India wins larger UK steel quota, paving way for $1 b exports

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India has secured a significantly higher duty-free quota for steel exports to the UK than several other exporting countries after re-negotiating market access under the India-UK Comprehensive Economic and Trade Agreement (CETA), a move that could help raise India's steel exports to Britain to around $1 billion in FY27, officials said.

"We have been able to secure a higher quota compared to other countries," Commerce Secretary Rajesh Agrawal told the media on Tuesday, adding that this fully took care of the country's concerns and would help increase exports.

India has secured duty-free access for steel exports worth around $350 million under the TRQ mechanism

However, there has been no resolution on the proposed Carbon Border Adjustment Mechanism (CBAM) levies, which take effect from January 1, 2027, and discussions are still on. "India and the UK are continuing discussions on the UK's proposed CBAM," the Commerce Secretary said.

NEW ARRANGEMENT

Under the revised arrangement on steel, India has secured duty-free access for steel exports worth around $350 million under the TRQ mechanism, a substantial increase from historical average quota levels of about $200 million. Steel shipments within the quota will continue to enjoy preferential access, while exports beyond the quota will attract the UK's safeguard duty.

The UK has imposed a 50 per cent safeguard duty on steel imports beyond the tariff-rate quota from July 1 after reviewing its safeguard regime and reducing overall duty-free import volumes for several trading partners.

Officials said the enhanced quota, coupled with access to residual quota volumes, is expected to help India's steel exports to the UK rise to around $1 billion in FY27, compared to about $900 million in FY26.