India–New Zealand FTA Finalised: Key Gains in Trade, Investment, and Mobility

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India–New Zealand FTA Latest News

- India and New Zealand have concluded talks on a free trade agreement, granting India tariff-free access to New Zealand's market, attracting $20 billion in investment over 15 years, and aiming to double bilateral trade to $5 billion within five years.
- The FTA will be formally signed in the first half of 2026.

India–New Zealand Bilateral Relations

- India and New Zealand established diplomatic relations in 1952 and share enduring ties rooted in Commonwealth membership, common law traditions, and democratic governance.
- Sporting links—especially cricket, hockey, and mountaineering—and tourism have long fostered goodwill between the two societies.

Strategic Vision and Policy Frameworks

- New Zealand has identified India as a priority partner through initiatives such as "**Opening Doors to India**" (2011) and the NZ Inc. India Strategy.
- This was further deepened by the "**India–NZ 2025: Investing in the Relationship**" strategy, envisioning a more enduring strategic partnership across political, economic, and people-centric domains.

Trade and Economic Ties

- New Zealand is India's **11th largest two-way trading partner**.
    - India-New Zealand total trade in **2023-24 was valued at US$ 1.75 billion**.
- **Key trade sectors**: Education, tourism, dairy, food processing, pharmaceuticals, renewable energy, and critical minerals.
- **Indian exports to NZ**: Pharmaceuticals, precious metals & gems, textiles, motor vehicles, and non-knitted apparel.
- **Indian imports from NZ**: Logs, forestry products, wool, edible fruit & nuts.

Defence and Maritime Cooperation

- Defence ties are expanding steadily:
    - Regular **naval visits** and port calls by Indian Navy ships.
    - High-level naval leadership exchanges.
    - Cooperation under **Combined Task Force-150**, with Indian Navy personnel contributing while NZ leads the task force.
- These engagements support maritime security and Indo-Pacific stability.

Education and Knowledge Partnerships

- India is the second-largest source of international students in NZ (≈8,000 students).
- Collaboration through:
    - NZ Centre at IIT Delhi
    - Joint research projects in cancer, robotics, cybersecurity, waste management, and medical technology
    - Education cooperation agreements with GIFT City and IIM Ahmedabad

People-to-People and Cultural Ties

- Indian-origin population in NZ: ~292,000, with Hindi as the fifth most spoken language.
- Vibrant celebration of Indian festivals and strong presence of Indian cultural institutions.
- Deep sporting connections, including shared mountaineering heritage linked to Sir Edmund Hillary.

India–New Zealand Free Trade Agreement: A New Phase in Bilateral Ties

- India and New Zealand have concluded a Free Trade Agreement (FTA), ending negotiations that began in March 2025.
- FTA talks were launched during Luxon's visit to India, and the deal was finalised in a record nine months, reflecting strong political commitment and a shared goal of deepening bilateral relations.

India–New Zealand Free Trade Agreement: Key Highlights

- The FTA is expected to **double** bilateral trade within five years, deepen economic engagement, and strengthen cooperation beyond trade—covering defence, education, sports, innovation, and people-to-people ties.

Investment and Market Access Gains

- **Investment:** New Zealand will invest $20 billion in India over 15 years.
- **Healthcare:** A dedicated health and traditional medicine annex—New Zealand's first such agreement with any country—facilitates trade in health services.

Tariff Liberalisation

- 95% of New Zealand's exports will see tariffs eliminated or reduced.
- 57% of exports to India will be duty-free from day one, rising to 82% on full implementation; the remaining 13% will see significant tariff cuts.
- India **protected sensitive sectors**—**no concessions** on dairy, onions, sugar, spices, edible oils, rubber, rice, wheat, and soya.

Boost to Jobs and Exports

- The FTA is expected to lift labour-intensive sectors—apparel, leather, textiles, rubber, footwear, home décor—and promote exports of automobiles, auto components, machinery, electronics, electricals, and pharmaceuticals.

Mobility and Services Access

- 5,000 temporary employment visas annually for Indian professionals, valid up to three years.
- India gains market access across 118 services sectors and MFN status in 139 sectors, expanding opportunities for Indian professionals.
    - Most Favoured Nation (MFN) status is a key WTO principle that requires countries to treat all WTO members equally in trade.
- Coverage includes IT, engineering, healthcare, education, construction, and niche roles like AYUSH practitioners, yoga instructors, chefs, and music teachers—strengthening services trade and workforce mobility.

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