

Negotiations over, India-EU FTA set for rollout in 2027

Deal likely to be announced today; legal scrubbing, pact signing may take 5-6 mths

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New Delhi, 26 January

India and the European Union (EU) have concluded negotiations on the much-awaited free-trade agreement (FTA), with a formal announcement slated for Tuesday, said government officials. They said ratification of the pact is likely to take another six months, clearing the way for the agreement to come into force in early 2027.

“Official-level negotiations are being concluded and both sides are all set to announce the successful conclusion of FTA talks on January 27,” said Commerce Secretary Rajesh Agrawal. He described the pact as balanced and forward-looking from India’s perspective, and said it would help deepen economic integration between the two sides.

Legal scrubbing of the text, according to officials, is underway, with the aim of completing the process and signing the agreement within the next five-six months. Once signed, it will become India’s eighth trade agreement in the past five years.

Union Commerce and Industry Minister Piyush Goyal had previously described the India-EU FTA as the “mother of all deals”. The EU is India’s largest trading partner. Bilateral trade in goods stood at \$136.53 billion in FY25, with Indian exports valued at \$75.85 billion and imports at \$60.68 billion.

Echoing Goyal’s assessment, European Commission President Ursula von der Leyen said the deal would create a market of two billion people, accounting for nearly a quarter of global GDP. Turn to Page 6 ►



Prime Minister Narendra Modi (*centre*) with European Commission President Ursula Von der Leyen (*left*) and European Council President Antonio Costa, the chief guests at the Republic Day parade, on Monday PHOTO: PTI

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“... (the EU leadership’s) visit will add momentum to the deepening engagement and cooperation between India and Europe across diverse sectors”

Narendra Modi, Prime Minister

“A successful India makes the world more stable, prosperous and secure. And we all benefit”

Ursula von der Leyen, European Commission President

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“And, crucially, that would provide a first-mover advantage for Europe with one of the world’s fastest-growing and most dynamic continents. Europe wants to do business with the growth centres of today and the economic powerhouses of this century,” she said last week, in her address at the World Economic Forum in Davos. The idea of a trade agreement between India and the EU was first floated nearly two decades ago. After 15 rounds of parleys, the talks stalled in 2013, and were revived in 2022.

Finalising the agreement is expected to inject new momentum into India–EU relations amid shifting geopolitical realities -- from efforts to diversify supply chains away from China

to the search for alternative export markets in the face of increasingly protectionist tariff policies in the US.

According to the Delhi-based think tank Global Trade Research Initiative, the FTA would help restore lost market access, reduce tariffs on key exports such as garments, pharmaceuticals, steel, petroleum products and machinery, and enable Indian firms to better absorb shocks arising from higher US tariffs. “For India, the FTA offers access to one of the world’s richest and most stable markets — the European Union, with a GDP of roughly €18-22 trillion and 450 million high-income consumers — at a time when global trade is turning more protectionist,” said the think tank.