

India and European Free Trade Association (EFTA) sign a Trade and Economic Partnership Agreement (TEPA) on 10 March 2024

The European Free Trade Association (EFTA) is an inter-governmental organisation set up in 1960 for the promotion of free trade and economic integration for the benefit of its four member states. It is one important economic block out of the three (the other two being the EU & UK) in Europe. Among the EFTA countries, Switzerland is the largest trading partner of India, followed by Norway.

India has been working on a Trade and Economic Partnership Agreement (TEPA) with EFTA countries, comprising Switzerland, Iceland, Norway, and Liechtenstein. The Union Cabinet chaired by the Prime Minister has approved the signing of the TEPA with EFTA states on 10 March 2024.

Through this, India would be able to prove its commitment to sustainable development, inclusive growth, social development and environmental protection, foster transparency, efficiency, simplification, harmonisation and consistency of trade procedures.

Key highlights of the agreement:

- **Target-oriented investment and creation of jobs:** The agreement includes a binding commitment of USD 100 billion investment and the creation of 1 million direct jobs in India over the next 15 years.
- **Market access:** The EFTA is offering 92.2% of its tariff lines covering 99.6% of India's exports. The EFTA's market access offer covers 100% of non-agriculture products and tariff concession on processed agricultural products (PAP). India offers 82.7% of its tariff lines, which covers 95.3% of EFTA exports, of which more than 80% import is gold. The effective duty on gold remains untouched.
- **PLI scheme:** The PLI in sectors such as pharma, medical devices and processed food, etc., have been considered. Sectors such as dairy, soya, coal and sensitive agricultural products are kept in the exclusion list.
- **Sectors offered:** India has offered 105 sub-sectors to the EFTA and secured commitments in 128 sub-sectors from Switzerland, 114 from Norway, 107 from Liechtenstein, and 110 from Iceland.

- **Service exports:** The TEPA would stimulate services exports in sectors such as IT services, business services, personal, cultural, sporting, and recreational services, other education services, audio-visual services, etc.
- **Services offered from EFTA:** These include better access through the digital delivery of services (Mode 1), commercial presence (Mode 3) and improved commitments and certainty for entry and temporary stay of key personnel (Mode 4).
- **Mutual recognition:** The TEPA provides for provisions of mutual recognition agreements (MRA) in professional services such as nursing, chartered accountants, architects, etc.
- **Intellectual property rights:** The commitments related to intellectual property rights (IPR) in the TEPA are at the TRIPS level. India's interests in generic medicines and concerns related to the evergreening of patents have been fully addressed.
- **Promotion to exporters:** The TEPA will empower exporters' access to specialised inputs and create a conducive trade and investment environment. This would boost the exports of Indian-made goods, as well as provide opportunities for the services sector to access more markets.
- **Make in India Initiative:** The TEPA will give impetus to 'Make in India' and 'Atmanirbhar Bharat' by encouraging domestic manufacturing in sectors such as infrastructure and connectivity, manufacturing, machinery, pharmaceuticals, chemicals, food processing, transport and logistics, banking and financial services, and insurance.
- **Services and technology:** The TEPA aims to boost Indian service exports and facilitate access to world-leading technologies, fostering growth in sectors such as engineering, health sciences, renewable energy, innovation and R&D

The TEPA can be accessed here - [Trade and Economic Partnership Agreement between the Government of the Republic of India and the Governments of EFTA States - Mcommerce](#)