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Sub: India-EU Free Trade Agreement Concluded – Major Opportunities for Indian Exporters including Textiles & Apparel

Dear Member,

We wish to inform you that the Hon'ble Prime Minister of India, Shri Narendra Modi, and the President of the European Commission, H.E. Ms. Ursula von der Leyen, jointly announced the conclusion of the India-European Union Free Trade Agreement (India-EU FTA) at the 16th India-EU Summit held on 27th January 2026. Press Releases in this regard were issued by Ministry of Commerce & Industry vide dated 27th January, 2026 [Press Release 1](#) & [Press Release 2](#)

This landmark Agreement represents a major milestone in India's trade relations and offers significant opportunities for Indian exporters, particularly in labour-intensive sectors such as textiles and clothing. Under the FTA, over 99% of Indian exports will receive preferential access to the EU market, with tariff elimination on key products, including textiles, enhancing competitiveness and supporting MSMEs, women workers, youth and artisans.

The Agreement also strengthens the overall India-EU trade partnership, addresses long-standing non-tariff barriers through improved regulatory cooperation and customs facilitation, and includes forward-looking provisions on sustainability and CBAM, which are important for textile exporters. It further provides enhanced market access in services and a predictable mobility framework for skilled professionals, while safeguarding sensitive agricultural sectors.

Threading Success: Textiles & Apparel high achievers

Zero-duty access in Textiles & Clothing, with tariff reductions up to 12%, could open the EU's INR 22.9 Lakh Crore (USD 263.5 billion) market. Building on India's INR 3.19 Lakh Crore (USD 36.7 billion) exports, including INR 62.7 Thousand Crore (USD 7.2 billion) to the EU, this would boost opportunities across yarn, apparel, RMG, and home textiles—helping MSMEs scale, generate employment, and strengthen India's role as a sustainable, high-value sourcing partner.

The Council will closely examine the detailed provisions of the Agreement and keep

members informed on sector-specific opportunities, implementation timelines, rules of origin and compliance requirements, particularly for the textile and clothing sector.

You are advised to proactively assess emerging opportunities and prepare to benefit from improved access to the EU market.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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