5. Free Trade Agreements- International Relation / Economy

India secures preferential access to two-thirds of global trade through FTAs- Piyush Goyal. India's strategy has evolved into "Techno-Legal" Diplomacy. By signing the India-EU FTA (2026) and the UK CETA (2025), India has secured a "passport" for its products into the world's wealthiest markets. This is a critical step toward the goal of a $1 trillion export economy and a Viksit Bharat by 2047.

1. Decoding Trade Agreement Terminology

India utilizes a variety of frameworks to define the depth of its economic partnerships-

FTA (Free Trade Agreement)- A broad arrangement to reduce or eliminate tariffs and non-tariff barriers on goods and services.

CECA / CEPA (Comprehensive Economic Cooperation/Partnership Agreement)- Deep-level agreements covering not just goods, but also services, investments, intellectual property (IP), and regulatory cooperation.

ECTA / TEPA / CETA- Specific terms used for recent landmark deals with Australia (ECTA), EFTA nations (TEPA), and the UK/EU (CETA/FTA) to signify a "new-age" partnership.

2. Landmark Agreements- The Recent Wave (2022–2026)

Agreement	Year	Key Highlights
India–UAE CEPA	2022	Opened 99% of tariff lines; bilateral trade nearly doubled to ~$100 billion by FY25.
India–Australia ECTA	2022	Eliminated duties on 100% of Australian tariff lines for Indian exports by Jan 2026.
India–EFTA TEPA	2024	First deal with an investment commitment ($100 billion over 15 years) from Swiss/Nordic nations.
India–UK CETA	2025	Grants duty-free access to 99% of Indian exports; focuses on doubling trade to $120bn by 2030.
India–Oman CEPA	2025	Zero-duty on 98.08% of tariff lines, facilitating energy and maritime security.
India–EU FTA	2026	The "Mother of All Deals"; covers 97% of EU tariff lines, opening a USD 24 trillion market.

3. Strategic Significance for the Indian Economy

Accelerated Export Growth- By eliminating duties (some as high as 22% on engineering goods in the EU), Indian products like textiles, leather, and gems become instantly price-competitive.

Integration into Global Value Chains (GVCs)- Lower tariffs on intermediate goods allow Indian manufacturers to import components cheaply, assemble them, and export finished products globally.

Empowering MSMEs & Labor-Intensive Sectors- FTAs are a boon for artisans and small businesses in sectors like handicrafts, processed foods, and toys, which now have a level playing field against competitors like Vietnam or Bangladesh.

FDI & Technology Transfer- Predictable trade rules encourage global giants to set up "Make in India" bases to export to FTA partner countries duty-free.

4. Current Negotiations & The "Delhi Approach"

India is currently "de-risking" its economy by diversifying partnerships away from over-dependence on any single nation.

GCC (Gulf Cooperation Council)- Negotiations launched in Feb 2026 with the 6-nation bloc (Saudi Arabia, Qatar, etc.) to secure energy and labour interests.

Israel- Focus on high-tech co-creation, including AI, semiconductors, and defence technology.

Canada- Negotiations revived to strengthen ties in critical minerals and education.

Chile- Terms of Reference signed to secure access to Lithium and Copper for India's EV mission.

5. Challenges and Safeguards

Trade Imbalances- Historically, imports from ASEAN rose faster (234%) than exports (130%). India now uses "Strict Rules of Origin" to prevent third-party (e.g., Chinese) goods from entering via FTA partners.

Sensitive Sectors- India consistently excludes Dairy and sensitive Agricultural products from FTAs to protect the livelihoods of millions of small farmers.

Non-Tariff Barriers (NTBs)- Even with zero duty, Indian goods often face strict technical or "Green" standards (like the EU's Carbon Border Adjustment Mechanism).

Source- https-//ddnews.gov.in/en/india-secures-preferential-access-to-two-thirds-of-global-trade-through-ftas-piyush-goyal/#-~-text=Union%20Minister%20of%20Commer