

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
STARRED QUESTION NO.*158
ANSWERED ON 13/02/2026

BENEFITS FROM INDIA-EU TRADE AGREEMENT

*158. SHRI KARTIKEYA SHARMA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details of the India-EU Trade Agreement;
- (b) the anticipated boost to the country's export;
- (c) the sectors of economy which will benefit from the deal, the details thereof; and
- (d) the provisions in the agreement benefitting Indian students, Information Technology (IT) manpower and services sector?

ANSWER

THE MINISTER IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI PIYUSH GOYAL)

(a) to (d) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) OF LOK SABHA STARRED QUESTION NO.*158 FOR ANSWER ON 13.02.2026 REGARDING “BENEFITS FROM INDIA-EU TRADE AGREEMENT”

(a) India and the European Union (EU) announced the conclusion of negotiations for a Free Trade Agreement (FTA) on 27th January 2026 at the 16th India–EU Summit, held in New Delhi. The agreement is to come into force after signing and ratification by both the Parties. Designed as modern, rules-based trade partnership, the FTA responds to contemporary global challenges while enabling deeper market integration between the world’s 4th and 2nd largest economies. With a combined market estimated at over INR 2091.6 Lakh Crore (USD 24 trillion), bringing unparalleled opportunities for the 2 billion people of India and the EU, the FTA unlocks significant potential for trade and innovation. 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.

(b) The European Union is India’s one of the largest trading partners, 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 USD 136.54 billion with exports worth USD 75.85 billion and imports amounting to USD 60.68 billion. India-EU trade in services reached USD 83.10 billion in 2024. Merchandise exports from India increased by 16.4% (on Compound Annual Growth Rate basis) from USD 41.36 billion in 2020-21 to USD 75.85 billion in 2024-25. Despite healthy and growing trade, there is a significant untapped potential considering the size of each other’s market and trade. India has secured unprecedented preferential market access for more than 99% of Indian exports by trade value to the EU. Of this 90.7% of India’s exports will be able to enter into the EU market at zero duty from the date of entry into force of the Agreement. This will give significant momentum to the steady growth of India’s exports to the EU.

(c) Exports worth more than USD 33 billion in key labour-intensive sectors (such as textiles, apparel, marine, leather, footwear, chemicals, plastics/rubber, sports goods, toys, gems, and jewellery) that are currently subjected to import duty ranging between 4% to 26% in the EU and are crucial for employment generation, will enter zero duty from entry into force of the FTA and thus gain enhanced competitiveness in the EU market. These sectors are poised to benefit from tariff liberalization and enhanced competitiveness, enabling deeper integration into global and European value chains and simultaneously creating job opportunities. The sector-wise details are as under:

(Export Values in USD million; CY 2024)					
Sectors	Duty Range (in %)	Duty Free at Entry into Force		Tariff Elimination in Phases	
		% Tariff Lines	India’s Exports to EU	% Tariff Lines	India’s Exports to EU
Marine Product	Upto 26.0	94.4%	239.0	1.9%	673.2
Chemicals	Upto 12.8	59.3%	13683.6	39.1%	354.0

Plastic/Rubber	Upto 6.5	62.7%	2556.4	37.3%	109.5
Leather/Footwear	Upto 17.0	100.0%	2511.4	0.0%	0.0
Textiles	Upto 12.0	100.0%	1636.0	0.0%	0.0
Apparel and Clothing	Upto 12.0	100.0%	5706.3	0.0%	0.0
Gems & Jewellery	Upto 4.0	96.6%	2661.3	3.4%	1.1
Base Metals	Upto 10.0	79.1%	3350.6	20.9%	164.7
Railway/Aircraft/Ships/Boats	Upto 7.7	88.2%	232.9	11.8%	0.3
Furniture & Lighting Misc Consumer Goods	Upto 10.5	94.2%	817.7	5.8%	5.0
Toys	Upto 4.7	100.0%	58.8	0.0%	0.0
Sports goods	Upto 4.7	100.0%	43.6	0.0%	0.0
TOTAL	-	-	33497.6	-	1307.8

(d) The FTA creates supportive framework to allow Indian students to continue to study in EU and get post study work visa to get initial professional experience. Under the FTA, broader and deeper commitments have been secured from the EU across 144 services subsectors, including IT/ITeS, professional services, education, and other business services. This covers a vast range of services sectors spectrum in which Indian service providers will get a stable and business friendly regime in the EU market to supply their services. India's competitive, knowledge intensive services are expected to drive India's exports while benefitting EU businesses and consumers. The FTA establishes an assured regime for temporary entry and stay for professionals, including Business Visitors, Intra-Corporate Transferees, Contractual Service Suppliers, and Independent Professionals. Through a comprehensive mobility framework, India strengthens its position as a global hub for talent. The framework eases movement of employees (and their spouses and dependents) of Indian Corporates established in the EU in all services sectors. For business entities aiming to provide services under a contract to EU clients, India can access 37 sub-sectors including IT, business, and professional services. Independent professionals intending to provide services to EU clients get certainty in 17 subsectors for Independent Professionals, covering IT, R&D, and higher education, creating expanded opportunities for Indian professionals and knowledge-driven trade. Commitments by EU for digitally delivered services will provide a significant boost to expanding India's Global Capability Centres (GCCs) footprint and further expand its dominant digitally delivered services. The FTA also comprises provisions for greater engagement between India and EU on electronic payment systems, including linking fast payment systems and mechanisms to leverage India's technological expertise in digital payment systems such as Unified Payment Interface (UPI).
