

India and EU seal landmark Free Trade Agreement (FTA) boosting the Agri-Food sphere

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The European Union and India have concluded negotiations on a landmark Free Trade Agreement (FTA) that promises to reshape agricultural trade between the two economic giants. A key highlight of the deal is the significant reduction or elimination of agri-food tariffs, opening India's vast market to European farmers and food producers.

The agreement will slash often prohibitive Indian tariffs on EU agri-food exports, which currently average over 36%. For instance, tariffs on wines will drop from 150% to 75% upon implementation and eventually to as low as 20%. Olive oil tariffs will fall from 45% to 0% over five years, while processed agricultural products like bread and confectionery will see tariffs of up to 50% eliminated. However, the deal also ensures the protection of sensitive European agricultural sectors.

Products such as meat, rice, and sugar are excluded from liberalization, maintaining safeguards for these industries. Additionally, all Indian agri-food imports into the EU will continue to comply with the bloc's strict health and food safety standards. This FTA marks India's most ambitious trade opening to date, offering European agri-food businesses unparalleled access to the world's most populous country and fastest-growing large economy, with a GDP of approximately 3.4 trillion and 1.45 billion consumers.

In parallel, the EU and India are negotiating a separate agreement on Geographical Indications (GIs), aimed at protecting traditional EU farming products from imitations in the Indian market. This move is expected to further enhance opportunities for iconic European agricultural goods.

The deal underscores the EU and India's joint commitment to economic openness and sustainable trade, with a dedicated chapter on trade and sustainable development addressing environmental protection, climate action, and workers' rights. This historic agreement positions European agri-food producers to capitalize on new opportunities while reinforcing the EU-India partnership in a time of global economic challenges.