

India-New Zealand Free Trade Agreement (FTA)

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Why in News?

The India-New Zealand Free Trade Agreement (FTA) entered into force on 20 October 2026.

A **Free Trade Agreement (FTA)** refers to an international treaty established between two or more countries with the purpose of reducing or eliminating import tariffs, quotas, and other trade barriers.

India - New Zealand FTA

- The agreement grants complete **(100%) duty-free market access** for Indian exports to New Zealand across all tariff categories.
- The agreement establishes new employment visa pathways, increases work opportunities for Indian students, and outlines specific investment commitments.

	
PARTICULAR	DETAILS
 Countries	India and New Zealand
 Agreement	Free Trade Agreement (FTA)
 Date of signing	27 April 2026, New Delhi
 Ratification by India	21 September 2026
 New Zealand's implementing legislation	Passed on 16 September 2026
 Date of entry into force	20 October 2026
 Indian exports receiving duty-free access	100% of tariff lines
 New Zealand exports receiving concessions in India	About 95% of current bilateral trade value
 FDI commitment	\$20 billion investment into India, as stated in the agreement announcement
 Bilateral trade target	Approximately ₹35,000 crore by 2030
 Strategic vision	Viksit Bharat 2047

Key Provisions of the Free Trade Agreement

- **Market Access for India** - New Zealand has eliminated customs duties on all tariff lines applicable to Indian exports.
- This measure eliminates the previous tariff disadvantage, which included peak tariffs of up to 10%.
- This agreement is recognised as India's first FTA to provide comprehensive duty-free access across all tariff lines from the date of entry into force.
- **Market Access for New Zealand** - India has extended tariff concessions to approximately 70% of its tariff lines, which account for nearly 95% of the current bilateral trade value.
- Approximately 29.97% of tariff lines remain on the exclusion list.
- India has implemented a calibrated approach to import liberalisation for selected agricultural and related products.



India-New Zealand FTA

SHANKAR IAS PARLIAMENT

Major Indian Export Sectors Expected to Benefit	New Zealand's Key Agricultural Imports and Safeguard Provisions												
 Agriculture and food Fruits, vegetables, cereals, tea, coffee, cocoa, spices and processed foods.	 India has adopted calibrated import liberalisation for selected agricultural and related products.												
 Manufacturing Textiles, apparel, leather, footwear, engineering goods, automobiles and auto components.	<table><thead><tr><th>Product</th><th>Safeguard / provision</th></tr></thead><tbody><tr><td> Apples</td><td>Duty-based quota</td></tr><tr><td> Kiwifruit</td><td>Duty-based quota</td></tr><tr><td> Manuka honey</td><td>Duty-based quota</td></tr><tr><td> Albumins</td><td>Duty-based quota</td></tr><tr><td> Selected imports</td><td>Minimum Import Price (MIP) and other safeguard measures</td></tr></tbody></table>	Product	Safeguard / provision	 Apples	Duty-based quota	 Kiwifruit	Duty-based quota	 Manuka honey	Duty-based quota	 Albumins	Duty-based quota	 Selected imports	Minimum Import Price (MIP) and other safeguard measures
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 Other sectors Pharmaceuticals, medical devices, chemicals, plastics, rubber, marine products, gems and jewellery.													
 Industrial inputs Wooden logs, coking coal, metal waste and scrap.													

Visa and Mobility Provisions - The FTA introduces new opportunities for Indian professionals, students and young people.

- **Temporary Employment Entry (TEE) Visas** - Two new categories of Temporary Employment Entry (TEE) visas are now available for Indian nationals.
- These visas are intended for individuals in highly skilled occupations and selected professions linked to India.
- A maximum of 5,000 TEE visa holders may be present in New Zealand at any given time.
- Most visa allocations are reserved for skilled occupations already listed on New Zealand's Green List.
- **Working Holiday Scheme** - A quota of 1,000 Working Holiday visas is allocated annually to Indian nationals.

- This scheme enables eligible young Indian nationals to combine travel with temporary employment, in accordance with visa conditions.
- **Indian Students** - There is no numerical cap on the number of Indian students, as specified in the agreement announcement.
- Post-study work rights have been expanded for eligible graduates:
 - Graduates with STEM bachelor's or master's degrees may receive up to three years of post-study work rights.
 - Doctoral graduates are eligible for up to four years of post-study work rights.
- There are commitments to enhance in-study work rights for Indian students.

Services and Investment

- **Services** - The agreement provides dedicated market access in health and traditional medicine services.
- This coverage includes Ayurveda, Yoga, and other AYUSH systems.
- Streamlined regulatory processes are anticipated to benefit the pharmaceutical and medical device industries.
- **Investment** - The agreement includes a formal commitment of \$20 billion in foreign direct investment to India.
- This investment is expected to support investment, employment generation, manufacturing, and broader economic cooperation.

Significance

- **Boosts exports and market access** - Enhances opportunities for Indian goods, improving competitiveness in international markets.
- **Supports MSMEs and employment** - Benefits small exporters, artisans, manufacturing supply chains, and creates jobs for professionals and youth.
- **Expands opportunities in key sectors** - Promotes exports of agricultural products, pharmaceuticals, medical devices, and services.
- **Strengthens economic growth and diversification** - Deepens trade ties with a developed Indo-Pacific economy and supports the **Viksit Bharat 2047** vision through export-led growth.

Reference

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