



India–EU Free Trade Agreement Concluded: A Strategic Breakthrough in India’s Global Trade Engagement

Historic Milestone Announced at the 16th India–EU Summit by Hon’ble Prime Minister Shri Narendra Modi and European Commission President H.E. Ms. Ursula von der Leyen

India, 4th largest economy, and the European Union, 2nd largest economy, comprising 25% of Global GDP, Forge a Trusted Partnership,

Unprecedented Market Access: Over 99% of Indian exports gain preferential entry into the EU, unlocking massive growth potential

The FTA will open new opportunities for MSMEs and create jobs for women, artisans, youth and professionals

INR 6.41 Lakh Crore (USD 75 Billion) exports poised for take-off, 33 bn USD of exports in labour-intensive sectors like textiles, leather, marine products, gems and jewellery set to gain immensely from preferential access under the FTA

Carefully calibrated auto liberalisation with reciprocal market access to propel Make in India

Favourable Market Access Opens Doors for India’s Agricultural and Processed Food Exports

India Safeguards sensitive Agricultural products and Dairy Sector: no market access.

Ambitious and Commercially Meaningful Market Access in Services

Future-Ready Mobility Framework Expands Global Opportunities for Skilled and Semi-Skilled Indian Professionals

Forward looking CBAM provisions Secure constructive engagement, dialogue and support India–EU FTA Lays the Foundation for Inclusive, Resilient, and Future-Ready Growth

Posted On: 27 JAN 2026 2:16PM by PIB Delhi

Hon'ble Prime Minister Shri Narendra Modi and European Commission President H.E Ms. Ursula von der Leyen, today jointly announced the conclusion of the India–European Union Free Trade Agreement (India–EU FTA) at the 16th India–EU Summit, held during the visit of the European leaders to India. This announcement marks a historic milestone in India–EU economic relations and trade engagement with key global partners.

The conclusion of this FTA positions India and the European Union as trusted partners committed to open markets, predictability, and inclusive growth.

The FTA comes after intense negotiations since the re-launch of negotiations in 2022. The announcement of the FTA today marks the culmination of years of sustained dialogue and cooperation, between India and the EU, demonstrating the political will and shared vision to deliver a balanced, modern, and rules-based economic and trade partnership.

The European Union is India's one of the largest trading partner, with bilateral trade in goods and services growing steadily over the years. In 2024–25, India's bilateral trade in goods with the EU stood at INR 11.5 Lakh Crore (USD 136.54 billion) with exports worth INR 6.4 Lakh Crore (USD 75.85 billion) and imports amounting to INR 5.1 Lakh Crore (USD 60.68 billion). India-EU trade in services reached INR 7.2 Lakh Crore (USD 83.10 billion) in 2024.

India and EU are 4th and 2nd largest economies, comprising 25% of Global GDP and account for one third of global trade. Integration of the two large diverse and complementary economies will create unprecedented trade and investment opportunities.

Union Minister for Commerce and Industry, Shri Piyush Goyal, lauded the strategic vision and steadfast leadership of Hon'ble Prime Minister Shri Narendra Modi. He stated:

“The conclusion of the India–European Union Free Trade Agreement represents a defining achievement in India's economic engagement and global outlook. This supports India's approach to secure trusted, mutually beneficial and balanced partnerships.

Beyond a conventional trade deal, it represents a comprehensive partnership with strategic dimensions and is one of the most consequential FTA. India has secured unprecedented market access for more than 99% of Indian exports by trade value to the EU that also bolsters the 'Make in India'

initiative. Beyond goods, it unlocks high-value commitments in services complemented by a comprehensive mobility framework enabling seamless movement of skilled Indian professionals.

India, powered by a young and dynamic workforce and one of the fastest-growing major economies, stands poised to leverage this FTA to create jobs, spur innovation, unlock opportunities across sectors, and enhance its competitiveness on the global stage.”

The India-EU trade pact covers conventional areas such as trade in goods, services, trade remedies, rules of origin, customs and trade facilitation, as well as emerging areas such as SMEs and digital trade, amongst others.

The India-EU FTA gives a decisive boost to its labour-intensive sectors such as textiles, apparel, leather, footwear, marine products, gems and jewellery, handicrafts, engineering goods, and automobiles bringing down tariffs up to 10% on almost 33 bn USD of exports to zero on entry into force of the Agreement. Beyond enhancing competitiveness, it empowers workers, artisans, women, youth, and MSMEs, while integrating Indian businesses more deeply into global value chains and reinforcing India’s role as a key player and supplier in global trade.

On automobiles, calibrated and carefully crafted quota based auto liberalisation package will not only allow EU auto makers to introduce their models in India in higher price bands but also open the possibilities for Make in India and exports from India in future. Indian consumers to benefit from high tech products and greater competition. The reciprocal market access in EU market will also open up opportunities for India made automobiles to access EU market.

India’s agricultural and processed food sectors are poised for a transformative boost under the India-EU FTA, creating a level playing field for Indian farmers and agrarian enterprises. Key commodities such as tea, coffee, spices, fresh fruits and vegetables, and processed foods will gain enhanced competitiveness, strengthening rural livelihoods, promoting inclusive growth, and reinforcing India’s position as a trusted global supplier. India has prudently safeguarded sensitive sectors, including dairy, cereals, poultry, soymeal, certain fruits and vegetables, balancing export growth with domestic priorities.

Beyond tariff liberalisation, the FTA provides measures to tackle non-tariff barriers through strengthened regulatory cooperation, greater transparency, and streamlined customs, Sanitary and Phytosanitary (SPS) procedures, and Technical Barriers to Trade disciplines.

Through CBAM provisions, commitments have been secured including a forward-looking most-favoured nation assurance extending flexibilities if any granted to third countries under the regulation, enhanced technical cooperation on recognition of carbon prices, recognition of verifiers, as well as financial assistance and targeted support to reduce greenhouse gas emissions and comply with emerging carbon requirements.

Services being dominant and faster-growing part of both economies will trade more in future. Certainty of market access, non-discriminatory treatment, focus on digitally delivered services, ease of mobility will provide boost to India’s services exports.

The FTA secures expanded and commercially significant commitments from the EU across key sectors of Indian strength, including IT and IT-enabled services, professional services, education, financial services, tourism, construction, and other business sectors.

India's predictable access to EU's 144 subsectors (which includes IT/ITeS, Professional Services, Other Business Services and Education Services) will provide boost to Indian service providers and enable them to provide competitive world class Indian services to EU's consumers while EU's access to 102 subsectors offered by India will bring in high tech services, investment into India from EU resulting in a mutually beneficial arrangement.

On mobility, the India-EU FTA provides a facilitative and predictable framework for business mobility covering short-term, temporary and business travel in both directions. These enable professionals to travel between the two economies to provide services under different scenarios. EU and India is providing mobility commitments to each other for Intra-Corporate Transferees (ICT) and Business Visitors, along with entry and working rights for dependents and family members of ICTs. The EU has also offered commitments in 37 sectors/sub-sectors for Contractual Service Suppliers (CSS) and 17 sectors/sub-sectors for Independent Professionals (IP), many of which are sectors of interest to India, including Professional Services, Computer and related Services, Research and Development Services, and Education Services.

India also secured a framework to constructively engage on Social Security Agreements over a five-year horizon, together with framework supporting student mobility and post-study work opportunities.

Additionally, India has also secured access for practitioners of Indian Traditional Medicine to work under home title in EU Member States where traditional medical practices are not regulated.

In financial services, the FTA promotes cooperation to advance innovation and secure cross-border electronic payments, while providing India with enhanced market access across several major EU member states. These provisions are expected to deepen financial integration and support the growth of financial services trade.

These commitments not only unlock high-value employment opportunities but also reinforce India's position as a global hub for talent, innovation, and sustainable economic growth.

The FTA reinforces intellectual property protections provided under TRIPS relating to copyright, trademarks, designs, trade secrets, plant varieties, enforcement of IPRs, affirms Doha Declaration and recognises the importance of digital libraries, specifically the Traditional Knowledge Digital Library (TKDL) project initiated by India.

The FTA is expected to facilitate cooperation in critical areas like Artificial Intelligence, clean technologies, and semiconductors, supporting India's technological advancement.

The FTA is expected to substantially scale up trade, enhance export competitiveness, and integrate Indian businesses more deeply into the European and global value chains.

The India-EU FTA marks a new chapter in bilateral economic engagement, strengthening trade, and strategic cooperation between India and the 27-member EU bloc. Cognizant of multifarious objectives placed on trade, dynamic nature of trade, fast evolving technologies and increasing regulatory complexities, the Agreement embeds multiple review, consultation and response mechanisms to deal with new, sudden challenges which emerge in future. The Agreement relies on strong stewardship and trust to deliver gains for both sides.

EU becomes India's 22nd FTA partner. The Government since 2014 has signed trade deals with Mauritius, UAE, UK, EFTA, Oman and Australia, and announced trade deal with New Zealand. In 2025, India signed trade deal with Oman and UK and announced conclusion of trade deal with NZ.

The India-EU trade deal, along with India's FTA with the UK and the EFTA effectively opens up the entire European market for Indian businesses, exporters and entrepreneurs.

Beyond boosting commerce, it reinforces shared values, fosters innovation, and creates opportunities across sectors and stakeholders from MSMEs, women and skilled professionals to farmers and exporters. Aligned with India's vision of "Viksit Bharat 2047," the FTA positions India as a dynamic, trusted, and forward-looking partner on the global stage, setting the foundation for inclusive, resilient, and future-ready growth for both regions.

Abhishek Dayal/ Garima Singh/ Ishita Biswas

(Release ID: 2219065) Visitor Counter : 39310

Read this release in: Odia , Urdu , हिन्दी , Hindi_MP , Marathi , Bengali , Bengali-TR , Assamese , Punjabi , Gujarati , Tamil , Kannada , Malayalam