

# EU-India FTA to unlock trade, investment avenues in EU's high-potential market: Industry

## Synopsis

India and the European Union have reached a historic milestone by concluding their free trade agreement negotiations. This significant pact is expected to catalyze a rise in Indian exports and attract international investment. Thanks to the agreement, more than 99 percent of Indian goods will enjoy preferential access to the EU market.



New Delhi: The "game-changer" free trade agreement (FTA) between India and the European Union (EU) is set to unlock significant trade and investment opportunities for the country in the high-potential market of the 27-nation bloc, which remained untapped and boost India's export competitiveness, industry bodies said on Tuesday.

The European Union and India on Tuesday announced the conclusion of negotiations for the free trade agreement (FTA) here.

CII Director General Chandrajit Banerjee said the landmark agreement represents a strategic breakthrough in India's global trade engagement and significantly deepens the partnership between two major democracies and economies that together account for nearly 25 per cent of global GDP.

"The unprecedented preferential access secured for over 99 per cent of Indian exports is a game-changer for Indian industry. It decisively improves competitiveness in the EU's high-value market, anchors Indian manufacturers and service providers deeper into global value chains, and accelerates investment, technology inflows, and scale," Banerjee stated.

According to him, key sectors of focus include textiles and apparel, leather and footwear, gems and jewellery, marine products, engineering goods, automobiles, agriculture and processed foods, IT and IT-enabled services, and other business and professional services.

[FICCI President Anant Goenka](#) said, "The European Union represents the most expansive and high-potential market covered under India's recent FTA engagements, opening new avenues for deeper economic collaboration. The India-EU FTA is poised to unlock substantial untapped trade and investment opportunities, enabling deeper market access, stronger value-chain integration, and enhanced export competitiveness across manufacturing and high-value sectors."

Avaada Group Chairman Vineet Mittal said for India, this agreement adds real strategic strength.

"It broadens our global relationships, links Indian industry more deeply with European value chains, and brings long-term clarity for businesses, investors, and innovators on both sides. The impact on clean energy could be especially significant," he added.

Rajeev Sharan, Head, Criteria, Model Development & Research, Brickwork Ratings, said labour-intensive industries -- textiles, seafood, leather, and gems -- gain immediate zero-duty access to the EU market, with apparel exports potentially doubling within three years.

He further stated that overall bilateral trade, now USD 136.5 billion, could rise to USD 250 billion by 2031.

CareEdge Ratings Chief Economist Rajani Sinha said it is important to note that even while opening up its market, India has been particular on safeguarding sensitive agriculture products and the dairy sector.

India's bilateral trade in goods with the EU was USD 136.53 billion in 2024-25 (exports worth USD 75.85 billion and imports at USD 60.68 billion), making the EU India's largest goods trading partner.