

With free trade deal signed, 99% of exports to Oman will be duty-free

NO MORE GULF. The trade deal is specifically engineered to boost labour-intensive sectors: Piyush Goyal

Our Bureau
New Delhi

India and Oman signed the Comprehensive Economic Partnership Agreement (CEPA) on Thursday, which will provide Indian exporters zero-duty access to over 98 per cent of Oman's tariff lines that cover 99.38 per cent of India's exports by value.

The FTA, India's second major trade pact in six months following the UK agreement, is specifically engineered to boost labour-intensive sectors such as gems & jewellery, textiles, leather, footwear, sports goods, plastics, furniture, agricultural products, engineering products, pharmaceuticals and medical devices, which will receive full tariff elimination.

It simultaneously offers first-of-its-kind commitments from Oman in ser-



HIGHEST HONOUR. Prime Minister Narendra Modi being conferred with the Order of Oman by Haitham bin Tarik, Sultan of Oman, in Muscat on Thursday

vices, including 100 per cent FDI for Indian firms, and specialised access for the AYUSH and wellness sectors.

The agreement was signed in Muscat by Commerce and Industry Minister Piyush Goyal and Oman's Minister of Commerce, Industry and Investment Promotion Qais

bin Mohammed Al Yousef, in the presence of Prime Minister Narendra Modi.

'HISTORIC DECISION'

Describing the CEPA as the blueprint for India-Oman's shared future, Modi called upon business leaders to realise the full potential of

the trade pact. "Today, we are making a historic decision, whose impact will be felt for decades to come. CEPA will infuse our partnership with new confidence and energy in the 21st century," said Modi. According to Commerce Minister Piyush Goyal, the pact will significantly benefit labour-intensive sectors, generating employment and strengthening MSMEs, artisans and women-led enterprises.

On its part, India is offering tariff liberalisation on 77.79 per cent of its total tariff lines, which cover 94.81 per cent of India's imports from Oman by value. For products of export interest to Oman and sensitive to India, the offer is mostly a tariff rate quota-based liberalisation.

To safeguard its interests, sensitive products have been kept in the exclusion category by India without offering any concessions, espe-

cially agricultural products, including dairy, tea, coffee, rubber and tobacco products; gold and silver bullion, jewellery; other labour-intensive products such as footwear, sports goods; and scrap of many base metals.

According to a note prepared by Ajay Srivastava of the Global Trade Research Initiative (GTRI), over 80 per cent of Indian goods enter Oman at an average tariff of around 5 per cent, but duties range widely from zero to 100 per cent on select products such as certain meats, alcohol and tobacco.

Beyond goods, the agreement significantly eases mobility for Indian professionals by extending stay durations for contractual suppliers to up to four years and increasing corporate transferee quotas, while protecting sensitive Indian domestic industries such as dairy and gold through strategic exclusions.