2. India – New Zealand Free Trade Agreement - IR

India and New Zealand have concluded a comprehensive Free Trade Agreement (FTA)

1. Recent FTAs Signed by India (2021–2025)

Strategic Overview

India has significantly accelerated its trade diplomacy in the last five years, shifting from a defensive trade posture to a calibrated, export-oriented FTA strategy.

India–Oman Comprehensive Economic Partnership Agreement (CEPA), 2025 - Focused on energy security, logistics, MSME integration, and Indian diaspora-intensive services.

India–UK Comprehensive Economic and Trade Agreement (CETA), 2025 - Targets advanced manufacturing, services mobility, innovation, and digital trade.

India–EFTA Trade and Economic Partnership Agreement (TEPA), 2024 - With Switzerland, Norway, Iceland, and Liechtenstein; strong emphasis on investment commitments and technology-intensive sectors.

India–United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA), 2022 - A landmark agreement enabling India's integration with Gulf value chains.

India–Australia Economic Cooperation and Trade Agreement (ECTA), 2022 - Interim agreement paving the way for deeper economic integration.

India–Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA), 2021 - India's first CECPA with an African partner, focusing on financial services and SMEs.

2. Free Trade Agreement (FTA)

A Free Trade Agreement is a legally binding arrangement between two or more countries to deepen economic integration through -

1. Reduction or complete elimination of customs duties on goods
2. Liberalisation of trade in services (market access + national treatment)
3. Protection and facilitation of cross-border investments
4. Enforcement and safeguarding of Intellectual Property Rights (IPR)
5. Dispute settlement mechanisms to ensure predictability and rule-based trade

FTAs today go beyond tariffs and increasingly cover labour mobility, digital trade, sustainability, and regulatory cooperation.

3. Major Highlights of the India–New Zealand Free Trade Agreement

A. Market Access and Tariff Liberalisation - Zero-duty access for 100% of Indian exports to New Zealand. India has offered -

1. Market access on 70.03% of tariff lines
2. 29.97% tariff lines placed in the exclusion list, reflecting a calibrated protection of sensitive sectors.

B. Foreign Direct Investment (FDI) Commitment - New Zealand has committed USD 20 billion investment over 15 years. Investment focus areas include -

1. Agri-processing
2. Food value chains
3. Renewable energy
4. Education and skill development

This provides long-term capital inflows aligned with India's Make in India and employment objectives.

C. Organic and Primary Products - Mutual recognition of organic certification systems to be finalised. Reduces non-tariff barriers and compliance costs for Indian organic exporters.

D. MSME-Centric Cooperation - Institutional linkages for

1. Trade information dissemination
2. Standards and certification support
3. Integration into global value chains

This directly supports India's MSME-led export growth model.

E. Technical and Sectoral Cooperation

Agreed cooperation in

1. AYUSH systems
2. Audio-visual and creative industries
3. Tourism and sports
4. Traditional knowledge systems

The agreement strategically positions India as a global wellness and medical value travel hub.

4. Services, Mobility, and Human Capital Gains

A. Services Liberalisation - New Zealand's best-ever services offer -

1. Commitments across 118 services sectors
2. MFN treatment in 139 sectors

   This benefits Indian IT, education, healthcare, professional services, and creative industries.

B. Student Mobility and Education - First-ever Annex on Student Mobility and Post-Study Work Visa signed by New Zealand with any country.

Key provisions

1. Indian students can work up to 20 hours/week during study, protected even against future policy changes.
2. Post-study work visas -
1. STEM Bachelor - 3 years
2. Master's - up to 3 years
3. Doctorate - up to 4 years

This enhances education-to-employment pathways for Indian students.

C. Skilled Professionals and Youth Mobility - 5,000 visas for skilled Indian professionals for stays up to 3 years in priority sectors. Working Holiday Visa -

1. 1,000 young Indians annually
2. Multiple entry for 12 months

5. Protection of India's Sensitive Sectors

A major negotiating success is the protection of labour-intensive and politically sensitive sectors.

Excluded product categories include

1. Dairy and animal products
2. Vegetable products and sugar
3. Artificial honey
4. Animal, vegetable, or microbial fats and oils
5. Arms and ammunition
6. Gems and jewellery
7. Copper and aluminium and their articles

   This safeguards Indian farmers, artisans, and small producers from import surges.

6. Strategic Significance of the India–New Zealand FTA for India

A. Trade and Export Competitiveness - Preferential and duty-free access enhances India's export competitiveness in the Oceania region. Expected outcomes -

1. Export expansion
2. Job creation
3. Supply chain diversification

B. AYUSH and Traditional Knowledge Diplomacy - Dedicated institutional cooperation on AYUSH elevates India's soft power. Promotes global recognition of Indian traditional systems.

C. Cultural and Indigenous Engagement - Engagement with New Zealand's **Maori indigenous communities**.

1. Cultural exchange
2. Knowledge sharing
3. Mutual respect for indigenous heritage

This strengthens India's people-to-people diplomacy and cultural footprint.

7. Gains for India’s Horticulture and Apiculture Sectors

Focused Action Plans for

1. Kiwifruit
2. Apples
3. Honey

Key interventions

1. Productivity enhancement
2. Quality improvement
3. Sustainable beekeeping practices
4. Premium apple cultivation projects

Import Management Safeguards

Access governed through

1. Tariff Rate Quota (TRQ)
2. Minimum Import Price (MIP)
3. Seasonal import windows

This ensures

1. Consumer choice
2. Price stability
3. Protection of domestic farmers

8. Overall Assessment

The India–New Zealand FTA exemplifies India’s new-generation FTA strategy.

1. Export-led growth with domestic safeguards
2. Services and human capital at the core
3. Soft power, culture, and traditional knowledge integration
4. Alignment with Atmanirbhar Bharat without protectionism

Source - https -//www.thehindu.com/business/Industry/expecting-bilateral-trade-with-new-zealand-to-double-in-five-years-with-fta-piyush-goyal/article70425818.ece