GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
UNSTARRED QUESTION NO.1649
ANSWERED ON 13/02/2026

FTAs WITH EUROPEAN UNION

1649. SHRI ASHOKRAO SHANKARRAO CHAVAN

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India has signed a Free Trade Agreements (FTAs) with the European Union (EU), if so, the details thereof;
(b) the key areas of consensus and outstanding issues discussed between the two sides;
(c) the details of the sectors likely to be benefited from proposed FTAs, particularly in goods, services, digital trade and investment;
(d) whether Government has conducted an impact assessment of the agreements on domestic industries, MSMEs, agriculture and employment, if so, the details thereof; and
(e) the safeguards proposed in the agreements to protect the sensitive sectors related to some sectors of agriculture, dairy and environment?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI JITIN PRASADA)

(a) and (b) India and the European Union (EU) announced the conclusion of negotiations for a Free Trade Agreement (FTA) on 27th January 2026 at the 16th India–EU Summit, held in New Delhi. The FTA includes both conventional areas (Trade in Goods, Rules of Origin, Trade in Services etc.) as well as emerging disciplines (Anti-Fraud, Small and Medium Enterprises (SMEs), Sustainable Food Systems and Digital Trade.

(c) India has secured unprecedented market access for more than 99% of Indian exports by trade value to the EU. Of this 90.7% of India's exports will will enter zero duty into the EU market from entry into force of the FTA. More specifically, exports worth more than USD 33 billion in key labour-intensive sectors (such as textiles, apparel, marine, leather, footwear, chemicals, plastics/rubber, sports goods, toys, gems, and jewellery) that are currently subjected to import duty between 4% to 26% in the EU and are crucial for employment generation, will enter zero duty from entry into force of the FTA and thus gain enhanced competitiveness in the EU market. These sectors are poised to benefit from tariff liberalisation and enhanced competitiveness, enabling deeper integration into global and European value chains and simultaneously creating job opportunities. Under the FTA, broader and deeper commitments have been secured from the EU across 144 services subsectors, including IT/ITeS, professional services, education, and other business services. This covers a vast range of services sectors spectrum in which Indian service providers will get a stable and business friendly regime in the EU market to supply their services. India's competitive, knowledge intensive services are expected to drive India's exports while benefitting EU businesses and consumers. The FTA establishes an assured regime for temporary entry and stay for professionals, including Business Visitors, Intra-Corporate Transferees, Contractual Service Suppliers, and Independent Professionals. Through a comprehensive mobility framework, India strengthens its position as a global hub for talent. The framework eases movement of employees (and their spouses and dependents) of Indian Corporates established in the EU in all services sectors. For business entities aiming to provide services under a contract to EU clients, India can access 37 sub-sectors including IT, business, and professional services. Independent professionals intending to provide services to EU clients get certainty in 17 subsectors for Independent Professionals, covering IT, R&D, and higher education, creating expanded opportunities for Indian professionals and knowledge-driven trade. Commitments by EU for digitally delivered services will provide a significant boost to expanding India's Global Capability Centres (GCCs) footprint and expand its dominant digitally delivered services. The FTA comprises provisions for greater engagement between India and EU on electronic payment systems, including linking fast payment systems and mechanisms to leverage India's technological expertise in digital payment systems such as Unified Payment Interface (UPI). The FTA supports digital trade facilitation through provisions on paperless trading, electronic contracts, authentication and trust services and electronic invoicing. It enhances trust through provisions pertaining to privacy and personal data protection, online consumer protection, unsolicited commercial electronic messages and cybersecurity. The agreement creates predictable regimes for trade and investment, encouraging EU investments into India in high-technology areas fostering innovation and deeper integration of Indian enterprises, including MSMEs, into European value chains.

(d) The assessment of impact of Free Trade Agreements (FTAs) is a continuous process. A Joint Study Group (JSG) is normally set up to study the feasibility of the proposed FTAs, including their impact on the domestic industry, especially small and medium enterprises. Stakeholders including industry representatives, Apex Chambers of Commerce and Industry, Industry Associations as well as the Administrative Ministries and Departments are consulted from time to time. The FTA Monitoring Committee under the Department of Commerce (DoC) oversees the impact of FTAs through regular industry feedback on employment and industrial growth. This helps address import-related issues such as rule violations and unfair trade practices, as well as export challenges like FTA underutilization and non-trade barriers. Additionally, the DoC conducts FTA assessment studies as needed for review and to guide future negotiations.

(e) India has safeguarded sensitive sectors, including dairy, cereals, poultry, soymeal, certain fruits and vegetables, etc. balancing export growth with domestic priorities. The Trade and Sustainable Development chapter in the FTA takes a cooperative approach based on Parties' respective levels of development.

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