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India and New Zealand Sign Trade Deal to Cut Tariffs

The agreement would lower duties on wine, dairy, meat and seafood, giving New Zealand exporters wider access to India.

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India and New Zealand signed a free trade agreement on April 27 that will lower or remove tariffs on a wide range of goods, including wine, dairy, meat, seafood and fruit, in a move that could reshape trade flows between the two countries and give New Zealand exporters better access to one of the world's largest consumer markets.

The deal, which still needs to be legally reviewed before it can be signed, would eliminate tariffs immediately on more than half of New Zealand's exports to India once it takes effect. The New Zealand government said 80% of goods would become duty-

free after the agreement is fully phased in. Officials said the average tariff on goods imported into India from New Zealand would fall to 3%, creating immediate tariff savings of NZ$43 million, or about $25 million, with that figure expected to rise to NZ$62 million, or about $36.5 million, based on current trade volumes.

The most closely watched change for the beverage sector is wine. India currently applies a 150% tariff on New Zealand wine. Under the agreement, that duty would be cut by 66%-83% over 10 years, bringing it down to roughly 25%-50%. That reduction could make New Zealand wines more competitive in India, where high import taxes have long limited sales and kept prices elevated for consumers.

The pact also includes major changes for food products. The 33% tariff on New Zealand baby food and other dairy-based foods would be removed within seven years. Duties on lamb would fall from 33% to 0% on day one of the agreement. Tariffs on fish and seafood, also currently at 33%, would be eliminated within seven years. Honey tariffs would be reduced over five years from 66% to 16.5% for products worth $30 per kilogram or more, with the same rate applying to honey priced between $20 and $30 per kilogram in volumes up to 200 tonnes.

New Zealand’s horticultural exports, including apples and kiwis, would receive new quotas under the agreement. Tariffs on cherries and avocados would also be phased out.

India’s trade ministry said the agreement was designed to support the country’s goal of becoming a global food hub by helping Indian companies import ingredients duty-free for use in export production. The ministry said the deal should create new opportunities for New Zealand businesses, especially agricultural exporters and dairy companies, to enter India’s growing food manufacturing supply chain.

Trade between the two countries has been uneven but significant. New Zealand exported NZ$2.03 billion worth of goods to India in 2025, while India shipped NZ$1.3 billion worth of products to New Zealand last year. The new agreement is expected to deepen that relationship at a time when both governments are looking for ways to diversify supply chains and expand market access.