India Iceland Trade and Investment

Opportunities

INVEST INDIA

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
- 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	11,316	12
Norway	994	34
Liechtenstein	110	54
Iceland	58	64

Foreign Direct Investment

FDI FROM ICELAND TO INDIA

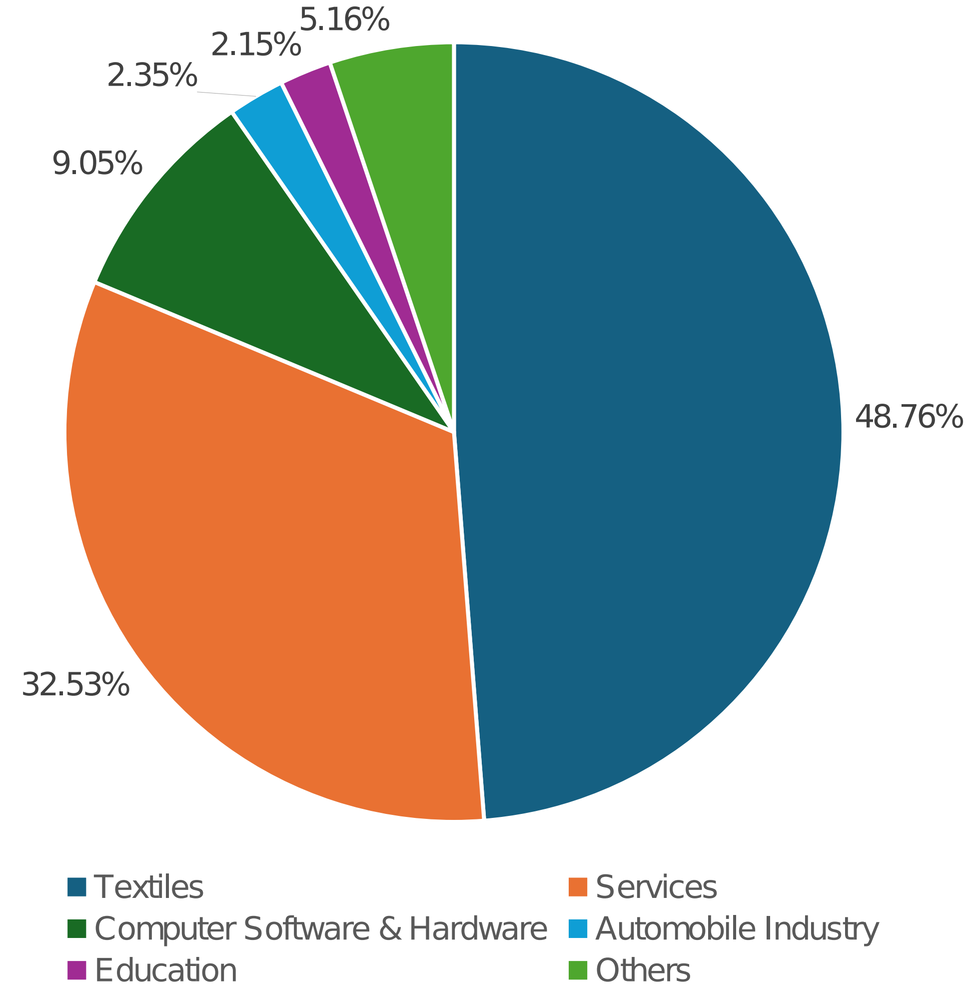
Iceland's FDI into India

- 64th largest investor in India (Apr 2000-Mar 2026) with a value of $58.38 Mn
- Cumulative investment of $30.63 Mn in the past five years (Apr 2021- Mar 2026)

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

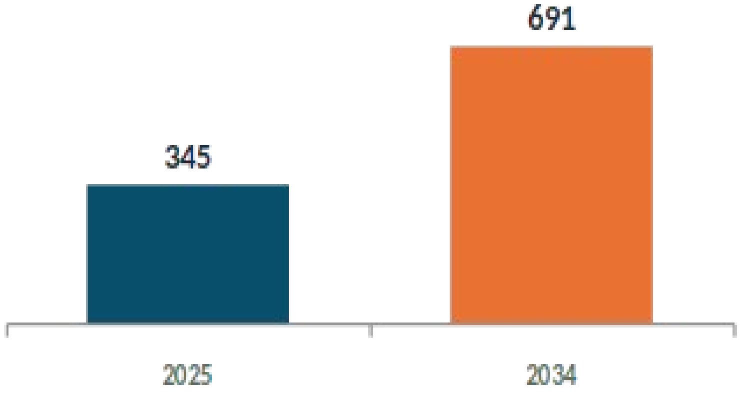
SECTORS WISE SHARE OF FDI EQUITY INFLOW FROM ICELAND (Top 5) (From April 2000 to March 2026)



Focus Sectors: India–Iceland Partnership under the TEPA

Market Size ($Bn)

7.72% CAGR | 2026 – 34

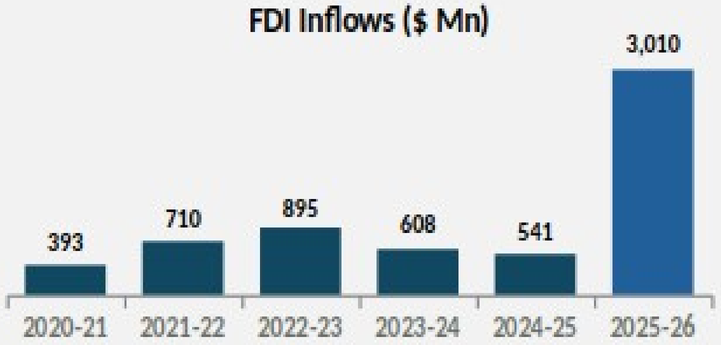


- Milk: Largest • 248 Mn T
- Fish: 2nd Largest • 19.7 Mn T
- Spices: Largest • 12.9 Mn T
- F&V: 2nd Largest • 335.4 Mn T
- Food Grains: 2nd Largest • 357.7 Mn T
- Meat: 4th Largest • 10.5 Mn T

Infrastructure Overview

FDI Inflows in Food Processing

$16.1 Bn FDI Inflows (April 2000 – March 2026)



Exports

$51.2 Bn India's Agri Food Exports
20.4% share processed food

$12 Bn

$8.4 Bn

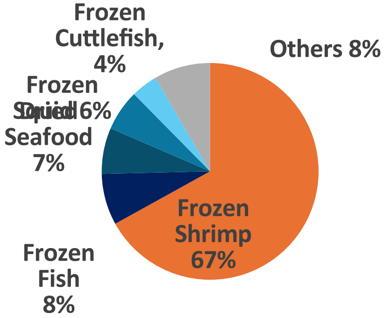
Food Processing Sub-Sectors: Fisheries & Meat Processing

19.75 Mn T
Fish production, 2024-25
~8% of Global Production

$13.1 Bn
Seafood market size, 2025
→ $25.7 Bn by 2034

7.34%
CAGR, 2026–2034
(IMARC)

Export Share (2025-26)



Export Share by Value (FY26)

$8.4 Bn
Value of Seafood Exports FY26

1.97 MMT
Total Volume exported FY26

Major Growing Segments

- **Shrimp market:** $10.1 Bn (2025) → ~$23 Bn by 2034, 9.7% CAGR (2026-2034).
- **Aquaculture feed:** $3.25 Bn (2025) → $4.8 Bn by 2031, ~7% CAGR (2026-2031).
- **Frozen Fish:** $822 Mn (2025) → $1168 Mn by 2032, 5.1% CAGR (2026 to 2032).
- **Seaweed:** 1.12 Mn T production target by 2030, opportunities in cultivation & value addition.

Demand & Growth Drivers

- **Per-capita fish consumption:** Up ~85%: 7.1 kg to 13.14 kg (2011-12 to 2022-23).
- **Share of value-added seafood:** 2% to 11% over the decade.
- **EU demand:** +42% for Indian seafood in 2025-26, ~$1.6 Bn Exports.
- **Global shift:** Shift toward high-protein, low-fat diets lifting seafood demand.

Investment Opportunities

- **Value-added seafood:** IQF, RTE & marinated shrimp for foodservice.
- **Mariculture & species diversification** —hatcheries, sea-cage, seaweed.
- **Integrated Infrastructure:** Cold-chain, landing centers & reefer logistics — incl. integrated temperature-controlled storage, handling and transportation infrastructure.

Shipping & Maritime Sector Overview

Sector Dynamics: Size & Growth Drivers

Indian Maritime Sector

- 12 +2 Major Ports; 60+ Non-Major Ports
- 32 Operational National Waterways
- 40+ Shipyards, 1st 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	2817	~3500	~10000
Shipbuilding Global Rank	16	10	5

Rising Trade Volume
Growing EXIM driving port traffic

Strategic Location
Proximity to global shipping routes

Shipbuilding Demand
Government focusing on demand aggregation for shipbuilding

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

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

TEPA-Enabled Shifts in the Sector Landscape

Infrastructure Upscaling

- In India, there is an investment opportunity of **USD 800Bn+** across ports, shipbuilding and logistics sector, rising global supply-chain diversification and India's growing merchandise trade
- Supported by the ***Maritime Development Fund*** (USD 2.7 bn) for the entire maritime ecosystem, ***Shipbuilding Financial Assistance Scheme*** (USD 2.7 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.
- It is also supported by the **Shipbuilding Development Scheme** (USD 2.2 Bn.) to build capacity and capability development and credit risk coverage
- Government also introduced the **shipbreaking credit note** is a tradeable financial certificate issued by the Indian government worth **40% of a recycled vessel's scrap value**, which can be applied toward paying up to 5% of the cost of a new ship built at a domestic shipyard
- Multiple shipbuilding clusters identified across **Gujarat, Maharashtra, Odisha, Andhra Pradesh and Tamil Nadu**

Green & Sustainable Transition

- ***Green Vessel Guidelines*** and ***Green Tug Transition Programme*** to accelerate deployment of next-generation green vessels supported by global technology collaboration; this is to position India as a **Global Hub for Green Shipbuilding by 2030**

Renewable Energy & Related Manufacturing Sector Overview

Sector Dynamics: Size & Growth Drivers

- **4th largest RE market globally** with **300+ GW installed capacity (2026)**, ~54% of total power mix.
- **500 GW non-fossil capacity by 2030**, aligned with Net Zero by 2070.
- Diverse mix: **Solar (165 GW), Wind (58 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
- **165 GW installed** (2026); 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
- **58 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: **47.24 GW / 236.22 GWh by 2031-2032** 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)

Carbon Capture, Utilization, and Storage (CCUS) Policy Framework

Policy Measures

- **CCTS, 2023:** Established the legal framework for India's Indian Carbon Market (ICM).
- **Compliance Mechanism:** Introduces Greenhouse Gas Emission Intensity (GEI) targets for designated industries.
- **Offset Mechanism:** Allows eligible projects to generate carbon credits from verified emission reductions/removals.
- **Carbon Credit Certificates:** Provides a market-based incentive for reducing or removing greenhouse-gas emissions.
- **₹20,000 Crore CCUS Support:** Union Budget 2026–27 allocated ₹20,000 crore over five years to promote CCUS development in emission-intensive sectors.
- **Viability Gap Funding (VGF):** Government policy envisages financial support to bridge the high cost gap of carbon capture projects, improving their commercial viability, particularly for hard-to-abate industries.
- **CCUS R&D Roadmap:** DST launched India's first CCUS R&D Roadmap in December 2025, aimed at accelerating technology development, demonstration and deployment.
- **Verification & Market Infrastructure:** Development of accredited Carbon Verification Agencies, methodologies and compliance procedures is enabling the transition towards an operational carbon market.

How it could impact India-Iceland collaboration

- **CCUS and industrial decarbonisation.**
- **CO_2-to-fuels and chemicals.**
- **Geothermal energy.**
- **Green hydrogen.**
- **Carbon-credit opportunities.**
- **Joint R&D and technology transfer.**
- **Commercial partnerships and investment.**

India Iceland Ongoing Collarboration

- Seafood/fisheries/Acquaculture: Hampiðjan/Kohinoor
- Food-processing technology: JBT Marel
- Health technology: Ossur
- Green fuels/CCUS: Carbon Iceland
- Gethermal: ISOR, Verkis, Geotrophy

4 Hampiðjan collaboration with Kohinoor Ropes Pvt Ltd

Hampiðjan’s new industrial site in Auric
https://www.youtube.com/watch?v=IDZfMtOT0WI

India-EFTA Prospertity Summit-2nd Anniversary (New Delhi, 7 October 2026)

Hosted by the Ministry of Commerce and Industry

Thank You