

India–New Zealand sign 'historic' FTA

Qatar Tribune · 28 Apr 2026

INDIA and New Zealand on Monday signed a comprehensive free-trade agreement (FTA), which will come into effect by the end of the year. Under the deal, India will gain 100 per cent duty-free market access, a \$20 billion foreign direct investment (FDI) commitment over 15 years, and easier labour mobility.



Addressing the media alongside New Zealand Trade Minister Todd McClay, Commerce and Industry Minister Piyush Goyal called the agreement “a landmark step that will take our partnership to greater heights”. “The FTA will create new opportunities in India across sectors through higher investments, wider market access, and stronger services cooperation,” said Goyal.

This is India’s seventh FTA in the past five years, after agreements with Mauritius, the UAE, Australia, European Free Trade Association countries, the UK and Oman. Of these, the FTAs with the UK, Oman and New Zealand are yet to be implemented. Others are already operational.

McClay said the deal would be tabled in Parliament on Tuesday, followed by a short select panel process allowing public submissions. It will return to the full House for debate. “We expect we can have it in force before the end of this year,” he added.

The elimination of duties on 100 per cent of tariff lines from the beginning of the FTA’s implementation will benefit Indian exports such as textiles, garments, leather, carpets, ceramics, engineering goods and auto components.

India will open about 70 per cent of tariff lines, covering nearly 95 per cent of New Zealand’s exports, while protecting sensitive sectors such as dairy, sugar and edible oils. Imports of apples, kiwifruit, mānuka honey and albumins will be subject to quotas, minimum prices and safeguard conditions. New Zealand apples will receive concessional duty only from April to August, with tariffs reduced from 50 per cent to 25 per cent within quota and only above \$1.25 per kg.

New Zealand wine will get price-based tariff cuts. Wine priced below \$5 per 750 ml bottle gets no concession and stays at 150 per cent duty. Those priced between \$5 and \$15 get duty reduced to 100 per cent at entry into force, and then gradually to 50 per cent by the 10th year. Wine priced at \$15 or more gets a sharper cut, from 150 per cent to 75 per cent at entry into force, and then to 25 per cent by the 10th year.

Services may deliver bigger gains for India than goods. **New Zealand has offered commitments in 118 sectors and most-favoured nation (MFN) treatment in 139 sectors.**

The agreement also creates new mobility pathways for Indians, including 20-hour student work rights, post-study visas, 5,000 skilled worker slots and 1,000 work-and-holiday visas annually. India, in turn, has offered services market access in 106 sectors and MFN treatment in 45 sectors.

“In services, India is expanding at a rapid pace. In FY26, services exports have crossed \$400 billion. However, we only export services worth \$650700 million to New Zealand. Here also, we see an opportunity for a big leap,” Goyal said.

As the agreement moves toward implementation, it is expected to deepen economic integration and strengthen bilateral ties. With bipartisan support in New Zealand and strong political backing in India, the deal appears poised for long-term success.

Ultimately, the India-New Zealand FTA represents more than just a trade pact-it is a statement of intent. In an era marked by fragmentation, it underscores the enduring value of cooperation, trust, and shared growth.