



# THE INDIA-EU FREE TRADE AGREEMENT

## STRUCTURAL TARIFF RESET ACROSS KEY SECTORS

A landmark Free Trade Agreement (FTA) between **India and the European Union**, concluded today, after nearly **two decades of negotiations**. It aims to significantly reduce tariffs and open markets between two of the world's largest trading blocs, covering nearly **2 billion people** and about **25% of global GDP**.

Over **99% of Indian exports** will receive **preferential or duty-free entry into the EU market**



### SECTORAL IMPACT:

SECTOR	TARIFF CHANGES (INDIA-EU FTA)	IMPACT
Manufacturing	Import duties on <b>machinery &amp; electrical equipment cut from up to ~44% to 0%</b>	✓ Lower machinery & input costs
Healthcare	Duties on <b>medical, optical &amp; surgical equipment reduced from ~27.5% to 0%</b>	✓ Cheaper medical devices & equipment
Pharmaceuticals	<b>~11% import duty on pharmaceuticals removed</b>	✓ Lower-cost specialised drugs & APIs
Automobiles	<b>Car import duty reduced from ~110% to ~10%, subject to 250,000-unit quota</b>	✓ Luxury imports cheaper (quota-based)
FMCG / Retail	<b>Wine duties cut to ~20–30%, spirits ~40%, beer ~50%; processed foods &amp; olive oil move to zero duty</b>	✓ Imported food & alcohol cheaper
Chemicals & Plastics	Import duties on <b>chemicals &amp; plastics largely reduced to 0%</b>	✓ Broad cost relief across industries

Data as on 27<sup>th</sup> January 2026 || Detailed note would be shared shortly.

Please note that the reference to any industry/sector/stock is provided for illustrative purposes only. This should not be construed as a research report or a recommendation to buy or sell any security or sector.

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

**BAJAJ FINSERV ASSET MANAGEMENT LIMITED**