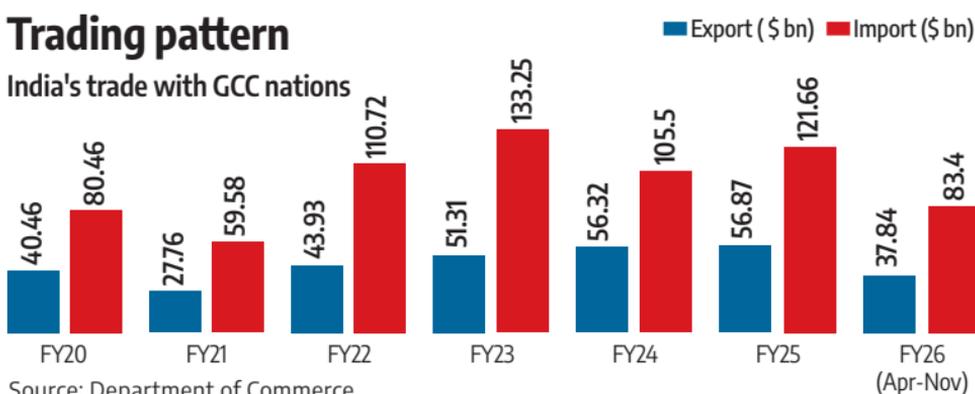


# India, GCC sign ToR to start FTA negotiations

## Trading pattern

India's trade with GCC nations



Source: Department of Commerce

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New Delhi, 5 February

India and the Gulf Cooperation Council (GCC) countries signed the terms of reference (ToR) for a proposed free-trade agreement (FTA) on Thursday, over three years after announcing the intention to relaunch the negotiations.

The ToR defines the scope and modalities of the FTA.

GCC is a regional, intergovernmental political economic union comprising six countries — Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE).

The deal, if finalised, will strengthen India's economic and strategic ties with West Asia.

India and the GCC had signed a framework agreement on economic cooperation to explore the possibility of FTA between them, more than 21 years ago. Thereafter, two rounds of negotiations happened in 2006 and in 2008, following which the economic union deferred its negotiations with all countries and economic groups. In November 2022, India and the GCC countries had announced the intention to relaunch the FTA negotiations. However, disagreements over the terms of reference delayed the launch of talks.

Commerce and Industry Minister Piyush Goyal said that the proposed trade deal will be a force multiplier for the global good, and will bring predictability and stability between the two sides. The FTA will also enable seamless flow of goods, and services and attract investments while expanding job opportunities and fostering food and energy security for the region.

“Under Prime Minister Narendra Modi's leadership, our ties with the six-nation GCC (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) have trans-

formed into a strategic partnership and assumed newer and greater dimensions. Together with trade deals with the UAE and Oman, this FTA with the GCC will unleash new opportunities for Indian goods and services, MSMEs, entrepreneurs, skilled youth and professionals, and attract massive investments. With India deepening its trade engagements with the developed world, the stage is set for unlocking the full potential of a mutually beneficial economic relationship with the GCC,” Goyal said.

Chief Negotiator, Secretariat General of the Gulf Cooperation Council, Raja Al Marzouqi said that the signing of ToRs marks the commencement of negotiations towards a mutually beneficial FTA, amid prevailing global uncertainties.

India-GCC bilateral trade stood at \$178.56 billion, and accounted for over 15 per cent of India's global trade in FY25. Exports stood at \$56.87 billion, while imports, largely dominated by crude oil, were valued at \$121.66 billion. India's crude oil imports from the GCC in FY25 were about \$40.18 billion, accounting for a third of total inbound shipments from the region.

Key exports from India to GCC include engineering goods, rice, textiles, machinery, gems and jewellery. Key sectors of imports from GCC primarily comprise crude oil, LNG, petrochemicals, and precious metals such as gold.

The GCC region is also a significant source of foreign direct investment (FDI), with cumulative investments exceeding \$31.14 billion as of September 2025.

India has already signed trade deals with two of the six Gulf nations. India-UAE Comprehensive Economic Partnership Agreement was signed three years ago, while a trade agreement with Oman was signed in December.

The UAE and Saudi Arabia make up for most of the trade with GCC.

