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India and the EU are likely to sign a free trade agreement on Dec. 16

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India and the European Union are likely to sign their long-delayed free trade agreement on December 16 in Brussels, according to an official cited by Press Trust of India, setting up a major trade milestone between India and the 27-member bloc after more

than two decades of negotiations.

The two sides completed negotiations on January 27. The expected signing would take place during Prime Minister Narendra Modi’s visit to Brussels in December, European Union Ambassador to India Jean-Eric Paquet has said. Paquet has also said the agreement is expected to take effect in 2027.

The European Commission has already sent proposals to the Council of the European Union seeking authorization for the signing and conclusion of the agreement, along with the final legal text and tariff schedules. That step indicates the deal is moving through the EU’s formal approval process ahead of the planned signing date.

Under the pact, 93% of Indian shipments would receive duty-free access to the EU, according to the official quoted by PTI. That would give Indian exporters broader access to one of the world’s biggest consumer markets and could help sectors that depend on lower border costs and more predictable market entry rules.

The agreement would also reduce the cost of some imports from Europe into India, including luxury cars and wines. For the beverage business, lower duties on European wine could improve access to the Indian market and may prompt importers, distributors, and exporters to reassess pricing, product mix, and shipping plans ahead of the agreement’s expected start in 2027. Any commercial impact would depend on the final tariff schedules and how quickly companies move to use the new terms.

The deal links India, the world’s fourth-largest economy, with the EU, the world’s second-largest economic bloc, creating a market of about 2 billion people. Together, India and the EU account for 25% of global gross domestic product and about one-third of international trade, or roughly $11 trillion out of a global total of about $33 trillion, according to the figures cited in the PTI report.

Trade ties between the two sides are already significant. The EU is India’s largest trading partner in goods among individual blocs, while India is the EU’s ninth-largest goods trading partner globally and its sixth-largest partner in services. A completed agreement could deepen those links by lowering tariffs, reducing trade barriers, and giving businesses on both sides clearer rules for market access.

The planned signing would mark a notable political and economic step after years of slow progress in the talks. Trade negotiations between India and the EU had stretched over more than 20 years before the two sides concluded the latest round on January 27, allowing officials to move from negotiation to legal and procedural approval.

The final outcome still depends on the remaining formal steps in the EU process and the official signing in Brussels on December 16. If that timetable holds, businesses in manufacturing, agriculture, services, and consumer goods would begin preparing for a new trading framework between two of the world’s largest markets, with the wine trade among the areas expected to watch the tariff changes closely.