

# UTTAR PRADESH EXPORT PROMOTION COUNCIL

## MONTHLY NEWSLETTER



### FEBRUARY 2026 EDITION

## INDIA – EU FREE TRADE AGREEMENT: A TRANSFORMATIONAL TRADE MILESTONE

### MOTHER OF ALL TRADE DEALS

Encompasses **1/3rd** of Global Trade

Unlocks preferential access of **\$75 Bn** in exports

Catering to **25% OF GLOBAL GDP!**

Brings together **2nd & 4th** largest economies

**Abolishes tariff on 9425** lines of Indian exports

India-EU FTA Unlocks

### AN EXPORT ENGINE OF \$75 BILLION!

**₹6.41 LAKH CRORE (\$75 BILLION)**

in Exports Ready for Takeoff

**Direct pipeline** to high-value European consumers



Massive scaling for **Indian manufacturers and MSMEs**



### Why This FTA is a Game-Changer for India

#### Unmatched Market Access

Preferential access across 97% of EU tariff lines, covering 99.5% of trade value

One of the broadest trade coverages secured by India in any major FTA

#### Massive Boost for Textiles & Apparel

Zero-duty access for textiles and clothing across all tariff lines

Tariff reductions of up to 12% eliminated

Unlocks access to the EU's ₹22.9 lakh crore (USD 263.5 billion) textile import market

Major opportunity for labour-intensive sectors and MSMEs

#### Reduced Trade Frictions

Strengthened regulatory cooperation and transparency

Streamlined customs procedures

Simplified Sanitary & Phytosanitary (SPS) measures

Improved disciplines on Technical Barriers to Trade (TBT)

#### Strategic & Long-Term Gains

Enhances India's competitiveness in high-value global markets

Encourages value chain integration and export diversification

Strengthens India's role in global supply chains

Supports employment generation in labour-intensive sectors

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### INDIA-EU FTA: WHAT IT MEANS FOR UTTAR PRADESH

#### EU — A High-Value Market for UP

- **EU already accounts for nearly 29% of Uttar Pradesh's total exports**
- **UP contributes over 8% of India's total exports to the EU**
- **Strong existing trade base positions UP to immediately benefit from tariff elimination**

#### Big Gains for Key Sectors

With duty-free access and reduced trade barriers, the following sectors stand to expand:

**Electrical machinery & electronics**

**Textiles & apparel**

**Leather & footwear**

**Carpets & handicrafts**

**Agri and value-added products**

These sectors together form the backbone of UP's EU exports.

India-EU FTA

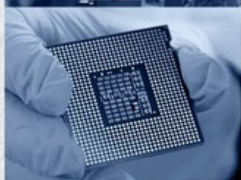


## THE FUTURE-READY PACT!



#### Carbon Support (CBAM):

Secured financial and technical support for Indian MSMEs to comply with carbon requirements



#### High-Tech Alliance:

Cooperation in AI, Clean Tech, and Semiconductors



#### Family Rights:

Entry and working rights for dependents/families of Intra-Corporate Transferees



#### Social Security:

A framework to engage on Social Security Agreements over a 5-year horizon

#### STRATEGIC ADVANTAGE IN A VOLATILE TRADE ENVIRONMENT

- Opportunity to diversify beyond high-tariff markets
- Access to 27 European nations under a single framework
- Strengthened long-term integration into global value chains

#### THE BOTTOM LINE

**With nearly one-third of its exports already linked to the EU, Uttar Pradesh is among the biggest state-level beneficiaries of the India-EU FTA- positioning the state for accelerated export growth and deeper global integration.**



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### TRADE WATCH: MEXICO ANNOUNCES TARIFF INCREASE ON SELECT INDIAN IMPORTS

- Mexico to impose additional tariffs of up to 50% on select Indian imports from 1 January 2026
- Move could impact nearly USD 1 billion worth of Indian automobile exports
- Mexico is India's third-largest car export destination after South Africa and Saudi Arabia
- Higher landed costs may affect sectors such as automobiles, textiles, engineering goods and metals

### UP STRENGTHENS DISTRICT EXPORT MACHINERY: DIC OFFICIALS ORIENTED ON NEW POLICY ROLLOUT

- UPEPB, Lucknow hosted a strategic session with District Industries Centre (DIC) officials to accelerate implementation of the UP Export Policy 2025–30
- In-depth discussions on newly issued Government Orders, enhanced incentive schemes and operational guidelines to ensure seamless district-level execution
- Emphasis on transforming DICs into frontline facilitators of export growth across the state
- Following the recent MoU, Walmart representatives presented the Walmart Vriddhi Programme, outlining structured MSME capacity building, e-commerce integration and global market linkage opportunities





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### PRODUCT OF THE MONTH

#### Perfumes ( HSN 3303)

**India's Leather Exports**

**USD 234 Mn**

**UP's Leather Exports**

**USD 3 Mn**

**Current Markets of UP**

**UAE- 54%**

**USA- 29%**

**Saudi Arabia- 7.7%**

**Kuwait- 2.7%**

**Chile- 2.3%**

**Potential Markets**

**USA (5.5 Bn)**

**Germany (2 Bn)**

**UAE (1.5 Bn)**

**Spain (1.4 Bn)**

**UK (1.4 Bn)**

### SUCCESS STORIES: FROM CRAFT TO COUTURE

#### FROM BAREILLY TO GLOBAL FRAGRANCE MARKETS — THE RISE OF AROMATIC & ALLIED CHEMICALS

Led by Mr. Gaurav Mittal, Managing Director of Aromatic & Allied Chemicals Pvt. Ltd., Bareilly, the company has emerged as one of Uttar Pradesh's leading exporters of natural essential oils, menthol, aroma chemicals, herbal extracts and fragrances. Established in 1977 and now exporting to markets including the UK, USA, Europe and UAE, the enterprise has achieved an annual export turnover of approximately ₹400 crore. Combining traditional expertise in mint and essential oils with modern processing and global quality standards, the company has positioned India as a reliable supplier in the global fragrance and flavour industry. Under Mr. Mittal's leadership, the firm has received multiple national and international recognitions, including prestigious export and innovation awards, reinforcing its status as a globally competitive fragrance exporter. The journey reflects how Uttar Pradesh's agro-based and aromatic clusters can scale into high-value global brands in the perfume and essential oils segment.



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### UPCOMING FAIRS/EVENTS

Event Name	Dates	Venue	Product Profile	Website
China International Equipment & Manufacturing Industry	18-21 March 2026	Tianjin, China	Electronics manufacturing, industrial automation,	<a href="https://tradeshows.tradeindia.com/ciex-expo/">https://tradeshows.tradeindia.com/ciex-expo/</a>
ITB Berlin 2026	3-5 March 2026	Berlin, Germany	Tourism	<a href="https://www.itb.com/en">https://www.itb.com/en</a>
Bharat Footwear & Leather Expo (BFLEX 2026)	9-10 March 2026	New Delhi, India	Leather and Footwear	<a href="https://www.bharatfootwearleatherexpo.com/">https://www.bharatfootwearleatherexpo.com/</a>
India Electronics Expo 2026	23-25 March 2026	New Delhi, India	Electronics	India Electronics Expo 2026
Electronica India 2026	8-10 April 2026	India Expo Mart, Greater Noida	Semiconductors, embedded systems,	<a href="https://tradeshows.tradeindia.com/electronica-">https://tradeshows.tradeindia.com/electronica-</a>
APLF Leather, Materials+ and Fashion	Mar 12, 2026	Hong Kong	Leather and Leather Products	<a href="https://www.aplf.com/aplf-2026/">https://www.aplf.com/aplf-2026/</a>
GTE – Garment Technology Expo	20-23 March 2026	Noida, Uttar Pradesh	Apparel machinery, accessories, sewing & textile technology	<a href="https://garmenttechnologyexpo.com/">https://garmenttechnologyexpo.com/</a>
Foodex Japan 2026	10-13 March 2026	Tokyo, Japan	Food processing industries, wine & spirits	<a href="https://foodex.jma.or.jp/en">https://foodex.jma.or.jp/en</a>
International Food & Drink Event (IFE) 2026	30 March-1 April 2026	London, UK	Food & Drinks	<a href="https://www.ife.co.uk">https://www.ife.co.uk</a>
Plastic Packaging Printing Expo 2026	10-13 April 2026	Chennai, India	Plastics, packaging and printing	<a href="https://www.tradeindia.com/tradeshows/14555">https://www.tradeindia.com/tradeshows/14555</a>

#### FOR QUERIES/SUGGESTIONS

For any queries, suggestions, or grievances related to exports or the UP Export Promotion Policy 2025-30, exporters are requested to raise tickets through the official portal of Uttar Pradesh Export Promotion Council (UPEPC).

<https://upepc.org/Home/SuggestionForm>

#### MEMBERSHIP OF UPEPC – MANDATORY TO AVAIL EXPORT INCENTIVES

To avail financial and non-financial incentives under the UP Export Promotion Policy 2025-30, exporters must be registered as members of UPEPC.

For further details, please visit: <https://upepc.org/Home/MembershipDetail>

Stay in Touch..

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