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Sub: India-European Union Free Trade Agreement (FTA) – Advisory to Members

Dear Member,

We are pleased to inform you that the Government of India and the European Union (EU) have concluded negotiations on a Comprehensive Free Trade Agreement (FTA) on 27th January 2026. The Agreement is expected to come into force following its ratification by the Parliament of India and the European Parliament, along with approval by respective member states as required under EU procedures.

This landmark Agreement marks a significant milestone in strengthening trade and economic relations between India and the European Union, which is one of India's largest trading partners and a key destination for Indian cotton textiles products.

Official document is available on following official link

<https://www.commerce.gov.in/international-trade/trade-agreements/text-of-india-eu-fta/>

Enclosed herewith is the fact sheet of India-EU FTA for your kind reference.

Key Highlights of the India-EU FTA (Indicative)

While the final notified text and implementation details will be released post-ratification, the Agreement is expected to provide the following broad benefits

- Reduction/Elimination of Import Duties: Gradual reduction or elimination of customs duties on a wide range of textile and apparel products exported from India to EU member states.
- Improved Market Access: Enhanced and predictable access to the EU market, enabling Indian exporters to compete more effectively vis-à-vis other preferential trade partners of the EU.
- Simplified Trade Procedures :Streamlining of customs procedures, improved transparency, and facilitation measures to reduce compliance costs and clearance timelines.
- Rules of Origin Framework: Clear and structured Rules of Origin (RoO) criteria that

will determine eligibility for preferential tariff treatment.

-- Sustainability and Standards Alignment: Provisions relating to environmental and labour standards, technical regulations, and conformity assessments, which may require alignment with EU norms.

The European Union remains a major importer of cotton yarn, fabrics, home textiles, and made-ups.

The FTA is expected to -

- Enhance price competitiveness of Indian cotton textile products.
- Expand opportunities in both established and emerging EU markets.
- Encourage long-term contracts with EU buyers.
- Provide a level playing field against competing exporting nations that already enjoy preferential access to the EU.

This development presents a strategic opportunity for Indian cotton textile exporters to increase their footprint in the EU market and diversify product offerings.

In view of the above we suggest our member to follow below advisory -

- Verify your HS codes of export products and assess likely tariff benefits once notified.
- Ensure the documentation systems and sourcing patterns align with expected RoO requirements to qualify for preferential tariffs.
- Adhere to EU technical standards, labelling requirements, sustainability benchmarks, and due diligence norms.
- Discuss with your existing and prospective buyers regarding price revisions and long-term supply arrangements post-implementation.
- Closely follow official notifications from the Department, Directorate General of Foreign Trade (DGFT), and EU authorities regarding timelines and operational procedures.
- Monitor developments related to ratification and implementation.

Members are requested to go through the FTA document and share any specific TBTs/ NTBs at [sybil@texprocil.org](mailto:sybil@texprocil.org) / [ramitha@texprocil.org](mailto:ramitha@texprocil.org) for further coordination.

Regards,

**Dr. Siddhartha Rajagopal**  
Executive Director

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