

India-EU agreement to open avenues in business: IACC

LUCKNOW : Europe and India signed an economic agreement on Tuesday. Trade between India and the European Union stood at \$136.5 billion in the fiscal ending March 2025, while India and the US trade stood at \$132 billion, and India and China traded at \$128 billion, said Mukesh Bahadur Singh, chairman, UP Coordination Committee, Indo American Chamber of Commerce (IACC).

“The possible outcomes after formal signing of the India-EU agreement include - opening of protected areas. The EU agreement with India will open up India’s vast and highly protected market, with New Delhi reducing tariffs on cars from 110% to 10%, according to the EU statement, benefiting European auto-makers such as Volkswagen, Renault, Mercedes-Benz and BMW. “Both India and Europe have taken a good initiative for the auto sector to provide 250,000 cars worth more than

15,000 euros per year and cut the deal by 30%-35% after the deal is implemented,” he said.

He also said that India has also talked about reducing the tariff on alcoholic beverages such as wine from 150% to 75%, which will be gradually reduced to 20%.

“The direct impact of the deal will also cut tariffs on EU goods coming into India, including machinery, electrical appliances, chemicals and iron and steel. This agreement aims to promote two-way trade and reduce dependence on the United States amid rising global trade tensions. The Indo American Chamber praises and welcomes it,” said Bahadur.

He said that this agreement is expected to double EU exports to India by 2032, eliminating or reducing tariffs at 96.6% of traded goods based on value and potentially savings of 4 billion euros (\$4.75 billion) in duties for European companies. **HTC**