

Sector and State- Wise Gains

SECTOR	PRE-FTA TARIFF (PEAK)	POST-FTA TARIFF
 Textiles & Apparel	Up to 10%	<div style="font-size: 48px; font-weight: bold; color: #003366;">0%</div> <div style="font-size: 24px; font-weight: bold; color: #003366;">(ZERO)</div>
 Leather & Footwear	Up to 10%	
 Engineering Goods	Up to 10%	
 Pharmaceuticals	Up to 5%	
 Agriculture & Allied	Up to 5%	
 Marine Products	Up to 5%	
 Plastics & Rubber	Up to 10%	
 Electronics	Up to 10%	
 Chemicals	Up to 5%	
 FTA SIGNED ON 27TH APRIL, 2026		

Agriculture (HS Chapters 1-24)

- India’s agricultural exports to New Zealand are on a steady rise, growing from USD 95.62 million in FY 2023-24 to USD 108.21 million in FY 2024-25, reflecting strong untapped potential.
- Currently, nearly one-third of exports face tariffs of up to 5% under MFN rates. The FTA eliminates these duties, significantly improving price competitiveness and boosting export prospects.
- With India’s global agricultural exports at USD 51.86 billion, the agreement opens new opportunities to expand presence in the Indo-Pacific region.
- By leveraging scale, the FTA secures duty-free access across all tariff lines, ensuring stable and predictable market access.
- Given New Zealand’s agricultural imports of around USD 6.1 billion, largely sourced from FTA partners like Australia, China, and the EU, the agreement levels the playing field for Indian exporters.
- The Agreement is expected to benefit farmers, many states and regional clusters by opening new export avenues for their produce. It is also expected to benefit women entrepreneurs and MSMEs in agri-processing, while making Indian food products more affordable for consumers in New Zealand.

INDIA'S AGRI Exports Bloom with New Zealand

India's agri exports to New Zealand rose from USD 95.62 million in FY 2023-24 to USD 108.21 million in FY 2024-25.

Nearly one-third of India's agri exports faced tariffs up to 5%. Under the FTA, these tariffs are now reduced to zero.

India's agri exports to the world stood at USD 51.86 billion in FY 2024-25. Tariff removal opens new avenues to scale up exports.

The FTA binds duty-free access and provides preferential access across a large number of tariff lines.

New Zealand's agri imports from the world are valued at approx. USD 6.1 billion (2024). The FTA ensures Indian exporters compete on a level playing field with countries having existing trade agreements.

Source: Ministry of Commerce & Industry

Sectoral Export Opportunities

The Agreement opens up new opportunities across a range of agricultural product categories that were previously subject to tariffs of up to 5% and will now benefit from duty-free access.

(Some of the key Category-level opportunities are provided in the table below.)

Broad Category	Key Products	Tariff Change
Processed Food Products	Pickles, preserved vegetables, frozen foods, jams, sauces, ready-to-eat items	5% to 0%
Packaged & Cereal-Based Foods	Biscuits, bakery items, cereal snacks, flour, starch products	5% to 0%
Spices & Seasonings	Chilli, cumin, turmeric, pepper, spice mixes	5% to 0%
Beverages & Extracts	Soft drinks, fruit juices, coffee extracts	5% to 0%
Primary & Semi-Processed Vegetables	Dried onions, preserved vegetables, semi-processed inputs	5% to 0%

Oils, Fats & Niche Products	Edible oils, confectionery, ice cream, protein products, animal feed	5% to 0%
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Textiles and Clothing (HS Chapter 50 to 63)

- India's textiles and clothing sector, with global exports exceeding USD 36.9 billion (FY 2024-25), is a major employment generator with strong manufacturing capabilities. Exports to New Zealand remain modest at around USD 103 million, indicating significant untapped potential.
- Current exports are concentrated in apparel, carpets, and select intermediate textiles, with scope to expand into higher-value segments.
- New Zealand imports textiles worth about USD 2.2 billion annually, with a large share sourced from China, while India's share remains relatively small.
- The FTA secures tariff elimination across all tariff lines, including those currently facing duties. With existing tariffs averaging 4.19% and going up to 10%, their removal will enhance competitiveness and boost India's market presence.
- The sector is expected to generate significant employment, women, workers and MSME units across weaving and garment clusters are expected to benefit from the expanded market access, and New Zealand consumers can expect more competitively priced Indian textiles.



Sectoral Export Opportunities

Tariff elimination under the Agreement opens up opportunities across several high-potential segments:

Category	Key Products	Tariff Change
Apparel (Knitted & Woven)	T-shirts, shirts, trousers	10% to 0%
Women's Apparel	Dresses, skirts, fashion wear	10% to 0%
Home Textiles	Bed linen, bedspreads, furnishings	5% to 0%
Carpets & Floor Coverings	Wool carpets, tufted carpets	10% to 0%
Technical Textiles	Nonwovens, fabrics	5% to 0%
Packaging Textiles	Bulk bags (FIBC), sacks	2.5% to 0%
Yarn & Intermediates	Wool yarn, synthetic fabrics	5% to 0%
Accessories & Misc.	Gloves, labels, textile accessories	5% to 0%

Pharmaceuticals (HS Chapter 30)

- India's pharmaceutical exports to New Zealand, currently at USD 57.51 million (FY 2024-25), hold strong growth potential, backed by India's global exports of USD 24.58 billion.

- New Zealand's existing tariffs of up to 5% on select products will be eliminated under the FTA, covering all tariff lines enhancing price competitiveness.
- The agreement addresses both tariff and non-tariff barriers, ensuring a more level playing field against competitors from countries with existing FTAs, such as Australia.
- With New Zealand importing pharmaceuticals worth around USD 1.4 billion, the FTA is expected to boost India's market share, especially in cost-efficient and reliable supply segments.
- The agreement is expected to benefit MSME pharmaceutical manufacturers by easing market entry into New Zealand. It will also help make essential medicines and healthcare products more affordable for New Zealand consumers, reinforcing India's role as a trusted and cost-effective healthcare partner.
- The FTA streamlines access for pharmaceuticals and medical devices by enabling acceptance of GMP and GCP inspection reports from comparable regulators, including approvals by the US FDA, EMA, UK MHRA, Health Canada and other comparable regulators. These will reduce duplicative inspections, lower compliance costs, and expedite product approvals, thereby facilitating smoother market access and supporting growth of India's pharmaceutical and medical devices exports to New Zealand.

INDIA'S PHARMA
Exports Grow with New Zealand



 India's pharma exports to New Zealand stood at **USD 57.51 million** in FY 2024-25.

 New Zealand applies a peak rate of 5% on select pharma products. 31 out of 90 tariff lines with non-zero rates will now see **tariffs reduced to zero**.

 The Agreement addresses tariff and non-tariff barriers. Removal of duties up to 5% ensures a level playing field for Indian exporters.

 **Faster Regulatory Access**
Accepts GMP & GCP reports from major regulators like US FDA, EMA, UK MHRA, Health Canada, etc. Reduces duplicative inspections, lowers costs and speeds up approvals.

 **Strong Growth Potential**
New Zealand's total pharma imports are approx. **USD 1.4 billion**. The Agreement supports growth of India's pharma exports.

Source: Ministry of Commerce & Industry

Sectoral Export Opportunities

The tariff liberalisation achieved under the Agreement is concentrated in key pharmaceutical sub-

segments, particularly those linked to healthcare delivery systems and consumables. Major opportunities include:

Broad Category	Products Covered	Tariff Change
Medical Dressings & Adhesive Materials	Adhesive plasters, medical tapes, surgical dressings (various forms, thickness, printed/unprinted)	5% to 0%
Medical Polymers & Specialized Materials	Medical-grade sheets/films (polyvinyl butyral, polyamides, resins), blocks/forms for medical use	5% to 0%
Textile-based Medical Consumables	Dressings made from cotton, wool, or man-made fibres	5% to 0%
Specialized Medical Appliances	Ostomy appliances and related medical-use products	5% to 0%
Nutritional & Therapeutic Preparations	Medicinal/nutritional formulations (sugar-based, starch-based, liquid oral intake)	5% to 0%

Engineering Goods (HS Chapter 72 to 95)

- India's engineering sector, with global exports of USD 153.4 billion (FY 2024-25), is a key driver of manufacturing strength. Exports to New Zealand remain modest at USD 136.34 million, indicating significant untapped potential.
- The FTA secures tariff liberalisation across all tariff lines, including those currently facing non-zero duties, which will now be reduced to zero.
- Existing MFN tariffs in New Zealand- averaging 2.36% and reaching up to 10%- have posed cost disadvantages. Their removal will enhance price competitiveness and expand market access for Indian exporters.
- With New Zealand's total imports at around USD 23.3 billion, the agreement opens substantial opportunities for scaling up India's engineering exports.
- Many States with strong engineering and manufacturing bases, are expected to be among the primary beneficiaries. The FTA is expected to create jobs across manufacturing clusters and make Indian engineering goods more competitively priced for New Zealand businesses and consumers.

INDIA'S ENGINEERING EXPORTS
Gear Up with New Zealand

GLOBAL STRENGTH, GROWTH OPPORTUNITY
India's engineering exports to the world reached **USD 153.4 billion** in FY 2024-25. Exports to New Zealand stood at **USD 136.34 million**, showing vast untapped potential.

ENHANCED COMPETITIVENESS
Elimination of tariffs will strengthen price competitiveness for engineering products. Elimination of tariffs will strengthen price competitiveness for engineering products.

ACCESS TO A LARGE IMPORT MARKET
New Zealand's total imports of goods from the world stood at **USD 23.3 billion** in 2024. The FTA creates strong opportunities for Indian exporters.

KEY BENEFITS

- Lower costs, better market access
- Stronger export growth in key industrial sectors
- Support to jobs, investment and Make in India

Source: Ministry of Commerce & Industry

Sectoral Export Opportunities

Tariff elimination under the Agreement opens up opportunities across several high-potential segments:

Broad Category	Key Products Covered	Tariff Change
Transport Equipment (Vehicles & Parts)	Passenger vehicles (petrol/diesel), electric vehicles, auto components (bumpers, body parts, wheels, brakes)	6.7% to 0%
Electrical Machinery & Equipment	Electric motors, transformers, circuit breakers, relays, control panels, insulated wires & cables	5% to 0%
Mechanical Machinery (Industrial Equipment)	Pumps, compressors, refrigerators, water filters, forklifts, excavator parts, machine tools, crushers, gears, valves	5% to 0%
Iron & Steel Products	Steel bars/rods, wires, pipelines, tubes, pipe fittings, structural steel, cables, fasteners, kitchenware	5% to 0%
Aluminium Products	Aluminium profiles, sheets, plates, pipes, structural components, household articles	5% to 0%
Copper Products	Copper wires, cables, tubes, fasteners, kitchenware, sanitary fittings	5% to 0%
Tools & Industrial Hardware	Hand tools (spades, saws), drilling tools, threading tools, hinges, fittings, building hardware	5% to 0%
Industrial Machinery Parts & Components	Machinery parts, transmission shafts, bearings, gears, seals, attachments	5% to 0%
Pipes, Tubes & Structural Components	Steel pipes (seamless & welded), oil/gas pipelines, structural sections	5% to 0%
Instruments & Precision Equipment	Measuring & control instruments, optical goods, orthopaedic devices	5% to 0%

Marine Products (HS Chapters 3 and 16)

- India's marine exports, valued at USD 7.09 billion globally, contrast with relatively modest exports of USD 15.89 million to New Zealand, highlighting strong untapped potential.
- The FTA secures tariff liberalisation across all tariff lines, including those with non-zero duties that will now be reduced to zero. This is expected to improve price competitiveness, particularly in processed and packaged seafood segments.
- Export growth is further supported by key domestic initiatives such as *Pradhan Mantri Matsya Sampada Yojana, Fisheries* and *Aquaculture Infrastructure Development Fund, and Marine Products Export Development Authority*, which enhance productivity, infrastructure, and quality standards.
- The Agreement is expected to benefit fishing communities and marine product exporters, with coastal states well-positioned to gain. Women engaged in fish processing are expected to see improved livelihood opportunities, and New Zealand consumers will have access to more affordable Indian seafood.



Sectoral Export Opportunities

Broad Category	Key Products Covered	Tariff Change
Marine Products	Frozen shrimps and prawns, fish (fresh, chilled and frozen), molluscs including squid and octopus, dried and salted fish products	2.5% to 0%

Processed Food	Prepared and preserved fish, crustaceans and molluscs, fish extracts, processed seafood products	5% to 0%
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The Agreement is expected to strengthen India's position in the marine products sector by building on its existing strengths in shrimp exports while enabling diversification into a broader range of seafood products. By combining tariff liberalisation with ongoing domestic policy support, the FTA creates a pathway for enhancing value addition, expanding product coverage, and improving India's integration into global seafood value chains, particularly in markets such as New Zealand where quality and reliability play a critical role.

Gems and Jewellery (HS Chapter 71)

- India's gems and jewellery sector, with global exports of USD 29.96 billion (FY 2024-25), is a key export driver. However, exports to New Zealand remain modest at USD 16.91 million, indicating untapped potential.
- While raw materials like diamonds and precious metals largely enter duty-free, value-added products such as jewellery and imitation jewellery currently face tariffs of up to 5%.
- The FTA eliminates these duties, enhancing price competitiveness, particularly in finished and semi-finished jewellery segments.
- Growth prospects are further supported by domestic initiatives like the India Jewellery Park and expansion of Common Facility Centres, aimed at boosting scale, technology adoption, and quality.
- The FTA is expected to benefit jewellery manufacturers and artisans, particularly in established production hubs. It will also open new opportunities for women-led units in the gems and jewellery sector, while making Indian jewellery more accessible to New Zealand consumers.

INDIA'S GEMS & JEWELLERY EXPORTS
SPARKLING PROSPECTS WITH NEW ZEALAND

GLOBAL STRENGTH
India's gems & jewellery exports stood at **USD 29.96 billion** in FY 2024-25.

UNTAPPED OPPORTUNITY
Exports to New Zealand were only **USD 16.91 million**, showing significant growth potential.

TARIFF LANDSCAPE

- Jewellery & imitation jewellery: MFN tariffs of 2.5% – 5%.
- Raw materials like diamonds, precious metals & certain stones: duty-free.

FTA ADVANTAGE
India-New Zealand FTA reduces duties of **up to 5% to zero** on key value-added jewellery products, boosting price competitiveness.

GROWTH ENABLERS
Initiatives like India Jewellery Park (Mumbai) & expansion of Common Facility Centres (CFCs) strengthen manufacturing, value addition & global competitiveness.

KEY BENEFITS

- Lower tariffs, better price competitiveness
- Stronger presence in high-value market
- Boost to exports and value-added segments
- Supports jobs & industry growth

Source: Ministry of Commerce & Industry

Sectoral Export Opportunities

Broad Category	Key Products Covered	Tariff Change
Gems and Jewellery	Gold and silver jewellery, imitation jewellery, pearls, precious and semi-precious stones, articles of stones and precious metals	5% to 0%

Leather, Footwear and Sports Goods (HS Chapter 41-43, 64, and 95)



Leather Sector (HS Chapters 41-43)

- India's leather sector, with global exports of USD 3.08 billion (FY 2024-25), has a strong and diversified product base. However, exports to New Zealand remain limited at USD 6.23 million, indicating untapped potential.
- The FTA eliminates tariffs on all tariff lines, covering both intermediate and finished products.
- Earlier duties up to 10%, especially on value-added items like apparel and accessories, will now be reduced to zero, enhancing competitiveness and supporting export growth.
- The Agreement is expected to benefit leather manufacturers and artisans across key producing states, with opportunities for MSMEs and women workers engaged in the sector. New Zealand consumers are expected to benefit from more competitively priced Indian leather goods and accessories.

Key export opportunities include:

Category	Key Products	Tariff Change
Leather Apparel & Accessories	Leather garments, belts, gloves	10% to 0%
Leather Bags & Travel Goods	Handbags, suitcases, wallets	5% to 0%
Other Leather Articles	Saddlery, miscellaneous leather goods	5% to 0%
Processed Leather (Raw Material)	Finished leather (bovine, etc.)	2.5% to 0%
Misc. Containers & Accessories	Cases, small leather items	5% to 0%

Footwear Sector (HS Chapter 64)

- India's footwear sector, with global exports of USD 2.5 billion, is well-positioned for growth. However, exports to New Zealand remain limited at USD 2.28 million, indicating strong untapped potential.
- The FTA eliminates tariffs on all tariff lines, particularly in leather and sports footwear segments.
- With existing duties up to 10%, their removal is expected to significantly improve price competitiveness and boost demand in the price-sensitive New Zealand market.
- The duty elimination is expected to benefit footwear manufacturers and workers across India's established production clusters, creating new employment opportunities and making Indian footwear more affordable for New Zealand consumers.

Key export opportunities include:

Category	Key Products	Tariff Change
Leather Footwear	Formal shoes, boots (leather uppers)	10% to 0%
Sports Footwear	Athletic shoes (rubber/plastic/leather)	8% to 0%
Rubber/Plastic Footwear	Casual footwear, sandals, slippers	6.6% to 0%
Other / Niche Footwear	Special-purpose, nonwoven-based footwear	5% to 0%

Sports Goods and Games (HS Chapter 95)

- India's sports goods sector, with global exports of USD 571 million, has niche strengths across recreational and professional equipment. Exports to New Zealand currently stand at USD 4.2 million, indicating scope for expansion.
- The FTA eliminates tariffs on all tariff lines, removing duties of up to 5% across key product categories.
- While tariffs are relatively moderate, their removal improves price competitiveness and supports growth in a market driven by both quality and cost considerations.
- The Agreement is expected to benefit sports goods manufacturers and workers, particularly in established production clusters. New Zealand's active outdoor consumer base is expected to benefit from a wider range of more competitively priced Indian sports and recreational products.

Key export opportunities include:

Category	Key Products	Tariff Change
Toys & Games	Toys, board games, playing cards	5% to 0%
Festive & Misc. Articles	Christmas decorations, miscellaneous items	5% to 0%
Outdoor & Water Sports Equipment	Sailboards, water sports gear	5% to 0%
Racket Sports Equipment	Tennis rackets, table tennis equipment	5% to 0%
Ball Sports Equipment	Inflatable balls, cricket gear	5% to 0%
Fitness & Gym Equipment	Exercise and athletic equipment	5% to 0%
General Sports Equipment	Other sports goods	5% to 0%
Skating Equipment	Ice skates, roller skates	5% to 0%
Fishing Equipment	Fishing rods and gear	5% to 0%
Amusement Park Equipment	Rides, simulators, fairground equipment	5% to 0%

Electronics and Electrical Machinery (HS Chapters 84 and 85)

- India's electronics and electrical exports, valued at USD 77.53 billion (FY 2024-25), significantly outweigh exports of USD 68.26 million to New Zealand, highlighting strong untapped potential.
- New Zealand's MFN tariffs of around 5% across many product lines will be eliminated under the FTA, covering all tariff lines, including those currently facing non-zero duties.
- This tariff liberalisation is expected to enhance price competitiveness and improve market access for Indian exporters.
- The FTA is expected to create employment opportunities across electronics and electrical manufacturing clusters, with established industrial centres expected to benefit significantly. New Zealand businesses and consumers are expected to benefit from more competitively priced Indian electrical goods and machinery.

Sectoral Export Opportunities

The tariff liberalisation achieved under the Agreement opens up opportunities across a broad range of electronics and machinery product categories. While India already exports a diversified set of products, the removal of tariffs is expected to support expansion into additional high-value and technology-intensive segments.

Broad Category	Key Products Covered	Tariff Change
Mechanical Machinery (HS 84)	Machinery parts, refrigerators, filtering machinery, refrigerating equipment, mineral processing machinery	5% to 0%
Electrical Machinery (HS 85)	Circuit breakers, control panels, generating sets, electric motors, insulated conductors	6.6% to 0%

The Agreement is expected to strengthen India's position in the electronics and machinery sector by enhancing competitiveness across a wide range of products and enabling diversification into higher value-added and technology-intensive segments. By combining tariff liberalisation with ongoing domestic policy support, the FTA creates a pathway for expanding India's presence in the New Zealand market and deepening its integration into global manufacturing and value chains.

Chemical and Allied Products (HS Chapters 28-38)

- India's chemical exports, valued at USD 64.04 billion (FY 2024-25), contrast with exports of USD 95.79 million to New Zealand, indicating significant untapped potential.
- New Zealand's MFN tariffs of up to 5% across several product lines will be eliminated under the FTA, improving price competitiveness and market access.
- The agreement also supports diversification into higher value-added segments such as specialty chemicals, organic intermediates, and advanced formulations, where India has strong production capabilities but limited current presence.
- The Agreement is expected to benefit chemical manufacturers and MSMEs by opening new market opportunities across established production clusters. Women-led enterprises in personal care and specialty formulations are also expected to gain, while New Zealand consumers benefit from more affordable Indian chemical and personal care products.



Sectoral Export Opportunities

The tariff liberalisation achieved under the Agreement opens up opportunities across a wide range of chemical product categories, spanning both bulk and value-added segments. While India already has a diversified export base, the removal of tariffs is expected to support further expansion and product diversification.

Broad Category	Key Products Covered	Tariff Change
Chemicals (HS 28–29)	Inorganic chemicals, metal oxides, industrial salts, organic intermediates	Up to 5% to 0%
Pharma & Personal Care (HS 30–33)	Pharmaceutical goods, skin care, hair care, perfumes and cosmetics	Up to 5% to 0%
Soaps & Cleaning Products (HS 34)	Washing preparations, soaps, cleaning agents, candles, lubricants	Up to 5% to 0%
Specialty Chemicals (HS 35–38)	Adhesives, solvents, specialty chemical preparations, pesticides	Up to 5% to 0%

Plastics and Articles Thereof (HS Chapter 39)

- India’s plastics exports, valued at USD 8.16 billion (FY 2024-25), are significantly higher than exports of USD 13.48 million to New Zealand, indicating strong untapped potential.
- New Zealand’s MFN tariffs of up to 5% on plastic products will be eliminated under the FTA, enhancing price competitiveness and easing market access.
- With New Zealand importing a wide range of plastic goods from established suppliers, the agreement is expected to support greater penetration of Indian exports, especially in cost-competitive and customised product segments.
- The FTA is expected to benefit plastics manufacturers and workers across India’s production clusters, creating new employment opportunities. New Zealand’s construction, retail, and agriculture sectors are expected to benefit from more competitively priced Indian plastic

INDIA'S PLASTICS EXPORTS
NEW OPPORTUNITIES WITH NEW ZEALAND

STRENGTHENING TRADE. EXPANDING POSSIBILITIES.

GLOBAL STRENGTH

At the global level, India's exports in this sector are valued at approximately **USD 8.16 billion** in 2024–25, while exports to New Zealand stand at around **USD 13.48 million**, indicating a significant gap between global export capabilities and penetration in the New Zealand market.

MARKET OPPORTUNITIES

From a market perspective, New Zealand imports a wide range of plastic products from established suppliers.

The FTA is expected to facilitate improved access for Indian exporters, particularly in segments where cost competitiveness and product customisation are key factors.

BUILDING A STRONGER PLASTICS TRADE PARTNERSHIP

Greater Market Access

Enhanced Cost Competitiveness

Diverse Product Opportunities

Sustainable Trade Growth

Source: Ministry of Commerce & Industry

products.

Sectoral Export Opportunities

The tariff liberalisation achieved under the Agreement opens up opportunities across a range of plastic product categories, particularly in value-added and industrial applications.

Broad Category	Key Products Covered	Tariff Change
Plastics and Articles Thereof (HS 39)	Plastic articles, packing materials, sheets and films, kitchenware, pipes and fittings	5% to 0%

The elimination of tariffs, particularly on value-added products such as specialty chemicals, cosmetics, plastic articles, and packaging materials, is likely to improve price competitiveness and facilitate diversification into underpenetrated segments. Coupled with ongoing domestic policy support aimed at strengthening manufacturing capacity, innovation, and quality compliance, the FTA provides a pathway for expanding India's presence in the New Zealand market and deepening its integration into global value chains across these sectors.

Services

- New Zealand's global services import basket is concentrated in travel (25%) and transport (20%), followed by other business services (16.9%) and telecommunications, computer, and information services (12%).
- India's exports to New Zealand are strongly aligned with some of these demand areas, particularly in travel (48% of India's exports to NZL), telecom and IT services (23%), and other business services (15.8%). However, India's penetration in New Zealand's import market remains limited overall, with its highest shares in telecom and IT services (5.1%) and travel (5.0%), and relatively low shares in other key sectors such as transport (0.5%), financial services (0.6%), and intellectual property-related services (0.2%).
- On the export side, New Zealand's global services exports are heavily dominated by travel (56%), followed by transport (18%) and other business services (11%). India's imports from New Zealand are similarly concentrated, with travel accounting for 73.8% of India's imports from NZL and transport contributing 12.8%. New Zealand's export dependence on India is moderate, with the highest shares observed in government services (9.2%), travel (3.9%), construction (3.3%), and insurance (3.0%), while remaining limited across most commercial services sectors.
- Overall, bilateral services trade stands at USD 634 million in India's exports and USD 611 million in imports, resulting in a marginal surplus of USD 23 million for India. The sectoral composition reveals that India runs a surplus in knowledge-intensive services such as

telecommunications and IT (USD 139 mn), other business services (USD 76 mn), insurance (USD 14 mn), and financial services (USD 5 mn), while recording deficits in travel (USD 144 mn), transport (USD 51 mn), and certain public and intellectual property-related services.

- This pattern highlights a structural complementarity, where India's strength in skill- and technology-intensive services aligns with New Zealand's import demand, but with underutilised potential in several high-value sectors.

(For details, refer to Table in annexure)

(Source: WTO BaTIS data)

Key Features and Expected Benefits under India New Zealand FTA

- **Unprecedented Student Mobility and Post-Study Opportunities:** For the first time with any country, New Zealand has created a dedicated pathway on Student Mobility and Post Study Work Visas with India. The Agreement removes numerical caps on Indian students, guarantees a minimum of 20 hours per week work during study, and provides extended post-study work opportunities-up to three years for STEM Bachelor's and Master's graduates, and up to four years for Doctorate holders-creating clear pathways for skills development and global careers.
- **Opening Skilled Employment Pathways:** The FTA establishes a new Temporary Employment Entry (TEE) Visa pathway for Indian professionals in skilled occupations, with a quota of 5,000 visas at any given time and a stay of up to three years. This pathway covers Indian professions such as AYUSH practitioners, yoga instructors, Indian chefs, and music teachers, as well as high-demand sectors including IT, engineering, healthcare, education, and construction, strengthening skilled workforce mobility and services trade.
- **Empowering Youth through Working Holiday Visas:** The Agreement further enhances youth mobility through multiple-entry Working Holiday Visas for 1,000 young Indians annually, valid for 12 months, promoting global exposure, skills acquisition, and people to-people linkages.
- **Market access commitments to India in New Zealand in about 118 services sectors** that include key sectors of interest to India including Computer Related Services, Professional Services, Audio Visual Services, Other Business Services, Telecommunication Services, Construction Services, Distribution Services, Education Services, Environmental Services, Financial Services, Tourism and Travel related Services, etc. and Most-Favoured Nation Commitment in about 139 sub-sectors which include major interests areas of India
- India's services export portfolio is anchored by business services, telecommunications, and computer information services, reflecting the country's established dominance in high-value, digitally delivered work. In sharp contrast, New Zealand's export profile is heavily skewed

toward travel services, which constitute over half of its global services exports, highlighting its specialization as a tourism-centric economy. On the import side, however, New Zealand displays a diversified demand pattern spanning travel, transport, IT, and insurance.

- India's strength in business and telecommunications services offers a perfect counterbalance to New Zealand's tourism-focused export economy. While New Zealand accounts for a modest portion of India's overall trade, it is a key target for diversifying India's services footprint. The India-New Zealand FTA brings these complementary strengths together, enabling India to expand its market share in sectors where New Zealand shows consistent import demand.
- This trajectory is already visible in 2024 trade patterns, which show New Zealand sourcing a notable share of its digital and consultancy requirements from India. The FTA will deepen this integration by enhancing market access and fostering regulatory cooperation, particularly regarding the movement of professionals. While New Zealand continues to serve India's demand for education and tourism, the agreement positions India to scale up its high-value exports. The result is a mutually beneficial but strategically advantageous partnership for India, securing leadership in the technology and skills-intensive segments of the bilateral trade relationship.

Trade in Services: Expanded Market Access with Regulatory Predictability

New Zealand's commitments across IT/ITeS, professional services, education, and business services create significant commercial openings for Indian suppliers. These are bolstered by provisions for transparent, time-bound, and predictable domestic regulations, which effectively reduce hidden non-tariff barriers. Consequently, India gains broad access to the New Zealand services market while retaining the necessary policy space to sequence its own domestic liberalization. Reciprocally, India's commitments in accounting, computer services, telecommunications, financial services, tourism, and maritime services provide New Zealand firms with stable, rules-based entry into a large and dynamic market.

Most Favoured Nation (MFN): Enhanced Competitiveness and Commercial Gains

The MFN clause ensures future-proofed competitiveness for both parties. New Zealand's commitments guarantee that India will receive treatment equal to that of New Zealand's best future FTA partners in key commercial sectors. Similarly, India's MFN schedule extends comparable benefits to New Zealand service suppliers in selected sectors, ensuring a level playing field.

Movement of Natural Persons (MoNP): Improved Mobility and Skills Matching

The MoNP Annex establishes clear, stable mobility pathways for Indian professionals through categories such as Business Visitors, ICT, Contractual Service Suppliers (CSS), and Independent Professionals (IP). This framework supports India's commercial interests in computer services,

engineering, R&D, management consultancy, and health services. For New Zealand, these commitments secure a steady, legally anchored supply of skilled talent to address persistent shortages in areas such as software engineering, healthcare (doctors, nurses, physiotherapists), and cultural specializations. Furthermore, expedited visa processing, digital submissions, and transparent procedures reduce administrative friction, thereby strengthening people-to-people and business ties.

Sector-Specific Ecosystem Gains: Education, Health, Digital, Creative, and Culinary

The agreement deepens complementary ecosystems through targeted annexes. Indian students benefit from robust mobility rights and extended post-study work visas, reinforcing New Zealand's education pipeline while advancing India's global skill-development objectives. Provisions for health and traditional medicine establish distinct channels for Indian medical professionals and AYUSH practitioners, enabling New Zealand to diversify its wellness offerings and address staff shortages. Additionally, commitments regarding cultural and culinary occupations—such as yoga instructors, Indian chefs, and music teachers—support New Zealand's tourism and hospitality industries while expanding India's cultural soft power and service presence abroad.

Professional Services: Flexible Licensing and Regulatory Cooperation

India benefits from time-bound pathways for the mutual recognition of qualifications in engineering, architecture, accounting, and related professions. Flexible licensing options facilitate temporary or project-specific entry without redundant examinations, significantly lowering barriers for India's skilled workforce. Conversely, New Zealand's commitments across IT/ITeS, education, health, and business services unlock wider commercial opportunities for Indian firms, supported by transparent regulatory procedures that lower compliance costs. For New Zealand, the agreement ensures stable access to India's deep talent pool of engineers and IT specialists.

Health-Related Services and Traditional Medicine: Joint Research and Sectoral Gains

This chapter delivers mutual benefits by providing India's doctors, nurses, paramedical staff, and AYUSH practitioners with a clear, rules-based pathway to participate in New Zealand's health system. This is supported by transparent licensing, consistent regulatory engagement, and improved prospects for accreditation. New Zealand gains access to a wider pool of qualified health professionals and India's extensive expertise in traditional medicine. Furthermore, joint commitments to training and research serve to strengthen long-term institutional cooperation.

Annex on Student Mobility and Post-Study Work: Human Capital Development

India secures guaranteed, quota-free access for its students to New Zealand institutions, complemented by streamlined visa procedures and meaningful post-study work rights of up to three years. This is particularly valuable for STEM and ICT graduates, directly supporting India's goals for human capital development and international upskilling. In return, New Zealand secures a reliable pipeline of high-quality students who contribute to tuition revenue, fill critical skill gaps, and strengthen the national innovation ecosystem. Reciprocity provisions ensure comparable opportunities for New Zealand students in India.

Side Letter on Work and Holiday Visa: Youth Mobility and Seasonal Labor

The Work and Holiday Visa arrangement offers mutual advantages by creating a structured channel for short-term youth mobility aligned with labor market needs. India benefits from an annual quota of 1,000 visas, providing young graduates with flexible work rights and multi-entry privileges. For New Zealand, the scheme ensures a predictable inflow of motivated, job-ready participants to help alleviate seasonal talent shortages in the economy.

State wise gains under India-NZ FTA

State	Key Benefiting Sectors	Nature of Expected Benefit from New Zealand Market Access
Gujarat	Petroleum products, Chemicals, Plastics, Gems & Jewellery	Boost bulk exports from Jamnagar, Dahej, Surat; improved margins and diversification into high-value chemicals and finished jewellery.
Maharashtra	Pharmaceuticals, Auto components, Processed food, Chemicals	Zero tariffs to enhance exports from Mumbai, Pune, Nashik; stronger integration into global value chains and boost to generics & automotive sectors
Punjab	Basmati rice, Processed food, Sports goods, Hand tools	Removal of 5–10% tariffs to expand agri-based exports and MSMEs (Jalandhar); boost to premium food exports and rural employment
Haryana	Automobiles, Auto components, Basmati rice	Improved competitiveness (2-4% tariffs removed); benefits to Gurugram and Manesar auto cluster and agri-manufacturing linkages
Uttar Pradesh	Leather goods, Carpets, Handicrafts	High tariff removal (6-10%) to boost exports from Kanpur, Moradabad, Bhadohi; strong gains for MSMEs and artisan-based sectors
Tamil Nadu	Textiles, Apparel, Leather, Auto components	Major gains from removal of 8-10% tariffs; expansion of Tiruppur and Coimbatore textile cluster; improved global competitiveness
Delhi (NCT)	Machinery, Electrical goods, Chemicals	MSMEs to benefit from tariff elimination (2-4%); strengthened regional value chains across NCR (Noida, Gurugram, Faridabad)
Karnataka	Pharmaceuticals, Coffee, Electronics, Machinery	Boost to agri + high-tech exports; zero tariffs improve competitiveness of coffee and Bengaluru-based electronics exports
West Bengal	Tea, Engineering goods, Machinery	Higher export realisation for Darjeeling tea; MSME engineering clusters to benefit from tariff removal (2–6%)
Madhya Pradesh	Oilseeds, Processed food, Metal products	Improved value addition and export realisation; stronger agro-processing and rural income gains
Andhra Pradesh	Marine products, Fruits, Pharma	Significant boost to shrimp & seafood exports; higher value realisation for processed marine products and pharma
Rajasthan	Gems & Jewellery, Textiles, Stone products	Export growth from Jaipur clusters; improved competitiveness in niche global markets due to tariff removal
Telangana	Pharmaceuticals, Chemicals, Turmeric	Strengthening of Hyderabad pharma hub; enhanced global supply chain integration and agri-export diversification
Kerala	Spices, Marine products, Coir, Processed food	Higher demand for pepper, cardamom; boost to value-added spice exports and coastal livelihoods
Goa	Marine products,	Expansion into premium export markets;

	Cashew, Minerals	improved value addition in seafood and cashew processing
Bihar	Agro-based products (rice, maize, makhana, litchi), Textiles (Bhagalpuri silk), Leather & footwear, Handicrafts (Madhubani paintings), Processed food	Reduction in tariffs can boost exports of niche agri-products like makhana and litchi, along with value-added processed foods; expansion of Bhagalpur silk and Madhubani art into premium international markets; improved income for MSMEs and rural artisans; stronger agro-processing ecosystem and diversification of export basket.
Odisha	Marine products, Metals (aluminium, steel)	Better margins in metal exports; support for coastal livelihoods and downstream processing
Himachal Pradesh	Pharmaceuticals, Woollen	Boost to Baddi, Nalagarh , Solan pharma cluster and traditional wool-based products in Kullu and Kinnaur; improved export competitiveness
Chhattisgarh	Iron & steel products	Enhanced export viability and value addition in metal industries
Uttarakhand	Pharmaceuticals, Plastics, Machinery	Growth in industrial clusters (Haridwar, Dehradun); improved export competitiveness
Jharkhand	Iron & steel, Copper products	Stronger integration into global metal value chains
Puducherry	Pharmaceuticals, Rubber products	MSME manufacturing to benefit from improved market access and export scaling
Chandigarh	Machinery, Tools	Boost to MSME engineering exports and niche manufacturing value chains
Jammu & Kashmir	Handicrafts, Saffron, Horticulture	Enhanced global visibility and exports of carpets, apples, walnuts; support to rural livelihoods
Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim	Tea, Bamboo products, Organic agriculture, Spices	Improved access for niche and GI products; gradual integration into global markets and rural development