

# EU firms urge India to ease trade barriers

## Call for simpler norms under proposed FTA

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New Delhi, 5 March

European Union (EU) firms operating in India want New Delhi to streamline or remove non-tariff barriers such as Quality Control Orders (QCOs), complex Customs procedures; simplify labelling, testing, and import procedures; and facilitate cross-border digital transactions without data localisation constraints.

These are results of a Business Sentiment Survey, 2025 conducted by the Federation of European Business in India (FEBI) ahead of resumption of negotiations for a free trade agreement (FTA) for both the sides scheduled to be concluded by year-end.

“The EU-India FTA is expected to create a favorable business environment, ensuring a level-playing field for EU companies in India, with 92 per cent of respondents anticipating a positive impact. Among them, 72 per cent plan to increase their investment in

India within the next two years, demonstrating strong confidence in the agreement’s success,” the survey said. However, the survey highlighted that complex visa and work permit processes hinder talent mobility, affecting workforce availability. “Weak intellectual property enforcement, the prevalence of counterfeit goods, and insufficient protection of confidential data add to the risks faced by EU businesses,” the survey added.

The survey provides an outlook and overview of evolving EU-India bilateral trade and investment ties as well as offers an insight into the opportunities and challenges faced by European businesses in India.

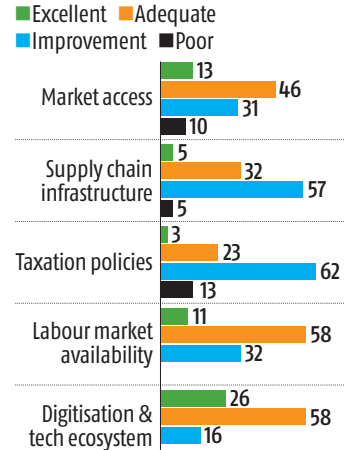
EU is India’s largest trading partner, accounting for 12.2 per cent of India’s goods trade in 2023 while India is the EU’s ninth-largest trading partner, accounting for 2.2 per cent of total EU trade in goods during the same year. The survey said EU investors are expected to increase their presence,



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## HARD LOOK

Perception of EU companies on operating conditions in India



Source: FEBI

particularly in technology-driven and sustainable industries, as India continues to enhance its business environment and trade policies. “The primary

driver of these welfare gains would be the expansion of trade in goods and services, reinforcing the case for a comprehensive trade agreement,” it added.

While 22 per cent EU companies plan to maintain their current investment levels, 76 per cent of EU firms surveyed aim to increase their investments compared to pre-2025 levels. EU businesses increasingly see India as a key driver of overall growth, with 80 per cent viewing it as an expanding sales market, 61 per cent recognising it as an emerging hub for production, and 49 per cent seeing it as a location to manufacture for exports.

“Investment decisions are driven by India’s strong political stability (66 per cent), confidence in its position amid evolving global geopolitics (60 per cent), and the availability of a skilled workforce (60 per cent). Most respondents (59 per cent) find the ease of doing business increasingly favourable, reflecting confidence in the country’s business environment,” the survey said. The survey was conducted among 51 FEBI member firms across 11 sectors, covering business outlook, market access, regulatory challenges, and investment climate, alongside business expectations from the EU-India FTA.