



India-EU trade deal: How it could boost India's gem and jewellery exports

The India-European Union Free Trade Agreement removes import duties, boosting India's gem and jewellery exports to the EU and expected to double bilateral trade to \$10 billion in three years.



The India-European Union Free Trade Agreement (FTA), hailed as the “mother of all trade deals,” is expected to enhance India's gem and jewellery sector by providing zero-duty access to the 27-member EU market.

[The FTA removes the current 2-4% import duties](#) on Indian precious and fashion jewellery, enabling exporters to compete more effectively in Europe.

The Gem & Jewellery Export Promotion Council (GJEPC) has estimated that bilateral trade in gems and jewellery could double to \$10 billion (around ₹91,000 crore) over the next three years.

GJEPC Chairman Kirit Bhansali said the deal “will supercharge market diversification for the gem and jewellery industry,” allowing export hubs in Gujarat, Rajasthan, Maharashtra, and West Bengal to ramp up shipments of precious

jewellery, silver, and imitation jewellery while leveraging India's design expertise.

Industry leaders highlighted the timing of the agreement as particularly strategic, amid declining exports to the United States, which fell by 44% in recent months.

Colin Shah, MD of Kama Jewelry, noted that the FTA “empowers Indian gems and jewellery exporters to compete effectively in the European market, especially as gold and silver prices remain high,” and that it will help revive the sector's growth momentum.

Munjal Almoula, Managing Partner at BDO India, emphasised that the FTA is a “landmark agreement” expected to boost labour-intensive industries such as textiles, leather, and gems, while also enabling India to integrate more closely with European supply chains in technology and manufacturing.

According to Rajeev Sharan, Head – Criteria, Model Development & Research at Brickwork Ratings, “The India-EU FTA marks a transformational shift for India's export sectors. Labour-intensive industries, including gems and jewellery, gain immediate zero-duty access to the EU market, unlocking USD 33 billion of exports immediately. The agreement is structured to balance market opening with safeguards for sensitive sectors, ensuring sustainable growth for Indian exporters.”

India's gem and jewellery exports stood at \$30 billion in 2024, with EU imports from India accounting for \$628 million, predominantly in precious jewellery.

With the FTA removing duties, industry observers expect a surge in shipments across all segments, including lightweight gold, machine-made, studded, silver, coloured gemstone, and fashion jewellery.

The agreement is part of a broader push to strengthen India-EU trade, which totaled \$190 billion in 2024-25. By opening Europe's consumer market, the FTA is expected to boost competitiveness, improve margins for exporters, generate employment, and create long-term growth opportunities for Indian jewellery manufacturers and retailers.

First Published: Jan 28, 2026 8:49 AM IST

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