

# FTA opens window for base metal exports

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**THE FREE TRADE** agreement (FTA) between India and the European Union (EU) is expected to mark a shift in base metals trade from a pre-FTA tariff-bound regime to a post-FTA market-access framework, influencing exports of steel, aluminium, nickel, zinc and lead into a bloc that accounts for nearly 25% of global GDP and about one-third of global trade.

Speaking at India Energy Week, Prime Minister Narendra Modi said that "just yesterday, a significant agreement was signed between India and the European Union," which he said people across the world are calling the "mother of all deals." He said the agreement



brings opportunities for India's 140 crore people and millions across European nations, and reflects coordination between two of the world's largest economies. The Prime Minister said the deal represents nearly 25% of global GDP and about one-third of global trade, adding that beyond trade, it strengthens

the shared commitment to democracy and the rule of law.

Prior to the FTA, India's base metals exports to the EU operated under existing tariff structures, shaping trade volumes and product mix across metals categories. Export values, based on data from the Ministry of Commerce and Industry, Government of India, show that

finished steel dominated India's base metals exports to the EU in the pre-FTA period, with shipments valued at \$6.64 billion, accounting for over 30% of India's base metals exports to the bloc.

Primary aluminium exports stood at \$754.6 million, making the EU a key overseas market for Indian aluminium products even under the pre-tariff regime. Iron ore and concentrates exports were valued at \$34.04 million, while exports of nickel, zinc and lead stood at \$23.09 million, \$17.24 million and \$15.81 million, respectively.

Industry participants said the agreement is expected to alter conditions post-FTA, particularly if existing duties are waived or reduced. Rajib

Maitra, partner, Deloitte India, said, "The EU-India FTA will provide higher market access for aluminium and nickel products as EU is a key market for both." He added, "It will also provide opportunities for zinc and lead exports." Maitra said, "In case the existing nominal duty is waived off, it will be beneficial for the Indian industries exploring base metals exports."

Industry participants also pointed to supply-chain implications in the post-tariff phase. Rishi Srivastava, Co-Founder, Offgrid Energy Labs, said, "The proposed Free Trade Agreement has the potential to materially reshape base-metal supply chains by making them more resilient, transparent, and diversified."