



Digital trade an important component of India's economy

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India's interests safeguarded, while securing market access in these agreements

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India has a vibrant IT ecosystem with revenues exceeding 280 billion US Dollars and exports of 225 billion US Dollars in FY 2024-25. It employs more than 60 lakh people. Therefore, digital trade is an important component of India's economy.

India's Free Trade Agreements:

Government of India is firmly committed to fostering and expanding digital trade partnerships with potential nations across the world. India has concluded three Free Trade Agreements with United Arab Emirates, United Kingdom, and the European Union, each of which includes a Digital Trade Chapter as a key component.

In these agreements, India has effectively safeguarded its interests while securing market access.

India-US Trade negotiations:

The India-US Bilateral Trade Agreement (BTA), currently under negotiations, seeks to foster a free, fair, and dynamic digital environment, enabling deeper collaboration in the field of Digital Trade.

India and the United States have established a framework for an Interim Agreement that reflects both nations' shared commitment to fostering an open, and equitable digital trade environment.

This interim framework charts a pathway toward achieving reciprocal and mutually beneficial digital trade guidelines as a vital component of the India-US BTA.

India has preserved its regulatory autonomy in data governance, while striking a careful balance between advancing emerging technologies and promoting cross-border cooperation.

In no way, such agreements restricts India's ability to take measures for managing India's own data within the established legal framework.

India's robust legal framework:

Digital Personal Data Protection Act, 2023 establishes a strong data privacy framework. It places corresponding obligations on Data Fiduciaries to ensure lawful processing and protection of personal data. The Act empowers citizens by giving them rights enforceable against the Data Fiduciaries.

Government of India notified the Digital Personal Data Protection (DPDP) Rules 2025 to provide a comprehensive framework for the processing of personal data, including cross-border transfers.

The framework enables the Central Government to prescribe additional conditions, including restrictions on the transfer of certain categories of personal data under limited circumstance, where necessary.

Similarly, sector regulators are prescribe mandate by considering the criticality of the sector. E.g. Reserve Bank of India (RBI) mandates that all Payment System Data must be stored exclusively on systems located within India.

Government remains steadfast in its commitment to advancing India's digital economy, while ensuring that domestic regulatory autonomy is preserved and strengthened.

This information was submitted by Union Minister of State for Electronics and Information Technology Shri Jitin Prasad in Lok Sabha on 01.04.2026.

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