

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
UNSTARRED QUESTION NO. 851
ANSWERED ON 06/02/2026

INDIA-EU FTA NEGOTIATIONS

851. SHRI AYODHYA RAMI REDDY ALLA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the manner in which India can leverage the India-EU FTA to navigate the complexities of global value chains and promote domestic industry upgrades, while mitigating potential risks associated with increased competition and regulatory harmonization; and
- (b) the likely implications of the India-EU FTA on India's services sector, particularly in areas like IT, financial services and professional services and how can India ensure that its interests are protected?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI JITIN PRASADA)

(a) India and the European Union (EU) jointly announced the conclusion of the negotiations for the India–European Union Free Trade Agreement (India–EU FTA) on 27th January 2026 at the 16th India–EU Summit in New Delhi. India secured preferential market access for more than 99% of its merchandise exports in wide range of sectors such as textiles, leather, gems & jewellery, chemicals, electronics, engineering etc., thereby aiding deeper integration of India into large EU market and connected Global Value Chains (GVCs). Domestic industry will benefit from phased tariff reductions on key intermediates and capital goods from EU, FDI inflows supporting "Make in India", and EU high-tech imports helping technological upgradation, thereby, enhancing global competitiveness. Sensitive areas have been safeguards through limited and phased reductions, carefully calibrated tariff rate quotas and exclusions. Further there are safeguards built in the FTA in form of trade remedies to deal with import surges. Sanitary Phyto-sanitary (SPS) and Technical Barriers to Trade (TBT) cooperation aim to address non-tariff barriers and regulatory challenges without compromising on right to regulate.

(b) A significant share of GDP of India and the European economies is contributed by the Services Sector. Under the India-EU FTA, wide ranging deep commitments have been secured from the EU across services sub sectors, including IT/ITeS, professional services, and other business services. These commitments enable Indian service providers to get a stable and

business friendly regime in these markets to supply their services. The FTA will also facilitate greater inflow of FDI in services from EU countries including in Global Capability Centers (GCCs). Through a comprehensive mobility framework, service providers intending to provide services to European clients get greater certainty for entry and temporary stay, creating expanded opportunities for Indian professionals and knowledge-driven trade. Supporting framework for Social Security enhances competitiveness of Indian workers going to the EU. The commitments provided to EU under the FTA have been made taking care of India's interests in sensitive areas, keeping adequate policy space for future domestic measures, and taking adequate carve-outs with respect to National Security requirements.
