

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
STARRED QUESTION NO.45
ANSWERED ON 03/02/2026

FREE TRADE AGREEMENTS

*45. SHRI MUKESHKUMAR CHANDRAKAANT DALAL:
SHRI ATUL GARG:

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

- (a) whether the Government has pursued new bilateral and multilateral Free Trade Agreements (FTAs) focusing on market access, tariff rationalisation, services mobility and investments, if so, the details thereof;
- (b) whether such agreements are aligned with India's manufacturing and export priorities, if so, the details thereof;
- (c) whether the Government has conducted sector-wise assessments to identify high-growth export sectors such as pharmaceuticals, electronics, textiles, marine products and engineering goods that may benefit from FTAs, if so, the details thereof;
- (d) whether adequate safeguards have been built into trade agreements to protect sensitive sectors like agriculture, dairy and Micro, Small and Medium Enterprises (MSMEs) while maximising export gains, if so, the details thereof;
- (e) whether the Government is working with industry associations, export councils and global partners to create awareness on utilisation of FTA benefits, if so, the details thereof; and
- (f) whether the Ministry has analysed the manner in which new FTAs will strengthen India's global trade footprint, attract foreign investment and integrate Indian businesses into global supply chains, if so, the details thereof?

ANSWER

THE MINISTER OF COMMERCE & INDUSTRY

(SHRI PIYUSH GOYAL)

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

**STATEMENT REFERRED TO IN REPLY TO PART (a) TO (f) OF LOK SABHA
STARRED QUESTION NO.*45 FOR ANSWER ON 03RD FEBRUARY, 2026
REGARDING “FREE TRADE AGREEMENTS”**

(a) Government is pursuing negotiations for new bilateral and multilateral free trade agreements (FTA) primarily to increase trade, including through enhanced market access, trade in services, addressing non-tariff barriers, investment promotion, and economic and technical co-operation. FTAs aim to build on trade complementarities to increase trade and investment, thereby enhancing export potential, creating prospects for industry and farmers, and creating job opportunities. In this Financial Year, Government has concluded FTAs with the United Kingdom (UK), Oman, New Zealand and the European Union (EU). Additionally, Government has signed following FTAs in recent years.:

Sl. No.	Name of the Agreement	Date of signing of the agreement	Date of implementation of the agreement
1.	India - Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA)	22 nd February, 2021	1 st April, 2021
2.	India-UAE CEPA	18 th February, 2022	1 st May 2022
3.	India-Australia Economic Cooperation and Trade Agreement (Ind-Aus ECTA)	2 nd April, 2022	29 th December 2022.
4.	India-European Free Trade Association (EFTA) Trade and Economic Partnership Agreement (TEPA) (Iceland, Liechtenstein, Norway, and Switzerland)	10 th March 2024	01 st October 2025

(b) and (c): In order to ensure that trade agreements are aligned with India's manufacturing and export priorities, the Government consults with stakeholders, including industry representatives, at all stages of the negotiations. This includes the pre-negotiation phase, each round of negotiations, and the post-conclusion phase during the implementation of the agreements. In addition to this structured approach, sector-specific consultations are also carried out to identify high-growth export sectors such as pharmaceuticals, electronics, textiles, marine products, and engineering goods that may benefit from FTAs.

(d) To protect the interests of the domestic industry and sensitive sectors like agriculture, dairy, and MSMEs, FTAs provide for maintaining sensitive, negative or exclusion lists of items on which limited or no tariff concessions are granted. In addition, in case of a surge in imports and injury to the domestic industry, a country is allowed to take recourse to trade remedial measures such as anti-dumping and safeguards on imports within the period as mutually agreed to by the parties under the FTAs.

(e) Government is actively working with industry associations, Export Promotion Councils (EPCs), academic institutions such as IIFT and other stakeholders from time to time to create awareness on the utilisation of Free Trade Agreement (FTA) benefits. Government holds regular outreach programmes on FTAs, including sector-specific sessions, MSME cluster

programmes, etc., with concerned stakeholders, including the Indian Missions abroad, the Export Promotion Councils, the trade associations, the concerned ministries/departments to disseminate the opportunities under the FTA. These initiatives cover key aspects such as tariff concessions, Rules of Origin, certification procedures and compliance requirements, and are conducted in coordination with industry bodies and global partners wherever relevant. Some of the other initiatives of Government which also contributes to better FTA utilisation are given below:

- i. Government has approved the Scheme for Export Promotion Mission (EPM) for the period FY 2025–26 to FY 2030–31, aimed at strengthening India's export competitiveness - particularly for MSMEs.
- ii. Department of Commerce, facilitates the participation of its member exporters, in International Trade fairs thereby promoting use of FTAs.
- iii. Under the trade-policy framework, the DGFT notifies calibrated export measures (such as Minimum Export Price and, where necessary, temporary restrictions) to balance domestic availability and price stability with the interests of producers.
- iv. Bharat Trade Net (BTN), announced in the Union Budget 2025, is a flagship digital public infrastructure programme of Government. The initiative enhances MSME competitiveness by enabling simpler, paperless documentation, reducing compliance burdens, and facilitating faster, secure trade transactions recognized globally.
- v. The introduction of grassroots programs such as Districts as Export Hubs (DEHs) and E-Commerce Export Hubs enables MSMEs, start-ups, and artisans to access international markets at lower costs and with simplified export processes.
- vi. The Export Credit Guarantee Corporation of India (ECGC) has introduced several measures to support MSME exporters such as Collateral-Free Cover under WT-ECIB, enhanced 90% cover for banks on export credit loans up to 50 crore ₹(earlier 20 crore) without incremental cost, w.e.f. 01.10.2025, enhanced cover for banks and directly sourced business, etc.
- vii. Ministry of Micro Small and Medium Enterprises (MSME) has set up a dedicated support system for export promotion by setting up 65 Export Facilitation Centres (EFCs).
- viii. CBIC in collaboration with the Department of Posts has notified the Postal Exports (Electronic Declaration and Processing) Regulations, 2022.
- ix. The GST Council has also recommended relaxation of conditions for interstate movement of goods meant for e-commerce exports, thereby addressing a key operational bottleneck for MSMEs and enabling seamless movement of consignments across states prior to export.
- x. Under the "Districts as Export Hubs (DEH)" initiative, focus export items in districts are identified with District Export Action Plans (DEAPs) prepared in consultation with State authorities and stakeholders to address value-chain gaps in infrastructure, logistics, quality upgradation and market linkages.
- xi. APEDA, under the Department of Commerce, provides financial assistance to its registered exporters through its Financial Assistance Scheme (FAS).

(f) FTAs are targeted at strengthening India's global trade footprint, attracting foreign investment, and integrating Indian businesses into global supply chains. Indicatively, among the recently signed FTAs, the Trade and Economic Partnership Agreement (TEPA) signed with the European Free Trade Association (EFTA) in March 2024 and implemented in October 2025 provides access to 99.6% of India's exports to the EFTA, including full access for non-agri goods and concessions on processed agri products. EFTA has also committed to boost Foreign

Direct Investment (FDI) in India by USD 100 billion over 15 years. The India – United Kingdom (UK) Comprehensive Economic and Trade Agreement (CETA) signed on 24 July 2025 secures duty-free access for 99% of India's exports to the UK. The India – Oman Comprehensive Economic Partnership Agreement (CEPA) signed on 18 December 2025 marks an important milestone in India's engagement with the Gulf region. Recently concluded FTA negotiations with New Zealand provide duty-free access for all Indian exports and a commitment from New Zealand to facilitate investments of USD 20 billion into India over the next fifteen years. India, 4th largest economy, and the European Union, 2nd largest economy, comprising 25% of Global GDP, have forged a Trusted Partnership with India EU FTA. There is Market Access of Over 99% of Indian exports gaining preferential entry into the EU. The FTA will open new opportunities for MSMEs and create jobs for women, artisans, youth and professionals. The FTA offers growth potential in labour-intensive sectors like textiles, leather, marine products, gems and jewellery. India has safeguarded sensitive Agricultural products and Dairy Sector. The long-term tariff predictability amongst FTA partner countries is likely to encourage investments and creation on new supply chains including diversification. The FTA covers a vast range of services sectors spectrum in which Indian service providers will get a stable and conducive regime in the EU market to supply their services. The FTA is expected to provide a boost to Indian traditional medicine services and practitioners. In the EU Member States where regulations do not exist, AYUSH practitioners will be able to provide their services using the professional qualifications they gain in India
