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Indiaâ??EU FTA: $24 Tn market opens new opportunities for European agri machinery manufacturers

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The opportunities arising from closer economic ties were discussed at a conference titled â??Europeâ??India: Agricultural Machinery Markets in the Free Trade Areaâ?•. Speakers at the conference emphasised that partnerships with local businesses are essential to mitigating investment risks and navigating the complexities of the Indian market.



Trade relations and technical cooperation between Italy and India took centre stage on the second day of EIMA International, the global exhibition of agricultural and gardening machinery, being held in Bologna until 14 November. The opportunities arising from closer economic ties were discussed at a conference titled “Europe–India: Agricultural Machinery Markets in the Free Trade Area”.

India, the world's fourth-largest economy, recorded economic growth of 7.8 per cent last year. According to Gabriele Pinosa, Sole Director of Go-Spa Consulting, the country's growth is expected to remain strong over the next two years, averaging around 7 per cent annually. While India presents significant business opportunities, companies must develop market-entry strategies that account for its considerable diversity. The country comprises 28 states and has 24 languages, two of which are recognised for nationwide use.

Speakers at the conference emphasised that partnerships with local businesses are essential to mitigating investment risks and navigating the complexities of the Indian market. The session was moderated by Davide Gallarate, Head of Events at FederUnacoma, the association representing Italian agricultural machinery manufacturers within Confindustria and organiser of EIMA International.

In this context, the proposed Free Trade Agreement (FTA) between the European Union and India, expected to be signed in December, is considered a strategic opportunity to strengthen bilateral trade. The reduction of tariff barriers could help establish a trading partnership worth $24 trillion, with the machinery sector among the key beneficiaries. As Pinosa

highlighted, machinery accounts for more than $16 billion in exports and represents Europe's leading export category to India.

Agricultural machinery emerges as a promising area for bilateral cooperation. India has the world's second-largest cultivated area and is among the leading global producers of millet, pulses, rice, wheat, fruits and vegetables. Its agricultural export value has also increased significantly, rising from $34.5 billion in 2020 to $51 billion in 2025.

Despite the steady development of India's agricultural economy, the country continues to have considerable unmet demand for agricultural machinery, explained Shaurav Pandey, Additional Director at the Federation of Indian Chambers of Commerce and Industry (FICCI).

Government incentive programmes introduced in recent years have helped bridge the machinery gap, particularly in the tractor segment. Policy support is now increasingly extending to other categories of equipment, including machinery for sowing, transplanting and harvesting. Particular emphasis is also being placed on the adoption of advanced technologies, including drones, sensors, artificial intelligence and digital solutions.

For Italian agricultural machinery manufacturers, this evolving market presents considerable opportunities for business expansion and technology partnerships. However, potential investors must also consider several challenges, including climate change, competition from low-cost manufacturers, infrastructure constraints and rising production costs.

Financial and institutional support is therefore critical to facilitating Italian companies' expansion into India. In this regard, SACE and SIMEST play an important role in promoting Italian exports and international business development.

Sara Carattini, Industrial Advisor at SACE, outlined the financial and insurance solutions available through the group, which operates under Italy's Ministry of Economy and Finance. These instruments are designed to support Italian companies' export activities, investments and innovation through financial guarantees, factoring, risk management and insurance protection.

Cristiana di Tommaso, Senior Business Promotion Professional at SIMEST, a CDP Group company, also highlighted the organisation's initiatives to facilitate the international expansion of Italian businesses and strengthen their presence in overseas markets.

The conference concluded with the presentation of the tenth edition of EIMA Agrimach, the exhibition dedicated to agricultural machinery and technologies for the Indian market. Organised by FICCI and FederUnacoma, the event will take place from 2 to 4 December 2027 at IARI Pusa in New Delhi.

EIMA Agrimach has established itself as an important platform for India's agricultural machinery industry and offers international manufacturers opportunities to connect with the country's agricultural and mechanisation ecosystem. As Davide Gallarate emphasised, its significance extends beyond India, positioning the exhibition as an important business platform for the wider Southeast Asian agricultural machinery market.

-Dipti Barve
- dipti.barve@mmactiv.com