Unlocking New Global Markets: FTAs, Market Access & Export Competitiveness

INSIGHTS FROM RECENT FTAS

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FTA impact on Indian Trade

- Free trade agreements (FTAs) primarily are entered into for reducing or eliminating tariffs and non-tariff barriers on goods and services between partner countries to boost international trade and economic cooperation.
- **Export Growth:** India's total exports reached a record USD 863.11 billion in FY25-26 from USD 825.26 billion, registering a 4.9 per cent year-on-year growth. India's merchandise exports totalled USD 441.79 billion and services export totalled USD 421.32 billion
- **Improving Trade Deficits:** Trade deficit reduced by 35.77% (prior to West Asia Crisis and Conflict)
- Sectoral Success: Growth in engineering, pharmaceuticals, electronics, gems & jewellery, and textiles, particularly in markets like ASEAN, UAE, and Australia

Overview of an FTA's Contents

- **Market Access | Tariff related measures**
  a. Trade in Goods
  b. Trade in Services
  c. Rules of Origin
- **Non-tariff measures (NTMs)**
  a. Sanitary and Phytosanitary Measures
  b. Technical Barriers to Trade
  c. Intellectual Property Rights

Market Access | Tariff Related Measures

Trade in Goods:

Eliminating tariffs on 80% to 95% of goods, improving competitiveness of Indian products globally

Services Trade:

Liberalisation in sectors like IT, financial services, telecommunications, etc.

Rules of Origin:

Specific compliance requirement to obtain certificate of origin to claim concessions under FTAs.

Types of Duty Rates

Ad valorem	Specific	Compound	Mixed	Technical
2.5%	INR 1000 / kg	2.5% + INR 1000 / kg	2.5% or INR 1000 / kg, whichever is higher	7.29% + AD/ CVD/ SGD + etc.

Tariff Rates Applicable pre-FTA

Sector	IN-UAE CEPA	IN-Oman CEPA	IN-AUS ECTA	IN-UK CETA	IN-NZ FTA	IN-EU FTA
Furniture	Up to 5%	Up to 5%	Up to 4-5%	Up to 4%	Up to 0-5%	Up to 10-11%
Handicrafts	Up to 5%	Up to 5%	Up to 4-5%	Up to 4%	Up to 0-5%	Up to 10-11%
Gems and Jewellery	Up to 5%	Up to 5%	Up to 4-5%	Up to 4%	Up to 5-10%	Up to 4% to 26%
Textiles and Apparel	Up to 5%	Up to 5%	Up to 4-5%	Up to 12%	Up to 5-10%	Up to 9-12%
Leather and Footwear	Up to 5%	Up to 5%	Up to 4-5%	Up to 16%	Up to 5-10%	Up to 2-17%
Light Engineering	Up to 5%	Up to 5%	Up to 4-5%	Up to 14%	Up to 5-10%	Up to 22%

Benefits Under FTAs

Market Access

- **IN-UAE CEPA:** 97 % of its tariff lines corresponding to 99% of imports from India, where 90% of trade became duty-free from the date of entry into force – **01 May 2022**.
- **IN-Oman CEPA:** 100% duty-free market access on 98.08% of Oman's tariff lines covering 99.38% of Indian exports in value from the date of entry into force – **01 June 2026**.
- **IN-Australia ECTA:** 100% market access on all Indian exports from **01 January 2026**. Entered into force on **29 December 2022**.
- **IN-UK CETA:** Tariffs of up to 70% on processed food products, up to 21.5% on marine products, up to 18% on engineering goods and auto components, up to 16% on leather and footwear products, up to 12% on textiles and clothing, and up to 8% on chemicals and pharmaceutical products will be reduced to zero. Entered into force on **15 July 2026**.
- **IN-NZ FTA:** 100% duty-free market access on all Indian exports from the date of entry into force – **not in force yet**.
- **IN-EU FTA:** Preferential access to 97% of EU's tariff lines, covering 99.5% of trade value. 70.4% tariff lines covering 90.7% of India's exports will have immediate duty elimination for important labour-intensive sectors such as textiles, leather and footwear, tea, coffee, spices, sports goods, toys, gems and jewellery and certain marine products, amongst others. The FTA is **not in force yet**.

Source: Department of Commerce, 'FAQs on FTA' and PIB reports

INDIA – UAE CEPA

- Bilateral trade under the India-UAE Comprehensive Economic Partnership Agreement (CEPA) **surpassed US$ 101.25 billion in FY 2025–26.** This data shows the benefits of market access from this Agreement since 2022.
- This is one of the mature Agreements that indicate positive utilisation of the Agreement. However, it is noted that the full potential is to be tapped.

INDIA – Australia ECTA

- India's exports to Australia have more than doubled, rising from **USD 4 billion in FY 2020–21 to USD 8.5 billion in FY 2024–25. During 2024–25,** total bilateral trade stood at USD 24.1 billion, while India's exports to Australia recorded an **8% growth over 2025.**
- In FY 2025–26 (up to February), India's total trade with Australia stood at USD 19.3 billion.
- India granted preferential market access on 70.3% of its tariff lines, covering 90.6% of trade value, while Australia granted preferential market access on 100% of its tariff lines, corresponding to 100% of imports from India. **98.3% of tariff lines became duty-free immediately upon implementation**, while the remaining 1.7% (113 tariff lines) were phased out over five years and became 100% duty-free from **1 January 2026.**

INDIA – NZ FTA

- Currently, New Zealand is India's **second-largest trading partner in Oceania**.
- In 2024, New Zealand's imports stood at USD 47 billion, while exports were USD 42 billion. New Zealand **invests nearly 8% of its GDP** annually overseas, with total overseas investment valued at USD 422.6 billion as of March 2025.
- **Merchandise Trade**: Grew from USD 873 million in 2023–24 to USD 1.3 billion in 2024–25, registering a 49% growth.
- **Merchandise Exports to New Zealand**: Rose to USD 711 million in 2024–25, showing a positive trend of 32%.
- **India and New Zealand** merchandise bilateral trade increased from USD 855 Million in 2015-2016 to USD 1298 Million in 2024-2025. The exports increased by 130% whereas imports only increased by 7.21% in 10 years

INDIA – UK CETA

- **India has secured 100% duty-free market access** for its exports to the UK, covering 99% of UK tariff lines.
- All zero-duty concessions kick in from Day One of the agreement's entry into force!
- **India has opened 89.5% of its tariff lines, covering 91% of the UK's exports**. However, only 24.5% of the UK's export value will enjoy immediate duty-free access, limited to 64% of India's tariff lines.
- All sensitive and strategically important products—particularly those where domestic capacity is being built under flagship initiatives like Make in India and PLI—have been placed under longer phase-out periods of 5, 7, or even 10 years for gradual tariff reduction.

INDIA – Oman CEPA

- Bilateral trade stood at USD 10.61 billion in FY 2024–25
- USD 8.94 billion in FY 2023–24
- **April–October 2025** stood at **USD 6.48 billion**
- The investment ventures are also steadily expanding, as reflected in over 6,000 joint ventures between the two nations in Oman.
- Cumulatively, **India's investment in Oman stands at $675 million**, while **Omani FDI** equity inflows into India between April 2000 and March 2025 amount to **$610.08 million**
- Oman was India's 29th-largest export market and 25th-largest source of imports in FY 2024-25, placing Oman as India's 28th overall economic partner. **Oman's import market of over USD 28 billion**

INDIA – EU FTA

- **India has secured** 97% of tariff lines, covering 99.5% of trade value.
- 70.4% tariff lines covering 90.7% of India's exports will have **immediate duty elimination**
- 20.3% tariff lines covering 2.9% of India's exports will have **zero** duty access over 3 and 5 years
- 6.1% tariff lines covering 6% of India's exports will have preferential access by way of **tariff reduction**
- TRQs for cars, steel, certain shrimps/ prawns products
- India is offering 92.1% of its tariff lines which covers 97.5%

Sectors of Interest and Coverage

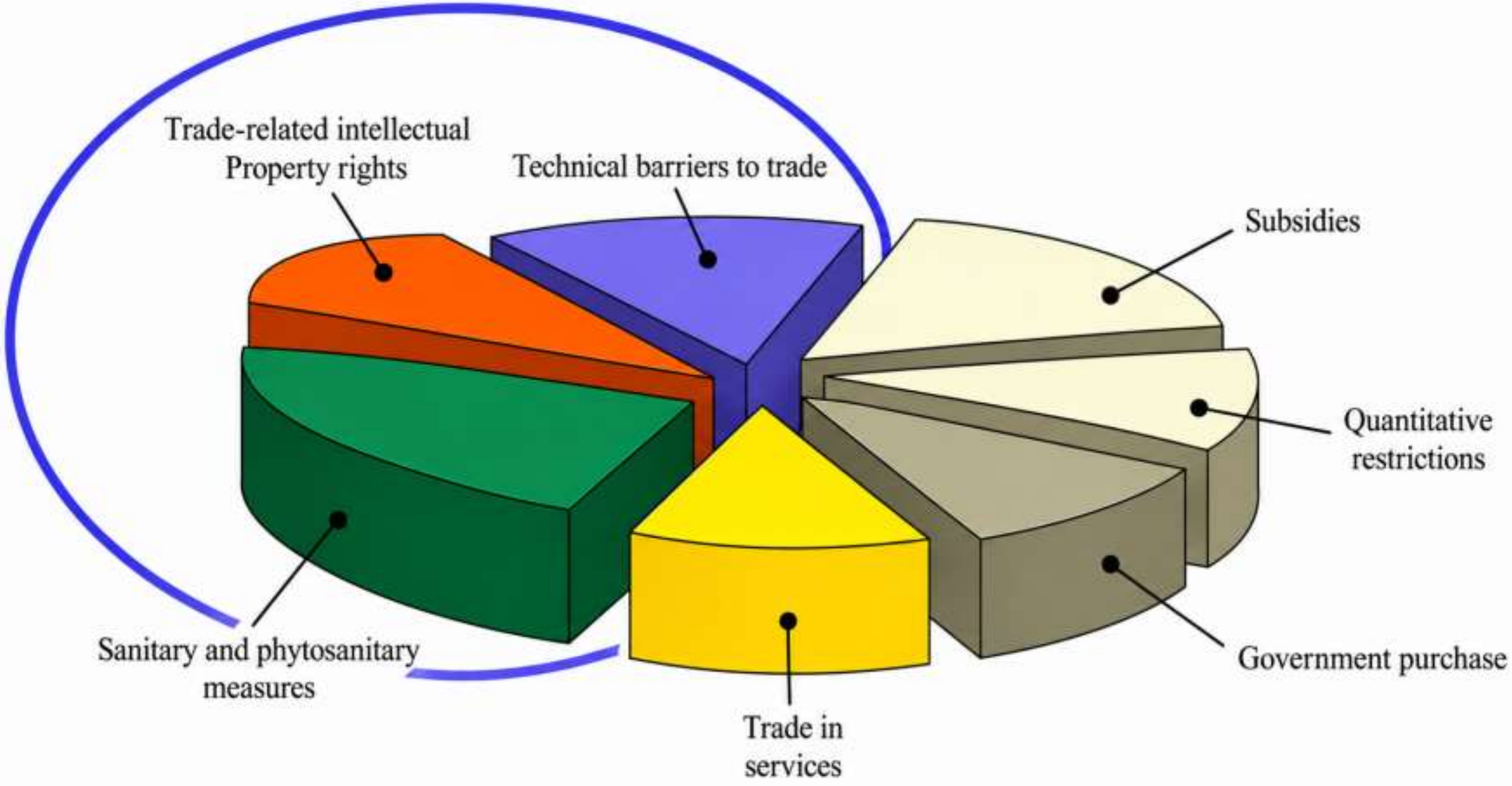
FTA	Furniture	Handicrafts	Gems & Jewellery	Apparel & Textiles	Light Engineering
India–UAE CEPA	✓	✓	✓	✓	✓
India–Oman CEPA	✓	✓	✓	✓	✓
India–Australia ECTA	✓	Not explicitly named	✓	✓	✓
India–UK CETA	✓	✓	✓	✓	✓
India–NZ FTA	Not explicitly named	✓	✓	✓	✓
India–EU FTA	✓	✓	✓	✓	✓

Source: Department of Commerce, 'FAQs on FTA' and PIB reports

Future Trajectory of FTAs

India is set to conclude negotiations and bring into force over 9 FTAs with several countries in different regions of the world. This trajectory would indicate that nearly 70% of global trade markets would be captured, enabling the export growth and competitiveness of India in global markets.

Non-Tariff Measures



TBT and IPR Measures

TBT Measures

Industrial, Agricultural Products

Human safety

Interoperability

Marking and Labelling

Packaging

IPR Measures

TRIP+ commitments

Geographical Indications

Public health safeguards

Mutual Recognition

Avoiding Duplication of Conformity Assessments

Gains under FTAs

TBT

- Regulatory cooperation and convergence
- Transparency and predictability
- Conformity assessment and mutual recognition

IPR

- Stronger protection and enforcement of IP, especially in sensitive areas
- Signals investment and innovation incentives
- Safeguarding policy space and public interest carve-outs

Sector-wise Coverage

Furniture: No specific mention. FTAs to gain from based on trade data include India-UAE CEPA, India-Oman CEPA, India-UK CETA and India-Australia ECTA.

Handicrafts: Specific provisions in FTAs such as the India-UK CETA and India-New Zealand FTA where Indian handicrafts are given GI protection.

Gems and Jewellery: The market access provided under the FTAs for items falling under this sector have been one of the major advantages. FTAs to gain from based on trade data include India-UAE CEPA, India-UK CETA, India-Australia ECTA and India-EU FTA.

Source: Trade data extracted from UN Comtrade.

Sector-wise Coverage

Apparel and Textiles: UKAS accreditation, EIC acceptance and working group on QCOs can help in predictability for Indian exporters. Key FTAs to benefit from India-EU FTA, India-UK CETA and India-Australia ECTA.

Light Engineering: The strong IP regime in the FTA would aid in adequate protection of goods covered under this sector. Further, the TBT+ obligations would aid in regulatory and compliance ease.

Source: Trade data extracted from UN Comtrade.

Status of the FTAs Discussed

Realised Gains:

India-UAE CEPA
India-Australia ECTA

Materialising Gains:

India-Oman CEPA
India-UK CETA

On-paper Gains:

India-NZ FTA
India-EU FTA

THANK YOU!

Disclaimer: *The information provided in this presentation is intended for informational purposes only and does not constitute legal opinion or advice. The views expressed in this presentation are solely that of the presenter and does not constitute an official position of either the Centre for Trade and Investment Law or the Government of India.*

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