

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 1716
ANSWERED ON 10/02/2026

INDIA–EU FREE TRADE AGREEMENT

1716. SHRI SRIBHARAT MATHUKUMILLI

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

- (a) the latest status of the negotiations on the India–EU Free Trade Agreement (FTA) and the expected timeline for its conclusion and ratification;
- (b) the major sectors of goods and services identified by the Government that are expected to be impacted under the proposed FTA, including the benefits for exports and domestic industry competitiveness;
- (c) the estimated benefit to Indian consumers and exporters from tariff elimination and improved market access, including expected changes in trade volumes and foreign exchange earnings;
- (d) whether the Government has conducted or commissioned any impact assessment studies of existing free trade agreements that India is part of, comparing projected versus realised benefits, and the key lessons drawn relevant to the India–EU FTA; and
- (e) the steps the Government is taking to address non-tariff barriers and regulatory challenges identified by stakeholders in order to maximise the gains from the India–EU FTA?

ANSWER

वाणिज्य और उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)
THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a) 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. The agreement is to come into force after signing and ratification by both the Parties. The process will be carried forward by both the Parties in mutual consultation.

(b) The proposed FTA is expected to provide benefits to key goods sectors, including textiles, apparel, leather, footwear, gems and jewellery, marine products, engineering goods, chemicals, plastics and rubber, medical devices, and agricultural and processed food products etc., through preferential access across 97% of EU tariff lines and more than 99% of India's export value. Improved tariff access is expected to enhance India's export competitiveness, promote value addition, and provide opportunities for integration into EU value chains, thereby strengthening domestic manufacturing and employment. In the services sector, India has secured commitments across 144 services subsectors, including IT/ITeS, professional

services, education, and other business services. Indian service providers are expected to benefit from a stable and predictable regime in the EU market and facilitative mobility commitments for professionals, thereby boosting India's services exports. EU's strengths in high-technology and capital intensive services are expected to support export growth while also enhancing the competitiveness of domestic service industries.

(c) The tariff elimination and preferential market access secured under the proposed FTA across 97% of EU tariff lines and more than 99% of India's export value are expected to enhance the price competitiveness of Indian goods, particularly in labour-intensive and MSME-driven sectors, leading to expansion of trade volumes and higher foreign exchange earnings over time. Indian consumers are also expected to benefit from access to high-technology and quality goods at competitive prices, reducing input costs and supporting integration of domestic industry into European value chains.

(d) The assessment of impact of Free Trade Agreements (FTAs) is a continuous process. A Joint Study Group (JSG) is normally set up to study the feasibility of the proposed FTAs, including their impact on the domestic industry, especially small and medium enterprises. Stakeholders including industry representatives, Apex Chambers of Commerce and Industry, Industry Associations as well as the Administrative Ministries and Departments are consulted from time to time. The FTA Monitoring Committee under the Department of Commerce (DoC) oversees the impact of FTAs through regular industry feedback on employment and industrial growth. This helps address import-related issues such as rule violations and unfair trade practices, as well as export challenges like FTA underutilization and non-trade barriers. Additionally, the DoC conducts FTA assessment studies as needed for review and to guide future negotiations.

(e) India-EU FTA has specific commitments to facilitate trade, avoid unnecessary restrictions and enhance transparency, establishing consultation and rapid reaction mechanism to resolve issues and reach a mutually acceptable solution, with a view to address non-tariff barriers.
