



EU and India conclude landmark Free Trade Agreement

New Delhi, 27 January 2026

The EU and India concluded negotiations today for a historic, ambitious and commercially significant free trade agreement (FTA), the largest such deal ever concluded by either side. It will **strengthen economic and political ties** between the world's second and fourth largest economies, at a time of rising geopolitical tensions and global economic challenges, highlighting their joint commitment to **economic openness and rules-based trade**.

European Commission President, Ursula **von der Leyen**, said: *"The EU and India make history today, deepening the partnership between the world's biggest democracies. We have created a free trade zone of 2 billion people, with both sides set to gain economically. We have sent a signal to the world that rules-based cooperation still delivers great outcomes. And, best of all, this is only the start - we will build on this success, and grow our relationship to be even stronger."*

The EU and India already trade over **€180 billion** worth of goods and services per year, supporting close to **800,000 EU jobs**. This deal is expected to **double EU goods exports** to India by 2032 by eliminating or reducing tariffs in value of 96.6% of EU goods exports to India. Overall, the tariff reductions will **save around €4 billion per year** in duties on European products.

This is the **most ambitious trade opening that India has ever granted** to a trade partner. It will give a significant **competitive advantage** for key EU industrial and agri-food sectors, granting companies privileged access to the **world's most populous country of 1.45 billion people and fastest growing large economy**, with an annual **GDP of €3.4 trillion**.

Opportunities for European businesses of all sizes

India will grant the EU **tariff reductions that none of its other trading partners have received**. For example, tariffs on cars are gradually going down from 110% to as low as 10%, while they will be fully abolished for car parts after five to ten years. Tariffs ranging up to 44% on machinery, 22% on chemicals and 11% on pharmaceuticals will also be mostly eliminated.

A dedicated chapter will also help small EU businesses take full advantage of the new export opportunities. For instance, both sides will put in place dedicated contact points to provide SMEs with relevant information on the FTA and help them with any specific issue they would face when trying to use the FTA's provisions. In addition to this, SMEs will particularly benefit from the tariff reductions, removal of regulatory barriers, transparency, stability and predictability provided by the Agreement.

Reducing agri-food tariffs

The agreement removes or reduces often prohibitive tariffs (over 36% on average) on EU exports of agri-food products, opening a massive market to European farmers. For example, Indian tariffs on wines will be cut from 150% to 75% at entry into force and eventually to levels as low as 20%, tariffs on olive oil will go down from 45% to 0% over five years, while processed agricultural products such as bread and confectionary will see tariffs of up to 50% eliminated.

Sensitive European agricultural sectors will be fully protected, as products such as beef, chicken meat, rice and sugar are excluded from liberalisation in the agreement. All Indian imports will continue to have to respect the EU's strict health and food safety rules.

In parallel, the EU and India are currently negotiating a separate agreement on Geographical Indications (GIs), which will help traditional iconic EU farming products sell more in India, by removing unfair competition in the form of imitations.

Privileged access to services markets and protected Intellectual Property

The agreement will grant EU companies privileged access to the Indian **services market**, including key sectors such as financial services and maritime transport. It has the most ambitious commitments on financial services by India in any trade agreement, going beyond what they have given to other partners.

The agreement provides a **high level of protection and enforcement of Intellectual Property (IP) rights**, including copyright, trademarks, designs, trade secrets and plant variety rights. It builds upon existing international IP treaties and brings Indian and EU intellectual property laws closer. This will make it easier for EU and Indian businesses that rely on IP to trade and invest in each other's markets.

Enhancing sustainability commitments

The agreement has a dedicated trade and sustainable development chapter, which enhances environmental protection and addresses **climate change**, protects **workers'** rights, supports **women's** empowerment, provides for a platform for **dialogue and cooperation** on trade related environmental and climate issues and ensures **effective implementation**.

The EU and India will also sign a Memorandum of Understanding that intends to establish an EU-India platform for cooperation and support on climate action. The platform will be launched in the first half of 2026. Furthermore, subject to the EU's budgetary and financial rules and procedures, €500 million in EU support over the next two years is envisaged to help India's efforts to reduce greenhouse gas emissions and accelerate its long-term sustainable industrial transformation.

Next steps

On the EU side, the negotiated draft texts will be **published** shortly. The texts will go through **legal revision** and **translation** into all official EU languages. The Commission will then put forward its **proposal to the Council** for the signature and conclusion of the agreement. Once **adopted by the Council**, the EU and India can **sign** the agreements. Following the signature, the agreement requires the **European Parliament's consent**, and the **Council's decision on conclusion** for it to enter into force. Once India also ratifies the Agreement, it can enter into force.

Background

The EU and India had first launched negotiations for a free trade agreement in 2007. The talks were suspended in 2013 and then [relaunched](#) in 2022. The 14th and last formal negotiating round took place in October 2025, followed by intersessional discussions at technical and political level.

At the same time as FTA negotiations were relaunched, the EU and India also launched negotiations for a Geographical Indications Agreement and an Investment Protection Agreement. Negotiations for these agreements are still ongoing.

For more information

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Quote(s):

"The EU and India make history today, deepening the partnership between the world's biggest democracies. We have created a free trade zone of 2 billion people, with both sides set to gain economically. We have sent a signal to the world that rules-based cooperation still delivers great outcomes. And, best of all, this is only the start - we will build on this success, and grow our relationship to be even stronger."

Ursula von der Leyen, President of the European Commission

"After a year of tireless engagement and more than a decade in the making, we have delivered the biggest FTA ever – a deal like no other. High tariffs down, opportunity unleashed. It proves that hard work pays off, that win-win trade is real, and that genuine partnership – including with my counterpart, Minister Piyush Goyal – is always worth the effort. Now, our focus is clear: ensuring businesses reap tangible benefits from this FTA as quickly as possible."

Maroš Šefčovič, Commissioner for Trade and Economic Security; Interinstitutional Relations and Transparency

"Thanks to this historic trade agreement, the markets of nearly 2 billion people are joined together. Our agri-food exports to India have so far been held back by extremely high tariffs. Under this agreement European wines, spirits, beers, olive oil, confectionary, and other products will enjoy preferential access to the rapidly growing Indian market. Front and centre to these negotiations, was maximizing new opportunities for our unmatched European products, while protecting European farmers. That is why the tariffs on the most sensitive products such as beef, sugar, ethanol, rice and poultry will remain in place. As in any trade agreement, our high food safety standards are fully maintained. The safety of EU consumers is non-negotiable."

Christophe Hansen, Commissioner for Agriculture and Food

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 [Visit of Ursula von der Leyen, President of the European Commission, to India](#)