# India-EAEU Free Trade Agreement, Members, Aim, Significance

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India and the Eurasian Economic Union (EAEU) FTA talks gained momentum after President Vladimir Putin's State Visit to India on 4-5 December 2025. During the 23rd India-Russia Summit, both sides pushed for accelerating the India-EAEU Free Trade Agreement as part of their new 2030 Economic Roadmap.

## What is the Eurasian Economic Union (EAEU)?

The EAEU is a regional economic union created to promote economic integration among member countries. It ensures free movement of goods, services, capital, and labour, and supports coordinated economic policies for stable development.

- **Established:** 2015 (via the Treaty on the Eurasian Economic Union)
- **Members:** Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia
- **Headquarters:** Moscow, Russia
- **Aim:** Strengthen economic cooperation, modernize economies, raise competitiveness, and improve living standards.

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## India-EAEU Free Trade Agreement Significance

- **Big Market Access:** The FTA will open access to a USD 6.5 trillion Eurasian market, helping India increase exports in pharmaceuticals, engineering goods, textiles, and agriculture.
- **Reduced Dependence on the West:** India-EAEU trade touched USD 69 billion in 2024, growing 7% from 2023. This helps India diversify away from the US and EU amid rising tariff pressures.
- **Stronger Energy Security:** Russia already supplies 35-40% of India's crude oil imports. An FTA can ensure stable and long-term access to oil, gas, coal, and other minerals at competitive prices.
- **Lower Costs for Indian Businesses:** Removing or reducing tariffs across EAEU countries can make Indian MSME exports cheaper and more competitive, especially in textiles, pharma, and machine parts.
- **Boost to Connectivity:** The FTA will support major trade routes like the International North-South Transport Corridor (INSTC), which can reduce transit time between India and Russia from 40 days to nearly 20 days.

## India-EAEU Free Trade Agreement Challenges

- **Complex Tariff Structures:** India and EAEU (Russia, Belarus, Kazakhstan, Armenia & Kyrgyzstan) have very different tariff regimes; harmonizing these across 5 countries slows negotiations.
- **Sanctions on Russia:** Over **14,000+ Western sanctions on Russia** complicate payment systems, logistics, and compliance for Indian companies.
- **Trade Imbalance:** India's trade with EAEU is about **$16-17 billion**, and **over 85% is dominated by Russia**, creating dependency and imbalance.
- **Connectivity Barriers:** INSTC and Chabahar routes are still not fully operational; cargo movement takes **35-45 days**, increasing cost and reducing competitiveness.
- **Regulatory & Standards Issues:** India and EAEU follow different standards for pharma, engineering goods, and food products, requiring alignment before tariff cuts.
- **Limited Market Awareness:** Indian exporters have low awareness of EAEU demand patterns; only **3-4% of India's global exports** currently go to this region, limiting immediate gains.

## How India-EAEU Engagement Can Be Strengthened

- India and EAEU should quickly implement the **2025-2030 economic cooperation plan** to boost trade and investment.
- India should **increase exports** like medicines, textiles, machinery, and food products to reduce its trade gap.
- Both sides should expand **local currency trade** to reduce dependence on the US dollar and avoid payment problems.
- Strengthen ties through groups like **BRICS and SCO** to improve coordination and build wider economic links.
- Improve transport routes such as **INSTC and the Chennai-Vladivostok Corridor** to make trade faster and cheaper.
- Reduce **customs delays and strict standards** by simplifying rules and recognizing each other's certificates for smoother trade.