

## India's Trade Strategy: FTAs Reshaping Global Integration

India's trade strategy is undergoing a structural transformation, with Free Trade Agreements (FTAs) emerging as a central pillar in its global economic engagement. In a rapidly evolving global order marked by geopolitical tensions, supply chain diversification, and digital trade expansion, India is repositioning itself not merely as a participant but as a key architect of global trade flows. This transformation is anchored in a decisive policy shift—from cautious and selective trade liberalization to an assertive, multi-regional FTA-driven integration strategy.

According to official government data, India today has nine operational FTAs covering 38 countries, with several new agreements concluded in FY 2025–26, including those with the United Kingdom, Oman, and New Zealand, alongside the landmark EU agreement. This expansion reflects a deliberate attempt to strengthen market access, enhance export competitiveness, and integrate Indian industries into global value chains.

### India's Expanding FTA Network

To better understand India's evolving trade architecture, the following table summarizes key FTAs and their strategic relevance:

Agreement	Status (2026)	Key Feature	Strategic Significance
India–EU FTA	Concluded (Jan 2026)	Covers ~96% of trade	Largest market integration
India–UK FTA	Signed (2025)	Services & manufacturing access	Developed market entry
India–Oman CEPA	Signed (Dec 2025)	Energy & logistics	Gateway to GCC
India–New Zealand FTA	Signed (Apr 2026)	100% duty-free access for Indian exports	Indo-Pacific diversification

**Source:** Ministry of Commerce & Industry, Government of India (PIB Releases, 2026)

### India–New Zealand FTA: Expanding the Indo-Pacific Footprint

The recently signed India–New Zealand Free Trade Agreement represents a significant milestone in India's trade diversification strategy. The agreement eliminates tariffs on a vast majority of goods, with New Zealand reducing or eliminating tariffs on around 95% of exports to India, while granting duty-free access to all Indian exports.

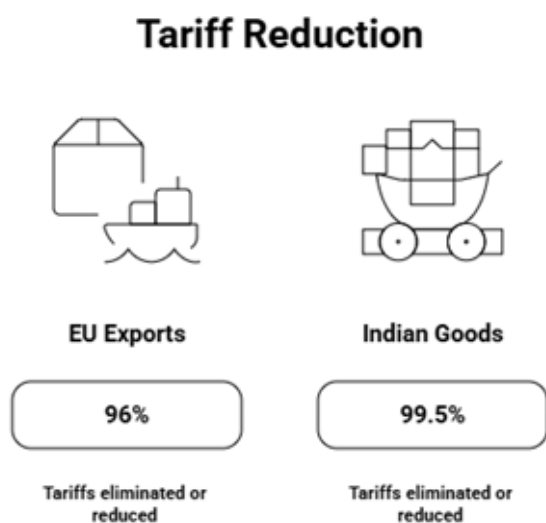
The agreement also includes enhanced mobility provisions, offering 5,000 work visas annually for Indian professionals, alongside a USD 20 billion investment commitment into India.

From a sectoral perspective, the agreement is expected to benefit textiles, pharmaceuticals, engineering goods, and gems and jewellery. Industry projections indicate that India's jewellery exports to New Zealand are expected to nearly triple to around \$50 million.

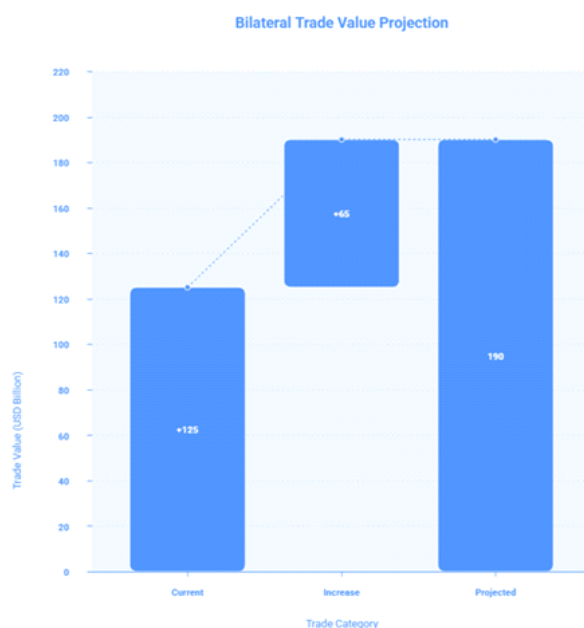
This growth trajectory underscores the increasing importance of Indo-Pacific markets in India's trade strategy. The FTA not only enhances market access but also strengthens India's geopolitical and economic positioning in the region.

### India-EU FTA: A Landmark Integration with Global Markets

The India-European Union Free Trade Agreement, concluded in January 2026 after nearly two decades of negotiations, represents one of the most trade pacts in India's history. The agreement eliminates or reduces tariffs on over 96% of EU exports, while the EU will cut tariffs on 99.5% of Indian goods, significantly boosting two-way trade.



The EU FTA is expected to increase bilateral trade by 41–65%, while generating long-term gains in economic output for both partners. This agreement is particularly significant for labour-intensive sectors such as textiles, leather, and engineering goods, which gain improved access to one of the world's largest consumer markets.



**Source:**

Kiel Institute for the World Economy (Policy Brief, 2026)

### India-UK and Oman Agreements: Strategic Trade Corridors

India's agreements with the United Kingdom and Oman reflect a dual-track approach—strengthening access to developed economies while securing regional strategic corridors.

The India-UK FTA enhances opportunities in services, digital trade, and manufacturing exports, while the India-Oman CEPA strengthens energy security and maritime connectivity. The Oman agreement opens new export opportunities for labour-intensive sectors such as textiles, leather, and engineering goods, while also supporting MSMEs and employment generation.

### Strategic Role of Key FTAs

Region	Agreement	Strategic Role
Europe	EU FTA	High-value market access
UK	UK FTA	Financial and services hub
Middle East	Oman CEPA	Energy & logistics corridor
Indo-Pacific	NZ FTA	Trade diversification

**Source:** Ministry of Commerce & Industry, Government of India (Trade Report, 2026)

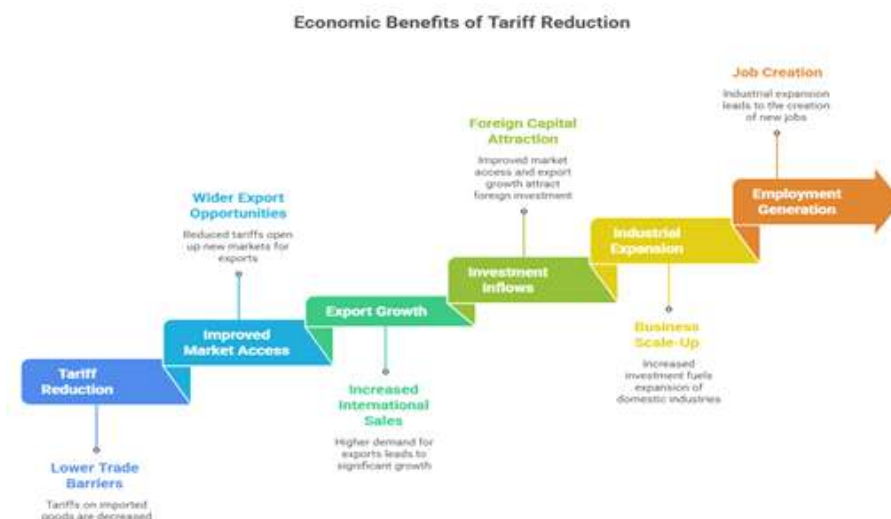
India's key FTAs are strategically designed to strengthen the country's global economic positioning across major regions. The EU FTA provides access to a high-value consumer and technology-driven market, while the UK FTA strengthens India's engagement with a global financial and services hub. The Oman CEPA enhances India's connectivity with the Middle East by supporting energy security and logistics integration, and the New Zealand FTA helps diversify trade partnerships in the Indo-Pacific region. Together, these agreements reduce overdependence on limited markets, improve supply chain resilience, and enhance India's role in shaping emerging global trade corridors.

### India's Expanding FTA Pipeline

India's trade diplomacy is no longer limited to bilateral engagements—it has evolved into a multi-regional, strategic framework. Ongoing negotiations with the Gulf Cooperation Council (GCC), Canada, ASEAN, and Mexico reflect India's intent to expand its global trade footprint.

India has significantly accelerated its trade negotiations agenda, ranking among the top Global South economies in trade partnership diversification.

### Economic Impact: Trade, Investment, and Employment



**Source:** Ministry of Commerce FTA Policy Framework (Government of India, 2026)

India's FTA-driven strategy is expected to deliver multi-dimensional economic benefits. First, tariff reductions improve price competitiveness, enabling Indian exporters to expand their global footprint. Second, FTAs create a stable regulatory environment that attracts foreign investment, as evidenced by the USD 20 billion investment commitment under the New Zealand agreement.

Third, FTAs support employment generation, particularly in labour-intensive sectors such as textiles, leather, and manufacturing. By enhancing production capacity and export demand, these agreements contribute to job creation across industrial clusters.

### **Positioning India as a Preferred Global Trade Partner**

India's evolving FTA ecosystem is fundamentally about positioning itself as a preferred global trade partner. Its large domestic market, demographic advantage, digital infrastructure, and policy stability provide a strong foundation for this ambition.

By expanding its FTA network, India is enhancing its credibility as a reliable and rules-based trading partner. At the same time, it is positioning itself as a viable alternative in global supply chains, particularly amid ongoing efforts by global companies to diversify manufacturing bases.

### **Conclusion: A New Phase of Global Trade Integration**

India's aggressive FTA push represents a paradigm shift in its engagement with the global economy. Agreements with New Zealand, the European Union, the United Kingdom, and Oman are not isolated developments but part of a broader strategy to embed India within global trade systems.

The data clearly demonstrates that India's trade performance, diversification, and policy momentum are converging to create a new phase of global integration. With continued focus on infrastructure, implementation, and industry readiness, India is well-positioned to emerge as an epicentre of global trade in the coming decade.