sub-committees and a further ten working groups have also been established.[262] According to the Foreign Office, these Committees will be led by the High Commission and Consulate teams.[263]

102. However, we are concerned that, once the Agreement has entered into force, incentives for partners to address politically sensitive barriers may diminish. For example, the Institute of Chartered Accountants in England and Wales (ICAEW) warned that where commitments rely on non-binding language or lack clear timelines, there is a risk that long-standing regulatory barriers persist despite the existence of formal dialogue mechanisms.[264] Table 7 summarises the principal issues raised during the inquiry which the Joint Committee is likely to need to address.

103. **CONCLUSION**

The Committee notes that UK businesses face significant non-tariff barriers in the Indian market, including regulatory complexity, inconsistent implementation, limited transparency and state-level frictions, as well as specific barriers such as export health certification requirements and India's expanding use of Quality Control Orders. The Committee would like to see these barriers reduced and this will be most effectively done by using the new mechanisms established. This will require adequate staffing, resourcing and prioritisation by the Foreign, Commonwealth and Development Office and the Department for Business and Trade.

104. **RECOMMENDATION**

To address non-tariff barriers, the Government should open structured, sector-focused discussions with India to reduce the most trade-distorting barriers identified by industry, using the Sub-Committee on Standards, Technical Regulations and Conformity Assessment. The Government should clearly identify priority issues and set out a timetable for their resolution and protect the appropriate resourcing of Foreign Office and Department for Business and Trade staff for deal implementation.

262 Sub-committees focus on: 1. Goods 2. Services 3. Sustainability 4. Sanitary and Phytosanitary (SPS) 5. Standards, Technical Regulations and Conformity assessments. Working groups focus on: 1. Customs and Trade Facilitation 2. Rules of Origin 3. Temporary Movement of Natural Persons 4. Innovation 5. Trade and Gender 6. Procurement 7. Intellectual Property 8. Anti-Corruption 9. Professional Services.

263 Letter from the Minister for the Indo-Pacific to the Chair regarding geo-political implications of UK-India CETA, 19 November 2025

264 ICAEW (UKT0033)

Table 7: Implementation Barriers when trading with India

Implementation Barrier	Reported by	Concern
Market Access Concern - Whisky	Scotch Whisky Association	The SWA raised concern about the treatment of a key bulk-whisky tariff line (HS 22089099), which "is currently used for the majority of bulk Scotch Whisky exports for regulatory reasons" but "was not liberalised to the same extent as the Scotch-specific tariff codes, despite industry raising its importance".[265]
Market Access Concern - Automotive	SMMT	SMMT noted that automotive businesses and government departments typically dealing with manufacturing often lack experience in handling quotas. It suggested that DBT could allocate dedicated resources to monitor quota implementation and support affected businesses.[266]

265 Scotch Whisky Association (UKT0029)
266 Society of Motor Manufacturers and Traders (SMMT) (UKT0027)

Implementation Barrier	Reported by	Concern
Non-Tariff Barriers	NFU, SMMT, Dow, Scotch Whisky Association	Export health certificates "can be a real barrier… it could be just about impossible to get into the marketplace at the moment."[267] SMMT warned that "some manufacturers would not be able to export any vehicle to India unless regulatory barriers stemming from India's new fuel policy are addressed".[268] Dow told us that India's expanding system of Quality Control Orders "has created challenges to import chemical products necessary to India's downstream manufacturing".[269] The Scotch Whisky Association raised the particular concern that "India's federal system allows "individual states to impose autonomous excise duties, pricing controls and licensing requirements."[270]

267 Q44
268 Society of Motor Manufacturers and Traders (SMMT) (UKT0027)
269 Dow (UKT0041)
270 Scotch Whisky Association (UKT0029)

Implementation Barrier	Reported by	Concern
Customs Burdens	JLR, SMMT	The administrative burden of proving compliance could become prohibitive. It is "an unknown concern… is what the reporting burden is going to be to access the FTA… and how easy that will be for business to execute." We must avoid a process that "becomes a sort of cottage industry in its own right."[271] "The new UK-India FTA sets different options to claim preferential treatment for UK and Indian importers, with imports into India facing significantly more red tape and complexity than vice versa. UK exporters and producers issuing an origin declaration must adhere to a complex authentication process going well beyond traditional authorisation mechanisms set in previous FTAs. Many details of the process are yet to be agreed and must be in place well ahead of EIF if UK exporters are to benefit from the agreement from day one."[272]
Intellectual Property	AstraZeneca, ABPI	Encouraging the Indian Government to revisit regulatory data protection "would be an absolute key" early action for the Intellectual Property Working Group.[273]
Procurement Support	Deloitte	UK firms need "support of the Department for Business and Trade … to put your pitch forward and to see the opportunity. In terms of a foreign Government's procurement programme, these things can be quite opaque, so anything that can be done to help business understand the opportunity will make the difference here."[274]

271 Q10, Q11
272 Society of Motor Manufacturers and Traders (SMMT) (UKT0027)
273 Q45
274 Q62

Implementation Barrier	Reported by	Concern
Mutual recognition of professional qualifications	RIBA ICEAW Deloitte CityUK	Professional services organisations welcomed the dedicated forum established under the Agreement, with RIBA emphasising that the Professional Services Working Group would provide a structured channel to "review and monitor implementation."[275]

Export support

105. The Government will continue to build upon market access in India through three complementary routes:

- export support services in the UK to help firms understand and use the Agreement;
- in-market teams in India to resolve problems directly with regulators and enforcement bodies; and
- government-to-government negotiations to remove systemic barriers through the Agreements Joint Committee.

106. The scale of the implementation challenge will require staff capacity and expertise, both in India and in the UK. In the UK, the Department for Business and Trade has an India "FTA Utilisation team", who have been tasked with assisting businesses to take advantage of the agreement.[276] For example, they provide export support in the UK via business.gov.uk, including market guidance on India, and access to DBT officials in the Business Academy and international market teams.[277] Tom Bradshaw told us that FCDO trade staff in India on the ground had been instrumental in

275 Royal Institute of British Architects (UKT0045)
276 This team is implementing a comprehensive programme of upskilling to ensure that all business-facing staff and those involved in business support services possess the requisite expertise to assist businesses in accessing the full benefits of the FTA. This integrated approach—including policy formulation, promotional activity, direct business support, and workforce development—exemplifies DBT's commitment to efficiency and the prioritisation of growth-driven initiatives.
Letter from the Minister of State for Trade relating to the evidence session on 2 December on the UK-India Comprehensive Economic and Trade Agreement, 16 December 2025
277 https://www.business.gov.uk/export-from-uk/markets/india/

enabling access this year for over £100 million-worth of exports.[278] The DBT India network, led by His Majesty's Trade Commissioner Harjinder Kang, includes staff in key Indian cities who support UK businesses.[279]

107. However, the Department for Business and Trade is also reducing headcount. Reporting suggests that workforce will fall from approximately 8,000 to 6,500, a reduction of over 20%.[280] This includes reducing export promotion teams within DBT from reducing from approximately 1,600 to 1,000.[281] The Committee is concerned whether the Department will have sufficient capacity to support exporters once the CETA enters into force. In response, the Minister confirmed that while staff numbers in India have been protected, for in-UK export promotion teams, the "Government are going to have to do more with less and with fewer people over the next few years".[282] The Committee wrote to the Department requesting details of the personnel dedicated to India-related market-access and implementation work.[283] However, the Department did not provide the exact FTE as requested.

108. In addition to concerns about DBT staffing, we also heard about the importance of capability within UK regulators. John Cooke cautioned that "if a regulatory authority in the UK was not staffed adequately enough or could not afford to get to India for the dialogues, that would be an implementation opportunity forfeited."[284] SMMT told us that expertise gaps, particularly around administering quotas, risk undermining delivery, recommending that DBT allocate dedicated resource to monitor quota implementation and support affected automotive firms.[285] They also recommended a "targeted, adequately funded and ambitious trade promotion campaign is crucial to support smaller automotive businesses planning to find new leads in India and raise awareness at home of potential forthcoming opportunities".[286]

278 Q45
279 Letter from the Minister of State for Trade relating to the evidence session on 2 December on the UK-India Comprehensive Economic and Trade Agreement, 16 December 2025
280 Politico, " UK government's trade department bracing for 20 percent workforce cut", August 2025
281 Q95, Q124
282 Q96
283 Letter to the Minister of State for Trade relating to further information following evidence session on trade with India, 8 December 2025
284 Q52
285 Society of Motor Manufacturers and Traders (SMMT) (UKT0027)
286 Society of Motor Manufacturers and Traders (SMMT) (UKT0027)

109. **CONCLUSION**

Implementation of CETA is critical to success of the deal and real benefits for UK businesses and growth in the UK economy. Tariff reductions and legal commitments alone will not translate into increased exports or investment unless they are supported by effective delivery. The Committee sees CETA as a starting point for further barrier reductions. The Agreement should be treated as a floor, not a ceiling. There needs to be sustained political attention, sufficient resourcing, clear accountability within Government, and active regulatory engagement with India to continue to reduce barriers to trade. The Committee will monitor the Government's implementation of the Agreement on an ongoing basis.

110. **RECOMMENDATION**

The Government should assign clear Ministerial responsibility for FTA implementation, which should be identified in the portfolio of the Minister for Trade and listed as one of their ministerial responsibilities. The Minister must ensure that implementation of FTAs, including CETA, is supported by appropriate resources and explore the benefits of a trade promotion campaign.

111. **RECOMMENDATION**

The Government should publish a detailed CETA implementation plan, no later than three months before entry into force, including routes for businesses to raise market access problems; points of contact in the UK and in India; sector-specific guidance (including for SMEs); and how the Joint Committee and sub-committee system, set out in the Agreement, will be used to resolve barriers. This implementation plan should include clear resourcing commitments and a plan for joint work with the nation's chambers of commerce. The budget for this resourcing should be provided to this Committee.

13 Parliamentary scrutiny

112. Before the Agreement is formally laid under the Constitutional Reform and Governance Act 2010 (CRaG), the Government has committed to providing a non-statutory 20 sitting-day period for Select Committee scrutiny. This is an increase from the previous ten days, introduced in the 2025 Trade Strategy.[287] The Committee welcomes this extension. Once this period has concluded, the Agreement must be laid before Parliament for 21-sitting days under CRaG, before it can be ratified and take legal effect.[288] In principle, the House of Commons may delay ratification indefinitely. In practice, however, this power depends entirely on the Government scheduling a debate on a substantive motion. As the Government controls parliamentary time, it is under no obligation to do so, meaning Parliament's legal authority under CRaG remains narrowly drawn.

113. The Minister for Trade Policy, in oral evidence to the Committee, confirmed that time will be made available for a debate on the CETA during the CRaG period on the floor of the House of Commons. The Committee welcomes this commitment.[289] We wrote to the Minister seeking clarification of the proposed scheduling and format of that debate.[290] In a letter to the Committee dated 19 December 2025, the Minister for Trade confirmed that, subject to parliamentary time, the Government is seeking to schedule a debate on the UK–India Comprehensive Economic and Trade Agreement during the statutory scrutiny period under the Constitutional Reform and Governance Act 2010, expected to commence on 19 January.[291] The Minister further confirmed that any such debate would follow established procedures for previous FTAs, taking the form of a "take note" general debate rather than a debate on a substantive motion. The Minister stated that this approach reflects the Government's non-statutory commitments to the Committee. Assuming the House of Commons does not block ratification of the Treaty, the Department for Business and Trade informed us that it is "preparing to make the necessary domestic legislative changes to ratify the agreement." This will require the laying of five statutory instruments covering business mobility, tariffs, procurement, copyright, and the

287 Department for Business and Trade, The UK's Trade Strategy, p92
288 Constitutional Reform and Governance Act 2010, section 20
289 Q98
290 Letter to the Minister of State for Trade relating to confirmation of a debate on the UK–India Comprehensive Economic and Trade Agreement, 9 December 2025
291 Letter from Minister of State for Trade relating to a parliamentary debate on the UK-India Comprehensive Economic and Trade Agreement, 19 December 2025

national treatment of Indian conformity assessment bodies (NTCAB). The Department stated that it "seeks to lay these alongside, or shortly after, CRaG scrutiny."[292]

114. In our evidence session the Chair of the Committee pushed the Minister to seek a debate on a substantive motion.[293] Approaching a debate in this way would enable Members to discuss and propose amendments to a motion with "the purpose of eliciting a decision of the House".[294] General debates, however, use "a standard motion 'That this House has considered [the matter of] …' to hold general debates on particular subjects without the House coming to a definitive conclusion."[295]

115. **RECOMMENDATION**

The Committee welcomes the Government's commitment to make time available in the House of Commons for a debate on the Agreement during the CRaG period. However, we are disappointed that the Government intends to seek only a general debate. Given the limitations of CRaG scrutiny in practice, the Committee recommends that the Government should instead seek to schedule a debate on a substantive motion, in order to enable meaningful parliamentary scrutiny ahead of ratification.

116. Parliamentary scrutiny of treaties has long been the subject of concern for select committees.[296] On 3 December 2025, the Government set out its response to the latest report from the IAC on treaty scrutiny.[297] While it expressed a willingness to improve working practices, including providing earlier sight of the treaty pipeline, updating Explanatory Memoranda

292 Letter from the Minister of State for Trade relating to the Ratification Plan for the UK-India Free Trade Agreement, 14 October 2025

293 Q156

294 Paragraph 20.2, Erskine May Parliamentary Practice, Twenty-fifth Edition

295 Paragraph 18.32, Erskine May Parliamentary Practice, Twenty-fifth Edition

296 See, for example, House of Lords Constitution Committee, Parliamentary Scrutiny of Treaties (20th Report of Session 2017–19), HL Paper 345 (2019), which described Parliament's treaty scrutiny powers as "anachronistic and inadequate"; House of Lords International Agreements Committee, Treaty scrutiny: working practices (HL Paper 97, 2020), Working practices: one year on (HL Paper 75, 2021), and Treaty Scrutiny in Westminster: Addressing the Accountability Gap, (HL Paper 168, 2025), all of which concluded that scrutiny under the Constitutional Reform and Governance Act 2010 was insufficient to ensure robust and effective scrutiny; and House of Commons Liaison Committee, The effectiveness and influence of the Select Committee system (HC Paper 1860, 2019); House of Commons International Trade Committee, UK trade negotiations: Parliamentary scrutiny of free trade agreements, (HC Paper 815, 2022), and House of Commons Public Administration and Constitutional Affairs Committee, Parliamentary scrutiny of international agreements in the 21st century (HC Paper 204, 2024), which described the current arrangements as "constitutionally inappropriate.

297 International Agreements Committee, Government Response: Treaty Scrutiny in Westminster: Addressing the Accountability Gap

guidance, strengthening departmental guidance on parliamentary engagement, and ensuring committees are better alerted to relevant treaty actions, the Government was explicit that it "does not believe…that there is a strong case for more fundamental reform."[298] It rejected recommendations to introduce statutory changes to the length of the scrutiny period and to Parliament's role in approving significant treaties, stating that CRaG "continues to strike a good balance" between Government flexibility and parliamentary oversight. The Government reiterated that the existing statutory period is "sufficient and comparable to that in other jurisdictions".[299]

117. Stakeholders presenting evidence to this inquiry were less convinced. The Trade Justice Movement told us that five separate parliamentary committees have raised concerns about the adequacy of CRaG, describing Parliament's role, rooted in conventions "more than 100 years old", as "democratically outrageous."[300] Other witnesses echoed these concerns, arguing that the scale and complexity of modern FTAs demand stronger and more transparent mechanisms for parliamentary engagement and approval, with several calling for Parliament to be guaranteed a statutory vote on trade agreements.[301]

118. **RECOMMENDATION**

The Government should commit to making time available in the House of Commons to debate all FTAs it agrees with other countries.

298 International Agreements Committee, Government Response: Treaty Scrutiny in Westminster: Addressing the Accountability Gap

299 International Agreements Committee, Government Response: Treaty Scrutiny in Westminster: Addressing the Accountability Gap

300 Q88

301 Global Justice Now (UKT0014), Dr Nicolette Butler and Dr Jasem Tarawneh (UKT0018), Centre for Inclusive Trade Policy (CITP) and the UK Trade Policy Observatory (UKTPO) (UKT0036)

Annex 1: Modelled Sectoral Impacts of the UK–India CETA

1. This Annex sets out the Government's estimates of the sectoral impacts of the UK–India Comprehensive Economic and Trade Agreement (CETA), as presented in the Department for Business and Trade's Impact Assessment. The estimates are derived from Computable General Equilibrium (CGE) modelling using the GTAP 23 sectoral classification and are intended to illustrate the direction and relative scale of potential changes rather than to provide precise forecasts.[302]

2. Table A1 sets out the estimated sectoral impacts on UK gross value added (GVA), including changes in each sector's share of total UK GVA, percentage changes in sectoral GVA, and cash-equivalent effects. Table A2 presents estimated changes in UK–India trade by sector, showing the projected percentage and cash-equivalent changes in UK exports to India and UK imports from India, relative to a baseline. The results indicate where the model suggests the largest proportional and absolute changes in bilateral trade flows, and GDP, may occur following implementation of the Agreement.[303]

302 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.6 for more information on IA modelling.

303 Department for Business and Trade, Impact Assessment of the Free Trade Agreement between the United Kingdom and India, p.32 and p.33

Table A1: Estimated sectoral change in UK GVA in percentage and £ equivalents, according to CGE modelling

Broad sector category	GTAP 23 sector	Change in UK sector's share of GVA, percentage points	Change in UK GVA, %	Change in UK GVA, £m 2024
Agri-food	Agriculture, forestry, and fishing	0.0000	-0.02%	-5
	Beverages and tobacco products	0.0001	1.48%	165
	Semi-processed foods	0.0000	-0.07%	-9
	Other processed foods	0.0000	0.02%	4
Industry	Chemical, rubber, plastic products	0.0000	0.29%	146
	Energy	0.0000	0.11%	57
	Manufacture of electronic equipment	0.0000	-0.07%	-24
	Manufacture of machinery and equipment n..e.c	0.0002	1.65%	527
	Manufacture of motor vehicles	0.0000	0.47%	80
	Manufacture of other transport equipment	0.0000	-0.40%	-85
	Manufacturing n.e.c	0.0000	-0.10%	-33
	Minerals, ferrous metals and wood products	0.0000	0.24%	93
	Paper and printing products	0.0000	0.46%	56
	Textiles, apparel and leather	-0.0001	-0.68%	-114

Broad sector category	GTAP 23 sector	Change in UK sector's share of GVA, percentage points	Change in UK GVA, %	Change in UK GVA, £m 2024
Service	Business services	-0.0001	0.02%	108
	Communications	-0.0001	-0.01%	-17
	Construction	0.0000	0.15%	255
	Financial services	0.0000	0.02%	26
	Insurance	0.0000	0.12%	57
	Other services (transport, water, dwellings)	0.0001	0.16%	551
	Personal services	0.0000	0.13%	105
	Public services	-0.0001	0.06%	285
	Wholesale and retail trade	0.0000	0.12%	405

Source: DBT CGE Modelling. n.e.c means not elsewhere classified. It is used to denote entities that do not fit into existing classification categories. Note: For sectoral impacts, equivalent pound values are based on year 2024.

Table A2: Estimated sectoral change in UK trade in percentage and £ equivalents, according to CGE modelling

Broad sector category	GTAP 23 sector	Change in UK exports to India, %	Change in UK exports to India, £m 2024	Change in UK imports from India, £m 2024	Change in UK imports from India, £m 2024
Agri-food	Agriculture, forestry, and fishing	16.0%	1	18.0%	84
	Beverages and tobacco products	180.8%	696	10.0%	1
	Semi-processed foods	11.8%	1	10.1%	30
	Other processed foods	100.5%	42	30.8%	166

Broad sector category	GTAP 23 sector	Change in UK exports to India, %	Change in UK exports to India, £m 2024	Change in UK imports from India, £m 2024	Change in UK imports from India, £m 2024
Industry	Chemical, rubber, plastic products	104.5%	1263	24.4%	541
	Energy	0.2%	0	0.0%	0
	Manufacture of electronic equipment	68.4%	738	18.1%	51
	Manufacture of machinery and equipment n..e.c	163.1%	3124	45.0%	560
	Manufacture of motor vehicles	311.4%	894	65.1%	302
	Manufacture of other transport equipment	18.8%	200	15.5%	115
	Manufacturing n.e.c	89.6%	251	40.7%	418
	Minerals, ferrous metals and wood products	25.5%	865	30.2%	427
	Paper and printing products	84.1%	302	33.8%	84
	Textiles, apparel and leather	143.8%	162	85.9%	2854

Broad sector category	GTAP 23 sector	Change in UK exports to India, %	Change in UK exports to India, £m 2024	Change in UK imports from India, £m 2024	Change in UK imports from India, £m 2024
Service	Business services	26.9%	474	4.2%	229
	Communications	22.8%	140	18.4%	443
	Construction	28.4%	26	-0.3%	0
	Financial services	22.9%	233	0.1%	0
	Insurance	34.6%	149	0.1%	0
	Other services (transport, water, dwellings)	12.1%	65	16.8%	41
	Personal services	29.0%	70	12.5%	5
	Public services	8.2%	94	7.9%	22
	Wholesale and retail trade	38.4%	395	-0.4%	-9

Source: DBT CGE Modelling. n.e.c means not elsewhere classified. It is used to denote entities that do not fit into existing classification categories. Note: For sectoral impacts, equivalent pound values are based on year 2024.

Annex 2: Estimated Duty Savings by Sector

3. The Department for Business and Trade provided estimates of the duties saved by both UK exporters and Indian exporters as a result of the Agreement.[304] Duties on UK goods exports to India are expected to reduce by £398 million in Year 1, rising to £889 million by Year 10 as India's tariff liberalisation commitments are fully implemented. The largest estimated tariff reductions on UK exports to India are concentrated in prepared food and drink, precious metals and jewellery, machinery and electrical equipment, chemicals, and vehicles, which together account for the majority of the total reduction in duties by Year 10.

4. Duties on Indian goods exports to the UK are estimated to reduce by £221 million. The largest estimated tariff reductions on Indian exports to the UK are concentrated in textiles and textile articles, alongside smaller reductions across footwear, prepared foodstuffs, and other manufactured goods. These reductions reflect the removal of UK tariffs in sectors where Indian exports to the UK are already well-established.

5. The estimates assume full utilisation of tariff preferences on 2022 trade flows. They therefore illustrate the maximum potential reduction in duties if existing trade patterns were to persist and all eligible trade made use of preferential tariffs. In practice, realised benefits will depend on firms' awareness of, and ability to use, the agreement. Finally, the estimates do not capture wider dynamic effects, such as changes in trade volumes, investment decisions, supply chain reconfiguration, or non-tariff barriers. The figures should therefore be read as a snapshot of static tariff impacts, to be considered alongside the broader analysis in the main body of the Report.

304 Letter from the Minister of State for Trade relating to the evidence session on 2 December on the UK-India Comprehensive Economic and Trade Agreement, 16 December 2025

Table A3: Estimated reduction in duties paid on India's goods imports from the UK and UK goods imports from India, by HS section (£ million)

HS Section	Description (abridged)	UK imports from India	India's imports from UK (Year 1)	India's imports from UK (Year 10)
I	Live animals; animal products	3	0	1
II	Vegetable products	7	0	0
III	Animal/vegetable fats and oils	0	0	0
IV	Prepared foodstuffs; beverages; tobacco	12	213	317
V	Mineral products	0	2	2
VI	Chemicals and allied industries	12	24	71
VII	Plastics; rubber and articles thereof	4	7	17
VIII	Leather goods; travel goods	2	1	1
IX	Wood and articles of wood	0	2	2
X	Pulp, paper and paperboard	0	9	26
XI	Textiles and textile articles	144	7	7
XII	Footwear; headgear; umbrellas	13	1	1
XIII	Stone, cement, ceramics and glass	1	2	3
XIV	Precious stones, metals and jewellery	7	22	216
XV	Base metals and articles thereof	6	21	36
XVI	Machinery and electrical equipment	4	34	106
XVII	Vehicles and transport equipment	5	41	54
XVIII	Optical, medical and precision instruments	0	7	21

HS Section	Description (abridged)	UK imports from India	India's imports from UK (Year 1)	India's imports from UK (Year 10)
XIX	Arms and ammunition	0	0	0
XX	Miscellaneous manufactured articles	1	2	5
XXI	Works of art and antiques	0	2	2
Total		**221**	**398**	**889**

Annex 3: Estimated Automotive Duty Savings

6. The Department for Business and Trade provided estimates of the duties saved by both UK and Indian automotive exporters, based on full utilisation of the tariff-rate quotas (TRQs) agreed for the sector under the UK–India Comprehensive Economic and Trade Agreement (CETA).[305]

7. For India, there is no TRQ in place for UK imports of Indian-made internal combustion engine (ICE) vehicles. The UK agreed to immediately reduce its tariffs to 0% for all ICE vehicle imports from India upon entry into force of the Agreement. By contrast, UK imports of Indian-made electric vehicles are subject to a TRQ, split by vehicle price. Under this arrangement, UK tariffs reduce to 0% from Year 6, with the total quota volume increasing steadily over a nine-year staging period. Assuming the quota is fully utilised, Indian exporters are estimated to save up to £364 million in tariffs on electric vehicle exports to the UK (Table A4).

8. For the UK, both ICE vehicles and electric vehicles exported to India are subject to TRQs, with ICE vehicles differentiated by engine size and electric vehicles by vehicle price. Assuming full utilisation of these quotas, UK exporters are estimated to save up to £1.68 billion in duties on electric vehicle exports to India (Table A5), and a further £669 million on ICE vehicle exports once the quotas are fully phased in (Table A6).

305 Letter from the Minister of State for Trade relating to the evidence session on 2 December on the UK-India Comprehensive Economic and Trade Agreement, 16 December 2025

Table A4: Estimated reduction in duties paid on Indian exports to the UK under the electric/hybrid/hydrogen quota if filled, £ millions

Estimated by multiplying the quota volume by the upper price in the bracket

Year	Under £20,000 CIF	£20,000 CIF to £40,000 CIF (inclu-sive)	Above £40,000 CIF and up to and in-cluding £80,000 CIF	Above £80,000 CIF	Total Quota
6	14	27	32	-	73
7	20	41	48	-	109
8	27	54	64	-	146
9	34	68	80	-	182
10	41	82	96	-	218
11	48	95	112	-	255
12	53	105	124	-	282
13	58	116	136	-	309
14	63	126	148	-	337
15 and following years	68	136	160	-	364

Table A5: Estimated reduction in duties paid on UK car exports to India under the electric/hybrid/hydrogen quota if filled, £ millions

Estimated by multiplying the quota volume by the lower price in the bracket

Year	Below £40,000 CIF	£40,000 CIF to £80,000 CIF (inclusive)	Above £80,000 CIF	Total Quota
6	-	10	224	234
7	-	17	384	401
8	-	26	576	602
9	-	36	760	796
10	-	48	960	1,008
11	-	56	1,120	1,176
12	-	62	1,240	1,302
13	-	68	1,360	1,428
14	-	74	1,480	1,554

Year	Below £40,000 CIF	£40,000 CIF to £80,000 CIF (inclusive)	Above £80,000 CIF	Total Quota
15 and later years	-	80	1,600	1,680

Table A6: Estimated reduction in duties paid on UK car exports to India under the ICE quota if filled, £ millions

Estimated by multiplying the quota volume by the average unit value across tariff lines included in the ICE quota, on India's imports from the UK in 2022

Year	more than 3000 cc petrol and more than 2500 cc diesel	from 1500 cc (petrol) to (and incl.) 2500 cc (diesel) / 3000 cc (petrol)	Up to (and incl.) 1500 cc	Total Quota
1	457	46	46	549
2	607	89	89	786
3	798	144	144	1,086
4	1005	210	210	1,426
5	1086	288	288	1,663
6	932	261	261	1,454
7	869	243	243	1,356
8	806	226	226	1,258
9	743	208	208	1,160
10	680	191	191	1,061
11	617	173	173	963
12	570	160	160	890
13	523	146	146	816
14	476	133	133	743
15 and on-wards	429	120	120	669

Annex 4: Global Business Mobility Visas

9. In CETA, the Government has made commitments on several business categories to facilitate the entry and temporary stay of natural persons of India, including:

- intra-corporate transferees – implemented via the Senior or Specialist Worker route;
- contractual service suppliers – implemented via the Service Supplier route;
- independent professionals – implemented via the Service Supplier route; and
- investors – implemented via the UK Expansion Worker route.

10. In response to inquiries from the Committee, the Government provided data on the number of individuals entering the UK under short-term business mobility routes within the Global Business Mobility (GBM) visa system, disaggregated by route, nationality and sector.[306] Table A7 sets out the number of main applicants granted entry clearance under each GBM route. While the UK did not take trade commitments on the Secondment Worker route, the Department provided data on this route for completeness in reporting GBM visa usage.[307]

Table A7: Grants of entry clearance visas to main applicants for Global Business Mobility, by route:

GBM Route	Year ending June 2024	Year ending June 2025	% difference
Senior or Specialist Worker	14,231	13,348	-6%
Graduate Trainee	475	493	4%

306 Letter from the Ministers for Trade and for Migration and Citizenship relating to migration impacts of the UK-India Comprehensive Economic and Trade Agreement, 17 November 2025

307 Letter from the Ministers for Trade and for Migration and Citizenship relating to migration impacts of the UK-India Comprehensive Economic and Trade Agreement, 17 November 2025

GBM Route	Year ending June 2024	Year ending June 2025	% difference
UK Expansion Worker	263	185	-30%
Service Supplier	92	139	51%
Secondment Worker	10	23	130%
Total	15,071	14,188	-6%

11. Table A8 presents the top ten nationalities of main applicants granted GBM visas in the year ending June 2025, while Table A9 sets out the industries in which GBM visa holders were primarily employed.

Table A8: Top 10 Nationalities of GBM route visas granted to main applicants in the year ending June 2025

Nationality	Year ending June 2024	Year ending June 2025	% Difference
India	6,573	5,863	-11%
Japan	1,155	1,136	-2%
Germany	928	850	-8%
United States	882	847	-4%
China	585	552	-6%
France	468	471	1%
Spain	489	424	-13%
Netherlands	408	348	-15%
Italy	328	341	4%
South Korea	252	282	12%
Other nationalities	3,003	3,074	2%
Total	15,071	14,188	-6%

Table A9: Top 10 Industries of GBM visas granted to main applicants in the year ending June 2025

Industry	Year ending June 2024	Year ending June 2025	% Difference
Information and Communications	5,695	5,272	-7%
Professional, Scientific and Technical Activities	2,942	2,640	-10%
Financial and Insurance Activities	2,111	2,040	-3%
Manufacturing	1,698	1,615	-5%

Industry	Year ending June 2024	Year ending June 2025	% Difference
Construction	702	748	7%
Electricity, gas, steam and air conditioning supply	337	378	12%
Wholesale and retail trade; repair of motor vehicles and motorcycles	315	288	-9%
Transportation and Storage	260	261	0%
Other Service Activities	255	257	1%
Mining and Quarrying	296	207	-30%
Other Industries	400	443	-11%

12. The Committee requested further clarification of the Government's assertion that UK employment will not be affected by the mobility provisions in the UK–India CETA. Specifically, it sought the analysis underpinning this assessment, including projections of visa usage by mobility category and a comparison of the costs of employing an Indian national via the intra-corporate transferee route with those of recruiting a UK worker.[308] This analysis had not been provided at the time of writing but will be published as soon as it is received by the Committee.[309]

308 Letter to the Minister of State for Trade relating to further information following evidence session on trade with India, 8 December 2025.

309 Letter to the Minister of State for Trade relating to further information following evidence session on trade with India, 8 December 2025.

Conclusions and recommendations

1. India’s scale, growth trajectory and strategic importance mean that the UK–India CETA offers the UK a meaningful opportunity to deepen its economic and diplomatic presence in one of the world’s most important emerging markets. The Agreement secures a first-mover advantage for the UK ahead of other major economies, reinforces shared commitments to a rules-based trading system, and strengthens the UK’s strategic position in the Indo-Pacific. (Conclusion, Paragraph 49)

2. The most immediate benefits are concentrated in goods sectors facing historically high Indian tariffs, particularly spirits and automotives, where the Agreement delivers commercially significant and predictable market access for the first time. The Agreement also delivers new market access in government procurement, with India opening its central government procurement market for the first time. At the same time, the Agreement preserves the UK’s existing sanitary and phytosanitary protections, does not compromise a closer SPS deal with the EU and ensures that market access gains are not achieved at the expense of domestic standards. (Conclusion, Paragraph 50)

3. There remain important issues that will require resolution and ongoing monitoring if the full benefits of the Agreement are to be realised. The Committee heard that the key bulk whisky tariff line has not been liberalised to the same extent as the Scotch-specific tariff codes. The automotive sector will also require support to make effective use of tariff rate quotas, and consideration should be given to the introduction of core food production standards. (Conclusion, Paragraph 51)

4. The Government must ensure that the remaining issues which risk undermining the Agreement’s benefits for key sectors are addressed. Ratification should not be treated as the conclusion of the process. Ministers must be held accountable for ensuring that businesses are able to use the Agreement effectively to drive growth and contribute to the Government’s wider growth mission. The Government should keep the details of the terms under review to make the most of opportunities of mutual benefit. The Government must regularly report to Parliament on rates of business utilisation of the Agreement, particularly in priority sectors, including providing evidence of increased exports and progress in resolving key barriers. (Recommendation, Paragraph 52)

Constraints on services access

5. While the Agreement provides greater certainty and stability for UK services providers, it delivers limited new market access into India. The practical value of the services provisions will therefore depend largely on effective implementation, particularly progress on mutual recognition of professional qualifications. Notwithstanding the Agreement's commitments and the establishment of frameworks to support further UK–India mutual recognition of professional qualifications dialogue, the Committee is sceptical about the likelihood of how much will be delivered in practice. (Conclusion, Paragraph 58)

6. The Government should identify sectors where mutual recognition of professional qualifications would benefit both parties and use the Professional Services Working Group to seek progress within twelve months of the Agreement taking effect. It should set out how it intends to progress priority arrangements within the timetable established by the Agreement. (Recommendation, Paragraph 59)

Intellectual property protection

7. The Committee concludes that the Agreement does not introduce significant changes to India's intellectual property regime that are likely to support growth in UK pharmaceutical exports. At the same time, the Committee recognises India's role as a major producer of generic medicines and the importance of retaining some flexibility within its IP framework. The Committee welcomes the establishment of the Working Group on Intellectual Property established under the Agreement. (Conclusion, Paragraph 64)

8. The Government should use the Working Group on Intellectual Property to pursue further progress with India in areas of mutual benefit and UK strategic importance, including in sectors identified in the Industrial Strategy. This should include continued dialogue on issues raised by industry, such as regulatory data protection, patentability and enforcement, while recognising the constraints on legislative change. (Recommendation, Paragraph 65)

Business mobility

9. The Agreement locks in and modestly extends existing arrangements for mobility. The Government maintains that the provisions are limited in scope and will not have a material impact on the UK labour market. (Conclusion, Paragraph 70)

10. The Government should closely monitor labour market impacts arising from the Agreement and report back to Parliament on its assessment. (Recommendation, Paragraph 71)

Sustainability and labour standards

11. The Committee concludes that the Agreement establishes useful environmental, social and governance (ESG) frameworks. However, while the inclusion of standalone chapters on anti-corruption, labour rights, environment, gender equality and development represent a step forward in India's trade agreements, their impact is significantly constrained by the absence of enforceable dispute settlement mechanisms. (Conclusion, Paragraph 79)

12. The Government should ensure that its ongoing Responsible Business Conduct Review results in clear and enforceable expectations on UK businesses, including respect for human rights and labour rights within their supply chains. The Government should report to Parliament on the outcome of the Review. (Recommendation, Paragraph 80)

UK-Indian investment

13. The absence of a concluded bilateral investment treaty means that greater certainty for investors remains an ambition rather than a secured outcome. Ministers should set to the work of creating an ambitious compelling vision for the potential of a BIT to help re-energise these talks. (Conclusion, Paragraph 84)

Implementation challenges

14. The Committee notes evidence that uncertainty during the ratification period risks delaying commercial decisions, particularly in sectors where tariff reductions under the Agreement are commercially significant. Given the absence of provisional application, timely ratification and clear communication on implementation timelines will be critical to minimising disruption for UK businesses. (Conclusion, Paragraph 87)

15. Tariff liberalisation under the Agreement is commercially meaningful for key UK exports. However, long staging periods, complex rules of origin and administrative burdens risk limiting utilisation, particularly among SMEs. The Committee notes that some sectors, including textiles, ceramics and potentially dairy, may face increased competitive pressures as a result of the Agreement. (Conclusion, Paragraph 98)

16. Concerns about remaining barriers to trade undermining UK exports to India despite the Agreement are well-founded. The Government should publish utilisation data for tariff preferences under the Agreement, consistent with its approach for other UK free trade agreements, and report regularly to Parliament on uptake. In doing so, it should explain where utilisation is lower than expected, including where this reflects the complexity or restrictiveness of rules of origin under this Agreement. (Recommendation, Paragraph 99)

17. The Government should ensure that UK trade remedies and bilateral safeguard mechanisms are accessible, timely and proportionate for sectors facing increased import competition as a result of the Agreement. This should include clear guidance for businesses, particularly SMEs, on how to raise concerns and trigger investigations, active monitoring of import trends in sensitive sectors, such as textiles and ceramics, once the Agreement is in force, and work to ensure that UK producers are able to compete on a more level playing field. (Recommendation, Paragraph 100)

18. The Committee notes that UK businesses face significant non-tariff barriers in the Indian market, including regulatory complexity, inconsistent implementation, limited transparency and state-level frictions, as well as specific barriers such as export health certification requirements and India's expanding use of Quality Control Orders. The Committee would like to see these barriers reduced and this will be most effectively done by using the new mechanisms established. This will require adequate staffing, resourcing and prioritisation by the Foreign, Commonwealth and Development Office and the Department for Business and Trade. (Conclusion, Paragraph 103)

19. To address non-tariff barriers, the Government should open structured, sector-focused discussions with India to reduce the most trade-distorting barriers identified by industry, using the Sub-Committee on Standards, Technical Regulations and Conformity Assessment. The Government should clearly identify priority issues and set out a timetable for their resolution and protect the appropriate resourcing of Foreign Office and Department for Business and Trade staff for deal implementation. (Recommendation, Paragraph 104)

20. Implementation of CETA is critical to success of the deal and real benefits for UK businesses and growth in the UK economy. Tariff reductions and legal commitments alone will not translate into increased exports or investment

unless they are supported by effective delivery. The Committee sees CETA as a starting point for further barrier reductions. The Agreement should be treated as a floor, not a ceiling. There needs to be sustained political attention, sufficient resourcing, clear accountability within Government, and active regulatory engagement with India to continue to reduce barriers to trade. The Committee will monitor the Government's implementation of the Agreement on an ongoing basis. (Conclusion, Paragraph 109)

21. The Government should assign clear Ministerial responsibility for FTA implementation, which should be identified in the portfolio of the Minister for Trade and listed as one of their ministerial responsibilities. The Minister must ensure that implementation of FTAs, including CETA, is supported by appropriate resources and explore the benefits of a trade promotion campaign. (Recommendation, Paragraph 110)

22. The Government should publish a detailed CETA implementation plan, no later than three months before entry into force, including routes for businesses to raise market access problems; points of contact in the UK and in India; sector-specific guidance (including for SMEs); and how the Joint Committee and sub-committee system, set out in the Agreement, will be used to resolve barriers. This implementation plan should include clear resourcing commitments and a plan for joint work with the nation's chambers of commerce. The budget for this resourcing should be provided to this Committee. (Recommendation, Paragraph 111)

Parliamentary scrutiny

23. The Committee welcomes the Government's commitment to make time available in the House of Commons for a debate on the Agreement during the CRaG period. However, we are disappointed that the Government intends to seek only a general debate. Given the limitations of CRaG scrutiny in practice, the Committee recommends that the Government should instead seek to schedule a debate on a substantive motion, in order to enable meaningful parliamentary scrutiny ahead of ratification. (Recommendation, Paragraph 115)

24. The Government should commit to making time available in the House of Commons to debate all FTAs it agrees with other countries. (Recommendation, Paragraph 118)

Formal minutes

Tuesday 6 January 2026

Members present

Liam Byrne, in the Chair

Dan Aldridge

John Cooper

Justin Madders

Charlie Maynard

UK-India Comprehensive Economic and Trade Agreement

Draft Report *(The UK-India Comprehensive Economic and Trade Agreement (CETA))*, proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 118 read and agreed to.

Summary agreed to.

Annexes agreed to.

Resolved, That the Report be the Twelfth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order 134.

Adjournment

Adjourned till Tuesday 13 January at 2.00pm

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the inquiry publications page of the Committee's website.

Tuesday 2 December 2025

Murray Paul, Public Affairs Director, Jaguar Land Rover (JLR); **Tom Bradshaw**, President, National Farmers Union (NFU); **Mr Jonathan Brenton**, Director of Public Affairs, Pernod Ricard; **Mr Mike Archer**, Senior Director, UK Corporate Affairs, AstraZeneca UK Q1–46

Mr John Cooke, Co-Chair of the Liberalisation of Trade in Services Expert Advisory Group, TheCityUK; **Amanda Tickel**, Partner and Head of Tax and Trade, Deloitte UK; **Dr Claus Zimmermann**, Head of International Trade, Ashurst LLP; **Pankaj S Kulkarni**, Head of Banking, Financial Services and Insurance, Europe, Tech Mahindra Q47–69

Rachel Timmins, Policy Manager, Ceramics UK; **Tom Wills**, Director, Trade Justice Movement Q70–88

Chris Bryant MP, Minister of State for Trade, Department for Business and Trade; **Kate Thornley**, Chief Negotiator, UK-India Free Trade Agreement, Department for Business and Trade Q89–156

Published written evidence

The following written evidence was received and can be viewed on the inquiry publications page of the Committee's website.

UKT numbers are generated by the evidence processing system and so may not be complete.

1	ABTA - The Travel Association	UKT0024
2	Agriculture and Horticulture Development Board (AHDB)	UKT0035
3	Animal Policy International	UKT0050
4	Aulla, Mr Raja Gopal	UKT0009
5	BPI (British Recorded Music Industry)	UKT0021
6	Best for Britain	UKT0013
7	British Beer and Pub Association	UKT0005
8	British Private Equity and Venture Capital Association (BVCA)	UKT0059
9	British Sugar plc	UKT0016
10	BritishAmerican Business	UKT0010
11	Butler, Dr Nicolette; and Dr Jasem Tarawneh	UKT0018
12	Centre for Inclusive Trade Policy (CITP); and UK Trade Policy Observatory (UKTPO)	UKT0047
13	Ceramics UK	UKT0030
14	Chester Zoo	UKT0008
15	Chivas Brothers Pernod Ricard	UKT0011
16	Compassion in World Farming	UKT0007
17	Confederation of British Industry (CBI)	UKT0012
18	CropLife UK	UKT0031
19	Deloitte LLP	UKT0046
20	Department for Business and Trade	UKT0061
21	Dow	UKT0041
22	FOUR PAWS UK	UKT0003
23	Federation of Small Businesses	UKT0058

24	Garcia, Dr Maria (Senior Lecturer, University of Bath)	UKT0020
25	Getlink Group	UKT0055
26	Global Justice Now	UKT0014
27	ICAEW	UKT0033
28	India Labour Solidarity	UKT0052
29	Institute of Directors	UKT0032
30	Law Society of Scotland	UKT0025
31	Lloyd's Market Association; and Lloyd's Syndicates	UKT0054
32	London Market Group	UKT0028
33	MANDAL, Dr ANANDADEEP (Associate Professor, University of Birmingham)	UKT0001
34	National Farmers' Union (NFU)	UKT0023
35	National Measurement Laboratory at LGC	UKT0006
36	Norwich Research Park	UKT0039
37	Overton Advisory	UKT0022
38	Paragraf	UKT0034
39	Quality Meat Scotland	UKT0015
40	RSPCA	UKT0019
41	Royal Institute of British Architects	UKT0045
42	Scotch Whisky Association	UKT0029
43	Scottish Chambers of Commerce	UKT0053
44	Society of Motor Manufacturers and Traders (SMMT)	UKT0027
45	The City of London Corporation	UKT0057
46	The Food and Drink Federation	UKT0042
47	The Investment Association	UKT0026
48	The Law Society of England and Wales	UKT0002
49	The Wine and Spirit Trade Association (WSTA)	UKT0037
50	Tossini, Dr Joao Vitor	UKT0051
51	Trade Justice Movement	UKT0038
52	UK BioIndustry Association (BIA)	UKT0044
53	UK Music	UKT0017
54	UK Trade Policy Observatory (UKTPO) and Centre for Inclusive Trade Policy (CITP)	UKT0036

55	UKinbound	UKT0040
56	United Kingdom Accreditation Service (UKAS)	UKT0062
57	Vodafone Group	UKT0060
58	WWF-UK	UKT0043
59	World Animal Protection	UKT0004
60	Yu, Mr Bin	UKT0048

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the publications page of the Committee's website.

Session 2024–26

Number	Title	Reference
11th	Toward a new doctrine for economic security	HC 835
10th	US Economic Prosperity Deal	HC 1306
9th	Draft Legislative Reform (Disclosure of Adult Social Care Data) Order 2025	HC 1140
8th	Export led growth: Trade with the Asia-Pacific region	HC 1048
7th	Industrial Strategy	HC 727
6th	How to strengthen UK-EU relations: Policy Priorities for the Summit	HC 908
5th	How to strengthen UK-EU relations	HC – 814
4th	Post Office Horizon scandal redress: Unfinished business: Government response	HC 778
3rd	Make Work Pay: Employment Rights Bill	HC 370
2nd	Priorities of the Business and Trade Committee	HC 423
1st	Post Office and Horizon scandal redress: Unfinished business	HC 341
6th Special	US Economic Prosperity Deal: Government Response	HC 1545
5th Special	Export led growth: Trade with the Asia-Pacific Region: Government Response	HC 1324
4th Special	Industrial Strategy: Government Response	HC 1305
3rd Special	How to strengthen UK-EU relations: Policy Priorities for the Summit: Government Response	HC 1267

Number	Title	Reference
2nd Special	Post Office Horizon scandal redress: Unfinished business: Government response	HC 969
1st Special	Make Work Pay: Employment Rights Bill: Government response	HC 932