India's steel exports to UK may touch $1 bn

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India's annual duty-free steel exports to the UK are expected to touch nearly $1 billion, a government official said on Tuesday, after New Delhi secured a higher quota in negotiations under the free trade agreement (FTA) prior to ahead of London's implementation of steel safeguard measures on July 1.

India's steel exports to the UK stood at around $900 million in FY26. "In the case of India, because this (safeguard measures announced by the UK) came when we were in the process of operationalising the agreement, we have also negotiated this," Commerce Secretary Rajesh Agrawal said at a press briefing. "As part of the negotiations, India's quota for steel is comparatively higher than that of (the UK's) other trading partners," he added.

Under the UK's safeguard measures, steel exports beyond the specified quota will attract a duty of 50 per cent. India's steel exports worth around $200 million were beyond the quota, which has been secured by New Delhi under the tariff rate quota (TRQ) mechanism, Agrawal said. "The quota that we have received under the TRQ mechanism is worth around $350 million. Then there is also a residual quota where our companies can compete and have a larger market share," Agrawal said. The secured quota can help India to export duty-free steel worth around $1 billion to the UK annually, said the other government official cited above.

The India-UK Comprehensive Economic and Trade Agreement will take effect on Wednesday, following considerable ebb and flow owing to hurdles cropping up after London announced the steel safeguard measures. India has also secured an increased exemption period of five years under the complementary Double Contribution Convention (DCC) deal with the UK, Agrawal said. Under the DCC, which will also come into effect on Wednesday, the UK will exempt Indian intra-corporate transferees and their employers from paying social security contributions for five years.