

Closer to fruitful outcome on EU trade deal: Goyal

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Ahead of the long-awaited India-European Union (EU) Free Trade Agreement (FTA) is announced, Commerce and Industry Minister Piyush Goyal on Sunday emphasised on its "fruitful outcome."

The proposed FTA is one of the most complex trade negotiations India has undertaken and is nearing completion.

Talks are expected to conclude at the India-EU Summit scheduled in New Delhi on Tuesday.

Senior EU leaders, including European Commission President Ursula von der Leyen and European Council President Antonio Costa are currently in India.

"Pleased to agree that sustained & constructive engagement between us & our teams over the past year has brought us closer to a fruitful outcome," Goyal said on X, adding that the bloc remains a vital economic and strategic partner for India.

"A big pleasure to be in India. Our 10th in-person engagement with Minister @PiyushGoyal — and I'm confident to say we're nearing the conclusion of our FTA negotiations. The cumulation of an intense past year — likely my most frequent trade engagement — reflecting its importance," EU commissioner for Trade and Economic Security Maroš Šefčovič said on X. Negotiations for the comprehensive trade pact began in 2007 but were paused in 2013. Thereafter, talks were formally relaunched in 2022.

If formally concluded and later ratified by the European Parliament, the agreement could significantly deepen economic integration by reducing tariffs on a wide range of goods. It would also ease market access for services, and promote investment flows between India and the EU.

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Commerce and Industry Minister Piyush Goyal with EU Commissioner for Trade and Economic Security Maroš Šefčovič (left), on Sunday, as India-EU FTA talks near conclusion

Madhavi Arora, chief economist at Emkay Global Financial Services, said the impending FTA comes at a crucial juncture — of global trade fragmentation, rising protectionism, US-India trade frictions and heightened global uncertainty.

The deal could act as an effective counter-cyclical buffer by improving India's export participation in global value chains, expanding market access, and supporting supply-chain diversification, she said.

Ajay Srivastava, former trade ministry official and founder of Delhi-based think tank GTRI said India-EU merchandise trade is best understood not as a contest for market share, but as a production partnership. European machinery, components and precision inputs raise productivity in Indian factories, while Indian scale manu-

India to slash car tariffs to 40% in trade deal with EU

India plans to slash tariffs on cars imported from the European Union to 40 per cent from as high as 110 per cent, sources said, in the biggest opening yet of the country's vast market as the two sides close in on a free trade pact that could come as early as Tuesday.

Prime Minister Narendra Modi's government has agreed to immediately reduce the tax on a limited number of cars from the 27-nation bloc with an import price of more than 15,000 euros (\$17,739), two sources briefed on the talks told *Reuters*. This will be further lowered to 10 per cent over time, they added, easing access to the Indian market for European auto-makers such as Volkswagen, Mercedes-Benz and BMW.

India's commerce ministry and the European Commission declined to comment.

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facturing delivers affordable, consumer-ready products to Europe, he added.

"Since both economies specialise in different segments, tariff elimination works as a cost-reduction tool rather than a displacement shock. An India-EU FTA would thus deliver classic trade gains — higher volumes, deeper integration and stronger industrial competitiveness on both sides. This is at a moment when such economically-rational trade arrangements are becoming increasingly rare," he said.