

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 5149
ANSWERED ON 24/03/2026

FREE TRADE AGREEMENTS

5149. SHRI MANISH TEWARI:

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

- (a) whether the Government is aware that despite signing several Free Trade Agreements (FTAs) with partners such as the UK, New Zealand and Oman, and ongoing negotiations with the European Union, India's trade deficit with FTA partners has widened sharply in the first quarter of the current fiscal year and exports to key FTA markets such as ASEAN countries and the UAE have declined;
- (b) if so, the reasons for the limited export gains from these FTAs, including structural issues such as import-dependent inputs, cost competitiveness and non-tariff barriers;
- (c) whether the Government has reviewed the effectiveness of existing FTAs in boosting manufactured exports beyond sectors like electronics; and
- (d) the specific policy measures being considered to ensure that FTAs translate into tangible export growth, deeper value-chain integration and reduction in trade deficits with partner countries?

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) and (b) India has signed FTA with UK and Oman but are yet to be implemented since they are under ratification process. Also, FTA negotiations with New Zealand and the European Union have been concluded on 22nd December 2025 and 27th January 2026 respectively. India - ASEAN- CECA and India-UAE CEPA has been signed and implemented.

Trade trends, in particular short-term, including for exports and imports, are shaped by a wide range of global and domestic factors, including economic growth, geopolitical developments, industry demand, energy security for domestic needs, commodity price movements and evolving supply chains. Trade flows annually and across both goods and services for the FTA with ASEAN and the UAE is at Annexure.

Free Trade Agreements (FTAs) are entered into with the concerned trading partner countries primarily with the aim to increase the bilateral trade through enlarging the scope of market access and build on the trade complementarities for increasing trade and investment, thereby providing enhanced export potential, creating benefits for industry as across sectors covering a wide range of economic activities. The FTAs

facilitate preferential market access for different sectors, cover measures for addressing technical barriers to trade (TBT), sanitary and phytosanitary (SPS) measures, customs procedures, and regulatory cooperation etc. to facilitate exports.

Before entering into FTA, Government ensures that sector-specific stakeholder consultations are held at all stages of the negotiations. FTAs are negotiated with the endeavor to deliver a comprehensive, balanced, broad-based and equitable agreement based on the principle of fairness and reciprocity. It also ensures a level playing field for Indian exporters vis-à-vis their competitors in the trading partner countries.

In addition to this structured approach, post-implementation, the Government is continuously engaged with all stakeholders to advance trade through trade promotion, monitor progress, and promote trade facilitation and remedial measures for elevating trade and economic growth. Strategic safeguards for sensitive sectors ensure export growth while protecting domestic priorities. Also, FTAs provide institutional arrangements for addressing trade-related issues faced by stakeholders, including exporters, with partner countries.

(c) and (d) Government regularly reviews existing Free Trade Agreements (FTAs) to ensure that they continue to serve India's economic and strategic interests, benefit domestic industries of various sectors. These reviews address multiple aspects, including stakeholder and industry demands for improved market access for Indian goods and services, removal of non-tariff barriers, simplification of rules of origin and customs procedures, and modernization of agreements by incorporating new areas such as digital trade, investment, and supply chains. The review process involves extensive consultations with stakeholders, industry associations, relevant Ministries and Departments, and partner countries, followed by negotiations for amendments or upgrades wherever required. FTAs are reviewed to safeguard India's trade and economic interests and to keep them aligned with national priorities. At present Government is reviewing ASEAN-India Trade in Goods Agreement (AITIGA) and India-Korea CEPA. The review of AITIGA and the India-Korea CEPA is needed to address tariff asymmetries and improve market access. Both FTAs are being reviewed to strengthen rules on origin, transparency, customs, and SPS/TBT disciplines and utilization.

Government has taken several initiative and measures from time to time towards boosting exports from the country:

(i) The Foreign Trade Policy effective from April 01, 2023 is designed to integrate India more effectively into the global market, improve trade competitiveness, and establish the country as a reliable and trusted trade partner.

(ii) The Rebate of State and Central Levies and Taxes (RoSCTL) Scheme to promote labour- oriented certain items of textiles sector export has been implemented since March 07, 2019.

(iii) Remission of Duties and Taxes on Exported Products (RoDTEP) scheme has been implemented since January 01, 2021. The benefit of RoDTEP scheme had also been extended to sectors like steel, pharma and chemicals with effect from December 15, 2022 to enhance export competitiveness of these sectors. Currently,

approx 10,780 tariff lines (8-digit ITC(HS) Codes) are covered under this Scheme. The budget allocation for RoDTEP Scheme for the current financial year 2025-26 is Rs. 18,232 crores. The benefits of the RoDTEP scheme have been extended to exports from Domestic Tariff Area (DTA)/ AA/ EoU/ SEZ units till March 31, 2026.

(iv) A Common Digital Platform for Certificate of extension Origin has been launched to facilitate trade and increase Free Trade Agreement (FTA) utilization by exporters.

(v) Districts as Export Hubs initiative has been launched by identifying products & services with export potential in each district, addressing bottlenecks for exporting these products and supporting local exporters/manufacturers to generate employment in the district.

(vi) The Government has launched Trade Connect ePlatform as a unified digital interface to provide international trade information and services to all Indian exporters including MSMEs. The platform serves as a single platform for issuance of Certificates of Origin for all Indian products. It also provides various information including tariffs for Indian products in international markets, trade events happening worldwide, product and country specific trade data and compliances, international buyer data and learning resources on international trade. Officials from Indian Missions, Export Promotion Councils, Exim Bank and Department of Commerce are present on the platform with over 19 lakh registered public users (as of January 2026).

(vii) The Export Promotion Mission (EPM), approved by the Cabinet on 12.11.2025 and announced in the Union Budget 2025–26, is a flagship, outcome-based initiative with an outlay of ₹25,060 crore for FY 2025–26 to FY 2030–31 to enhance India's export competitiveness, particularly for MSMEs, first-time exporters, and labor-intensive sectors; implemented through a collaborative, EDI-driven framework, it consolidates various interventions into two sub-schemes - NIRYAT PROTSAHAN, providing affordable trade finance support, and NIRYAT DISHA, offering non-financial assistance such as quality compliance, branding, logistics, market access, and capacity building.

(viii) Active role of Indian missions abroad towards promoting India's trade, tourism, technology and investment goals has been enhanced. Regular monitoring of export performance with Commercial Missions abroad, Export Promotion Councils, Commodity Boards/Authorities and Industry Associations is being done and corrective measures are being taken from time to time.

ANNEXURE

Annexure referred to in reply to Part (a) to (b) of Lok Sabha Unstarred Question No. 5149 for answer on 24th March, 2026

India's Merchandise Trade with UAE*(Value in Rs. Crore)*

India's Merchandise Export to UAE					
		2022-2023	2023-2024	2024-2025	Apr-Dec 2025
A	Gems and Jewellery Products	36964	46480	66673	65771
B	Petroleum Products	46263	69472	68194	64128
C	Non-petroleum and Gems & Jewellery Products	125931	137901	160227	180152
Total Export (A+B+C)		209158	253852	295094	310050
India's Merchandise Import from UAE					
A	Gems and Jewellery Products	118747	118946	166630	229453
B	Petroleum Products	151618	221928	146039	209214
C	Non-petroleum and Gems & Jewellery Products	64105	86532	85157	98172
Total Import (A+B+C)		334470	427406	397826	536838

Total Merchandise Trade	543628	681258	692921	846888
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*(Source: DGCIS)***India's Services Trade with UAE***(Values in USD Million)*

	2022	2023	2024
Exports	5276	5715	6122
Imports	3803	3936	4238
Total	9079	9651	10360

*(Source: BaTIS)***India's Merchandise Trade with ASEAN***(Values in USD Million)*

	2024-25	April 2025 – Dec 25
Export	39002	30554
Import	84209	73822
Total Trade	123211	104376

(Source: DGCIS)