

INDIA'S TRADE DEALS UNLOCK OPPORTUNITIES FOR TEXTILES- FOOD PROCESSING; SPOTLIGHT ON MP

INDORE

At the Indore edition of Brickwork Ratings' Made for Bharat - Customer Impact Series, experts highlighted the macroeconomic outlook of India and how India's recently announced trade agreements with the European Union (EU) and the United States are unlocking new export opportunities and shaping the outlook of key sectors in India.

Giving an overview of the macroeconomic tailwinds, Manu Sehgal, CEO, Brickwork Ratings, noted "India continues to be one of the fastest-growing major economies globally, with real GDP growth estimated at around 7.4% in FY25 and expected to stay near the upper bound of 6.8-7.2% in FY27, mainly supported by robust domestic demand, an accommodative

monetary stance and the recently concluded trade agreements with the EU and the US. Inflation in India has eased sharply, with CPI inflation trending well below the Reserve Bank of India's medium-term target range, supported by falling food prices and supply-side measures. This benign inflation environment has enabled the RBI to adopt an accommodative monetary stance, including multiple repo rate cuts, creating favourable financing conditions for businesses and exporters."

Against this backdrop, Brickwork Ratings underscored the strategic importance of India's new trade deals. "The India-EU Free Trade Agreement provides immediate tariff relief on nearly 90% of EU tariff lines, including zero-duty access for textiles and apparel, while laying the foundation for longer-term



gains through services liberalisation and sustainability-linked market access. The India-US trade agreement sharply reduces US tariffs on Indian exports, offering relief to sectors that had been impacted by elevated duties since mid-2025," said Rajeev

Sharan, Head - Criteria, Model Development & Research.

Textiles and food processing emerged as the key beneficiaries of these agreements. Textile exports are expected to gain from tariff parity with global competitors. "The sector is pro-

jected to grow to \$150B by 2030 at a compounded 12%, driven by strong domestic demand and FTAs. Exports in the sector are projected to reach \$100B at the end of the decade, levelling the playing field with competitors like Bangladesh," stated Sharan.

Meanwhile, the food processing sector is expected to grow to \$700B by 2030, with processed food exports standing to benefit from improved market access and standards. Collectively, these trade deals are expected to unlock multi-billion-dollar export opportunities over the medium term, supported by stronger credit availability and trade finance demand.

Madhya Pradesh is rapidly emerging as a key hub for textiles and food processing, leveraging its strong cotton and agriculture base, skilled workforce, and growing industrial

ecosystem. The state's established textile clusters around Indore, Ujjain and Burhanpur, along with its strong agro-processing base linked to soybeans, pulses, grains and cotton, are well positioned to integrate into global value chains and scale exports. Supportive policies - such as dedicated textile parks, a PM MITRA park, incentives under the textile PLI scheme, and schemes for agro-food processing infrastructure - are catalysing fresh investment, jobs, and value-addition, positioning the state as a competitive manufacturing and export gateway for both the sectors.

With robust growth, low inflation and easing monetary policy acting as a stabilising force, India's trade agreements with the EU and the US represent not just market access gains, but a timely catalyst for sustainable, region-led export growth.