

India-EU working with sincerity and commitment to finalise a balanced Free Trade Agreement: Union Minister of Commerce and Industry Piyush Goyal

India-EU FTA to open new opportunities for auto component sector in growth, collaboration and innovation: Shri Goyal

India-EU working to finalise a ground-breaking Free Trade Agreement by year-end: EU Commissioner

Recent GST reforms a landmark relief for auto industry: Shri Piyush Goyal

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India and the European Union are working with sincerity and commitment to finalize a comprehensive and balanced Free Trade Agreement that will benefit businesses and consumers on both sides, said Union Minister of Commerce and Industry Piyush Goyal addressed the 65th Annual Session of the Automotive Component Manufacturers Association (ACMA) today. The Minister noted that such an agreement cannot be a one-sided arrangement, as every negotiation involves a certain degree of give and take to ensure fairness and balance.

The Minister said that it is important not to let the search for a perfect deal become the enemy of progress, and stressed that the direction in which the negotiations are moving is extremely positive. He expressed confidence that the possibilities being unlocked through this process are immense and will open up opportunities for trade, investment, technology transfer, and deeper economic engagement.

The Minister said he is confident that a bold and forward-looking industry such as the automotive component sector, which has consistently demonstrated strength in earlier FTA negotiations, will find the provisions being crafted under the India-EU partnership to be attractive and full of potential.

He expressed confidence that the automotive component sector, which has always lent strength in FTA negotiations, will find the arrangements being worked out between India and the EU attractive, exciting, and full of potential for businesses to grow, collaborate, innovate, and engage in research and development. The Minister underlined that the sector has consistently demonstrated resilience and foresight, not only by supporting India's domestic manufacturing base but also by integrating with global value chains.

Shri Goyal said that the FTA will open new avenues for Indian manufacturers to partner with their European counterparts and with companies from other parts of the world, thereby encouraging joint ventures, technology partnerships, and collaborative innovation. He noted that India offers significant advantages in

terms of cost competitiveness—be it in design, development, or R&D—and combined with the country's skilled talent pool, this will make India an increasingly attractive hub for global automotive companies. He added that such partnerships will help bring down costs, enhance productivity, create jobs for Indian youth, and further position India as a leading centre for high-quality automotive component manufacturing.

The session was also addressed by the H.E. Maroš Šefčovič, Commissioner for Trade and Economic Security, Interinstitutional Relations and Transparency, European Union. He observed that India and the EU are negotiating a ground-breaking Free Trade Agreement with unprecedented momentum, describing the ongoing discussions as some of the most intensive and constructive ever held between the two partners. He noted that while negotiations on an FTA had been attempted in the past, never before had the process reached such a level of seriousness, mutual trust, and shared ambition. The Commissioner said that efforts are being maximised to finalise the negotiations by the end of the year, in line with the commitment made earlier by Prime Minister Narendra Modi and European Commission President Ursula von der Leyen.

He underlined that both sides are striving to put in place an economically meaningful package that balances the interests of producers, exporters, and consumers in equal measure. He stressed that the objective is to arrive at a truly win-win agreement that not only facilitates the exchange of goods and services but also promotes investment, innovation, sustainable practices, and deeper cooperation between the two regions. He added that India is fast becoming a key engine of the global economy and that a strong economic partnership with India will add significant value to the European Union, just as Europe's technology and scale will benefit India's growth story.

Shri Goyal further underlined that the India-EU FTA will be a comprehensive economic partnership with strategic elements. He said that India will benefit from Europe's technology and innovation, while the EU will benefit from India's growth story, scale, and resilience. He also noted India's aspiration to increase vehicle penetration from 34 cars per thousand people today to significantly higher levels, creating opportunities for the auto component industry to expand globally.

The Minister recalled that as Prime Minister Narendra Modi has said, the automobile industry has been the torchbearer of the Make in India programme. As India marks 10 years of Make in India, the Minister said this is an opportune time to aim higher, strengthen supply chains, build resilience, and contribute significantly to jobs, exports, and high-quality manufacturing.

The Minister praised India's resilience during the COVID-19 pandemic, noting that the country upheld every global commitment, from providing medicines and vaccines to over 100 countries, many free of cost, to ensuring availability of essential goods without profiteering. He said this earned India the trust of the world, and today the country is looked upon as a reliable and trusted partner.

The Minister commended the recent GST reforms announced under the leadership of Prime Minister Narendra Modi. He said that reducing GST rates from 28 percent to 18 percent is a landmark reform and a huge relief for the auto industry. For tractors, GST has been reduced to 5 percent, giving a major boost to the agriculture sector. He said this reform deserves a standing ovation for the Prime Minister, as it will make spare parts more affordable, strengthen formalisation, generate jobs, and expand demand across the value chain. He stressed that the benefits must be fully passed on to consumers.

The Minister said that this round of GST reform is the biggest reform since Independence and every Indian stands to gain. He emphasised that there will not be a single citizen out of 1.4 billion who will not benefit from these reforms.

The Minister concluded by quoting Ratan Tata: "Take the stones people throw at you and build a monument." He said the sector and the nation must not be deterred by challenges, and with confidence, resilience and collective effort, India will continue to grow stronger.

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