

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
UNSTARRED QUESTION NO. 3873
ANSWERED ON 27/03/2026

INDIA–ICELAND COOPERATION UNDER INDIA-EFTA TRADE

3873. SHRI I.S. INBADURAI

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

- (a) whether Government has assessed the opportunities arising from the Trade and Economic Partnership Agreement implemented with the European Free Trade Association (EFTA) for expanding bilateral trade and investment with Iceland, if so, the details thereof;
- (b) whether any investment proposals from companies based in Iceland have been received following implementation of the Agreement, particularly in sectors such as fisheries, biotechnology, geothermal energy and clean energy, if so, the details thereof; and
- (c) whether Government has identified specific export opportunities for Indian industries including textiles, pharmaceuticals, agricultural products and processed foods in the Icelandic market following the reduction or elimination of tariffs?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI JITIN PRASADA)

(a) and (c) India and the European Free Trade Association (EFTA) signed the Trade and Economic Partnership Agreement (TEPA) on 10th March 2024. EFTA is an inter-governmental organization comprising of Switzerland, Iceland, Norway & Liechtenstein. TEPA has entered into force with effect from 1st October 2025. The Agreement provides duty elimination on key products such as processed foods, chocolate and confectionery, and fresh/chilled vegetables in the Icelandic market, thereby enhancing market access for Indian exports. The details of tariff concessions granted by Iceland under TEPA may be seen at Annex 2.D of the TEPA, which is available on Department of Commerce's website: <https://www.commerce.gov.in/international-trade/trade-agreements/india-efta-tepa/>. India has safeguarded its sensitive sectors such as dairy, soya, coal and sensitive agricultural products. Key sectors such as fisheries, clean energy, food processing, machinery, engineering goods, organic chemicals, textiles, rice, marine products, and processed foods stand to benefit from the TEPA. Post implementation of TEPA, export trend to Iceland has been positive in select categories, including organic chemicals and electrical machinery sector.

Under TEPA, India has also secured commitments in 110 service sub-sectors from Iceland. This presents stronger opportunities for cooperation in IT, business services, cultural and recreational services, education, and audio-visual services.

(b) Under TEPA, EFTA countries, including Iceland, have committed to promote foreign direct investments of USD 100 billion in India in the next 15 years. An India-EFTA Desk has been established which aims to provide institutional support to businesses from EFTA countries looking to invest, expand, establish operations in India or collaborate with Indian firms. The total amount of Foreign Direct Investment (FDI) Equity inflow from Iceland to India during the months of October –December 2025 stood at USD 4.13 Million (Rs 36.70 crores), with cumulative FDI reported at US\$ 58.20 million (Rs 400.02 crores)
