

New India-Oman Trade Pact Nears Final Stage, Poised to Boost Economic Ties



India and Oman are nearing a new trade milestone with the finalization of their Comprehensive Economic Partnership Agreement (CEPA). According to a senior official, the trade pact has entered its final translation stage and is expected to be signed soon. This agreement aims to significantly boost economic ties between the two nations by reducing or eliminating customs duties on a wide range of goods and easing regulations for services and investments. The formal negotiations for the CEPA began in November 2023.

The text of the agreement is currently being translated into Arabic in Oman. After this process is complete, the cabinets of both countries will need to give their final approval. The official stated that the signing and announcement will be made jointly and should occur in "much less" than a few months. This progress builds on the long-standing and robust economic relationship between India and Oman.

Oman is a crucial trading partner for India, holding the position of the third-largest export destination among the Gulf Cooperation Council (GCC) countries. Bilateral trade between the two nations exceeded \$10 billion in the financial year 2024-25, with India exporting \$4.06 billion and importing \$6.55 billion. India's key imports from Oman include petroleum products and urea, which together account for more than 70% of the total imports.

The CEPA is expected to follow the successful model of India's similar agreement with the United Arab Emirates, which came into effect in May 2022. These types of agreements are designed to deepen economic integration by not only reducing tariffs but also by streamlining

customs procedures and promoting cooperation in areas like investment and services. This partnership will further solidify India's strategic outreach and economic diplomacy in the Gulf region.

The impending agreement shows the mutual desire to strengthen bilateral relations and create new opportunities for businesses and investors. By providing a more stable and predictable framework, the CEPA is poised to unlock new avenues for growth, enhancing trade flows and investment in various sectors.