# India-U.K. Trade Deal: Zero Tariffs, Economic Benefits

The India-U.K. Comprehensive Economic and Trade Agreement (CETA) came into effect on July 15, 2026.

The India-U.K. Comprehensive Economic and Trade Agreement (CETA) is a bilateral trade pact aimed at eliminating tariffs and boosting trade and investment between the two nations.

## KEY EXAM POINTS

- The India-U.K. Comprehensive Economic and Trade Agreement (**CETA**) came into effect on **July 15, 2026**, a year after it was signed.
- Upon implementation, the **U.K.** immediately eliminated **tariffs** on **96.8%** of its tariff lines.
- This **tariff elimination** by the U.K. accounts for **97.7%** of the total **trade value**.
- Goods such as **whisky** and **British cars** are expected to become cheaper due to reduced **tariffs**.
- The trade deal is anticipated to offer major benefits for **Indian workers** in the **U.K.** The Double Contribution Convention (DCC) is also coupled with this Comprehensive Economic and Trade Agreement.
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## STATICS & SYLLABUS FOCUS

A **Free Trade Agreement** (**FTA**) is a pact between two or more countries to reduce **barriers** to imports and exports among them.

**CETA** stands for **Comprehensive Economic and Trade Agreement**, a broad trade pact covering **goods, services, and investment**.

**Tariffs** are taxes imposed on **imported goods and services**, used to protect **domestic industries** or generate revenue.

In India, the **Ministry of Commerce and Industry** is primarily responsible for formulating and implementing **foreign trade policy**.

The **World Trade Organization** (**WTO**) is an intergovernmental organization that regulates and facilitates **international trade**.

India has signed FTAs with various countries and blocs, including the **UAE** (**CEPA**) and **Australia** (**ECTA**).

**Double Taxation Avoidance Agreements** (**DTAA**) prevent income from being **taxed twice** by two countries, often linked with trade deals.

**REVISION FLASHCARD**

*India-U.K. CETA came into effect on July 15, 2026, eliminating tariffs on 96.8% of U.K. tariff lines.*

Syllabus Relevance: High