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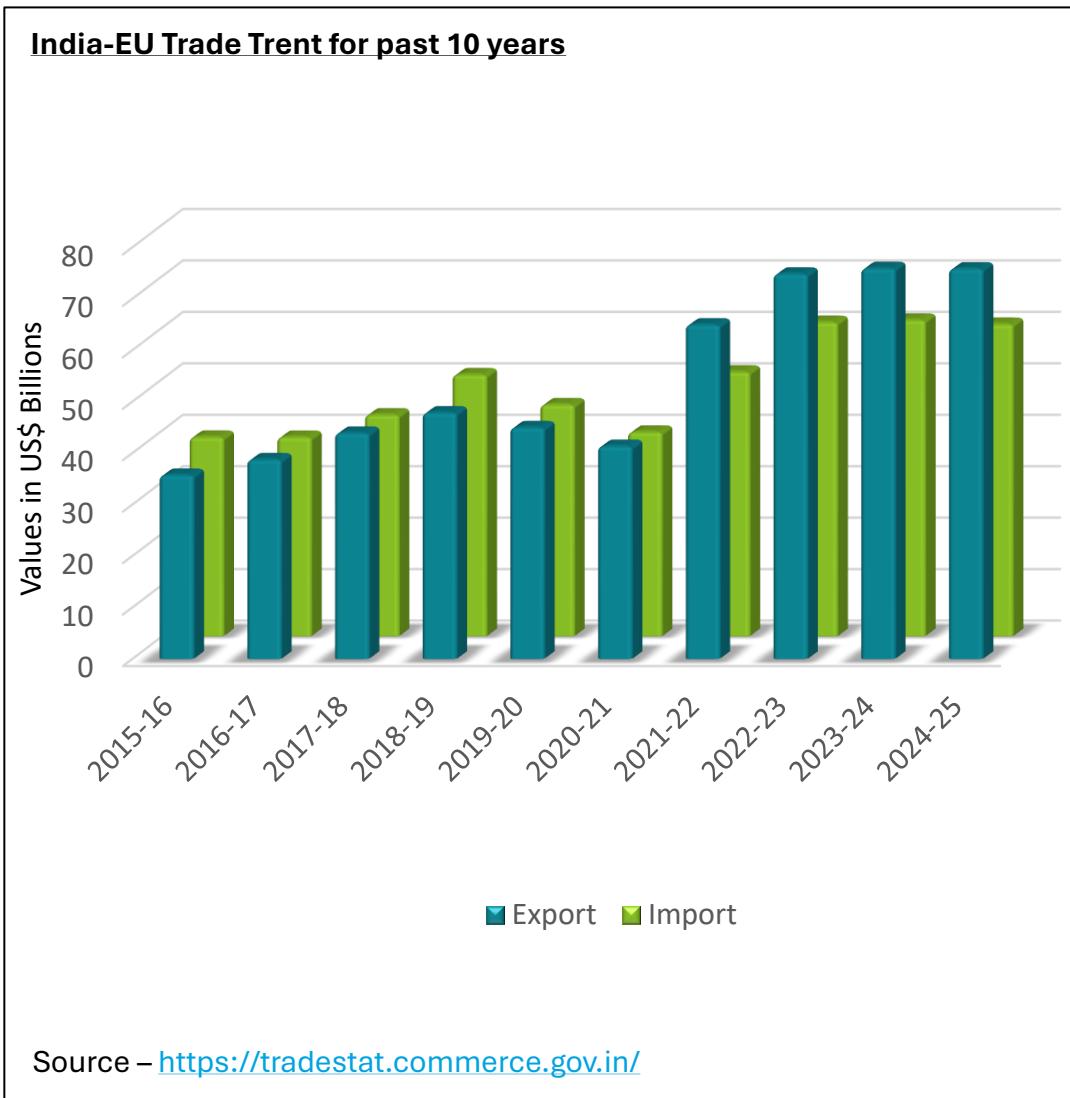


India-EU FTA

Unlocking new avenues for trade and collaboration

January 2026

Setting the Context



4th



India is world's 4th largest economy

2nd



EU is world's 2nd largest economy

2nd/9th



EU is India's 2nd largest /India is EU's 9th largest trading partner

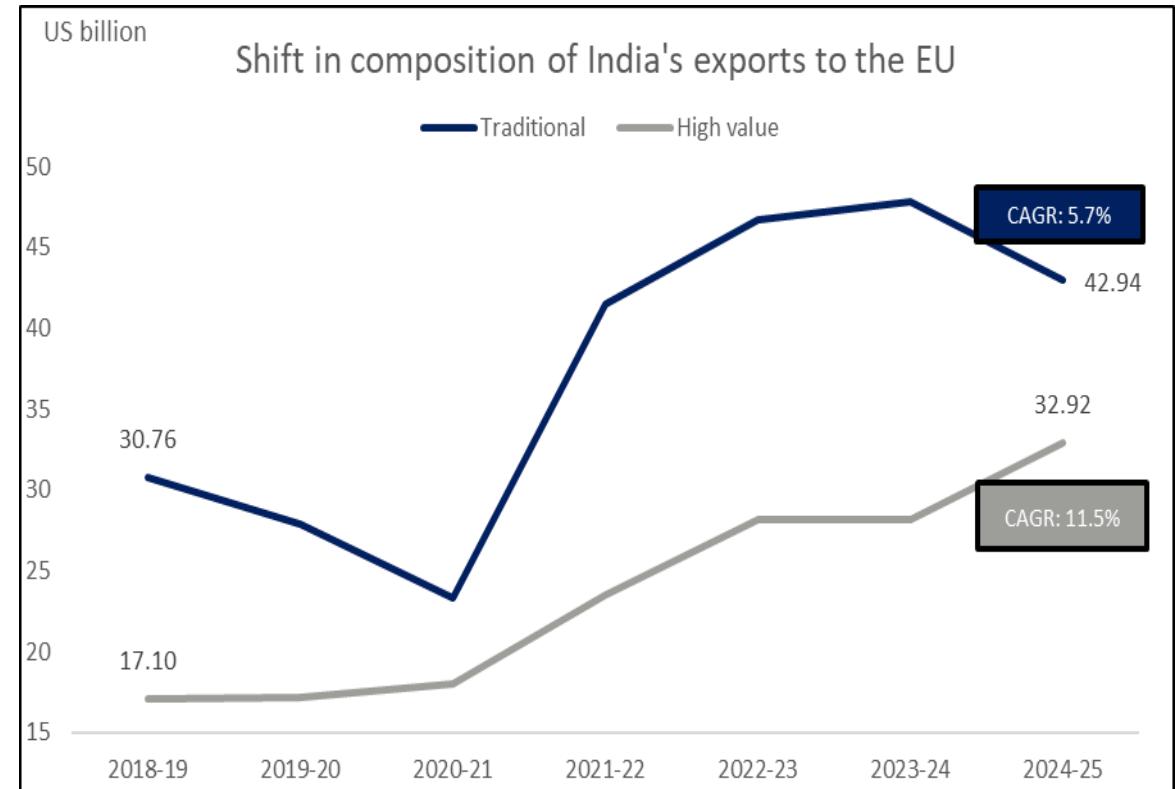
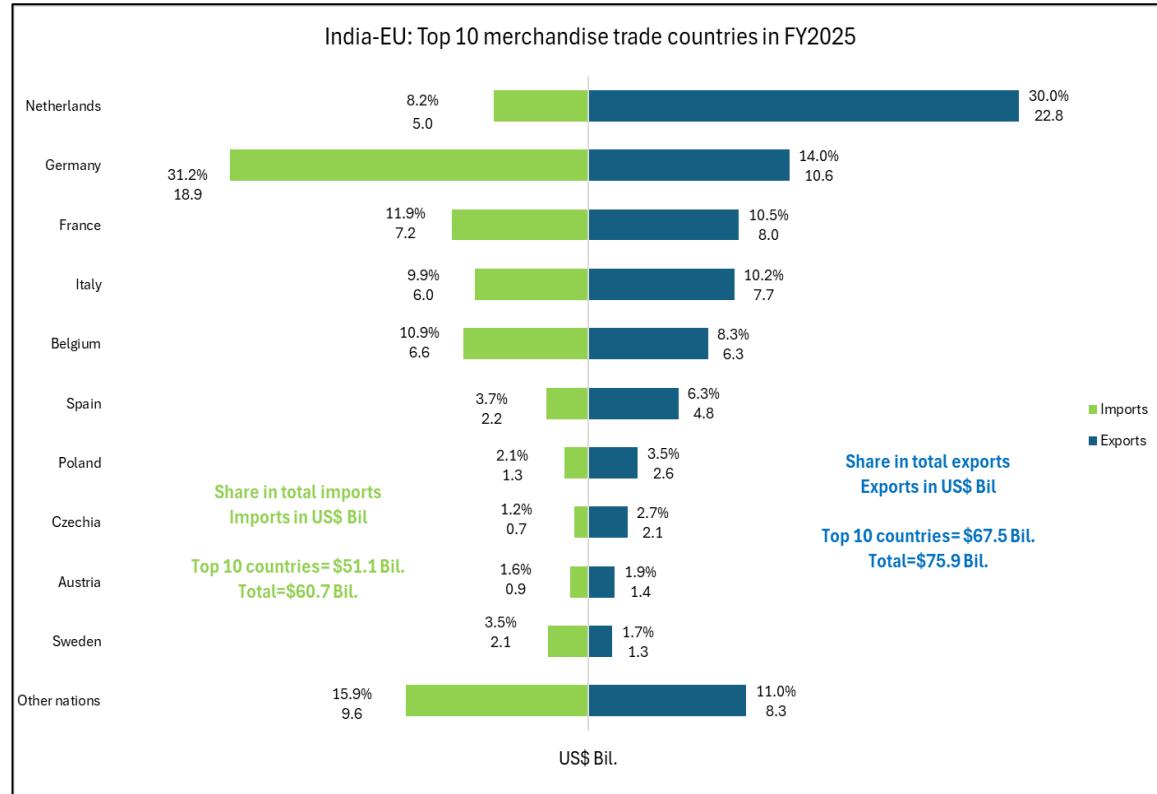
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European companies, providing around 3 million jobs in India

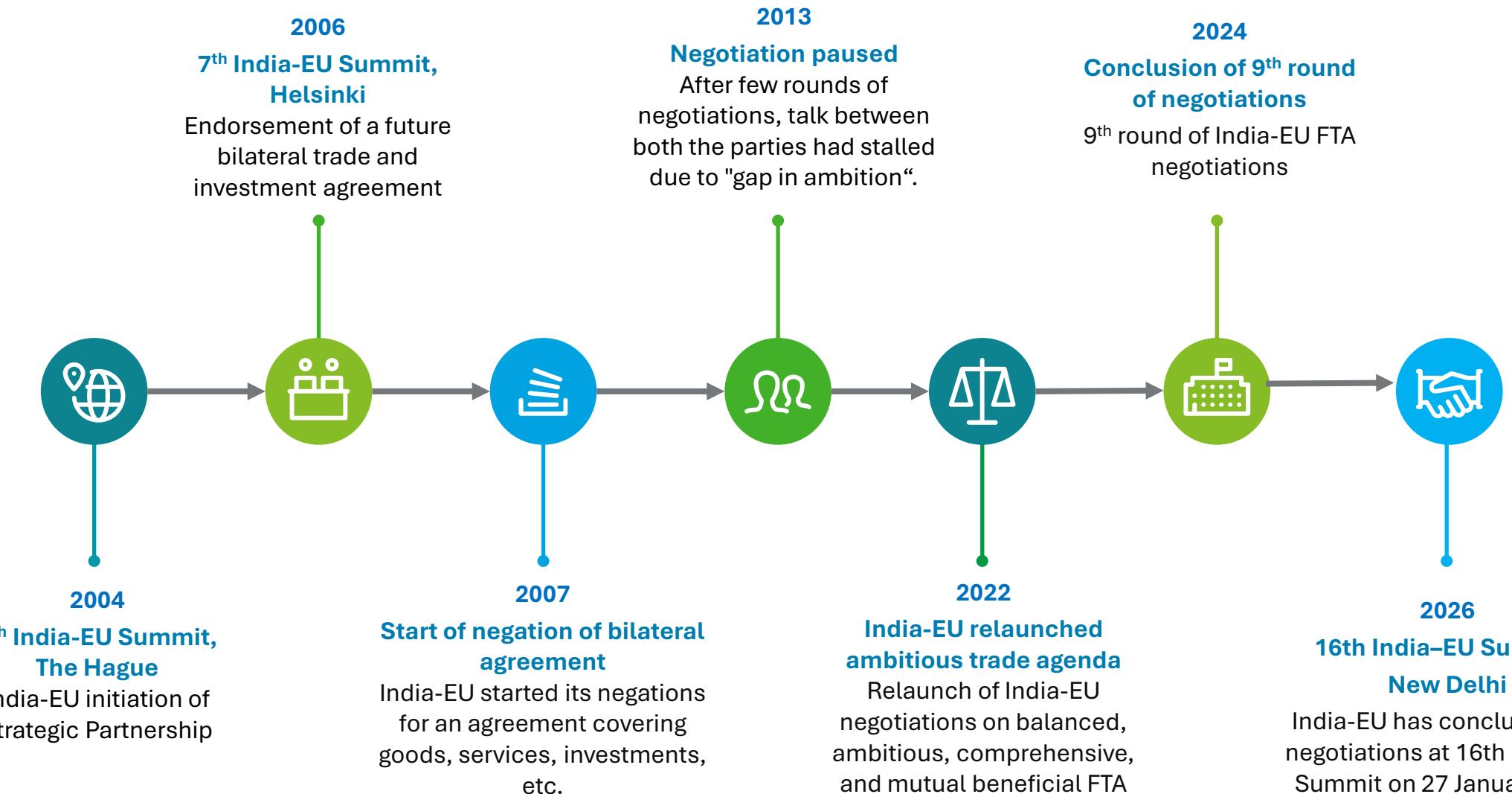
- India and EU has concluded the India-European Union Free Trade Agreement (India-EU FTA) at the 16th India-EU Summit held in New Delhi on 27 January 2026 .
- India's total bilateral trade of goods with EU was USD ~136 billion last year, making the bloc to be India's largest goods trading partner.
- EU becomes India's 22nd FTA partner. The India-EU trade deal, along with India's FTA with UK and EFTA effectively opens up the entire European market for Indian businesses, exporters and entrepreneurs.

As India moves up the value chain, the FTA offers another avenue to de-risk and advance manufacturing and services



- India has fast moved up the value chain in its exports to EU with growth increasingly concentrated in technology- and knowledge-intensive categories since FY2019.
- Traditional labour-intensive exports remain important, but growth momentum has shifted decisively toward electrical machinery (31% CAGR), chemicals (5.1% CAGR), and pharmaceuticals (14.1% CAGR) over FY2019–FY2025.

India-EU FTA Journey



Massive market access for Indian exporters

India has gained preferential access to EU markets across 97% of tariff lines, covering 99.5% of trade value



Textiles and apparel

India's export to EU
\$ ~7.3 billion
Size of EU import market
\$ ~ 263.5 billion



Leather & Footwear

India's Exports to EU
\$ ~ 2.5 billion
Size of EU import market
\$ ~ 100 billion



Mines and minerals

India's export to EU
\$ ~ 15.2 billion
Size of EU import market
\$ ~ 208 billion



Auto-mobile

India's Exports to EU
\$ ~ 2.2 billion
Size of Europe import market
\$ 1.4 trillion



Medical device

India's export to EU
\$ ~ 1.2 billion
Size of Europe import market
\$ ~ 142 billion

Zero duty in textiles and clothing, covering all tariff lines and reducing tariffs by up to 12%

Elimination of tariffs from up to 17% to zero across all tariff lines

Zero duty across 100% of tariff lines

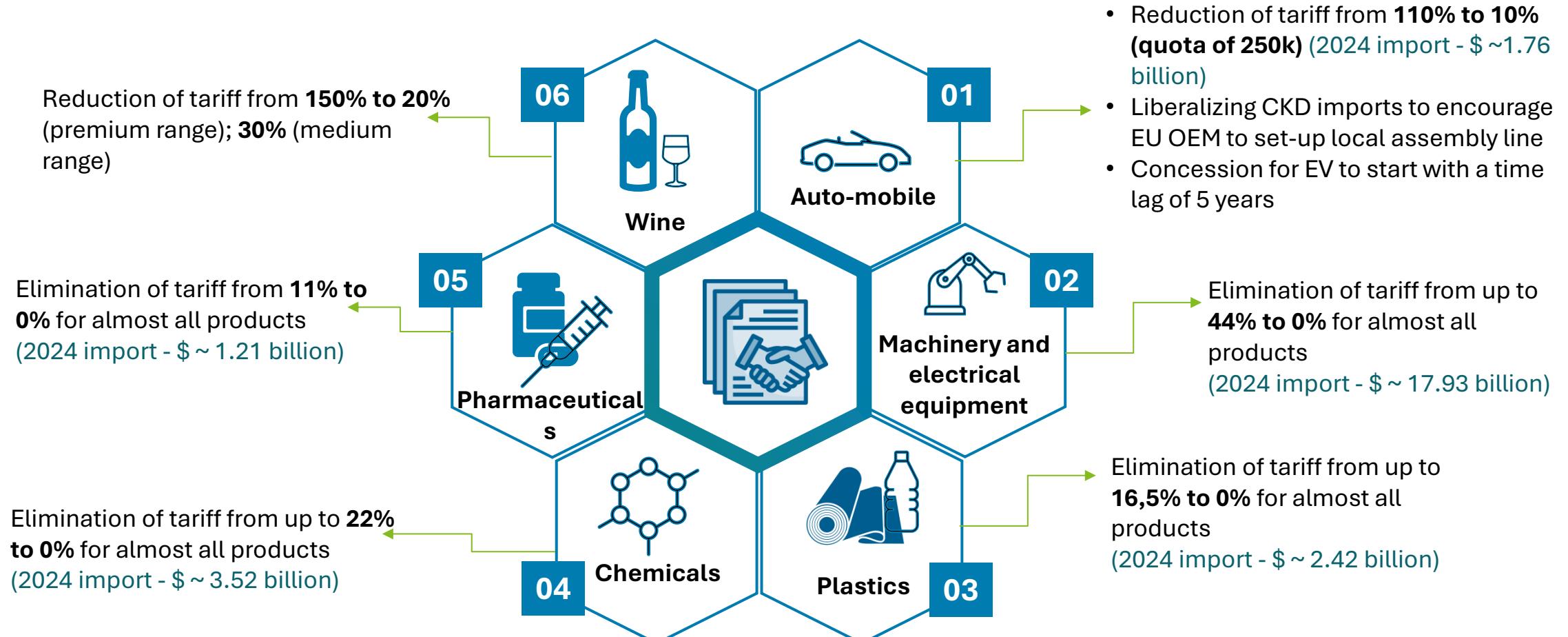
Reduce tariff up to 10% to zero on entry into force of the Agreement

Tariffs of up to 6.7% eliminated across 99.1% of trade lines

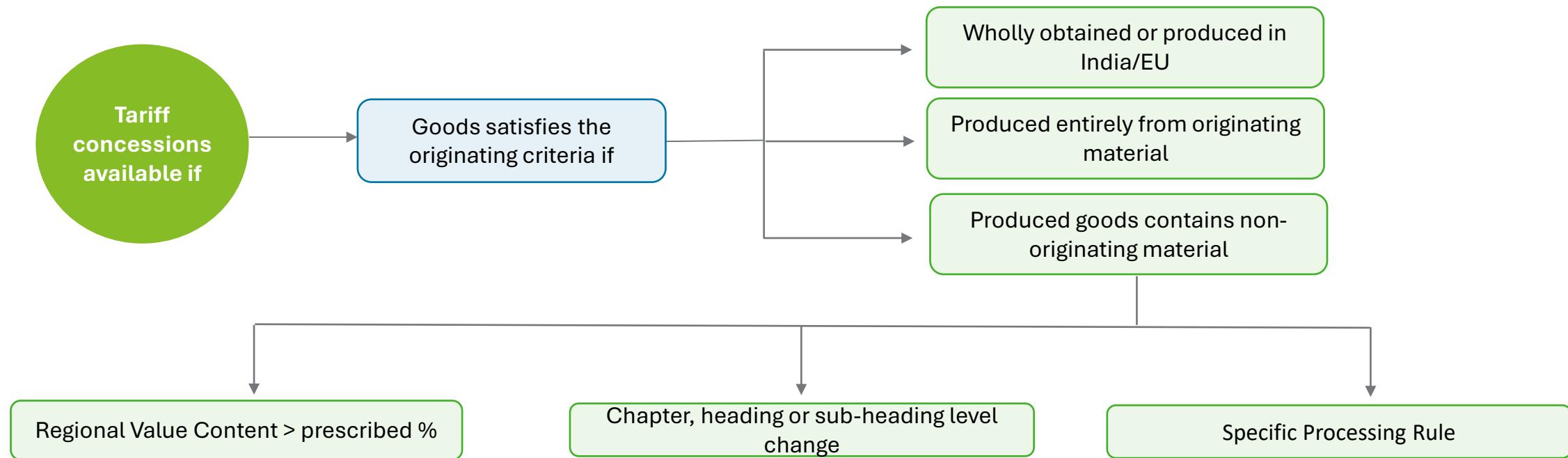
Forward looking **CBAM** provision allowing recognition of carbon prices, recognition of verifiers and targeted support to reduce GHG emissions.

Tariff reductions on imports from EU

India is offering preferential duty to 92.1% of its tariff lines which covers 97.5% of the EU exports



Rules of Origin



- **Product specific rules** are designed to ensure that **substantial processing** is undertaken in the Parties and provides adequate flexibility to source inputs from global value chain.
- To facilitate ease of doing business, Indian exporters will be allowed **self-certification** through Statement of Origin
- **Flexibility in the rules for MSME** by locking quotas for shrimps & prawns, downstream aluminium product
- **Transition period** for certain product specific rules to be provided in machinery and aerospace sector

Other important aspects

1 Trade in services

- EU offered market access commitments across **144 subsectors**, including IT/ITeS, professional, education, financial services, tourism, and construction.
- India has offered access to **102 subsectors** such as maritime, telecommunication, financial, professional etc.
- Promote digital trade that is safe and certain

2 Mobility

- Assured regime for temporary entry and stay for professional, including **business visitors, intra-corporate transferees, contractual service suppliers and independent professional**
- Comprehensive framework to enable **Social Security** Agreements in 5 years with all EU Member States to avoid double social security contributions

3 Intellectual Property Rights & Artificial Intelligence

- FTA reinforces intellectual property protections provided under **TRIPS** – relating to copyright, trademarks, designs, protection of trade secrets undisclosed information, plant varieties
- Ensures enforcement of IPR for each party

4 Labour

- Respect for ILO principles and legally binding commitments like decent working conditions, labour inspection and responsible business conduct
- Advance women empowerment and equity

What's next for the deal to be implemented

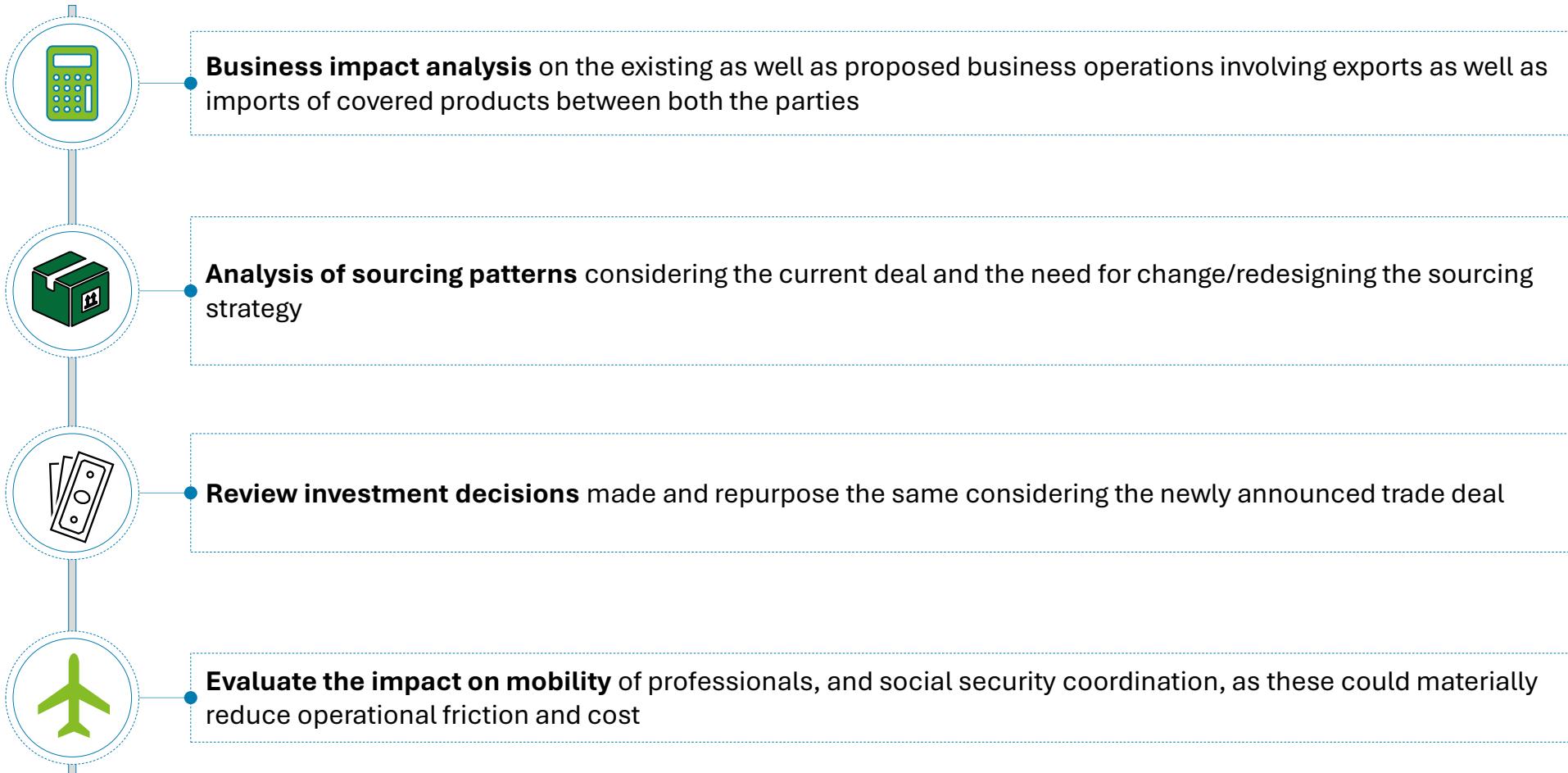
European Union

- Publish negotiated draft texts
- Legal revision and translation into all official EU languages
- Propose the agreement to the Council for the signature and conclusion
- Adoption by the Council
- Signing of the agreement between the EU and India
- European Parliament's agreement to the deal
- The Council's decision on concluding the deal (essentially allowing it to enter into force)

India

- Finalisation and legal vetting of the draft text
- Inter-Ministerial Consultation
- Approval by Union Cabinet
- Issuance of Customs notifications on tariff schedules and Rules of Origin procedures

Way forward for the businesses



Thank you!

Kindly spare a minute to help us with your valuable feedback for today's session...

For any queries, please feel free to write to us at intax@deloitte.com



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