India–GCC Free Trade Agreement (FTA) Talks

Prelims: *Current events of national and international importance | Economy*

Why in News?

Recently, India and the Gulf Cooperation Council (GCC) signed the Terms of Reference (ToR) to formally launch negotiations for the India–GCC Free Trade Agreement (FTA).

The Gulf Cooperation Council (GCC)

- **GCC –** It is a ***regional political and economic alliance*** of 6 energy-rich countries in the Gulf region of the Middle East.
- **Aim –** To strengthen cooperation and integration among member states.
- **Members –** Saudi Arabia, United Arab Emirates (UAE), Qatar, Kuwait, Bahrain and Oman.
- **Founded in –** 1981.
- **Headquarters –** Riyadh, Saudi Arabia.
- **GCC Profile –**
  - **Population –** 61.5 million.
  - **GDP –** USD 2.3 trillion in terms of GDP at current prices, ranking 9th globally in this category.

> *An FTA is an agreement between two or more countries or regional blocs to reduce or eliminate trade barriers through mutual negotiations, to promote and enhance trade.*

India–GCC FTA

- **Terms of Reference (ToR) –** To guide the negotiations for the GCC-India FTA by defining its scope, structure, and modalities of FTA negotiations.
- **Signed by –** Department of Commerce (India) & GCC Secretariat.
- **India–GCC Trade (FY 2024–25) –** USD 178.56 billion (15.42% of India's global trade).

- **Trade Growth –** Average annual growth of **15.3%** over the last 5 years
    - **Major Indian Exports –** Engineering goods, rice, textiles, machinery, gems & jewellery.
    - **Major Imports –** Crude oil, LNG, petrochemicals, gold.
- **Significance – Diaspora –** GCC is also home ***to nearly 10 million members of the Indian community.***
- **Remittances –** GCC contributes 38% to total remittances received by India in 2023-24.
- **GCC FDI in India –** USD 31.14 billion (as of Sept 2025).
- **Key Areas -** Key partner for energy security, trade, investment, and employment.

Reference

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