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India's Twin Trade Triumphs

India's back-to-back trade agreements with the United States and the European Union mark a defining moment in its economic diplomacy. Together, these pacts signal that India is no longer a cautious participant in global trade but an active shaper of it. While the EU agreement is a comprehensive, legally binding Free Trade Agreement (FTA), the US pact is an interim but strategically loaded framework. Both reflect New Delhi's attempt to secure market access, attract technology, and reposition itself at the centre of a rapidly shifting global order.

The India-EU FTA is the more structural of the two. Granting duty-free access to over 99% of Indian exports into a $22-trillion market, it promises major gains for textiles, leather, marine products, gems and jewellery, chemicals, and engineering goods. It also expands services access and professional mobility, while embedding sustainability and regulatory alignment into the trade architecture. Yet the opportunity comes with obligations. European standards, especially under mechanisms like the Carbon Border Adjustment Mechanism (CBAM), will demand cleaner production, traceability, and higher compliance. For the Indian industry, this is not merely a tariff story but a competitiveness test.

In contrast, the US interim trade deal prioritises speed and strategic alignment. Washington's reduction of tariffs from 50% to 18% places India on par with Southeast Asian competitors and offers an edge over China in select sectors. Textiles, gems and jewellery, seafood, chemicals, and engineering goods stand to benefit. The pact could also turbocharge India's data centre and AI ecosystem through easier access to high-end technology and GPUs. At the same time, India's commitment to expand purchases of US energy, aircraft, and high-tech goods underscores the deal's reciprocal nature.

Sensitive sectors are being safeguarded through quotas, phased concessions, and careful negotiation, ensuring that domestic interests remain protected even as new opportunities open up. Comparative advantage of India over Bangladesh's textile competitiveness highlights the scale and transformative potential of the India–EU FTA. The agreements position India not as a passive participant, but as a rising trade power whose expanding market access is reshaping regional and global dynamics.

Ultimately, these two trade deal tracks reveal a nuanced strategy: long-term, rules-based integration with Europe alongside a flexible, security-linked partnership with the US. If executed with speed, regulatory reform, and investment in manufacturing depth, these agreements could anchor India's ambition of becoming a trusted global production and technology hub in an uncertain world.

US India BTA		
1.	*The Indo-US Trade Deal Might Sharply Shift The Direction Of The Global Systemic Transition* **Andrew Korybko's Newsletter** February 03, 2026	The Indo-US trade deal signals a major strategic recalibration. The US would cut tariffs to 18% while India reduces its tariffs to zero and reportedly halts discounted Russian oil imports, replacing them with US (and possibly Venezuelan) supplies. This could accelerate India's GDP growth and deepen US security ties but risks agricultural disruption and rural unrest. Strategically, it may dilute India's BRICS engagement and dollar-diversification efforts. Russia would then face a stark choice: rely more heavily on China, increasing dependency, or negotiate compromises with the US over Ukraine for phased sanctions relief and re-entry into global energy markets.
2.	*Textiles, gems & more: The sectors that will benefit from India-US trade deal* **FP Explainers** February 03, 2026	Textiles and apparel are among the biggest beneficiaries, gaining a competitive edge over countries like Bangladesh and Sri Lanka, which account for 28% of India's textile exports. Gems and jewellery, heavily reliant on US demand and recently hit by sharp export declines, are also expected to recover as lower tariffs improve pricing competitiveness. Seafood exporters, especially shrimp producers, stand to gain from stronger demand and better earnings visibility. Additional beneficiaries include specialty chemicals, agrochemicals, engineering goods, carpets, consumer food products, electronics, auto ancillaries, and even niche sectors like hair product exports. Improved competitiveness could support higher export growth, margin expansion, and stronger integration into global supply chains.
3.	*The BTS action that led to India-US trade deal* **Bloomberg** February 05, 2026	Amid strained ties after 50% US tariffs and accusations over Russian oil purchases, Narendra Modi sent NSA Ajit Doval to meet Marco Rubio to reset relations with Donald Trump. Quiet diplomacy paved the way for a trade deal cutting tariffs to 18% and removing oil-related penalties. Despite visible engagement with Vladimir Putin and Xi Jinping, India reaffirmed the US as vital for investment, technology, defence cooperation, and long-term economic growth.
4.	*India-US trade pact set to boost India's data centre market sevenfold* **The Hindu Business Line** February 07, 2026	The India - US interim trade pact is expected to significantly accelerate India's data centre and AI infrastructure growth. Industry leaders say increased technology and GPU imports under the $500 billion purchase framework could expand India's data centre market nearly sevenfold. Even allocating 8 -10% of the deal to tech products could mean $40-50 billion in five years, far exceeding the current $8.9 billion market size. Lower import barriers and possible duty rationalisation on enterprise GPUs currently taxed at 20–28% could reduce

		setup costs by around 14%, improving India's competitiveness against hubs like Singapore and the UAE. India, which generates 19% of global data but hosts just 6% of global data centre capacity and 1.4% of enterprise GPUs, could raise its global market share from 5.5% to 10% by 2032, potentially exceeding $12 billion in value.
5.	Himachal apple farmers oppose Centre's decision to import apples at Rs 80 per kg from US By Subhash Rajta **msn.com** February 09, 2026	Himachal apple growers are split over the Centre's decision to cut US apple import duty from 50% to 25% while setting a Minimum Import Price (MIP) of ₹80/kg. Under the trade deal, US apples are expected to land at around ₹100/kg, close to the price of India's premium apples. Farmer groups fear this price parity will erode market share, depress domestic prices, and make controlled-atmosphere storage economically unviable. They also warn that unrestricted imports could destabilize the local apple economy. However, some growers believe the MIP and tariff still provide partial protection and argue that global competition should push Indian producers to improve quality, productivity, and access to better government support rather than rely on protectionism.
6.	Indo-US trade deal is not a surrender By Ashok Gulati, Distinguished Professor, ICRIER **Financial Express** February 16, 2026	The author argues that the Indo-US trade deal is neither a "surrender" nor an outright victory, but a balanced give-and-take. India agreed to expand purchases of US energy, aircraft and high-tech goods and signalled intent to buy $500 billion worth of American products over five years. In return, the US reduced tariffs on Indian goods from 50% to 18%, aligning India with Southeast Asian competitors and giving it a relative advantage over China, potentially boosting exports to the world's largest economy. On agriculture, critics fear market flooding, GM crop risks, and unfair competition from subsidised US farmers. However, India currently runs an Agri-trade surplus with the US ($3.6 billion in 2024). The deal reportedly opens mainly niche products like almonds, walnuts and berries—crops not widely grown domestically—while sensitive items like apples may face reduced duties but under import quotas. Regarding GM products, India continues to restrict direct imports of GM seeds while allowing processed derivatives like soya oil and DDGs, which are non-germinating and widely consumed globally. The author contends that Indian farmers remain competitive, supported by subsidies and strong export performance, but must invest more in R&D to raise productivity.

India - EU FTA		
1.	*In a turbulent world, India and Europe provide an anchor* **Indian Express** February 03, 2026	India-EU FTA grants market access for over 99% of Indian exports to the EU's $22-trillion market, benefiting sectors such as textiles, leather, marine products, gems and jewellery, and chemicals, while preserving policy space for sensitive areas like agriculture. The mobility pact facilitates the movement of Indian professionals and students, and the broader framework supports integration into European value chains and increased foreign investment. The Security and Defence Partnership creates an overarching structure for cooperation, including potential co-design and co-production of defence systems, at a time when Europe is strengthening its strategic autonomy.
2.	*Bangladesh in panic over India-EU trade deal: Yunus urges FTA to save textile industry* **Zee Media Bureau** February 02, 2026	Bangladesh has expressed concern over the India- EU Free Trade Agreement between India and the European Union, fearing it could erode its competitive edge in textiles. Chief Adviser Muhammad Yunus has urged the EU to begin FTA talks with Dhaka to secure continued duty-free access, especially as Bangladesh prepares to graduate from LDC status. Previously, under the EU's "Everything But Arms" scheme, Bangladeshi garments enjoyed zero tariffs while Indian exports faced 9–12% duties. The new India–EU deal grants Indian textiles zero-duty access, allowing India—with its larger cotton base and integrated supply chain—to compete more aggressively in Europe. Analysts warn that by 2029, India will have stable zero-duty access while Bangladesh could face higher tariffs, potentially threatening over half of its garment sector, the backbone of its export economy.
3.	*'World is tilting towards India': Modi to NDA MPs on India-US tariff deal, FTA with EU* **The Indian Express** February 04, 2026	Prime Minister Narendra Modi told NDA MPs that India is shaping the global order, citing the India- EU and India-US trade deals as proof of rising global confidence. He praised the "futuristic" Union Budget for advancing Viksit Bharat 2047, youth opportunities, and a growing caregiving economy.
4.	*India's two trade paths: How the EU deal and the US interim pact really compare* ***Moneycontrol*** February 07, 2026	The EU agreement is a comprehensive, legally binding Free Trade Agreement that eliminates or phases out tariffs across a wide range of goods, expands services access, and includes clear rules on sustainability, labour standards, and dispute settlement. It offers long-term certainty and major gains for labour-intensive sectors such as textiles, leather, gems, and jewellery, though it requires strict regulatory compliance. In contrast, the US arrangement is an interim trade framework ahead of a broader bilateral deal, prioritising speed and flexibility over permanence. It sets a baseline reciprocal tariff rate with conditional relief for key sectors like pharmaceuticals and aerospace, while focusing on resolving specific trade frictions and strengthening

		strategic technology cooperation. Together, the two paths show India balancing stable, rule-based integration with Europe and a more strategic, security-linked trade engagement with the US.
5.	*Trade route to closer relations with the EU* **Hindustan Times** February 05, 2026	The India-EU Free Trade Agreement between India and the European Union is described as one of the most consequential trade deals in recent times, potentially creating one of the world's largest free trade areas, covering nearly 2 billion people and about 25% of global GDP. Negotiations, first launched in 2007 and revived in 2022, culminated in a comprehensive, modern, and rules-based agreement that deepens market access across goods and services while reinforcing regulatory cooperation, intellectual property protections, and technology transfer. The FTA grants duty-free access to over 99% of India's exports, benefiting sectors such as textiles, leather, gems and jewellery, chemicals, and electronics, while safeguarding sensitive areas like agriculture and dairy through calibrated concessions. It also expands services access across 144 sectors, improves mobility for professionals, promotes digital payments cooperation, such as UPI, and integrates sustainability through dialogue rather than harmonised standards. Overall, the agreement strengthens economic integration, resilience, and strategic autonomy in an uncertain global economy.
6.	*How the India–EU FTA Is raising the game for Indian manufacturing in terms of speed, standards, and strategy* **Economic Times** February 13, 2026	The India–EU Free Trade Agreement between India and the European Union marks a major step in deepening economic ties. However, the agreement also raises the bar. Indian firms must meet stringent European standards on quality, traceability, and sustainability, especially with the rollout of the EU's Carbon Border Adjustment Mechanism (CBAM), which links carbon intensity to market access. It stresses the need for faster execution, integrated manufacturing clusters, greener production, and deeper industry–government collaboration. Ultimately, the FTA is presented as a defining moment for India to scale high-quality, competitive, and resilient manufacturing for the global market.

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