INDIA-SPAIN

NEWSLETTER
EMBASSY OF INDIA, MADRID

Special Issue
India-EU FTA: Transforming India-Spain Trade Relations





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India-Spain Partnership:

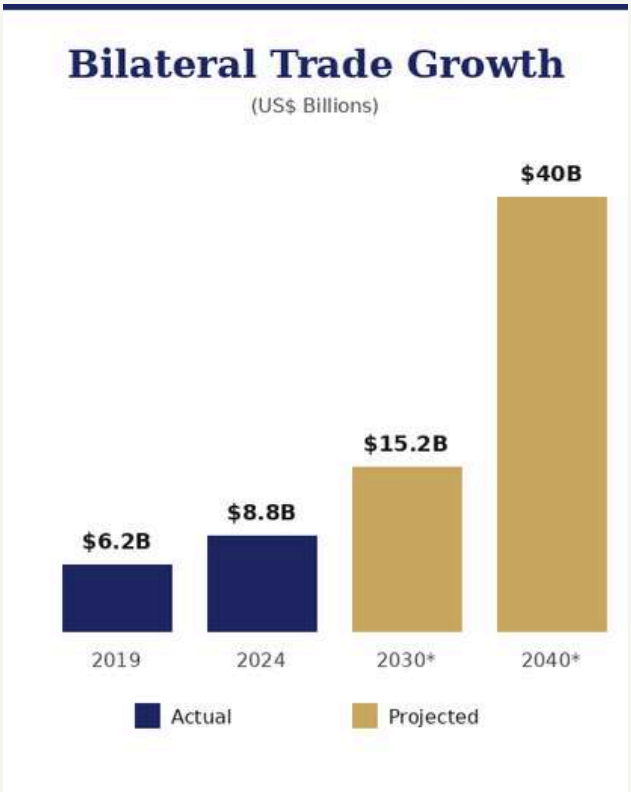
A New Era of Trade

Powered by the Historic India-EU Free Trade Agreement

99%	$9B	$40B+
Tariff-Free Access for Indian Exports	Bilateral Trade in 2024	Trade Potential by 2040

Trade Growth & Manufacturing Excellence

India-Spain bilateral trade has grown 41% from 2019-2024 with a CAGR of 7.25%. The FTA eliminates tariffs on 99% of Indian exports, unlocking unprecedented opportunities across key manufacturing sectors.



*** Projections are based on the increase of CAGR of Bilateral Trade from 7.25% to 10% as a result of India-EU FTA.**

Textiles & Apparel
Upto 12% → 0%
$6B+ Spanish market opportunity for Indian textiles

Chemicals & Pharma
Upto 13% → 0%
Healthcare cost savings, generics market access

Iron & Steel
Upto 10% → 0%
$100M+ annual tariff savings on $487M trade

Auto Components
Upto 28% → Reduced/Eliminated
Integration into European automotive value chain

Leather & Footwear
Upto 17% → 0%
Premium Spanish fashion market access

Electronics
Upto 14% → 0%
PLI scheme products gain EU market entry

Machinery
Upto 22% → Reduced/Eliminated
Industrial equipment, food processing machinery

Marine Products
Upto 26% → Reduced/Eliminated
Premium seafood, spices to Spanish gourmet market

Source: Ministry of Commerce, India

Service Sector Opportunities: Professional Mobility

The India-EU FTA opens 144 service sub-sectors to Indian providers, grants MFN (Most Favoured Nation) provision in trade in services for 5 years, backed by comprehensive professional mobility provisions. Spain, home to more than 90 established Indian companies in IT, pharmaceuticals, chemicals, and logistics, offers a proven gateway for Indian businesses to access the broader European Union market of 27 member states.

🔑 Professional Mobility Pathways

Intra-Corporate Transfers

Movement of employees and their families from Indian companies established in the EU across all service sectors.

Contractual Service Suppliers

Service providers under contract with EU clients, covering IT, business, and professional services.

Independent Professionals

Self-employed professionals providing services directly to EU clients in IT, R&D, and higher education.

Business Visitors

Temporary entry for business development, market exploration, and partnership establishment.

🎯 Key Service Sectors with Market Access

Information Technology

Software development, IT consulting, cloud services, cybersecurity

Engineering Services

R&D, engineering design, technical consulting, project management

Business Services

Management consulting, accounting, legal advisory, market research

Education & Training

Higher education, vocational training, professional certification programs

Research & Development

Scientific research, innovation labs, technology development, patents

Healthcare Services

Medical tourism, Indian Traditional Medicine, Telemedicine, pharmaceutical services

Investment Opportunities: India-Spain Partnership

India-EU FTA provides comprehensive framework with enhanced protection, regulatory certainty, and unprecedented market access for bilateral investments.

$4.29B
Spanish Cumulative FDI in India

Bilateral Investment Overview

(* Figures till March 2025)

$900M
Indian Cumulative FDI in Spain

India-EU FTA: Towards building a Robust Investment Promotion Framework

Streamlined Customs & SPS Cooperation

Self-certification through Statement on Origin reduces compliance time and cost. Comprehensive SPS provisions with clear timelines for import approvals, audits, and certification.

Regulatory Certainty & Transparency

Public consultation on new regulations, mandatory regulatory impact assessments, sufficient time before enforcement. Predictable environment enabling long-term investment planning and value chain integration.

Rapid Response Mechanism

High-powered mechanism for immediate resolution of regulatory concerns with ministerial-level escalation option. New element specific to India-EU agreement. Protects negotiated market access and benefits against future actions.

Binding Dispute Settlement Mechanism

Efficient mechanism with independent panels agreed by both parties. Binding reports enforceable through suspension of concessions in case of non-compliance. Full transparency with open hearings and mediation options.

Unprecedented Market Access

99% of Indian exports get preferential EU access with 70% receiving immediate zero duty. 144 service sub-sectors open. Professional mobility across 4 pathways with spouse and dependent rights included.

SME Support Framework

Dedicated SME chapter with publicly accessible digital platform for market access information. SME contact points to identify opportunities and benefits. Reduced costs, streamlined procedures, and stable regulatory environment.

Spain: Strategic Gateway to European Market

The India-EU FTA creates a stable, rules-based investment environment enabling businesses to plan long-term investments, integrate into European value chains, and access consistent market benefits. Spain serves as India's strategic entry point to the 27-nation EU market with enhanced protection mechanisms ensuring investment security amid global economic uncertainties.

Government of India
Ministry of Commerce and Industry
Department of Commerce

INDIA-EU FTA

A HISTORIC GLOBAL TRADE MILESTONE

Rewriting India's global trade engagement

Expanding market access

Accelerating export-led growth



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A GLOBAL GOLIATH

Encompasses **1/3rd** **of global trade**

Brings together the **2nd & 4th** **largest economies**

Catering to 25% of Global GDP

Unlocks an additional **$75 Bn in exports**

Eliminates tariffs **on 9,425 lines of** Indian exports



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9,425 TARIFF LINES CLEARED

by the India–EU FTA!

MARKET ACCESS

9,425 tariff lines opened for Indian goods

ZERO-DUTY EXPORTS

Over 99% of Indian export value now enters the EU duty-free



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INTEGRATES INDIA WITH 27 COUNTRIES

Accessing a $20 trillion market

UNLIMITED GROWTH POTENTIAL

across the world's most sophisticated consumer base



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INTEGRATES INDIA WITH 27 COUNTRIES

₹6.41 LAKH CRORE ($75 BILLION)

in exports ready for take-off



Direct pipeline to high-value European consumers

Massive scale-up for Indian manufacturers and MSMEs



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INDIA–EU FTA

UNLOCKS THE SKILLS SUPER-HIGHWAY

Service Access

India gains predictable access across **144 EU sub-sectors** (IT, Financial Services, Education, and more)





Student Security

Assured **post-study visa framework of at least 9 months**

Traditional Medicine

Access for practitioners of **Indian traditional medicine** to work in EU states under their home titles

