सत्यमेव जयते

India-Iceland partnership and EFTA TEPA

Friday, 26 September 2025

TEPA OVERVIEW

TRADE ASPECT

IMPACT OF TEPA

- Concessions to about 82.7% of India's tariff lines covering 95.3% of EFTA exports.
- 17 types of tariff concessions
- ~85% of all customs duties will be abolished upon the conclusion of the tariff dismantling period from 0 to 10 years.
- EFTA: 92.2% of tariff lines → 99.6% of India's exports

INVESTMENT ASPECT

- FDI as a key driver of economic growth, innovation, and green transition.
- Emphasizes the development of skilled workforce through cooperation

Quantifiable Goals

- US $100 billion in 15 years
- 1 Mn direct jobs

Country	FDI into India (Apr 00' – June 25') *In USD Mn*	Investor rank
Switzerland	10876.43	12
Norway	941.81	34
Liechtenstein	110.26	54
Iceland	54.07	65

India-EFTA Trade and Economic Partnership Agreement and its impact on trade and investment

- India-EFTA TEPA will come into effect from 1 October 2025.
- A free trade area, consisting of India and the EFTA States, will be established.
- India has offered EFTA trade concessions in 105 service sectors and secured commitments in 128 service sectors from Switzerland, 114 from Norway, 107 from Liechtenstein and 110 from Iceland.
- FDI of US$ 100 billion in India over the next 15 years and facilitating the creation of one million direct jobs in India through such investments
-
- The provisions of TEPA create conditions for accelerating cooperation between countries in innovation and technology.

Foreign Direct Investment

FDI FROM ICELAND TO INDIA

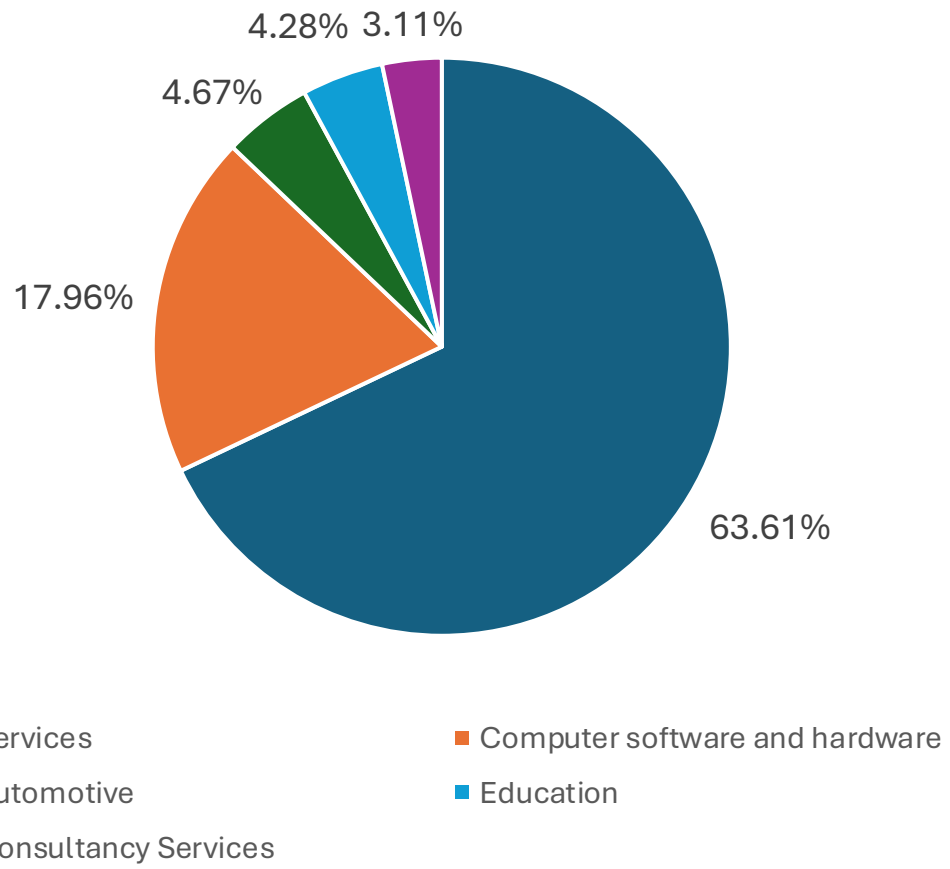
Iceland's FDI into India

- 65th largest investor in India (April 2000-June 2025) with a value of $54.07 Mn
- Cumulative investment of $26.43 Mn in the past five years (June 2020- June 2025)

Priority Sectors for Investment Post-TEPA

- Renewable Energy; focus on Geothermal Energy
- Food Processing; focus on Fisheries & Aquaculture
- Shipping & Maritime
- Automotive
- Services
- Computer Software & Hardware

Top 5 Sectors by FDI Equity Inflow from Iceland (Apr'2000–Mar'2025)



Trade, Technology and Tourism

Trade

Year	2021-22	2022-23	2023-24	2024-25
Exports	11.76	10.4	12.16	60.4
Imports	5.7	4.9	10.9	11.06

Source DGCIS

In Million US $

Items imported from Iceland are mainly: cod liver oil, fish body oil, medical instruments such as thermometers, pyrometers etc. and edible mixtures of oil and fats (2024). Items exported from India: Non-alloy steel, T-shirts/ singlets of cotton, man-made textile materials, static converters & inductors, toilet & kitchen items, linen, heterocyclical compounds and Jet fuel.

Technology-ongoing collaboration

alvotech

Seotropy

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India-Iceland partnership and EFTA TEPA

Focus Sectors

1 Food Processing Sector Overview

Key Highlights

1st Milk, Livestock, Millets, Pulses

2nd Food Grains, Fruits & Vegetables, Tea, Fish

8.45% Share of **FPI** in Agriculture, Forestry & Fishing GVA **(2022 – 23)**

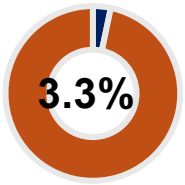
$535 Bn Indian Food Processing market value by **2026**

$49 Bn Agri – Food Exports (**2024 – 25**)

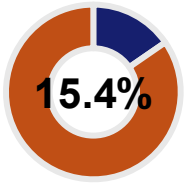
20% Share of Processed Foods in Agri-Food Exports

Current Levels of Processing

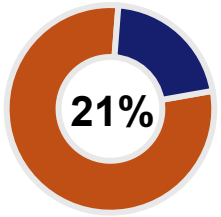
F&V



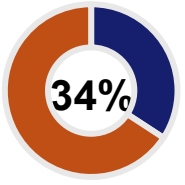
Fish



Milk



Meat



Top Exported Products (2024 - 25)

Cereals **$12.75 Bn**

Marine **$6.29 Bn**

Coffee, Tea, Mate, & Spices. **$5.36 Bn**

Top Exports	Top Products
USA	Fish & crustaceans, processed meat
China	Cereals, Fish, Coffee, Tea
Bangladesh	Cereals, sugar, Vegetables
UAE	Cereals, tea, coffee, sugar, Fruits
Vietnam	Meat products, Cereals, Fish

Indian Fisheries Sector Overview

1st Inland Capture Fisheries

2nd Aquaculture & Fish Production

Production in MMT

8% Contribution to global fish production (2023-24)

7.26% Contribution to agricultural GVA (2023-24)

6.3% Sector's average annual growth rate (2018-19 to 2023-24)

Consumption

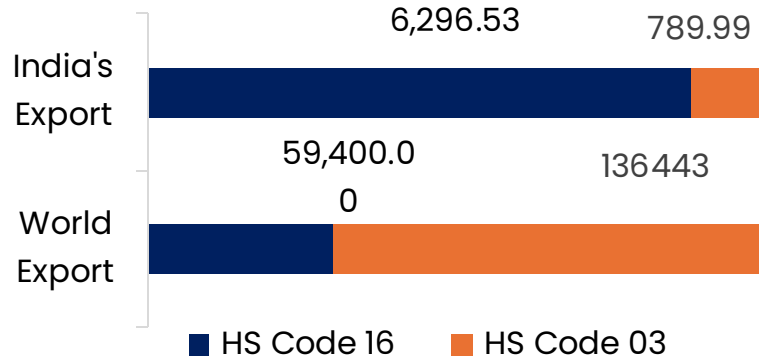
Top States in Fish Consumption: Kerala, West Bengal, Assam, Tripura, Odisha

Consumption was over 13 kg (2022-23) and is likely to be 16.07 kg by 2047-48

18.4 MMT Total fish production

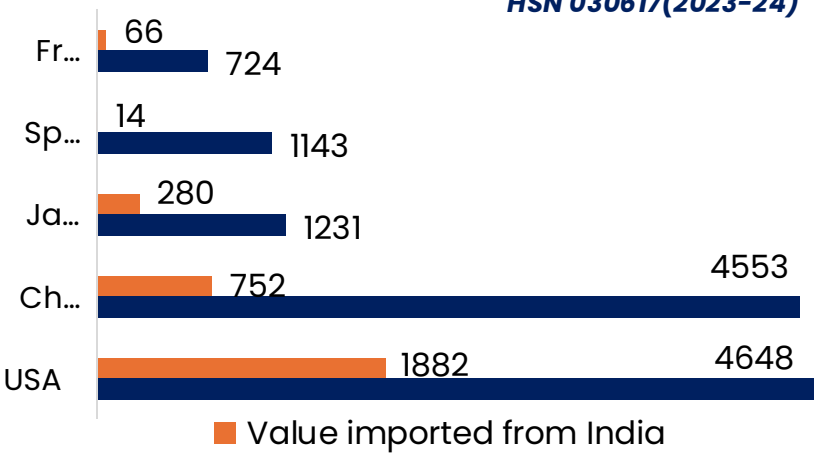
Top 5 Inland & Marine Producing States

Export basket Share in Fisheries and Aquaculture USD Mn *(2023-24)*



India's share in its top Importing Countries (USD Mn)

HSN 030617(2023-24)



Shipping & Maritime Sector Overview

Sector Dynamics: Size & Growth Drivers

Indian Maritime Sector

- 12 Major Ports; 60+ Non-Major Ports
- 29 Operational National Waterways
- 40+ Shipyards, 2nd in Ship Recycling
- 70% EXIM Trade - Value; 95% EXIM Trade - Volume

Growth Drivers

Key Metrics	Now	2030	2047
Deep Draft Mega Ports	1	7	13
Port Cargo Handling Capacity MMTPA	2760	~3500	~10000
Shipbuilding Global Rank	16	10	5
Green Hydrogen Hubs	Nil	5	14

Rising Trade Volume
Growing EXIM driving port traffic

Strategic Location
Proximity to global shipping routes

Shipbuilding Demand
Global capacity tight
India = low-cost skilled hub

Government Initiatives
Asset Monetization Pipeline, Maritime Development Fund, Shipbuilding Financial Assistance Policy

High-Potential Sub-Sectors to Watch

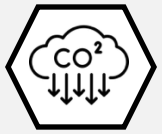
Ship Building, Ship Repair & Ship Recycling – India emerging as a cost-competitive global hub with sustainable recycling advantage

Marine Component Manufacturing – Strong Make-in-India potential to boost MSMEs

World-Class Next Generation Ports – Smart, automated, and efficient hubs for global trade and transshipment

Cruise Tourism – Rising middle-class demand supported by new inland and ocean cruise routes and terminals

Inland Waterways and Coastal Cargo – Eco-friendly, low-cost logistics boosting domestic trade connectivity



Green Tonnage – Shift towards LNG, hybrid and electric vessels aligned with global sustainability norms

Shipping & Maritime Sector Overview

TEPA-Enabled Shifts in the Sector Landscape

Infrastructure Upscaling

- **~30 *PPP port projects*** (USD 12 bn) by 2030, focused on greenfield and brownfield ports, berths, jetties to be developed as modern logistics hubs with automation, digital port systems and energy-efficient operations.
- Supported by the ***Maritime Development Fund*** (USD 2.9 bn) for the entire maritime ecosystem, ***Shipbuilding Financial Assistance Policy*** (USD 2 bn) for incentivizing shipyards on vessels built in India and new ***shipbuilding clusters*** **(1.0–1.2 million GT)** for overall ecosystem development including greenfield yards and supplier base of marine equipment manufacturers.
- Cruise sector expansion under the ***Cruise Bharat Mission*** with new terminals, marinas and destinations.

Green & Sustainable Transition

- Guided by ***Green Port Guidelines*** with focus on LNG bunkering, shore-to-ship power, electrification and carbon-neutral infrastructure.
- ***Green Vessel Guidelines*** and ***Green Tug Transition Programme*** to accelerate deployment of next-generation green vessels supported by global technology collaboration.

Skills, R&D & Innovation

- Maritime training, certification alignment and Centres of Excellence building a globally competitive workforce.
- Joint R&D in green fuels, port automation, clean propulsion and maritime safety technologies driving long-term sustainability innovation.

Renewable Energy & Related Manufacturing Sector Overview

Sector Dynamics: Size & Growth Drivers

- **4th largest RE market globally** with **220+ GW installed capacity (2025)**, ~49% of total power mix.
- **500 GW non-fossil capacity by 2030**, aligned with Net Zero by 2070.
- Diverse mix: **Solar (105 GW), Wind (50 GW), Bioenergy (12 GW), Small Hydro (5 GW)**, plus emerging **Green Hydrogen & Storage**.
- Among the **lowest-cost RE markets globally**, solar tariffs at **INR 2.2/kWh (~$0.027)**.
- **Government push**: PLI schemes, **National Green Hydrogen Mission (USD 2.3 bn)**, and RE Development Fund accelerating growth.
- **Global hub potential**: Rising exports of solar modules, wind equipment, and batteries.

High-Potential Sub-Sectors to Watch

1. Solar PV
- **105 GW installed** (2025); among the world's lowest tariffs.
- PLI: **USD 2.5 bn** to boost module & cell manufacturing.

TEPA: JV in high-efficiency cells, recycling, supply chains.

2. Green Hydrogen & Ammonia
- Mission outlay: **USD 2.3 bn**; target **5 MMT/yr by 2030**.

TEPA: Tech transfer in electrolyzers, ammonia shipping, offtake deals.

3. Onshore & Offshore Wind
- **50 GW installed** onshore; **30 GW offshore zones** identified.
- Repowering of ageing wind farms underway.

TEPA: Collaboration in offshore engineering, subsea cabling, hybrid projects.

4. Battery Energy Storage (BESS)
- Need: **27 GW / 108 GWh by 2030** for grid stability.
- PLI: **USD 2.5 bn** for giga-factories.

TEPA: R&D in advanced chemistries, long-duration storage.

5. Clean Tech Manufacturing
- Growing hub for **solar, wind, batteries, hydrogen equipment**.

TEPA: JVs in precision manufacturing, automation, next-gen R&D.

TEPA-Enabled Shifts in the Sector Landscape

- **Trade & Investment**: EFTA partners (Switzerland, Norway, Iceland, Liechtenstein) can channel investments into India's **RE manufacturing**, offshore wind, hydrogen, and storage infrastructure.
- **Technology Collaboration**: EFTA strengths in **offshore wind, hydroelectricity, green hydrogen**, **geothermal energy, and low-carbon tech** can complement India's scale and manufacturing base.
- **Supply Chain Integration**: India as a manufacturing hub can serve EFTA clean energy markets; PLI schemes already encourage local production.
- **Sustainability Alignment**: TEPA aligns with India's ambitions—**500 GW non-fossil capacity by 2030**, **Net Zero by 2070**, and growing clean energy share
- **Risk Management**: Lowering cost of capital (e.g., via risk-mitigation financing from EFTA) could add up to **100 GW extra RE capacity** by 2030, pushing totals to ~540 GW.

EFTA TEPA Prosperity Summit

- **Feb 10, 2025: Dedicated EFTA Desk** Inaugurated during EFTA economic mission & business delegation from all EFTA states.
- Helpline activated: eftadesk@investindia.org.in for investment facilitation & EoDB support.
- WWW.ISIN.IS web page for EFTA FTA related outreach in Iceland in association with Trade Federation
- Wednesday, 1 October 2025: 1st India-EFTA TEPA Prosperity Summit in New Delhi
- Visit of Permanent Secretary of State, Ministry of Foreign Affairs and business delegation
- Role of Embassy

Thank you