



**BACKGROUNDERS**  
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# India – New Zealand Free Trade Agreement Signed

April 27, 2026

## Key Takeaways

- India- New Zealand FTA **eliminates duty on 100% of Indian Exports**
- **USD 20 billion investment** commitment, strengthening long-term economic and strategic cooperation.
- The agreement places special emphasis on **strengthening MSMEs and women-led enterprises**.
- India protects its key interests in **dairy and agriculture**; Huge win for **labour intensive sectors like textile and leather**.
- New Zealand facilitates **Health and Traditional Medicine Services** for the first time.
- **Student Mobility and Post Study Work Visa** for STEM Graduates, Skilled Professionals; opens new visa pathway for **5,000 skilled** occupations.

## Introduction

India has steadily expanded its global trade partnerships to strengthen economic growth, create jobs, and enhance its global standing. In the past few years 9 Free Trade Agreements have been signed spanning 38 developed countries. The latest is **a forward-looking FTA signed with New Zealand today**, marking a historic milestone in bilateral economic relations. It is a comprehensive framework encompassing market access, agricultural productivity, investment, talent mobility, collaboration in sports, tourism, and people-to-people ties. The FTA is designed to benefit manufacturers, farmers, MSMEs, women entrepreneurs, students, and skilled professionals across both nations.

India and New Zealand announced negotiations for a Free Trade Agreement (FTA) on 16 March 2025 and concluded in a record 9 months, making this the fastest concluded free trade agreement.

The signing of FTA enhances **market access and tariff preferences** for Indian exports to New Zealand, while serving as a gateway to the wider **Oceania and Pacific Island markets**. The agreement opens opportunities for India to emerge as a key supplier of skilled workforce, alongside prospects for future cooperation in areas such as **AYUSH and services** such as Yoga Instructors, Indian Chefs, and Music Teachers, and services under sector of interests like IT, Engineering, Healthcare, Education, and Construction.

**INDIA - NEW ZEALAND**

**FTA Signed**

Expanding Markets and Opportunities

- Zero duty on 100% of goods exports**  
Upon entry into force
- Fast track mechanism**  
For inputs for our exports under our Foreign trade Policy
- Tariff elimination across all Tariff lines**

Farmers, MSMEs, youth, workers, artisans, women key beneficiaries of India's growing export competitiveness

Source: Ministry of commerce and industry

## India - New Zealand: Bilateral Trade Ties

India's partnership with New Zealand is shaped by both economic realities and strong people-to-people ties. Currently, New Zealand is India's **second-largest trading partner in Oceania**.



At USD 49,380, **New Zealand** is among the **higher-income economies** in Oceania. In 2024, New Zealand's imports stood at USD 47 billion, while exports were USD 42 billion. New Zealand **invests nearly 8% of its GDP** annually overseas, with total overseas investment valued at USD 422.6 billion as of March 2025.

Around **300,000 persons of Indian origin and NRIs** live in New Zealand, making up nearly 5% of its population. This diaspora acts as a cultural and economic bridge, supporting stronger bilateral ties and demand for Indian goods and services.

This FTA builds on the socio-economic foundation aimed at creating new opportunities.

- **Merchandise Trade:** Grew from USD 873 million in 2023-24 to USD 1.3 billion in 2024-25, registering a 49% growth.
- **Merchandise Exports to New Zealand:** Rose to USD 711 million in 2024-25, showing a positive trend of 32%.
- **Services Trade:** India's services exports to New Zealand grew by 13% in 2024, reaching USD 634 million. Major sectors include travel, IT, and business services.

- **India and New Zealand** merchandise bilateral trade increased from USD 855 Million in 2015-2016 to USD 1298 Million in 2024-2025. The exports increased by 130% whereas imports only increased by 7.21% in 10 years. In 2024-25, the exports from India to New Zealand was higher than imports from New Zealand, maintaining positive trade balance with the country.

## Salient Features of the FTA

- The FTA **eliminates duty on 100% of Indian Exports**
- **A USD 20 billion investment** commitment over 15 years strengthens long-term economic and strategic cooperation.
- Through **Agricultural Productivity Partnership**, the FTA collaborates with farmers to boost productivity and integrate them in the global value chains.
- The **FTA boosts MSMEs and Jobs through Zero-duty access** for labour-intensive sectors including textiles, apparel, leather, footwear, gems & jewellery, engineering goods and processed foods.
- **India has offered market access** in 70.03% of the tariff lines while keeping 29.97 % tariff lines in exclusion, which covers 95% of New Zealand's Bilateral Trade.
- **Certain products are kept in exclusion** such as dairy (milk, cream, whey, yoghurt, cheese etc.), animal products (other than sheep meat), vegetable products (onions, chana, peas, corn, almonds etc.), sugar, artificial honey, Animal, vegetable or microbial fats and oils, Arms and Ammunition, Gems and Jewellery, Copper and Articles (Cathodes, Cartridges, Rods, Bars, Coils etc.), Aluminium and articles thereof (Ingots, billets, wire bars) among others.
- **30.00% of tariff lines will have immediate duty elimination**, covering wood, wool, sheep meat, leather-raw hides etc.
- 35.60% of tariffs are subject to phased elimination over 3, 5, 7, and 10 years, including petroleum oil, malt extract, vegetable oils, and selected electrical and mechanical machinery, peptones etc.
- 4.37% of products face tariff reductions, such as wine, pharmaceutical drugs, polymers, aluminium, iron and steel articles etc
- 0.06% fall under tariff rate quotas, including Mānuka honey, apples, kiwi fruit, and albumins including milk albumin.

## Enhanced Market Access for Indian Goods

### Gains to India from FTA

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- The FTA provides **duty-free access for 100% of India's exports** to New Zealand, covering all tariff lines, and is expected to significantly boost MSMEs and employment.
- **Enhanced competitiveness in labour intensive sectors** like textiles and clothing, leather and footwear, gems and jewellery, engineering goods, and processed foods.
- **India secures duty-free inputs** for its manufacturing sector, including wooden logs, coking coal, and waste and scraps of metals, lowering production costs and enhancing the global competitiveness of Indian industry.
- Reduced **trade barriers and regulatory certainty** will strengthen Indian manufacturing and global value chain integration for MSMEs in textiles, apparel, engineering goods, chemicals, food processing, and electronics.
- **Structured cooperation for MSMEs** includes enhanced access to trade-related information, export readiness programmes, and linkages with New Zealand's SME ecosystem, with specific focus on start-ups and enterprises owned by women and youth.

### Gains for Agriculture, Technology Cooperation, and Farmer Income Growth

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- New Zealand have agreed on focused Action Plans for **kiwifruit, apples, and honey** to improve productivity, quality, and sectoral capabilities of these fruits' growers in India.
- The cooperation includes the establishment of **Centres of Excellence**, improved planting material, capacity building for growers, collaborative research, technical support for orchard management, post-harvest practices, supply chains and food safety.
- Projects for apple cultivators and sustainable beekeeping practices will enhance **production and quality standards**.
- **This is Paired with Market access** for the selected agricultural products (Apples, Kiwifruit, Manuka Honey) and Albumins from New Zealand in India. **This access will be managed through a Tariff Rate Quota (TRQ) system with Minimum Import Price and seasonal imports**, ensuring consumer choice while protecting domestic farmers. All TRQs are **paired with delivery on Agriculture Productivity Action Plans** and monitored by a **Joint Agriculture Productivity Council**, balancing market access with protection of sensitive domestic agricultural sectors.
- Areas of cooperation under agriculture also include **Horticulture, Honey, Forestry, Livestock, Fisheries, Apiculture, and the Wine sector**.

## Enhanced Opportunities Beyond Goods

# INDIA NEW ZEALAND FTA



### UNLOCKING NEW OPPORTUNITIES IN SERVICES SECTOR

 Market access in **118 services sectors/sub-sectors**, Most Favoured Nation in **139 services sectors/sub-sectors**



**Multiple entry 12-month Working Holiday visas** for 1,000 young Indians yearly to promote global exposure, skill development, and international experience 

Source: Ministry of commerce and industry

### Services

- **Best-Ever Offer by New Zealand:** Commitment across 118 services sectors, with Most-Favoured Nation (MFN) treatment in 139 sectors.
- **Health & Traditional Medicine:** For the first time, New Zealand has facilitated trade in Ayurveda, yoga, and other traditional medicine services with India. This landmark provision promotes the global recognition of India's AYUSH systems, supports medical value travel, encourages collaboration in wellness services, and reinforces India's position as a global hub for health, wellness, and traditional medicine services. It gives centre stage to India's AYUSH disciplines (Ayurveda, Yoga & Naturopathy, Unani, Sowa-Rigpa, Siddha, and Homeopathy) alongside Maori Health practices.

### Mobility & Education

- **Student Mobility:** New Zealand signed **Annex on Student Mobility and Post Study Work Visa** for **the first time with any country**. Indian students can work up to 20 hours per week while studying, even if there are policy changes in future, with extended post-study work visas (STEM Bachelor: 3 yrs; Master's: up to 3 yrs; Doctorate: up to 4 yrs).

- **Professional Pathways:** The FTA establishes a **new Temporary Employment Entry (TEE) Visa pathway** with a quota of 5,000 visas for skilled Indians for stay up to 3 years. The sectors of interest to India include iconic occupations like AYUSH practitioners, Yoga Instructors, Indian Chefs, and Music Teachers). The other sectors of interest also include IT, Engineering, Healthcare, Education, and Construction.
- **Working Holiday Visa:** 1,000 young Indians annually can avail multiple entry in New Zealand for a period of 12 months.
- These provisions create unprecedented opportunities for Indian youth and professionals to gain global exposure.

### Investment and Economic Co-operation

**FDI Commitment:** New Zealand will invest **USD 20 billion in India**, strengthening long-term economic ties.

**Joint strategies to promote investment, research and innovation**, technology flows, and skill development, particularly in renewable energy, digital services, and modern infrastructure, are fully covered.

**A Rebalancing Clause** is incorporated into the Agreement to provide a framework for addressing any shortfall in investment delivery, thereby ensuring robust and tangible economic outcomes.

**Organic Primary Products: Mutual Recognition Arrangement** between the two sides will be delivered in this agreement. Organic products which are expected to gain traction include Basmati rice, Flax seeds, Arabica Cherry AB, Psyllium husk (Isabgol), Soyabean oil cake, Organic Black Tea etc.

**Technical Assistance:** Cooperation has been agreed in AYUSH, audio visual industries, tourism, sports and traditional knowledge systems. The FTA promotes India's **AYUSH systems** internationally, encourages medical value travel, and positions India as a global wellness hub.

### Cultural & Traditional Knowledge

- A dedicated chapter on **Culture, Trade, Traditional Knowledge, and Economic Cooperation** advances mutual cooperation to enable and further both parties' peoples' economic and cultural aspirations.
- Engagement with New Zealand's indigenous Maori communities aims to promote cultural exchange and mutual respect. This strengthens India's soft power and global recognition of its heritage.

## Regulatory & Institutional Provisions

- **Intellectual Property Rights:** Binding commitment by New Zealand to amend its laws within 18 months to provide EU-level protection for India's Geographical Indications (GIs).
- **Product Specific Rules of Origin (PSRs):** Agreement provides for a **balanced and robust** framework of Product Specific Rules of Origin (PSRs) for effectively prevent circumvention, misuse, or falsification of Rules of Origin criteria.
- The **Agreement includes dedicated Sanitary and Phytosanitary (SPS)** and Technical Barriers to Trade (TBT) chapters that advance fast-tracking of market access applications on a reciprocal basis, simplify certification and import permit procedures, and provide for electronic SPS certification. This would substantially enhance **global market access**, reduce transaction costs and facilitate smoother market access while ensuring the necessary health and safety protections.
- **Customs & Trade Facilitation:** The FTA incorporates a **comprehensive set of trade facilitation measures** which include standard cargo clearance **within 48 hours, with express shipments and perishable goods to be cleared within 24 hours**. The Agreement also provides for **Authorised Economic Operators, automation, and paperless single-window clearance systems**. This **modernizes customs procedures** to ensure predictability, transparency and consistency in trade between trade partners.

## Sectoral Highlights

The India–New Zealand FTA secures duty free or preferential access across a wide range of sectors. These gains are expected to boost India's exports, create jobs, and strengthen the competitiveness of Indian industries in the Oceania region.



# ENHANCED MARKET ACCESS — ACROSS SECTORS —



Source: Ministry of Commerce & Industry

Sector	India's Exports	Tariff Coverage	Impact & Opportunity
Agriculture	<p>India's global exports stood at <b>USD 51.8 billion in 2024-25</b>, up from USD 48.3 billion in 2023-24, <b>7.3% growth</b>.</p> <p><b>Exports to New Zealand</b> rose from USD 95.62 million in FY 2023-24 to <b>USD 108.21 million</b> in FY 2024-25.</p>	<p><b>Elimination of tariffs at peak 5%</b></p>	<p><b>Primary &amp; Semi-Processed Vegetables:</b> Dried onions, preserved vegetables, semi-processed inputs enhance access for fresh produce and horticultural exports.</p> <p><b>Oils, Fats &amp; Niche Products:</b> Edible oils, confectionery, ice cream, protein products, animal feed supports exports of niche, premium, and value-added agri-products.</p> <p><b>Cereals:</b> improves the global competitiveness of Indian grain exports.</p> <p><b>Processed Foods:</b> benefits exports of ready-to-eat and</p>

			processed food products, strengthening India's food processing sector.
Marine	<p>India's global exports stood at <b>USD 7.0 billion in FY25</b>, up from USD 6.8 billion in FY24.</p> <p><b>Exports to New Zealand</b> rose from USD 15.35 million to <b>USD 15.89</b> million in the same period.</p>	<p>Pre-FTA <b>peaks up to 5%</b>, now <b>reduced to zero</b></p>	<p><b>Zero-duty access under the FTA</b> supports higher market access and export growth.</p> <p>The Agreement is expected to <b>benefit fishing communities</b> and marine product exporters, with coastal states well-positioned to gain.</p> <p><b>FTA is expected to strengthen shrimp exports</b> while enabling diversification into a broader range of seafood products.</p>
Textiles & Clothing	<p>India's global exports stood at <b>USD 36.9 billion in 2024-25</b>, up from USD 34.8 billion in 2023-24, <b>6.1% growth</b>.</p> <p><b>Exports to New Zealand</b> rose from USD 98.14 million to <b>USD 103.14</b> million for the same period.</p>	<p>Pre-FTA peak tariffs were up to 10%, now fully eliminated, to ensure <b>Zero-duty market access</b></p>	<p>New Zealand's imports of textiles and clothing from the world averaged <b>USD 2.2 billion annually</b>.</p> <p>The sector is expected to generate significant <b>employment across women workers and MSME units</b>. They are expected to benefit from the expanded market access.</p>
<b>Engineering Sector</b>	<p>India's global exports stood at <b>USD 153.4 billion in FY2024-25</b>.</p> <p><b>Exports to New Zealand</b> was USD 136.34 million in FY 2024-25,</p>	<p>Pre-FTA average duty <b>peaks up to 10%</b>, now <b>eliminated</b>.</p>	<p>New Zealand's engineering imports from the world averaged <b>USD 23.3 billion</b>.</p> <p>Tariff removal will <b>enhance price competitiveness and expand market access</b> for Indian exporters.</p>

			FTA is expected to <b>create jobs across manufacturing clusters</b> and make Indian engineering goods more competitively priced.
Leather	India's global exports stood at <b>USD 3.08 billion in 2024-25</b>  <b>Exports to New Zealand</b> stood at <b>USD 6.23 million</b> in 2024-25	Pre-FTA peak tariffs up to 10%, <b>now reduced to zero</b> , covering both intermediate and finished products.	The move benefits leather manufacturers and artisans across key producing states, with opportunities for MSMEs and women workers engaged in the sector.
Footwear	India's global exports stood at <b>USD 2.5 billion in 2024-25</b>  <b>Exports to New Zealand</b> stood at <b>USD 2.28 million</b> in 2024-25	Pre-FTA peak tariffs up to 10%, <b>now reduced to zero</b>	The tariff removal is expected to significantly improve price competitiveness and boost demand in the price-sensitive New Zealand market.
Sports Goods	India's global exports stood at <b>USD 571 million in 2024-25</b>  <b>Exports to New Zealand</b> stood at <b>USD 4.2 million</b> in 2024-25	Pre-FTA tariffs up to 5%, <b>now reduced to zero</b>	The Agreement is expected to benefit sports goods manufacturers and workers, particularly in established production clusters.
Pharmaceuticals	India's global exports stood at <b>USD 24.5 billion in 2024-25</b> , up from USD 22.1 billion in 2023-24, <b>10.8% growth</b> .  <b>Exports to New Zealand</b> stands at <b>USD</b>	Pre-FTA peaks up to 5%, <b>now reduced to zero</b> .	New Zealand's pharmaceutical imports from the world averaged <b>USD 1.4 billion</b> in the last three years.  The <b>FTA streamlines access for pharmaceuticals and medical devices</b> by enabling acceptance of GMP and GCP inspection

	<b>57.51 million</b> in 2024-25.		reports from comparable regulators.  These will reduce <b>duplicative inspections, lower compliance costs, and expedite product approvals.</b>
Plastic & Articles thereof	India's global exports stood at <b>USD 8.16 billion in FY25.</b>  <b>Exports to New Zealand</b> stands at USD 13.48 million during the same period.	<b>Pre-FTA average duty up to 5%, now eliminated.</b>	The agreement is expected to <b>support greater penetration of Indian exports</b> , especially in cost-competitive and customised product segments.
<b>Gems &amp; Jewellery</b>	India's global exports stood at <b>USD 29.96 billion in FY25.</b>  <b>Exports to New Zealand</b> remain at USD 16.91 million during the same period.	Pre-FTA tariff up to 5%, <b>now reduced to zero.</b>	The FTA eliminates these duties, <b>enhancing price competitiveness</b> , particularly in finished and semi-finished jewellery segments.  The FTA is expected to <b>benefit jewellery manufacturers</b> and artisans, particularly in established production hubs.
<b>Electronics and Electrical Machinery</b>	India's global exports stood at <b>USD 77.53 billion in FY25.</b>  <b>Exports to New Zealand</b> remain at USD 68.26 million during the same period.	Pre-FTA tariff up to 5%, <b>now reduced to zero</b> , covering all tariff lines, including those currently facing non-zero duties.	The FTA is expected to <b>create employment opportunities</b> across electronics and electrical manufacturing clusters.
<b>Chemical and Allied Products</b>	India's global exports stood at <b>USD 64.04 billion in FY25.</b>	Pre-FTA tariff up to 5%, <b>now reduced to zero.</b>	The FTA supports <b>diversification into higher value-added segments</b> such as

	<p><b>Exports to New Zealand</b> remain at USD 95.79 million during the same period.</p>		<p>specialty chemicals, organic intermediates, and advanced formulations.</p>
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### State Wise Gains Under India-New Zealand FTA

State	Key Benefiting Sectors	Nature of Expected Benefit from New Zealand Market Access
<b>Gujarat</b>	Petroleum products, Chemicals, Plastics, Gems & Jewellery	Boost bulk exports from Jamnagar, Dahej, Surat; improved margins and diversification into high-value chemicals and finished jewellery.
<b>Maharashtra</b>	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
<b>Punjab</b>	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
<b>Haryana</b>	Automobiles, Auto components, Basmati rice	Improved competitiveness (2-4% tariffs removed); benefits to Gurugram and Manesar auto cluster and agri-manufacturing linkages
<b>Uttar Pradesh</b>	Leather goods, Carpets, Handicrafts	High tariff removal (6-10%) to boost exports from Kanpur, Moradabad, Bhadohi; strong gains for MSMEs and artisan-based sectors
<b>Tamil Nadu</b>	Textiles, Apparel, Leather, Auto components	Major gains from removal of 8-10% tariffs; expansion of Tiruppur and Coimbatore textile cluster; improved global competitiveness
<b>Delhi (NCT)</b>	Machinery, Electrical goods, Chemicals	MSMEs to benefit from tariff elimination (2-4%); strengthened regional value chains across NCR (Noida, Gurugram, Faridabad)

<b>Karnataka</b>	Pharmaceuticals, Coffee, Electronics, Machinery	Boost to agri + high-tech exports; zero tariffs improve competitiveness of coffee and Bengaluru-based electronics exports
<b>West Bengal</b>	Tea, Engineering goods, Machinery	Higher export realisation for Darjeeling tea; MSME engineering clusters to benefit from tariff removal (2-6%)
<b>Madhya Pradesh</b>	Oilseeds, Processed food, Metal products	Improved value addition and export realisation; stronger agro-processing and rural income gains
<b>Andhra Pradesh</b>	Marine products, Fruits, Pharma	Significant boost to shrimp & seafood exports; higher value realisation for processed marine products and pharma
<b>Rajasthan</b>	Gems & Jewellery, Textiles, Stone products	Export growth from Jaipur clusters; improved competitiveness in niche global markets due to tariff removal
<b>Telangana</b>	Pharmaceuticals, Chemicals, Turmeric	Strengthening of Hyderabad pharma hub; enhanced global supply chain integration and agri-export diversification
<b>Kerala</b>	Spices, Marine products, Coir, Processed food	Higher demand for pepper, cardamom; boost to value-added spice exports and coastal livelihoods
<b>Goa</b>	Marine products, Cashew, Minerals	Expansion into premium export markets; improved value addition in seafood and cashew processing
<b>Bihar</b>	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.

<b>Odisha</b>	Marine products, Metals (aluminium, steel)	Better margins in metal exports; support for coastal livelihoods and downstream processing
<b>Himachal Pradesh</b>	Pharmaceuticals, Woollen	Boost to Baddi, Nalagarh , Solan pharma cluster and traditional wool-based products in Kullu and Kinnaur; improved export competitiveness
<b>Chhattisgarh</b>	Iron & steel products	Enhanced export viability and value addition in metal industries
<b>Uttarakhand</b>	Pharmaceuticals, Plastics, Machinery	Growth in industrial clusters (Haridwar, Dehradun); improved export competitiveness
<b>Jharkhand</b>	Iron & steel, Copper products	Stronger integration into global metal value chains
<b>Puducherry</b>	Pharmaceuticals, Rubber products	MSME manufacturing to benefit from improved market access and export scaling
<b>Chandigarh</b>	Machinery, Tools	Boost to MSME engineering exports and niche manufacturing value chains
<b>Jammu &amp; Kashmir</b>	Handicrafts, Saffron, Horticulture	Enhanced global visibility and exports of carpets, apples, walnuts; support to rural livelihoods
<b>Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim</b>	Tea, Bamboo products, Organic agriculture, Spices	Improved access for niche and GI products; gradual integration into global markets and rural development

## Conclusion

**The India–New Zealand Free Trade Agreement** reflects a **defining moment in India’s trade diplomacy**, opening new avenues for comprehensive economic cooperation. By securing improved market access for Indian goods, expanding opportunities in services and mobility, and deepening collaboration in agriculture, investment and emerging sectors, the Agreement delivers tangible and wide-ranging benefits across the economy.

From farmers and MSMEs to students and skilled professionals, the gains from this Agreement are expected to be broad-based, reinforcing India’s position as a trusted, forward-looking global partner and advancing the vision of a **globally integrated Viksit Bharat 2047**.

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