



## India Ink FTAs on Strong Bilateral Trade Trajectories

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### The new 8 FTAs cover 29% of India's Total Bilateral Trade

India's new FTAs are grounded in proven trade records, real complementarities, strong supply chains, efficient logistics, and aligned interests. India has the fastest-growing trade trajectory with new FTA partners since 2020. Bilateral trade with new FTA partners grew by more than 81%, compared with 41% with the rest of the world, between 2020-21 and 2024-25.

India has moved away from its defensive trade policy, as evident in its recent free trade agreements (FTAs). Now, India is not choosing FTA partners solely on geopolitical advantages or expanded market access; rather, it seeks partners where bilateral trade is already strong, economic structures align, and agreements have the potential to amplify trade.

India has signed 8 FTAs since 2020, with partners including Mauritius, the UAE, Australia, the EFTA, the UK, Oman, New Zealand, and the EU. The share of India's total trade with these countries was around 22.4% in 2020-21 and has increased to 28.7% in 2024-25. India's bilateral trade with these countries grew from USD 177 billion in 2020-21 to USD 320 billion in 2024-25, a 81% increase over five years, whereas India's trade with the world grew by 41%.

The robust bilateral trade trajectory with the new FTA partners, even before the FTAs were signed, reflects inherent trade complementarities, alignment of economic thought processes, strong supply chains, and greater ease of doing business between India and these countries. India's growth is promising in sectors such as manufacturing, food processing, pharmaceuticals, clean and green energy, and services, which are well synchronised with the demand and supply dynamics of India and these countries.

This trend reflects India's strategic planning and extensive consultations with the trade and industry to anticipate the potential benefits of such an FTA, as the trade trajectory is moving in the right direction, driven by strong complementarities and India's inherent strengths across various segments of the Indian economy.

Although many of these FTAs came into effect in 2024 and 2025, and more recently the FTA with the EU a few days ago, all of these FTAs reflect strong give-and-take and efficient use of resources, and will help capitalise on strong complementarities.

### India-EU FTA: Mother of all FTAs

The recently signed India-EU FTA is considered the FTA of the century and the Mother of all FTAs. India has entered into an FTA with 27 prestigious European countries, creating a historic breakthrough in the trajectory of World FTAs. This FTA is expected to create trade certainty between India and Europe amid global uncertainties. The EU is a significant trade partner for India, accounting for around 12% of India's total merchandise trade, with bilateral trade

on an upward trajectory. Between 2020–21 and 2024–25, India–EU trade expanded by 68%, outpacing growth in the US (65%) and China (48%), underscoring the EU's growing importance as a stable, high-value trade partner.

#### Growth of India's Trade with EU, US and China (USD Billion)

Year	India - EU	India - US	India - China
2020 – 2021	81.1	80.5	86.4
2024 - 2025	136.5	132.1	127.7
Growth	68%	65%	48%

Source: Ministry of Commerce and Industry.

#### India- EU Tariff Liberalisation

A defining feature of the India–EU FTA is the careful sequencing of tariff cuts to balance liberalisation with domestic sensitivities. India's immediate gains from an FTA with the EU are substantial. Labour-intensive sectors such as textiles, apparel, leather, footwear, gems and jewellery, handicrafts, marine products, toys, sports goods, and furniture will enjoy zero-duty access to the EU market from Day One.

#### The trajectory of give and take between India & EU

India Secures Strategic Access to European Markets	India's offer to the European Union
India has gained preferential access to the European markets across 97% of tariff lines, covering 99.5% of trade value.	India is offering 92.1% of its tariff lines, which covers 97.5% of the EU exports.
70.4% tariff lines covering 90.7% of India's exports will have immediate duty elimination for important labour-intensive sectors such as textiles, leather and footwear, tea, coffee, spices, sports goods, toys, gems and jewellery and certain marine products, amongst others	49.6% of tariff lines will have immediate duty elimination.
20.3% tariff lines covering 2.9% of India's exports will have zero duty access over 3 and 5 years for certain marine products, processed food items, arms and ammunition, amongst others	39.5% of tariff lines are subject to phased elimination over 5, 7, and 10 years.
6.1% tariff lines covering 6% of India's exports will have preferential access by way of tariff reduction for certain poultry products, preserved vegetables, bakery products, amongst others or through TRQs for cars, steel, certain shrimps/ prawn's products, amongst others.	3% of products are under phased tariff reductions, and a few products are subject to TRQs for Apples, Pears, Peaches, and Kiwi Fruit.

Source: Compiled from PIB, Government of India.

#### India-EFTA (European Free Trade Association) enter from Trade to Investment

India signed a trade deal with the EFTA countries in 2024. Trade growth with EFTA countries appears steady at 19%. The India–EFTA pact is unique in India's FTA landscape for its explicit focus on long-term investment and job creation. India's imports from EFTA are majorly in gold, chemicals, and precision instruments, among other high-value items.

The agreement has undertaken investments, technology-based collaborations, and job creation in high-end skills. The EFTA is not merely a trade agreement; it is an agreement on innovation and cooperation in industrial upgrading.

#### India – UK FTA hold a rich resource partnership

India signed an FTA with the UK in 2025. India-UK trade expanded by 76% between FY 2021 and FY 2025, even before the agreement's formal conclusion. The UK is not a commodity-heavy partner; it is a high-income, high-standards market where India competes in pharmaceuticals, textiles, engineering goods, chemicals, auto components, and a wide range of services. The agreement significantly improves market access for Indian exports while addressing long-standing barriers in services and professional mobility. It also strengthens investment ties in technology, finance, advanced manufacturing, and clean energy.

#### India-UAE: Frontier of India's FTA strategy

India signed an FTA with the UAE in 2022. India-UAE bilateral trade surged from US\$ 43 billion in FY 2021 to over US\$ 100 billion by FY 2025, a remarkable 131% expansion in four years. This growth rests on deep complementarities. India exports petroleum products, gems and jewellery, machinery, food products, textiles, and a wide array of manufactured goods, while importing crude oil, petrochemicals, precious metals, and intermediates. The India-UAE FTA demonstrates that when trade intensity, logistics efficiency, and sectoral alignment converge, FTAs can deliver scale, speed, and resilience.

#### India's merchandise bilateral trade trajectory with FTA partners

Name of FTA and Year	2020-21 (US\$ Million)			2024-25 (US\$ Million)			Growth of Total Trade from FY 2021 to FY 2025
	Exports	Imports	Total Trade	Exports	Imports	Total Trade	
India-EU 2026	41360	39720	81080	75800	60700	136500	68%
UAE 2022	16679	26622	43302	36,638	63,403	100,041	131%
Australia 2022	4043	8247	12291	8,581	15,526	24,107	96%
UK2025	8157	4955	13113	14,549	8,582	23,131	76%
Oman 2025	2355	3087	5443	4,065	6,548	10,613	95%
New Zealand 2025	486	381	867	711	587	1,298	50%
EFTA 2024	1598	18911	20509	1,966	22,441	24,407	19%
Mauritius 2021	442	22	787	676	211	887	13%
<b>Total of the above FTAs</b>	<b>75160</b>	<b>101945</b>	<b>177105</b>	<b>142986</b>	<b>177988</b>	<b>320974</b>	<b>81.2%</b>
<b>India's Total Trade</b>	<b>313361</b>	<b>474709</b>	<b>788056</b>	<b>437072</b>	<b>678137</b>	<b>1115147</b>	<b>41.5%</b>
<b>India's Recent FTA's share in India's Total Trade</b>	<b>23.9%</b>	<b>21.4%</b>	<b>22.4% in 2021</b>	<b>32.7%</b>	<b>26.2%</b>	<b>28.7% In 2025</b>	

Source: Analysed from Ministry of Commerce & Industry Database.

#### India and Australia capitalise on resource supply chains

India signed an FTA with Australia in 2022. India's trade with Australia nearly doubled over four years, rising by 96% from 2020-21 to 2024-25. This partnership is a textbook example of structural complementarity. Australia supplies coal, critical minerals, metal ores, and energy inputs that India's industrial and power sectors need. India, in turn, exports refined petroleum, pharmaceuticals, machinery, textiles, and consumer goods. The agreement also

strengthens service linkages, particularly in education and professional services, and lays the foundation for cooperation in clean energy and critical minerals. Strategically, Australia fits neatly into India's broader effort to diversify supply chains and secure reliable access to resource inputs essential for industrial expansion and the energy transition.

### **India - New Zealand build strategic complementarities**

India signed an FTA with New Zealand in 2025. Trade with New Zealand has risen by 50% from a small base. India exports pharmaceuticals, machinery, and manufactured goods, while importing wool, agricultural products, metals, and raw materials. The agreement is carefully calibrated to balance market access with domestic sensitivities, particularly in agriculture. Importantly, it also embeds an investment dimension, signalling confidence in India's medium-term growth prospects. For India, New Zealand is a niche but stable partner within the broader Indo-Pacific economic architecture.

### **India and Mauritius enter a strategic market access access**

The India–Mauritius Comprehensive Economic Cooperation and Partnership Agreement is best understood as a gateway agreement. It is anchored in services, investment facilitation, and financial cooperation rather than in bulk goods trade. Mauritius's importance to India lies in its role as a conduit for cross-border investment, financial services, and business structuring. The agreement deepens regulatory cooperation, strengthens access to services, and formalises an already close economic relationship. Here, India's approach is clear: not all FTAs are designed to maximise trade volumes; some are meant to strengthen the institutional plumbing of economic engagement. India's post-2020 FTA journey begins with Mauritius in 2021. In pure merchandise terms, bilateral trade is growing by about 13% between FY 2021 and FY 2025.

### **India and Oman explore energy and logistics**

India signed an FTA with Oman in 2025, and India's trade with Oman nearly doubled, rising by 95% over four years from FY 2021 to FY 2025. The relationship is anchored in energy imports, food products, machinery, metals, and logistics services. Geographic proximity and historical commercial ties give this corridor inherent strength. The comprehensive nature of the agreement, covering goods, services, investment, and mobility, reflects India's recognition of Oman as a stable, long-term partner in the Gulf.

### **Conclusion: India's FTAs as accelerators, not experiments**

In conclusion, India's FTAs signed since 2020 are not fashion FTAs, signed on the basis of speculative activity; they are built on the interests of trade, industry, agriculture and professionals. These are signed on the strength of bilateral trade, which has been growing strongly for many years.

Looking ahead, this trajectory will continue to strengthen. As tariff commitments deepen, services provisions mature, and investment pipelines translate into capacity creation, India's trade with FTAs signed since 2020 is expected to more than double again by 2030. In a fragmented global trade environment, India's strategy of signing FTAs where trade already flourishes will prove to be its most resilient and economically sound breakthrough.

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