

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE AND INDUSTRY  
DEPARTMENT OF COMMERCE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 3863**  
ANSWERED ON 27/03/2026

**FREE TRADE AGREEMENTS WITH EUROPEAN UNION**

3863. SHRI P. P. SUNEER  
SHRI NEERAJ SHEKHAR

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

- (a) Whether Government has announced Free Trade Agreement (FTAs) with European Union (EU) in January, 2026 which has been termed as ‘Mother of All Deals’;
- (b) if so, the details thereof;
- (c) the details of sectors/industries likely to be benefitted by this agreement with EU; and
- (d) if so, the salient features of the agreement and its impact on future trade with EU countries?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI JITIN PRASADA)

(a) and (b) 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. Designed as modern, rules-based trade partnership, the FTA responds to contemporary global challenges while enabling deeper market integration between two of the world’s 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.

(c) and (d) The agreement provides unprecedented market access for Indian goods, covering over 99% of India’s exports by trade value, while safeguarding sensitive sectors and aligning with India’s developmental priorities. It aims to create a stable and predictable environment for businesses, promote good regulatory practices, and enhance transparency, in line with India’s ongoing domestic reforms to improve ease of doing business and integration into global value chains. The sectors and industries likely to benefit from the India–EU FTA include a wide range of labour-intensive and export-oriented sectors such as textiles and apparel, marine products, leather and footwear, chemicals, plastics and rubber, sports goods, toys, and gems and jewellery. Exports worth over USD 33 billion in these key labour-intensive sectors, which are currently subject to import duties ranging

from 4% to 26% in the EU, will gain enhanced competitiveness, with a substantial portion entering the EU market at zero duty from the date of entry into force of the Agreement.

In addition, sectors such as base metals, engineering goods (including railway, aircraft, ships and boats), furniture and lighting, and other consumer goods are also expected to benefit from improved market access under tariff liberalisation schedules. Further, agricultural and processed food products such as tea, coffee, spices, grapes, gherkins and cucumbers, dried onion, fresh fruits and vegetables, and sheep and lamb meat will also gain preferential access to the EU market, thereby strengthening rural incomes and export competitiveness. In the services sector, IT/ITeS, professional services, education, and other business services are expected to benefit significantly due to expanded market access commitments, improved regulatory certainty, and enhanced mobility provisions for professionals. Overall, the FTA is expected to strengthen India's export performance, support MSMEs, deepen integration into global value chains, and generate employment across multiple sectors of the economy. PIB link for full details of benefits is <https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2219065&reg=3&lang=1>.

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