

India's Trade Ambitions Surge with EU and UK Agreements

July 26, 2025

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India's global trade strategy is gaining momentum following the finalisation in July 2025 of the India–UK Comprehensive Economic and Trade Agreement (CEPA), marking a major bilateral milestone. Negotiations for a Free Trade Agreement (FTA) with the European Union began in June 2022. Twelve rounds have now been held, including the latest in July 2025, as both sides aim to conclude a deal by the end of the year to bolster India's international trade standing.

Merchandise exports to the EU rose from US\$41.366 billion in FY 2020–21 to approximately US\$75.76 billion in FY 2024–25, according to Commerce Ministry figures cited in a Rajya Sabha reply. This upward trajectory underscores the strategic importance of the EU as a trading partner. Similarly, exports to the United States have climbed from \$51.6 billion to \$86.5 billion over the same period, reflecting India's expanding global reach.

FTA negotiations are at a pivotal stage, with both parties targeting a deal by December 2025. Market access offers have been exchanged, and eight chapters, including customs, intellectual property and trade facilitation, have been concluded. Contentious areas such as agriculture, carbon-border adjustments and automobiles remain unresolved. The next negotiating round is scheduled in India in early September, and both sides have agreed to explore an interim agreement to accelerate progress, a pragmatic step towards a comprehensive deal. Commerce and Industry Minister Piyush Goyal emphasised the FTA's potential to foster “stronger economic ties and inclusive growth” between India and the EU.

India is also accelerating trade negotiations with ASEAN partners, reinforcing its broader strategy of building regional economic partnerships beyond the EU and UK.

The successful UK deal, which strengthens bilateral trade and investment, sets a precedent for these ambitions. Speaking at the India-Sweden High-Level Trade and Investment Policy Forum in Stockholm, alongside the Confederation of Swedish Enterprises and prominent business leaders, Minister Goyal highlighted the vast potential for collaboration. His remarks underscored India's commitment to forging partnerships that drive mutual prosperity.

As the UK grapples with its economic challenges under the current Labour government, India's proactive trade diplomacy offers a counterpoint of ambition and pragmatism. The coming months will be pivotal, with the EU negotiations and ASEAN talks poised to shape India's economic future. By balancing strategic patience with assertive deal-making, India is carving out a robust role in the global trade landscape.