

India and UK Sign Comprehensive Economic and Trade Agreement (CETA)

A Landmark Deal Unlocking New Opportunities for India's Handicrafts Industry

India and United Kingdom signed the Comprehensive Economic and Trade Agreement (CETA) on 24th July 2025, marking a historic step in strengthening bilateral economic relations under visionary leadership of Hon'ble Prime Minister of India Shri Narendra Modi. The agreement eliminates tariffs on nearly all Indian handicraft exports to the UK, providing a significant competitive edge for Indian exporters in one of the world's most lucrative markets. The agreement was signed by Hon'ble Commerce and Industry Minister, Mr. Piyush Goyal and Secretary of State for Business and Trade, Mr. Jonathan Reynolds in the presence of the two Prime Ministers.

Speaking on this development, Dr. Neeraj Khanna, Chairman, EPCH, said "the CETA agreement will have a transformative impact on India's handicrafts sector and will redefine India's presence in the UK's high-value handicraft segment. With zero-duty access that previously ranged up to 15% to the UK market, now Indian exporters will have a level playing field with competitors such as Bangladesh, Pakistan, Thailand, Vietnam, China etc., who previously benefitted from duty-free access. He further added "the agreement is expected to benefit labour-intensive and traditional sectors, including handmade carpets, woodware, embroidered goods, art metalware and imitation jewellery. These segments are likely to see increased demand, driven by evolving UK consumer preferences for sustainable, heritage-inspired and ethically produced products. This is a win not just for trade but for cultural diplomacy and inclusive growth."

Echoing similar sentiments, Dr. Rakesh Kumar, Director General in the role of Chief Mentor, EPCH and Chairman, IEML, shared "by removing tariffs and simplifying compliance, CETA empowers our exporters to compete effectively in the UK market. This signed



agreement is expected to boost India's bilateral trade, which is currently at \$23 billion, where textiles and handicrafts sector contributes only \$2.12 billion. It is also projected that we may see quantum jump in handicraft exports within the first two years of implementation"

Mr. R K Verma, Executive Director, EPCH said "the signing of CETA marks a pivotal moment for India's handicrafts sector. EPCH has been consistently working towards strengthening Indian Handicrafts position in UK through initiatives such as participation in leading international trade fairs, buyer-seller meets and curating thematic pavilion in Birmingham, UK to showcase the diversity of our crafts. With this agreement, these efforts will gain new momentum, enabling our artisans and exporters to tap deeper into the UK market and establish long-term business partnerships". He further added the agreement date of enforcement is yet to be announced and may take time before its operational. ■