Ministry of Commerce & Industry

India–EFTA TEPA Marks Two Years, Strengthening Trade, Investment and Technology Collaboration

India Builds Strategic FTA Network with 38 Nations, Expanding Global Market Access: Prime Minister Shri Narendra Modi

India–EFTA TEPA Opens High-Income Markets, Targets $100 Billion Investment Over 15 Years

India–EFTA TEPA Boosts Inclusive Growth, Connecting Women, Youth, Farmers and MSMEs to Global Markets

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Two years since the signing of the Trade and Economic Partnership Agreement between India and the member States of the European Free Trade Association, Iceland, Liechtenstein, Norway and Switzerland, the partnership has moved from negotiation to implementation with effect from 1 October 2025. The Agreement brings together India and a group of advanced European economies in a framework that supports trade, investment, services, technology collaboration and long-term industrial growth.

The Prime Minister Shri Narendra Modi has said: "Over the last few years, we have built a strategic and purposeful network of Free Trade Agreements. We now have FTAs with 38 partner nations, an unprecedented milestone in India's trade history. A remarkable feature of these trade agreements is that they span continents and include countries of varying economic strength. This gives our manufacturers and producers enough diversity and depth to sell our products across many markets. These FTAs have opened up the markets of major economies to India's manufactured products. For instance, the India-UK FTA and the India-E.U. FTA will eliminate tariffs on 99% of our exports to these countries. Merchandise trade with both Australia and the UAE has doubled since the signing of FTAs with these countries. Our service sector and its professionals are well known worldwide. They have already made India a hub of Global Capability Centres in different domains. These trade agreements have further boosted their opportunities with greater regulatory certainty, mutually beneficial frameworks and greater mobility across our partner nations. Our manufacturing sector has been taking giant strides in the past few years and these trade agreements will help integrate India and Indian products more deeply into global supply chains. They will give better returns to Indian producers and manufacturers and also contribute to increasing prosperity for our people."

On the 2nd Anniversary, Union Minister of Commerce and Industry Minister Shri Piyush Goyal stated "India-EFTA TEPA is an agreement with a long-term economic purpose. It gives Indian exporters access to high-income markets, creates an investment pathway of USD 100 billion over 15 years, and improves access to specialised machinery, quality inputs and technology partnerships that can strengthen manufacturing in India. This is important for building scale, improving standards, deepening value addition and moving towards India's 2030 exports ambition."

The India-EFTA TEPA is one of India's most significant trade arrangements with a group of high-income and innovation-driven economies. Along with India's other trade agreements and ongoing trade negotiations, it forms part of a wider effort to expand opportunities for farmers, fishermen, MSMEs and start-ups, while supporting investment and job creation across sectors. For MSMEs and start-ups in particular, the Agreement can open pathways for technology transfer, joint ventures and collaboration with niche technology firms from EFTA countries, helping Indian enterprises move up the value chain and strengthen their global competitiveness. Within TEPA, EFTA's commitments cover 92.2 per cent of tariff lines, accounting for 99.6 per cent of India's exports, including full coverage of non-agricultural products and tariff concessions on processed agricultural products. India's commitments cover 82.7 per cent of tariff lines, accounting for 95.3 per cent of EFTA exports. Sensitive sectors, including dairy, soya, coal and select agricultural products, are protected, while the effective duty on gold remains unchanged.

For India, the significance of TEPA lies in both market access and capability building. The Agreement strengthens India's export presence in high purchasing power markets securing binding commitments across pharmaceuticals, textiles and garments, engineering goods, chemicals, processed foods and marine products. At the same time, it improves access to specialised intermediate goods, advanced machinery, precision components and selected high-standard industrial products that can support production efficiency, product quality and integration with global supply chains.

This matters for India's industrial growth. Better access to high-quality equipment and specialised inputs can help Indian enterprises upgrade manufacturing processes, reduce avoidable cost disadvantages, support standards compliance and expand participation in export-oriented production networks. In sectors where reliability, traceability and quality determine market share, such improvements carry wider export gains for Indian industry.

TEPA also supports India's broader trade ambition towards 2030. The Government has articulated a target of USD 1 trillion in merchandise exports and USD 1 trillion in services exports by 2030. TEPA contributes to this objective by combining predictable access to advanced markets with investment-led capacity creation and stronger industrial linkages.

The Agreement includes an investment commitment of USD 100 billion over 15 years and facilitation of one million direct jobs. This investment dimension gives TEPA a wider economic role by linking trade opening to manufacturing capacity, technology partnerships, research and development, renewable energy, life sciences, engineering and digital transformation.

TEPA also opens fresh avenues in services. It provides a framework for stronger cooperation in IT and IT-enabled services, professional services and other knowledge-intensive sectors. It enables Mutual Recognition Agreements in identified professional services such as nursing, chartered accountancy and architecture, and provides greater certainty for the entry and temporary stay of key personnel linked to services delivery.

The Agreement has an inclusive growth dimension as well. Women and youth entrepreneurs, farmers, fishers, MSMEs and start-ups stand to benefit from access to premium European markets. Opportunities are expected to expand across Indian States, including Maharashtra in grapes, Karnataka in coffee, Kerala in spices and seafood, and the North Eastern States in horticulture, linking local producers more closely with global markets.

As implementation advances, India and the EFTA States will continue to work through institutional mechanisms, business engagement and stakeholder consultations to translate the Agreement into stronger trade flows, productive investment and deeper economic cooperation. TEPA reflects India's approach to trade policy as an instrument for expanding exports, strengthening domestic manufacturing, connecting Indian firms to advanced value chains and supporting the larger vision of Viksit Bharat by 2047.

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