

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 487
ANSWERED ON 03/02/2026

FREE TRADE AGREEMENT WITH NEW ZEALAND

487. SHRI JAGDAMBIKA PAL:

Will the Minister of **COMMERCE AND INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government has concluded a Free Trade Agreement (FTA) with New Zealand and, if so, the details thereof along with its key features, including tariff concessions, market access and investment provisions;
- (b) the latest data on India's exports to and imports from New Zealand since the FTA, with sector-wise changes in volumes and values for goods and services;
- (c) the observed or projected impact on priority sectors like textiles, leather, engineering goods, pharmaceuticals, food processing and agriculture, including estimates of export growth and employment generation;
- (d) whether any assessment has been made of early gains or challenges for MSMEs, farmers, artisans and service providers, and the key findings thereof, if so, the details thereof;
- (e) whether GI-tagged products such as Kalanamak rice will benefit from tariff reductions or duty free access, including concessions on rice and processed agri- products, export-promotion measures and protection of GI tags under the IPR provisions of the agreement; and
- (f) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री जितिन प्रसाद)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

- (a) The Government of India successfully concluded negotiations for the India–New Zealand Free Trade Agreement (IN–NZ FTA) on 22 December 2025. The Agreement covers **Trade in Goods, Trade in Services and Investment, Rules of Origin, Custom Procedures and Trade Facilitation, Sanitary and Phytosanitary Measures, Technical Barriers to Trade, Intellectual Property Rights and Economic Cooperation** along with other cooperation-based elements. The key features of the agreement are described in **Annexure-I**.
- (b) Since the FTA is yet to enter into force, post-FTA sector-wise data on India's exports to and imports from New Zealand for goods and services is not available at present. However, in FY 2024–25, bilateral merchandise trade stood at approximately USD 1.3 billion, while total trade in goods and services was around USD 2.4 billion in 2024.

(c) Under the India–New Zealand Free Trade Agreement (IN–NZ FTA), India will get 100% duty-free market access from the date of entry into force of the Agreement on all tariff lines of India. The FTA is expected to significantly benefit export of labour intensive sectors such as textiles, leather, footwear, engineering goods, pharmaceuticals, chemicals, marine products, agricultural and food processing products, through improved market access and duty-free treatment. The Agreement is expected to boost exports, enhance competitiveness, and generate employment, particularly in labour-intensive sectors.

(d) The Agreement is expected to provide substantial benefits to MSMEs, farmers, artisans and service providers by improving market access and competitiveness, enhancing regulatory transparency, and facilitating skill mobility, technology and economic cooperation to be extended by New Zealand mainly in areas of agriculture, horticulture etc. A detailed assessment of early gains and challenges shall be undertaken after the Agreement becomes operational.

(e) & (f) New Zealand has provided 100 per cent duty-free market access on all tariff lines, covering all Indian exports. Accordingly, GI-tagged products, including Kalanamak rice, as well as rice and processed agri-products, will have zero-duty access in the New Zealand market. The Indian GIs including Kalanamak rice could seek benefit of the IPR provisions of the agreement subsequent to completion of a successful review of relevant provisions and changes to Section E (Geographical Indications) of the IPR Chapter as per commitment given by New Zealand in side letter on Geographical Indication under India-New Zealand FTA.

Annexure referred to in reply to Part (a) of Lok Sabha Unstarred Question No. 487 for answer on 03.02.2026.

1. **Trade in Goods:**

- New Zealand has offered **zero-duty** market access on **100%** of India's exports, while India has offered tariff liberalisation on **70.03 %** of tariff lines covering approximately **95% of bilateral trade** while keeping **29.97 % tariff lines in exclusion** and Immediate Elimination (EIF) on only 30% tariff lines. This ensures immediate competitiveness and expanding export opportunities for Indian products across labour-intensive sectors including textile and apparels, leather products, carpets, ceramics, processed agri products etc. and in pharmaceutical, chemical, engineering etc.
- The products that are kept in exclusion by India for market access are mainly- Dairy (milk, cream, whey, yoghurt, cheese etc.), animal products (other than sheep meat), vegetable products (onions, chana, peas, corn, almonds etc.), sugar, artificial honey, Animal, vegetable or microbial fats and oils, Arms and Ammunition, Gems and Jewellery, Copper and Articles (Cathodes, Cartridges, Rods, Bars, Coils etc.), Aluminium and articles thereof (Ingots, billets, wire bars) among others.

2. **Trade in Services and Mobility:**

- New Zealand has extended market access commitments in about **118 services sectors/sub-sectors** and **Most-Favoured Nation (MFN)** commitments in about **139 sectors/sub-sectors**, covering key areas of interest to India such as Computer Related Services, Professional Services, Audio Visual Services, Other Business Services, Telecommunication Services etc.
- The Agreement also provides improved skilled mobility through a **Temporary Employment Entry Visa pathway** for Indian professionals, with a quota of **5,000 visas** and stay of up to **three years**.
- A dedicated pathway on **student mobility and post-study work** has been incorporated, which provides for **removal of numerical caps on Indian students**, **guarantees a minimum work entitlement of 20 hours per week** during the period of study, and post-study work opportunities of up to **three years for STEM Bachelor's and Master's graduates** and up to **four years for Doctoral graduates**, thereby facilitating skill development and international exposure for Indian students.
- The Agreement further enhances youth mobility through multiple-entry Working Holiday Visas for **1,000** young Indians annually, valid for **12 months**, promoting global exposure, skills acquisition, and people-to-people linkages.
- India has extended market access commitments in **106 services sectors/sub-sectors** and **Most-Favoured Nation (MFN) treatment in 45 services sectors/sub-sectors** to New Zealand.

3. **Investment:**

New Zealand has committed to facilitating **USD 20 billion** in investment into India over **15 years**, thereby supporting manufacturing, infrastructure, innovation and job creation.

4. **Agricultural Cooperation:**

The agreement provides for establishment of dedicated Agri-Technology **Action Plans on kiwifruit, apples and honey**, focus on productivity enhancement, technology, research collaboration, quality improvement and value-chain development, to strengthen domestic capabilities and supporting income growth for Indian farmers.

5. **Faster Regulatory Access in Pharmaceuticals and Medical Devices:**

The FTA streamlines access for pharmaceuticals and medical devices by enabling acceptance of GMP (Good Manufacturing Practice) and GCP (Good Clinical Practice) inspection reports from comparable regulators, including approvals by the US FDA, EMA, UK MHRA, Health Canada and other comparable regulators. These will reduce duplicative inspections, lower compliance costs, and expedite product approvals, thereby facilitating smoother market access and supporting growth of India's pharmaceutical and medical devices exports to New Zealand.
