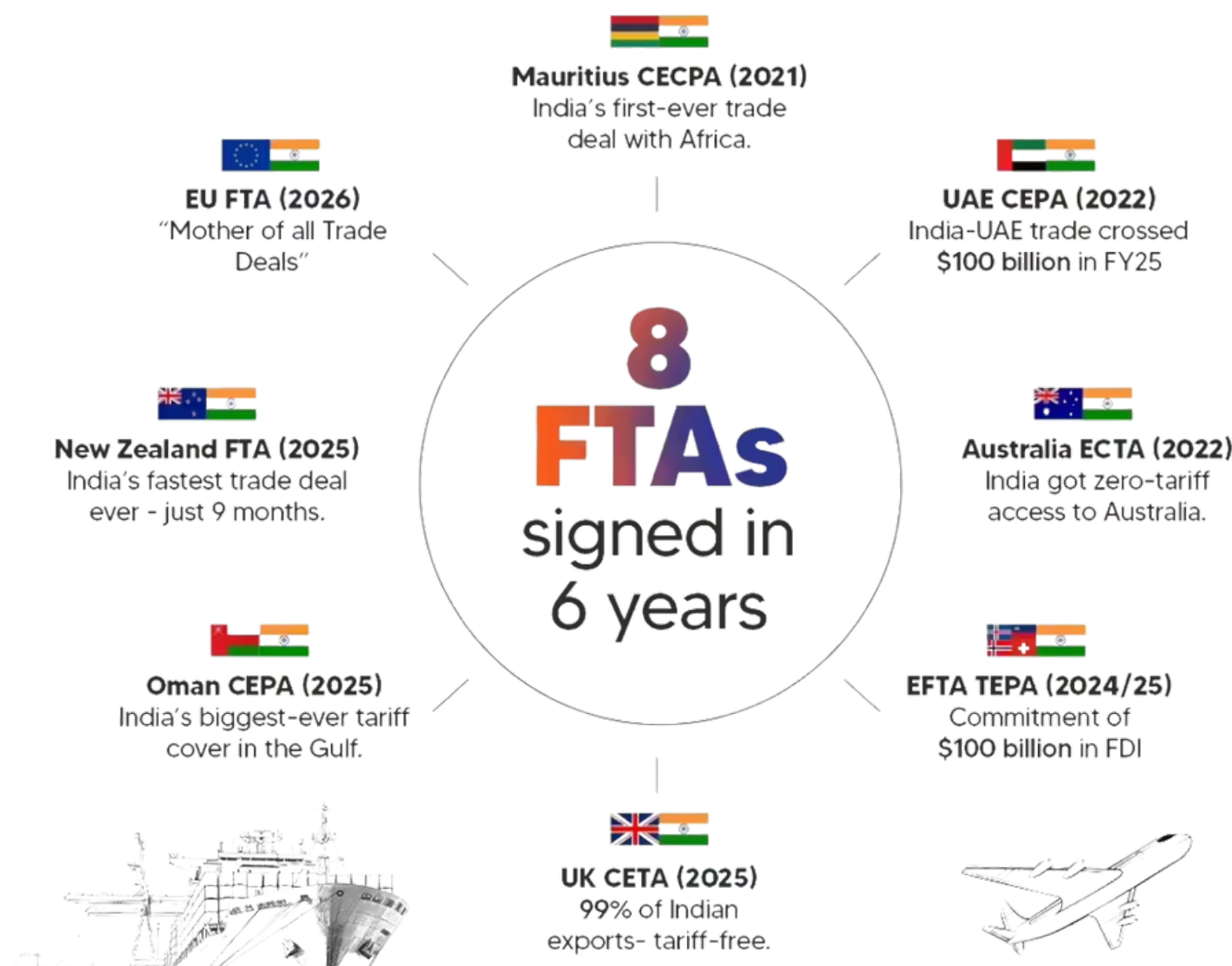


WORISGO SPECIAL REPORT

Indian Free Trade Agreements

Prepared By

Jai Adlakha-Junior Risk Analyst
Mahima Sharma-Junior Risk Analyst



Context

- Executive Summary
- Classification of India's Trade Agreements
- Indian Trade Landscape
- India-EU FTA - the "mother of all deals"
- India-EU FTA : Market Size and Economic Impact
- India-US Interim Trade Agreement
- India-UK: Comprehensive Economic and Trade Agreement (CETA)
- Other Major Trade Agreements
- India-United Kingdom CETA
- India-EFTA Trade and Economic Partnership Agreement
- India-New Zealand Trade Agreement
- Implementation challenges and risks
- Economic and Strategic Analysis
- Sectoral Impact Assessment
- Geopolitical Implications
- Policy recommendations and outlook
- Conclusion

EXECUTIVE SUMMARY

India has emerged as one of the most active participants in global trade negotiations in 2025–2026, securing multiple landmark agreements that reshape its economic landscape. This report provides a comprehensive analysis of India's recent trade deals, focusing on the transformative agreements with the United States and the European Union, as well as other significant bilateral and regional partnerships.

India has been negotiating free trade agreements with several partners – both bilateral and regional – in a bid to boost export-oriented domestic manufacturing. These FTAs cover a wide array of topics, including tariff reductions affecting the entire manufacturing and agricultural sectors; rules on services trade; digital issues such as data localization; intellectual property rights that may affect the accessibility of pharmaceuticals; and investment promotion, facilitation, and protection.

As of 2025, India has 13 active free trade agreements (FTAs). In parallel, the central government is reassessing its investment treaties and preferential trade frameworks to better align them with contemporary economic realities, seeking to balance investor protection with national policy priorities.

The two flagship deals—the India-EU Free Trade Agreement (January 2026) and the India-US Interim Trade Agreement (February 2026)—represent a strategic pivot in India's trade policy, moving away from traditional protectionism toward deeper global integration. These agreements come at a critical juncture, as India navigates geopolitical tensions, US tariff pressures, and the need to diversify its export markets.

Key 2025 FTA Developments:

- India-UK FTA (Signed July 2025): Focuses on boosting bilateral trade in services, technology, and engineering goods.
- India-EFTA TEPA (Effective Oct 2025): A landmark deal with Switzerland, Norway, Iceland, and Liechtenstein, aimed at increasing investments and reducing tariffs.
- India-Oman CEPA (Signed Dec 2025): Strengthens ties in the Gulf region, benefiting petrochemicals and services.
- India-New Zealand FTA (Concluded Dec 2025): Aims to deepen economic ties with a focus on agriculture and service sector growth.
- India-EU Negotiations: Continued, with an ambitious FTA finalized in early 2026.
- Australia (ECTA): Continued to show strong positive results in bilateral trade.
- Future Negotiations: India initiated talks with Mercosur (Argentina, Brazil, Paraguay, Uruguay) and the GCC.

The future outlook for Indian FTAs is centered on aggressive geographic diversification and deep integration into global supply chains, moving from a defensive trade posture to an export-led growth strategy aimed at achieving "developed nation" status by 2047.

CLASSIFICATION OF INDIA'S TRADE AGREEMENTS

- **Free Trade Agreements:** FTAs are legally binding treaties between two or more countries aimed at reducing or eliminating trade barriers, such as tariffs, quotas, and restrictions on imports and exports. These agreements often include provisions for trade facilitation, intellectual property rights, and investment protections.
- **Preferential Trade Agreements (PTAs):** Unlike FTAs, PTAs offer selective tariff reductions on specific goods, rather than complete elimination. Some of the examples of such agreement include the India-MERCOSUR PTA and the India-Chile PTA.
- **Comprehensive Economic Partnerships/Cooperation Agreements (CEPAs/CECAs):** These agreements go beyond FTAs by including provisions on investment, services, and regulatory cooperation. This includes the India-South Korea CEPA and the India-Singapore CECA.
- **Bilateral Investment Treaties (BITs):** BITs focus on protecting and promoting investments between two countries by ensuring fair treatment and dispute resolution mechanisms. For examples, the India-UAE BIT and the India-Uzbekistan BIT.
- **Regional Trade Agreements (RTAs):** These involve multiple countries within a specific region aiming for economic integration. Examples include the South Asian Free Trade Area (SAFTA) and the Asia-Pacific Trade Agreement (APTA).

INDIAN TRADE LANDSCAPE



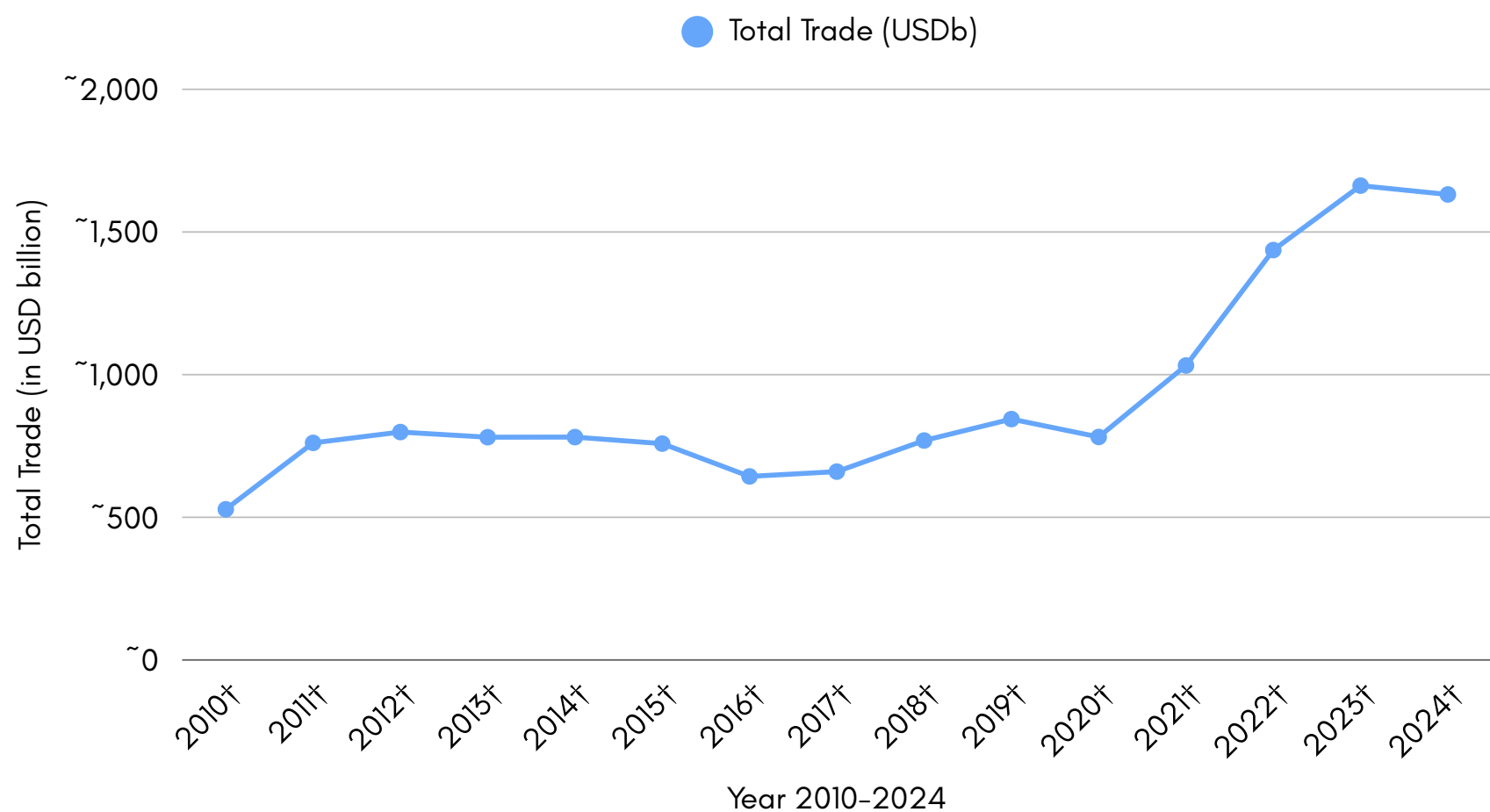
India's trade landscape is rapidly evolving, driven by a robust services sector and diversifying merchandise exports, reaching a total trade value of US\$ 1,290.35 billion (April-December 2024). Key sectors include engineering, electronics, and petroleum, with the US, UAE, and China as primary partners. Despite a widening merchandise deficit, strong service exports and strategic FTAs are reinforcing India's position as a global trade hub.

Industry View (CII & FICCI)

Both bodies have welcomed the change in India's trade policy from being reactive to being proactive, emphasizing FTAs as playing an important role in the growth of manufacturing, exports, and the \$2 trillion export plans by 2030.

CII has stressed that "FTAs are critical to address our high logistics cost of 13-14% of GDP and to ensure our enterprises' integration in global value chains." The need to address issues like modernising infrastructure and competitiveness of MSMEs has been stressed by FICCI.

INDIAN TRADE LANDSCAPE



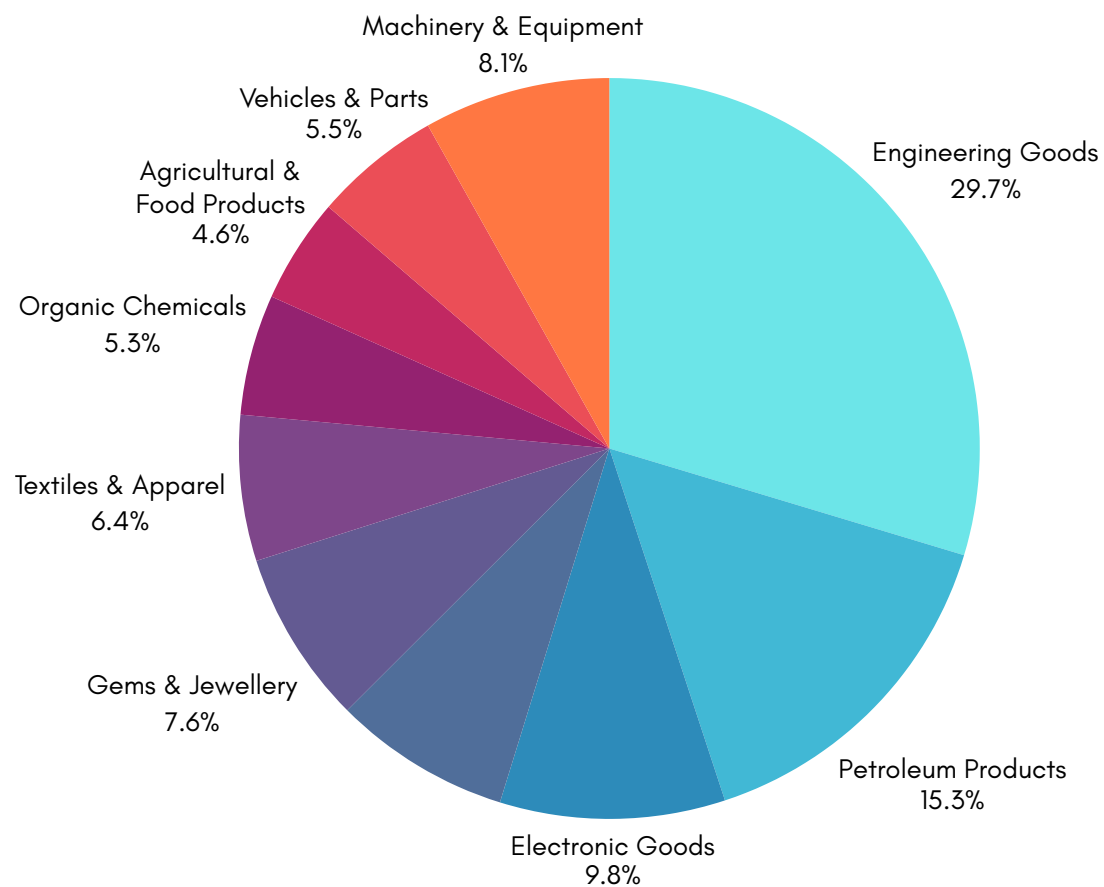
India's trade landscape reflects both remarkable achievements and ongoing challenges. With total trade exceeding \$1.3 trillion annually, India ranks as the world's 18th largest merchandise exporter and 9th largest importer, while placing 8th in global services trade.

The fiscal year 2024-25 saw record exports of \$825 billion, strategic trade agreements with the EU and US, and accelerated infrastructure modernization. However, challenges remain: logistics costs at 13-14% of GDP (nearly double global averages), infrastructure bottlenecks, and geopolitical uncertainties pose obstacles to India's \$2 trillion export target by 2030.

- Key Export Items: Petroleum products, engineering goods, precious stones, gems and jewelry, organic chemicals, and pharmaceuticals.
- Major Imports: Mineral fuels, electrical machinery, pearls, precious metals, and organic chemicals.

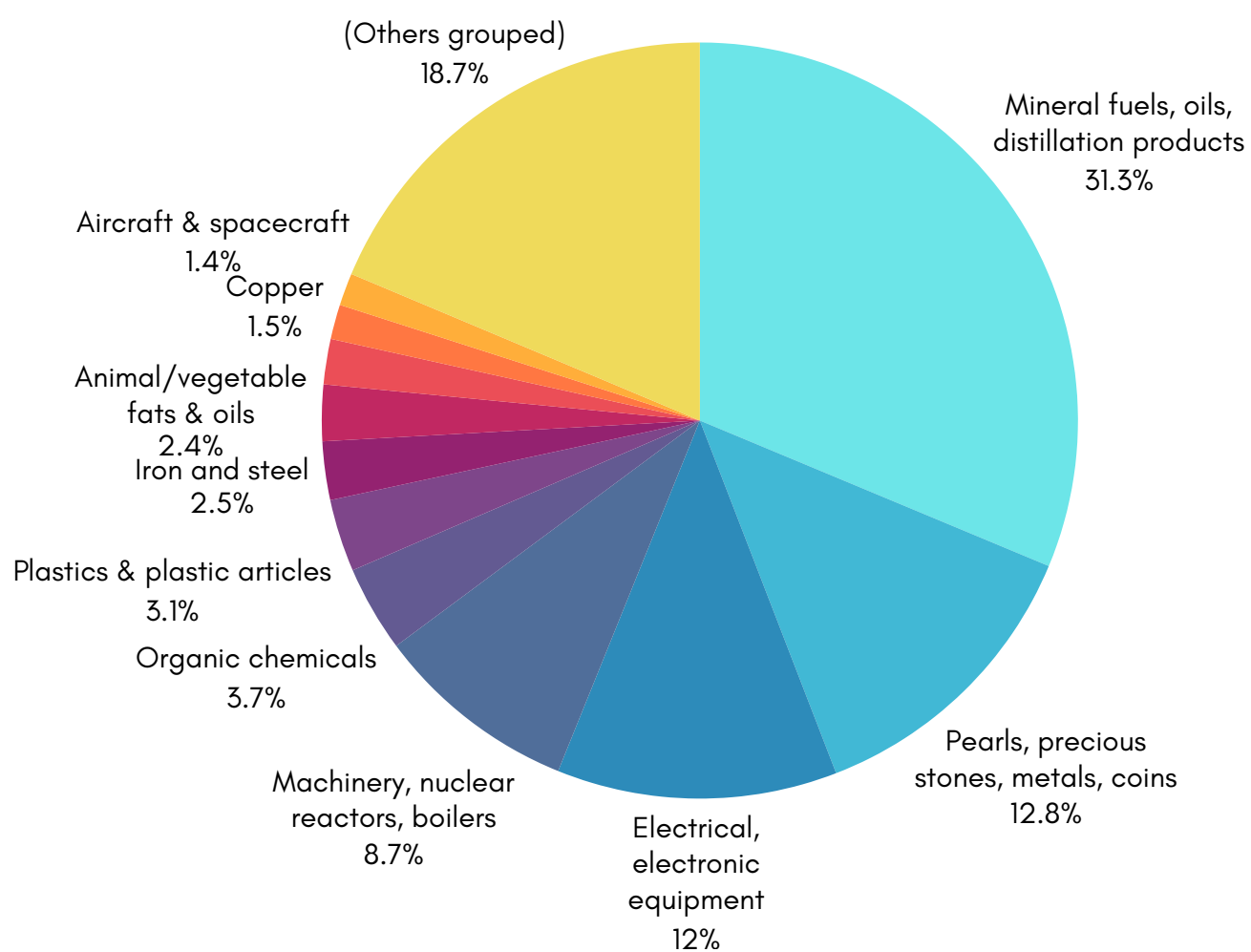
INDIAN TRADE LANDSCAPE

Top Indian Export Sectors by Value



Key Export Items: Petroleum products, engineering goods, precious stones, gems and jewelry, organic chemicals, and pharmaceuticals.

Top Import Items in India (2024)



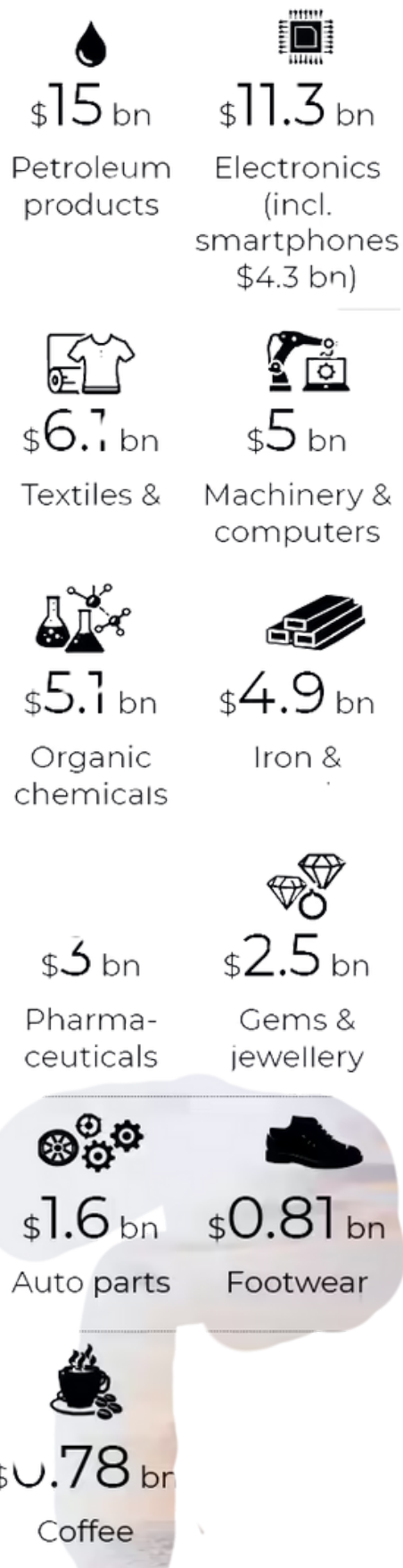
Major Imports: Mineral fuels, electrical machinery, pearls, precious metals, and organic chemicals.



India-EU FTA - The "Mother of All Deals"



Exports to EU



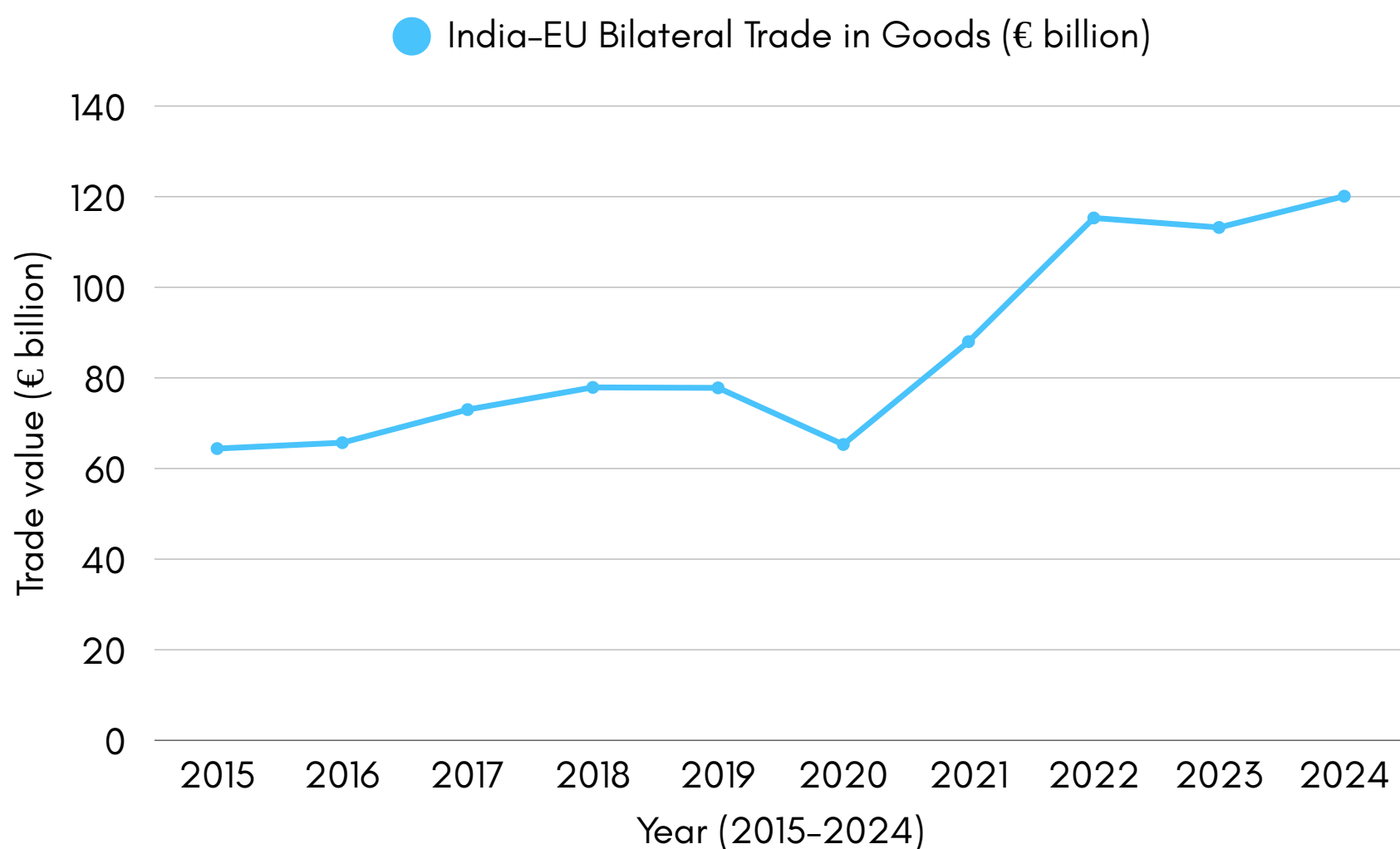
Imports from EU



- Announced on 27 Jan 2026, the India-EU Free Trade Agreement represents the culmination of nearly two decades of intermittent negotiations. Dubbed the 'mother of all deals' by both European Commission President Ursula von der Leyen and Indian Trade Minister Piyush Goyal, this comprehensive agreement establishes one of the world's largest free trade zones.
- The agreement was finalized following accelerated negotiations in late 2025 and early 2026, with both sides reaching consensus on approximately 20 of 24 negotiating chapters by the time of the announcement. The timing was strategic, coming amid escalating US-India trade tensions and Trump administration tariff pressures.
- The India-EU FTA creates a combined market of nearly \$27 trillion, representing approximately 25% of global GDP and covering about 2 billion people. This makes it one of the largest free trade agreements in the world by economic output.
- In addition to the FTA, India and the EU signed a Security and Defence Partnership to enhance cooperation in maritime security, counterterrorism, cyberdefense, and defence procurement. A mobility and migration agreement was also finalized, substantially enhancing legal pathways to the EU for Indian students and skilled workers.

Data: India-EU Trade Goods
Source: The Indian Express

INDIA-EU FTA : MARKET SIZE AND ECONOMIC IMPACT



Geopolitical Significance:

The India-EU FTA is not just economic but strategic — reinforcing India's role as a trusted democratic partner amid EU efforts to de-risk from China and diversify supply chains. It strengthens India's positioning in the Indo-Pacific and European security architecture through parallel defence and mobility agreements.

Industry Reaction:

CII described the EU deal as a "game-changer for Indian manufacturing," particularly for textiles, leather, pharmaceuticals, and engineering goods. FICCI welcomed mobility provisions, noting that professional recognition and labor access are as strategically important as tariff cuts.

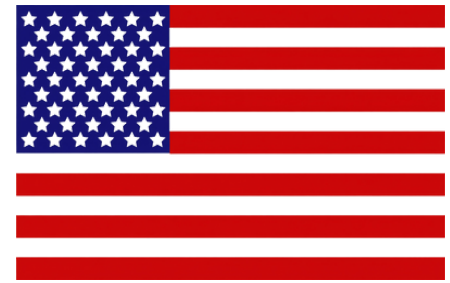
INDIA-EU FTA : MARKET SIZE AND ECONOMIC IMPACT

The agreement provides for substantial tariff eliminations and reductions across multiple sectors:

- Indian tariffs on 30% of EU goods imports fall to zero immediately
- Overall, tariffs on 96.6% of EU goods exports to India will be eliminated or reduced
- Machinery tariffs (up to 44%) largely eliminated
- Chemical tariffs (22%) mostly removed
- Pharmaceutical tariffs (11%) eliminated for most products
- Automotive tariffs gradually reduced from 110% to 10% over time
- Wine and spirits tariffs cut from 150% to 20-40%

Metric	Value	Impact
Combined Market Size	\$27 trillion	25% of global GDP
Population Covered	2 billion people	Massive consumer base
Current Bilateral Trade	\$136 billion (2024-25)	Target: \$200B by 2030
EU Tariff Savings	€4 billion annually	Reduced costs for EU exporters

India-US Interim Trade



The announcement of the Interim Trade Agreement on February 2, 2026, marks a significant reset in bilateral relations. While full details remain under negotiation, the framework agreement reduces the effective US tariff on Indian goods from 50% to 18%, providing immediate relief to Indian exporters.

Strategic Objectives & Tariff Adjustments

- **Reciprocal Tariff Reduction:** The US will reduce punitive tariffs on Indian goods from 50% to 18%. This effectively removes the 25% "penalty" surcharge imposed in 2025 alongside the baseline 25% global tariff.
- **Market Access (US Perspective):** President Trump claims India has agreed to reduce tariffs and non-tariff barriers to zero on US industrial and agricultural goods.
- **Market Access (India Perspective):** Commerce Minister Piyush Goyal clarifies that "red lines" remain. India will maintain protections for sensitive sectors, particularly dairy, grains, and genetically modified (GM) crops.

Energy & Procurement Framework

- **The "\$500 Billion" Intention:** The framework includes a non-binding "intent to purchase" \$500 billion in US goods over the next five years (approx. \$100B/year).
 - **Composition:** Focus areas include civil aviation (Boeing orders), energy (LNG/LPG), coking coal for steel production, and high-tech infrastructure (GPUs and AI hardware).
 - **Clarification:** Minister Goyal emphasized this is not a binding mandate but a projection based on India's organic economic growth and \$2 trillion total import requirements.

India-US Interim Trade Agreement



Agricultural & Sectoral Impact

- **Managed Access (DDGS):** India will allow a limited annual quota (approx. 0.5 million tonnes) of US Distillers Dried Grains with Solubles (DDGS) for animal feed to meet high protein requirements in the livestock sector.
- **Farmer Protection:** The government insists that the interests of India's 878 million livestock and millions of farmers are balanced. Staple crops and the dairy sector remain largely insulated from free-market US competition.
- **Industrial Advantage:** The tariff drop to 18% places India in a more favorable competitive position than regional rivals like Vietnam (20%) and China (34%).



Source: The Hindustan Times

INDIA-US INTERIM TRADE AGREEMENT

COMPARATIVE TARIFF ANALYSIS

- The 18% tariff rate positions India favorably compared to regional competitors:

Country	US Tariff Rate
India	18%
Pakistan	19%
Vietnam	20%
Bangladesh	20%
China	30-35%

Points of Contention

Despite the announcement, significant discrepancies exist between US and Indian characterizations of the deal:

- India has not publicly confirmed eliminating all tariffs on US goods to zero
- The \$500 billion purchase commitment is viewed by experts as 'aspirational' rather than realistic
- Agriculture sector protections remain a point of debate, with India insisting on safeguards for dairy and agriculture
- Details on Russian oil cessation timeline and verification mechanisms are unclear

INDIA-US INTERIM TRADE AGREEMENT

COMPARATIVE TARIFF ANALYSIS

Geopolitical Significance:

The deal reflects India's balancing act — stabilizing economic ties with the US while maintaining strategic autonomy, especially in energy sourcing and agricultural protection. It also aligns with the broader Indo-Pacific strategy and technology partnership frameworks such as iCET.

Industry Reaction:

CII has welcomed the tariff reset, calling it essential for restoring certainty in the India-US trade relationship. FICCI noted that reduced tariffs strengthen India's competitiveness vis-à-vis Vietnam and Bangladesh, particularly in electronics, textiles, and pharmaceuticals, but cautioned against overdependence on a single market.

Sector Benefits and Strategic Implications

- Export-oriented sectors expected to gain significantly include engineering goods, electronics, textiles, leather, pharmaceuticals, and gems and jewelry.
- The agreement also paves the way for US companies to enter India's nuclear power sector through the SHANTI Act of 2025 and deepens cooperation under the US-India Initiative on Critical and Emerging Technology.
- India has reportedly committed to placing orders worth up to \$80 billion for Boeing aircraft, signaling substantial aerospace sector engagement.
- The Union Budget 2026-27 includes tax holidays for foreign companies establishing data centers in India, directly benefiting US tech giants.

OTHER MAJOR TRADE AGREEMENTS

INDIA-UNITED KINGDOM CETA

Finalized in May 2025 after three years of negotiations, the Comprehensive Economic and Trade Agreement represents the UK's largest post-Brexit trade deal and India's biggest agreement with a G7 economy in over a decade.

Key Features:

- The UK offers duty-free access to 99% of Indian items
- India's average tariffs on UK goods fall from 15% to 3%
- Expected to unlock \$23 billion in new trade opportunities
- Target: £25.5 billion increase in bilateral trade
- Social security exemption for short-term Indian workers in the UK
- Goal: \$120 billion bilateral trade by 2030

The India-UK Comprehensive Economic and Trade Agreement (CETA), signed in July 2025, serves as a transformative blueprint to double bilateral trade to \$112 billion by 2030 through unprecedented market access and professional mobility. As the UK's most ambitious services deal to date, it covers 137 sub-sectors and establishes assured entry pathways for Indian professionals, including a unique annual quota for chefs and yoga instructors, alongside a 12-month commitment to finalize Mutual Recognition Agreements for nursing, architecture, and accountancy. A cornerstone of the pact is the Double Contribution Convention, which exempts Indian workers on short-term assignments from paying UK National Insurance, projected to save Indian firms over \$500 million annually while benefiting approximately 75,000 workers.

INDIA-EFTA TRADE AND ECONOMIC PARTNERSHIP AGREEMENT

The India-EFTA Trade and Economic Partnership Agreement (TEPA), which officially entered into force on October 1, 2025, marks a historic milestone as India's first free trade agreement with a developed European bloc (Switzerland, Norway, Iceland, and Liechtenstein). This landmark deal is uniquely characterized by a binding commitment from EFTA states to invest \$100 billion in India and generate 1 million direct jobs over the next 15 years, primarily focusing on long-term capital for productive capacity in sectors like renewable energy, life sciences, and digital transformation. Beyond a 99.6% coverage of India's exports with significant tariff concessions on processed agricultural products, textiles, and engineering goods, the agreement provides a massive boost to the services sector through Mutual Recognition Agreements (MRAs) for professionals like nurses and architects, while strategically safeguarding sensitive Indian domestic industries such as dairy and soya.

- **The "\$100 Billion" Commitment:** Unlike traditional FTAs that focus purely on lowering tariffs, TEPA is built on an investment-led growth model. EFTA states (Switzerland, Norway, Iceland, and Liechtenstein) aim to invest \$100 billion in India over 15 years. This commitment specifically focuses on long-term capital for productive capacity (e.g., factories, infrastructure) and excludes short-term Portfolio Investment (FPI).

- **Strategic Market Access for Goods:** TEPA provides a "high-standard" entry point into some of the world's most affluent markets. India secures duty-free access for 99.6% of its exports, including 100% of non-agri products (Textiles, Gems & Jewellery, Machinery). EFTA gets access to 95.3% of its exports to India. India has safeguarded sensitive sectors, including Dairy, Soya, Coal, and Pharma (PLI-linked products).

- **Services, Mobility, and MRAs:** This agreement is particularly robust for India's high-tech and professional workforce. TEPA enables the recognition of Indian qualifications in Nursing, Chartered Accountancy, and Architecture across EFTA nations. Enhanced opportunities in IT, Business Services, Education, and Audio-Visual (Media/Film) services. Improved rules for "Mode 1" (remote/digital service delivery) and "Mode 4" (certainty for temporary stay of personnel).

Sector Specific Gains

Sector	Nature of Advantage
Pharma & Med-Tech	Access to Swiss precision technology and investment in high-end medical electronics.
Agriculture	Tariff elimination on Guar Gum, Basmati Rice, and Fresh Grapes; competitive edge over rivals in the premium segment.
Electronics	Strategic springboard for MSMEs to integrate into European OEM supply chains.
Marine	Duty exemptions in Norway and Iceland for processed shrimp and fish feed.

INDIA-NEW ZEALAND TRADE AGREEMENT

The India-New Zealand Free Trade Agreement (FTA) represents one of India's fastest-concluded trade pacts, finalized in just nine months. This forward-looking agreement secures immediate duty-free access for Indian goods while establishing a landmark \$20 billion investment framework and a unique focus on professional mobility and traditional medicine.

India and New Zealand announced negotiations for a Free Trade Agreement (FTA) In March 2025. Following several rounds of negotiations, the India-New Zealand FTA was concluded in December 2025, becoming one of India's fastest-concluded FTAs. This FTA enhances market access and tariff preferences for Indian exports to New Zealand, while serving as a gateway to the wider Oceania and Pacific Island markets. The agreement opens opportunities for India to emerge as a key supplier of skilled workforce, alongside prospects for future cooperation in areas such as AYUSH and services such as Yoga Instructors, Indian Chefs, and Music Teachers, and services under sector of interests like IT, Engineering, Healthcare, Education, and Construction.

- **Bilateral Trade Growth:** Merchandise trade increased by 49% to \$1.3 billion in 2024–25; India maintains a positive trade balance with \$711 million in exports. New Zealand has committed to a \$20 billion investment into India over the next 15 years to strengthen strategic and industrial ties. New Zealand will eliminate duties on 100% of Indian export lines (8,284 lines) immediately upon the agreement's entry into force.
- **Strategic Market Access & Protections:** Zero-duty access for critical labor-intensive and high-tech sectors: Textiles & Apparel: 10% duty eliminated; targets a \$1.9 billion market. Engineering: 10% duty eliminated; targets an \$11 billion market. Pharma & Chemicals: 5% duty removed; includes expedited regulatory pathways. India has excluded 29.97% of its tariff lines to protect sensitive domestic industries.

- **Services, Mobility, and Education:** For the first time, New Zealand has signed a dedicated annex for Traditional Medicine, facilitating trade in Ayurveda, Yoga, and Unani services. A new dedicated pathway for 5,000 skilled Indians annually (3-year stay) across IT, Engineering, Healthcare, and iconic occupations (Chefs, Yoga Instructors). New Zealand's first-ever Student Mobility Annex guarantees work rights for Indian students (up to 20 hrs/week) and Post-Study Work Visas (up to 4 years for PhDs and 3 years for STEM Bachelors/Masters).

Sector Specific Gains

Sector	Market Opportunity
Leather & Footwear	\$510M NZ import market
Plastic & Rubber	\$2.05B NZ import market
Marine Products	\$260M NZ import market
Agri-Technology	Centers of Excellence for Apple/Kiwi yield

IMPLEMENTATION CHALLENGES AND RISKS

US Agreement Uncertainties

- The \$500 billion purchase commitment is widely viewed as unrealistic given India's total goods imports of \$720 billion in FY 2025
- Discrepancies between US and Indian characterizations of the agreement raise implementation concerns
- Agriculture sector protections may limit actual market opening
- Trump's history of reneging on trade agreements creates uncertainty
- Verification mechanisms for Russian oil cessation are unclear

Risk Level



EU Agreement Challenges

- Carbon Border Adjustment Mechanism - India opposes EU carbon border taxes on steel, aluminum, and cement
- Agreement requires approval from EU Council, European Parliament, and Indian Union Council
- Legal vetting and translation pending before formal signing
- Automotive sector adjustment pressures despite phased implementation

Risk Level



Domestic Political Considerations

- Agricultural sector vulnerability to US imports
- Energy import bill pressures from shifting to more expensive US/Venezuelan oil
- Current account deficit concerns given large purchase commitments
- MSME competitiveness against US imports

Risk Level



ECONOMIC AND STRATEGIC ANALYSIS

India's recent trade agreements represent a marked departure from historically protectionist policies. The willingness to reduce tariffs on sensitive sectors like automobiles and agriculture signals a strategic recalibration driven by multiple factors:

- Response to US tariff pressures and need to diversify export markets
- Recognition that deeper global integration supports India's manufacturing ambitions
- Desire to position India as a reliable alternative to China in global supply chains
- Geopolitical realignment amid US-China tensions
- India is using FTAs to build a "circle of friends" (EU, UK, UAE, EFTA) to insulate its economy from the volatility of the US-China trade war.
- The future of Indian trade is no longer just about "buying and selling," but about "investing and integrating."
- Success is now measured by FDI inflows (e.g., the EFTA \$100B target) rather than just trade balance.
- The adoption of Self-Certification and Mutual Recognition Agreements (MRAs) for professionals (Nursing, CA, Architects) indicates a move toward global standard alignment.



SECTORAL IMPACT ASSESSMENT

Sector	Impact
Manufacturing	Labor-intensive sectors including textiles, leather, toys, furniture, and jewelry manufacturing gain competitive advantages through improved market access. The textile sector alone could create 6-7 million jobs through the EU deal. Small and medium enterprises particularly benefit from reduced tariff barriers.
Pharmaceuticals:	Lower import costs for EU drugs and improved supply chains support market growth. The elimination of 11% EU tariffs on pharmaceutical imports benefits cancer therapies, biologics, and GLP-1 medications. India's pharma market is projected to grow from \$31.2 billion in 2025 to \$45.7 billion by 2035.
Information Technology:	Enhanced mobility provisions and improved US-India relations reduce regulatory scrutiny on IT services. The sector benefits from data center tax incentives and digital trade provisions. IT has the largest exposure to the US market among Indian sectors.
Agriculture	Indian carmaker shares initially dipped following the EU deal announcement due to concerns about European competition. However, the phased reduction (110% to 10% over time) and commitments on parts manufacturing provide adjustment time.
Automotive	Indian carmaker shares initially dipped following the EU deal announcement due to concerns about European competition. However, the phased reduction (110% to 10% over time) and commitments on parts manufacturing provide adjustment time.

GEOPOLITICAL IMPLICATIONS

- India's simultaneous trade agreements with the EU and US represent a historical inflection point. For the first time since independence, India is integrating deeply into Western-led economic frameworks while maintaining strategic partnerships across the global spectrum. This balancing act—long articulated as "strategic autonomy"—is being operationalized through concrete economic commitments. The Cold War-era non-aligned movement has evolved into multi-alignment, where India maintains partnerships with competing powers while avoiding formal alliances. Trade deals provide economic foundation without military commitments.
- Unlike the Cold War's ideological divisions, contemporary geopolitics is driven by supply chains, technology access, and market power. India's trade agreements position it as an indispensable node in global economic networks.
- Every Indian strategic decision is influenced by China—through competition, threat perception, or opportunity. Trade deals with the West are partly insurance against Chinese economic or military coercion, partly positioning for supply chain opportunities.
- The Trump administration's trade war inadvertently demonstrated that unilateral American economic pressure drives partners together rather than toward compliance. The post-unipolar world requires coalition-building, not coercion.
- The EU's deal with India signals European recognition that strategic autonomy requires economic diversification and Indo-Pacific engagement. Europe is building options beyond US and China.
- The coming decade will determine whether India emerges as a genuine third pole in global affairs or becomes subordinate to either a US-led or China-led order. These trade agreements are foundational—but implementation, adaptation, and strategic wisdom will determine outcomes.
- India's trade deals represent calculated strategic bets that economic integration with the West serves national interests without foreclosing other partnerships. The multipolar world order is being negotiated through FTAs, supply chain realignments, and technology partnerships. India has positioned itself as a pivotal player—but execution will determine whether potential becomes reality.

POLICY RECOMMENDATIONS AND OUTLOOK

Indian equity markets responded positively to the trade agreements. The Sensex rose 2.5% following the US deal announcement, with particular gains in export-oriented sectors. UK-listed investment trusts with India exposure, including Ashoka India, gained 5.6%. Analysts view the deals as removing uncertainty and supporting investor confidence in manufacturing, IT, telecommunications, and financial sectors.

While the US and EU deals are significant, India should continue diversifying trade partnerships to avoid over-dependence on any single market. Accelerating FTAs with the UK (completed), Canada, Australia, and Gulf nations provides strategic hedging.

The government should provide transition subsidies and technology upgrade assistance to help small businesses compete with imports. Training programs in export compliance and quality standards will be essential.

Establishing bilateral monitoring committees ensures that technical standards (SPS/TBT measures) are not used as backdoor protectionism. Regular reviews of implementation progress and dispute resolution mechanisms will be critical.

Trade agreements create opportunities, but infrastructure bottlenecks limit realization. Investment in ports, logistics, and export processing zones will be necessary to capitalize on enhanced market access.

Future FTAs should emphasize digital trade provisions. Projections indicate the digital economy could add \$1 trillion to India's GDP by 2025. Frameworks addressing data localization, cross-border data flows, and e-commerce will be increasingly important.

Key Statistics Summary

Agreement	Key Metric
India-EU FTA	\$27 trillion market, 2 billion people
India-US Agreement	Tariffs reduced from 50% to 18%
India-UK CETA	99% duty-free access, \$23B opportunities
India-EFTA TEPA	\$100B investment, 1M jobs over 15 years
Total Active FTAs	13 agreements, 50+ countries
Bilateral Trade (US)	\$132B (FY25), \$40.82B surplus
Bilateral Trade (EU)	\$136B (FY25), \$15B+ surplus

CONCLUSION

The year 2025-2026 marks a watershed moment in India's trade policy evolution. The dual achievements of the India-EU and India-US trade agreements, alongside deals with the UK, EFTA, Oman, and New Zealand, demonstrate India's emergence as a major player in global trade negotiations.

These agreements represent pragmatic give-and-take arrangements that balance India's export competitiveness with strategic geopolitical considerations. The EU deal creates the foundation for sustained export growth in labor-intensive sectors while providing mobility benefits for India's skilled workforce. The US agreement, though fraught with uncertainties, removes a significant tariff overhang and stabilizes a relationship critical to India's strategic interests.

Success will ultimately depend on effective implementation, careful management of domestic adjustment pressures, and continued diversification of trade partnerships. The agreements position India to potentially add significant GDP growth and millions of jobs, but realizing this potential requires sustained policy attention, infrastructure investment, and support for affected sectors.

As India navigates the complex landscape of global trade amid US-China tensions, technological disruption, and climate considerations, these agreements provide a foundation for deeper integration into global value chains while maintaining strategic autonomy. The coming years will reveal whether India can successfully balance its dual ambitions of protecting domestic industries and becoming a major global manufacturing hub.

About the Authors

Jai Adlakha: Jai serves as a Junior Risk Analyst at WoRisGo for Central America and Russia Region. He is a passionate historian and international relations student with extensive MUN experience. He holds an undergraduate degree in History from Ambedkar University Delhi and a Master's degree in Conflict Analysis and Peacebuilding from Jamia Millia Islamia, specializing in History, Conflict Analysis, Peacebuilding, and Southeast Asian Studies. He is also a former intern at WoRisGo. He spends his free time playing single-player games and reading.

Mahima Sharma: Mahima Sharma serves as a Junior Risk Analyst at WoRisGo for the South and Central American region. She is an alumna of Panjab University, Chandigarh, with a strong academic grounding and a sustained interest in International Relations. Her research interests span geopolitics, decolonization, and gender studies. Her professional experience includes research internships with The Viyug, and Global Strategic and Defence News.



worisgo.com



risk.services@worisgo.com



1800-572-8600

Prepared at the Risk Assessment and Analysis Centre, Bangalore

@COPYRIGHT - WoRisGo

Terms of use: The business continuity, compliance and security risk advisory contained above is based on analysis of information in public domain and our expertise in the domains. For certain verifications, we have also depended on due diligence with officials wherever necessary or feasible. The analysis and information are provided on an as-is basis with no liability. Various organizations may arrive at different outcomes, business continuity plans and other decisions based off on these inputs. Our analysis is just one of the several data points towards enabling such decisions. This analysis should be consumed in the context of your organization's risk appetite, business practices, governance policies and bearing other situational and relevant factors in mind.