India and Gulf Cooperation Council Sign Terms of Reference for India–GCC Free Trade Agreement

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The Terms of Reference (ToR) for the India-GCC Free Trade Agreement (FTA) were signed between Shri Ajay Bhadoo, Additional Secretary and Chief Negotiator, Department of Commerce and Dr. Raja Al Marzouqi, Chief Negotiator, Secretariat General of the Gulf Cooperation Council, on 5 February 2026 at Vanijya Bhawan, New Delhi. The signing took place in the presence of Union Minister of Commerce and Industry Shri Piyush Goyal, Union Minister of State for Commerce and Industry Shri Jitin Prasada, and Commerce Secretary Shri Rajesh Agrawal.

The ToRs will guide the negotiations for the GCC-India FTA by defining its scope and modalities.

During the signing ceremony, Shri Piyush Goyal emphasized that the FTA will be a force multiplier for the global good. He underlined that the FTA will bring predictability and stability, taking the relationship between the two sides to greater heights. He exuded confidence that FTA will enable seamless flow of goods, and services and attract investments while expanding job opportunities and fostering food and energy security for the region, elevating our deep economic ties.

Chief Negotiator, Secretariat General of the Gulf Cooperation Council, Dr. Al Marzouqi, underscored that GCC and India have shared historic trade relations and that the signing of ToRs marks the commencement of negotiations towards a mutually beneficial FTA. He highlighted that the FTA will further reinforce relations between India and GCC, particularly in the context of prevailing global uncertainties.

During his visit, Dr. Raja Al Marzouqi met with Shri Rajesh Agrawal. The discussion focused on bolstering overall economic partnership between India and the GCC and advancing cooperation in the areas of mutual interest.

The India–GCC FTA holds significant potential to unlock and expand trade with an important region, with which India has longstanding historical ties in trade and commerce. India's trade with GCC stood at USD 178.56 billion (Exports: USD 56.87 billion; Imports: USD 121.68 billion) in FY 2024-25, accounting for 15.42% of India's global trade. In the last five years, India's trade with the GCC has expanded steadily, registering an annual average growth rate of 15.3 per cent.

Key exports from India to GCC include engineering goods, rice, textiles, machinery, gems and jewelry. Key sectors of imports from GCC primarily comprise crude oil, LNG, petrochemicals, and precious metals such as gold. Collectively, the GCC countries represent a market of 61.5 million people (2024) and US$ 2.3 trillion in terms of GDP at current prices, ranking 9th globally in this category. The GCC region is also a significant source of FDI for India, with cumulative investments exceeding USD 31.14 billion as on September 2025.

The GCC is also home to nearly ten million members of the Indian community. These strong and enduring people-to-people ties are further reinforced by the substantial presence of Indian companies across the region.

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