

India's Expanding Trade Partnerships Create New Openings for Namibia

The conclusion of the India–European Union Free Trade Agreement (India–EU FTA) marks a historic milestone in India's global economic engagement and signals the emergence of a new era of trusted, forward-looking trade partnerships. It is not only a milestone in relations between two major economic powers but also a signal of India's growing role as a trusted, forward-looking trade partner - a development that carries important implications for Namibia and the wider Southern African region.

Announced at the 16th India-EU Summit by Prime Minister of India, H.E Mr. Narendra Modi and European Commission President, H.E. Ms. Ursula von der Leyen, the agreement brings together two of the world's largest economic powers - India, now the fourth-largest economy, and the European Union, the second-largest. Together, these partners account for roughly a quarter of global GDP and a significant share of world trade. Their closer integration is poised to create unprecedented opportunities for growth, innovation and investment.

At the heart of the agreement lies unprecedented market access. More than 99 percent of Indian exports by value will enjoy preferential entry into the EU market. This opens the door for a major expansion of Indian exports, including an estimated USD 75 billion worth of goods already traded. Nearly USD 33 billion in labour-intensive exports such as textiles, leather, footwear, marine products, gems and jewellery and handicrafts are set to gain significantly from the elimination of tariffs that currently reach up to 10 percent.

The benefits of the FTA go well beyond trade figures. It is designed to create jobs and new opportunities for micro, small and medium enterprises (MSMEs), as well as for women, artisans, youth and professionals. By strengthening India's integration into global value chains, the agreement supports inclusive growth and broad-based economic participation.

The agreement also includes a carefully calibrated approach to automobile trade, providing reciprocal market access while supporting India's 'Make in India' initiative. European manufacturers will gain structured access to India's market in higher price segments, while Indian-made vehicles will have improved opportunities to enter the EU. This balanced approach is expected to promote investment, technology transfer and future export potential.

India's agricultural and processed food sectors are also poised for gains. Products such as tea, coffee, spices, fruits, vegetables and processed foods will become more competitive in the EU, benefiting farmers and rural enterprises. At the same time, India has prudently safeguarded sensitive sectors, including dairy and certain agricultural products, ensuring that domestic priorities remain protected.

A particularly important feature of the FTA is its strong focus on services - a fast-growing component of both economies. The agreement secures commercially meaningful market access for Indian service providers across 144 subsectors in the EU, including IT and IT-enabled services, professional services, education, financial services, tourism and construction. In return, the EU will gain access to 102 subsectors in India, fostering two-way flows of expertise, technology and investment.

Complementing these provisions is a future-ready mobility framework that facilitates the movement of skilled and semi-skilled professionals. The agreement provides predictable pathways for business visitors, intra-corporate transferees, contractual service suppliers and independent professionals. It also includes frameworks for student mobility, post-study opportunities and future dialogue on social security arrangements. These measures are expected to expand global opportunities for Indian talent while contributing to knowledge exchange and innovation.

The FTA also addresses modern trade challenges. It strengthens cooperation to reduce non-tariff barriers, improve customs procedures, and enhance transparency in regulatory systems. Forward-looking provisions related to the EU's Carbon Border Adjustment Mechanism (CBAM) ensure constructive engagement, technical cooperation and support for greener production processes. The agreement further promotes collaboration in emerging areas such as digital trade, artificial intelligence, clean technologies and semiconductors.

Strong intellectual property protections, in line with global rules, are included, alongside recognition of India's Traditional Knowledge Digital Library. Together, these elements create a modern, balanced and rules-based trade framework capable of adapting to future technological and regulatory changes.

This landmark agreement demonstrates India's ability to negotiate balanced, modern, and development-oriented trade partnerships. Importantly, it shows India's readiness to engage constructively with partners across the world - including in Africa.

It is in this broader context that discussions between India and the Southern African Customs Union (SACU) on a Preferential Trade Agreement (PTA) assume special significance. SACU, comprising Botswana, Eswatini, Lesotho, Namibia and South Africa, represents one of Africa's most established regional economic groupings. Namibia's role as coordinator for the SACU side in these discussions places it at the centre of shaping a future trade framework with India.

Over the course of this year, several meetings have been held between India and SACU member states to finalise the Terms of Reference for the proposed PTA. These preparatory steps are laying a solid foundation for formal negotiations aimed at expanding trade, improving market access and strengthening economic cooperation.

Studies indicate that once the PTA is concluded, bilateral trade between India and

SACU could increase by 40 to 60 percent. Such growth would represent a substantial expansion of commercial ties and open new opportunities for businesses on both sides.

For Namibia, the potential benefits are significant. India is a major and growing market for minerals, energy resources and agricultural products - sectors where Namibia has strong export capacity. A PTA could improve the competitiveness of Namibian exports in the Indian market, while also supporting value addition and industrial development.

At the same time, Namibian (and other SACU member-states') businesses and consumers would gain better access to affordable and high-quality Indian products, including pharmaceuticals, machinery, vehicles, textiles and technology. India's strengths in information technology, digital services, education and healthcare also create opportunities for deeper cooperation in skills development and services trade - areas that align closely with Namibia's development priorities, particularly youth employment and SME growth.

Much like the India–EU FTA, India's approach to trade partnerships with SACU is not limited to tariffs alone. The focus is also on building long-term, development-oriented relationships that promote industrialisation, strengthen supply chains, encourage innovation and create jobs.

Trade between India and Africa has grown steadily over the past two decades, yet it remains well below its full potential. The proposed India–SACU PTA is an important step toward unlocking that potential through a partnership rooted in mutual benefit and South–South cooperation.

As negotiations progress, India looks forward to working closely with Namibia and other SACU partners to translate this shared vision into tangible outcomes - expanding trade, supporting development, and building a resilient economic bridge between Southern Africa and one of the world's fastest-growing major economies.

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