

# EU FTA to bring in policy stability: Greaves

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The India-European Union (EU) free-trade agreement (FTA), which was recently signed and will come into effect during the next few quarters, will remove non-tariff barriers, bring policy predictability, and help Greaves Cotton raise exports to 20 per cent of total revenue from about 14 per cent over the next four to five years, said its managing director (MD) and group chief executive officer (CEO), Parag Satpute on Friday.

Greaves Cotton manufactures engines, powertrain solutions, electric mobility products and other engineering solutions across energy, mobility and industrial segments.

In an interview with *Business Standard*, Satpute said the most

significant impact of the India-EU FTA would be the stability it provides to businesses planning long-term investments.

“What it brings is predictability...With this FTA there is a stability of policy. So, companies then can go in and make long-term plans,” he said.

He said manufacturing firms required regulatory clarity before committing capital. “For the manufacturing industry, we need that line of sight otherwise we will not be able to commit to investments,” he said, adding that such investments could involve expanding manufacturing capacity, strengthening logistics networks or developing customised products for European markets.

Beyond tariffs, Satpute said the agreement would also help address non-tariff barriers, which



are regulatory and compliance requirements that often act as hidden trade obstacles even when duties are low.

Drawing on his experience of having worked in Europe for over a decade, he said European com-

panies had primarily focused on China over the last two decades due to the scale of that market. However, shifting geopolitics and China's economic maturity were changing that dynamic.

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MD & Group CEO, Greaves Cotton

cussions, will make India more centre of discussions when it comes to the European business leaders,” he said.

On the immediate impact for the company, Satpute said there would not be an overnight jump in exports as its products entering Europe did not face significant tariff barriers earlier. However, he noted that engagement with partners had become more meaningful due to greater

policy certainty.

Currently, exports account for around 14 per cent of Greaves Cotton's total revenue. The company aims to increase that to about 20 per cent over the next four to five years as overseas business deepens.

On portfolio mix, mobility solutions currently contribute 65-70 per cent of revenue, energy solutions around 25 per cent, and industrial solutions 10-15 per cent. Over the next five years, energy solutions are expected to expand to roughly 35 per cent of revenue, while mobility solutions could moderate to about 55 per cent, he said.

Satpute said the diversification would make the company more resilient, as each segment is driven by different economic cycles, helping balance performance across markets.