

'Benchmark deal...trade will double by 2030'

Union commerce minister argues trade pact with UK will not just make India a major exporter to Britain and benefit Indian companies, it will also increase incomes in farming & fishing communities

Piyush Goyal



The landmark India-UK Comprehensive Economic and Trade Agreement (CETA) will make Indian farmers, fishermen, artisans and small businesses shine globally, create numerous jobs and help the common man get high-quality goods at competitive rates in line with PM's vision.

This follows similar agreements with other developed countries including Australia, European Free Trade Association (EFTA) countries and UAE. It is a part of Modi govt's strategy to maximise economic growth and job creation to achieve the dream of Viksit Bharat 2047.

GOI strategy | In 2014, Modi govt adopted a determined strategy to rebuild global confidence in the Indian economy and make it attractive for Indian and foreign investors. Signing FTAs with developed countries is a part of this wider strategy. FTAs also increase investor confidence by removing uncertainty about trade policies.

FTAs with developed countries, which do not have competing trade interests with India, are a win-win situation, unlike the previous govt's approach of endangering Indian businesses by recklessly opening India's doors to competitors.

In UPA's term, developed countries had abandoned trade talks with India, then regarded as one of the world's 'Fragile Five' economies. Under PM's leadership, India's GDP has almost tripled since 2014 to about ₹331L cr. Game-changing reforms, ease of doing business and PM's global stature helped India emerge as a compelling opportunity. Today, the world wants to participate in the India story – and sign FTAs.

Market access, competitive edge | CETA will ensure comprehensive market access for Indian goods in the UK market across sectors. It eliminates tariffs on about 99% of tariff lines covering almost 100% of trade value. This creates huge opportunities for the \$56bn bilateral trade that's estimated to double by 2030 with CETA's help.

Small businesses will prosper as Indian products will have a clear competitive edge over rivals. Companies that make soccer balls, cricket gear, rugby balls and toys, among other products, are poised to significantly expand business in UK.

Numerous jobs | India's competitiveness will boost exports substantially and trigger a wave of investment

and job creation. India is well-positioned to become one of the top three suppliers to UK in textiles, leather, and footwear, which will help small businesses, artisans including women, and craftsmen emerge as key players in global value chains. Gems & jewellery, engineering goods, chemicals and electronic products such as phones are also expected to see exports jump.

Farmers first | Over 95% of agricultural and processed food tariff lines will attract zero duty, paving the way for rapid rise in agri-exports and rural prosperity. Duty-free market access is estimated to increase agri-



exports by over 20% in three years, contributing to India's goal of \$100bn agri-exports by 2030 as CETA unlocks the premium UK market for Indian farmers, matching or exceeding benefits enjoyed by Germany, Netherlands, and other EU nations.

Turmeric, pepper, cardamom, and processed goods like mango pulp, pickles, and pulses will also get duty-free access. Higher exports will boost farm income and give greater incentives for quality, packaging and certification. It will create numerous jobs across the agricultural value chain.

Protecting the vulnerable | CETA excludes India's most sensitive agri sectors to protect domestic farmers. India has given no tariff concessions on dairy products,

apples, oats and cooking oils. These exclusions reflect Modi govt's strategy of prioritising food security, domestic price stability, and vulnerable farming communities.

Fishermen to flourish | Indian fishermen, particularly those in Andhra, Odisha, Kerala and Tamil Nadu, will see dramatic expansion through access to UK's marine import market. UK's import duty on shrimp and other marine products will fall to zero from the current level of up to 20%. The potential is phenomenal as India has only 2.25% of UK's \$5.4bn marine imports.

Services & professionals | The agreement will catalyse services including IT/ITeS, financial services and education, creating new avenues for Indians. India has secured favourable mobility provisions for skilled professionals, including contractual service providers, business travellers, investors, yoga instructors, musicians and chefs.

Innovative FTAs | Under PM's leadership, India's FTAs go far beyond goods and services. They set new benchmarks. With EFTA countries, India had secured a guarantee of \$100bn investment that will create 1mn direct jobs in India. With the Australian FTA, India resolved the double-taxation issue troubling IT companies.

One of the most significant aspects of the agreement with UK is the Double Contribution Convention. This exempts employers and temporary Indian workers in UK from social security contributions for three years. This will significantly enhance the competitiveness of Indian service providers.

Quality goods | Trade agreements increase competition, which helps Indian consumers get high-quality goods at competitive prices. Modi govt has provided policy support, issued Quality Control Orders and negotiated FTAs to encourage and incentivise quality.

GOI has held extensive stakeholder consultation with industry and other stakeholders before signing any FTA. It is heartening to note that industry bodies have overwhelmingly supported and welcomed every FTA signed by Modi govt.

CETA is a benchmark for equitable and ambitious trade deals between large economies. It opens up attractive global opportunities for the underprivileged, without compromising our core interests. It is a shining example of how New India does business.