The 2026 EU–India free trade agreement: why it matters for global health and trade

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Covering a combined population of nearly two billion people and approximately a quarter of the global gross domestic product, the 2026 free trade agreement (FTA) between the EU and India has been described as "the largest trade agreement that both the EU and India have ever concluded".[1] Geopolitical developments acted as a catalyst, urging closer collaboration to decrease dependency on the USA and China and to bolster trade and collaboration between the world's two largest democracies.

With trade in health products being central to both parties, we examine key provisions in the FTA that can provide a model for future agreements to better align trade policy with global health priorities (Table 1).[1–3]

Tariff elimination will likely benefit both trading partners, yet zero-duty imports could undermine India's fledgling domestic medical devices sector (India imports 70–90% of its devices), potentially working against initiatives such as 'Make in India' and the Production Linked Incentive Schemes.[4] Success for Indian exporters relies on their ability to meet the EU's stringent regulatory standards. In the EU, where generics account for 90% of critical medicine use,[5] this FTA will likely boost the availability of quality-assured, yet scarce and/or unaffordable medicines. While this may counteract self-reliance as set out in the Critical Medicines Act,[6] it can also be a complementary strategy for a sustainable access to medicines. In addition, European countries will be able to diversify access to health providers and therapeutic approaches.

Heightened intellectual property (IP) protection, such as patent term extensions or data exclusivity, which go beyond the Trade-Related Aspects of IP Rights (TRIPS) agreement, contributed to the failed former EU-India FTA negotiations (2007–2013) but were still part of the EU's FTA proposal in 2022. The lack of these TRIPS-plus measures in the concluded FTA highlights India's strong negotiating power as a major producer and supplier of affordable generics to low-and-middle-income countries and supports access to quality-assured medicines globally.[7] It may also inspire IP reform elsewhere (e.g., India's anti-evergreening provisions get emulated by Global South countries).[8] However, strong trade secret protection provisions in this FTA—consistent with the EU's drive to bolster its biotechnology, innovative medicines and AI-based research environments—risk widening the access-to-medicines-gap in India.

The "most-favoured nation" clause in the FTA ensures that no third party can receive a better trade deal

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Trade Context	European Union		India	
Bilateral trade in health products and current tariffs (2024)	Health-product exports to India: €3.4 billion optical/medical/surgical equipment (27.5% tariffs); €1.1 billion pharmaceuticals (11% tariffs).		Pharmaceutical exports to the EU: €3.0 billion (6.7% tariffs).	
FTA provision	**State of affairs**	**Public health outcome**	**State of affairs**	**Public health outcome**
Provisions within the free trade agreement				
Reduction/ elimination of tariffs	Applies to 99% of Indian goods.	Likely to make Indian health products cheaper.	Applies to 96.6% of imported EU goods to India.	Likely to make EU health products cheaper.
Patent provision	EU proposal on TRIPS-plus patent requirements negotiated out of the agreement.[a]	Providing potentially quicker access to Indian generics.	No TRIPS-plus requirements; Doha Declaration upheld.	Providing potentially quicker access to generics, including in Global South countries India exports to.
Regulatory standards	Remain unchanged.	Ensuring access to quality-assured medicines.	Regulatory standards could be a bottleneck for some Indian pharmaceutical exporters.[a]	Stronger standards help ensure access to quality-assured medicines in India.
Trade-secret standards	EU asserted position in favour of trade-secret standards.	Benefits for European producers, especially for biologics. May undermine access to Indian biosimilars.[b]	Trade-secret protection may hinder local production and competition.[a]	Will likely undermine affordable access for vaccines and NCD health products in India.[b]
Most-favoured-nation status (MFN)	MFN for mutually agreed sectors.	Likely beneficial for the EU, with predictable trade in health products.	MFN for mutually agreed sectors.	Likely beneficial for India, with predictable trade in health products. May harm the livelihood and health of textile workers in neighbouring Pakistan and Bangladesh.[b]
Therapeutic plurality	Access to traditional Indian healing systems (AYUSH).	Diversifying therapeutic approaches for EU residents.	AYUSH is recognized in the FTA.	New job market for AYUSH practitioners.
Closely related processes				
Horizon Europe expansion	Formal association of India with Horizon Europe negotiated.	Bolstering collaboration in digital-health and AI innovation.	Formal association with Horizon Europe negotiated.	Access to EU funding for health research; bolstering collaboration in digital-health and AI innovation.
Environmental protection (CBAM, ERA)	Environmental risk assessment and CBAM certificates obligatory.	Positive outcomes for AMR and climate change; possible closer EU–India collaboration against AMR.	Causing additional short-term costs.[a]	Positive outcomes for AMR and climate change; possible closer EU–India collaboration against AMR.

Outcomes without a symbol are expected to be positive or at least neutral for public health. AMR: antimicrobial resistance; AYUSH: Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy; CBAM: Carbon Border Adjustment Mechanism; ERA: environmental risk assessment; FTA: Free-trade agreement; MFN: Most-favoured nation status; NCD: non-communicable diseases. [a]Denotes a negative negotiation outcome for the party concerned. [b]Denotes an expected negative public health effect.

Table 1: **Public health (PH)-relevant provisions in the EU-India FTA and closely related processes.**

for mutually agreed sectors. It may, however, harm the textile industry of India's neighbours, who currently enjoy tariff-free EU access, with likely revenue and job losses affecting the health and livelihood of their workers.

Beyond this FTA, the cooperation can benefit global health through closely related processes: India is negotiating formal association with Horizon Europe,[9] the EU's research and innovation programme which is currently planning its Framework Programme for 2028–2034. This would grant Indian researchers direct access to Horizon Europe funding, bolstering collaboration in digital health/AI innovations. True partnership should, however, extend to agenda setting and joint research priorities.

Environmentally, the EU's Carbon Border Adjustment Mechanism (CBAM)—a carbon certificate to be purchased on import and export products such as steel, cement, aluminium, or fertilizers—will uphold environmental considerations. Also, the EU's revised marketing authorisation rules for medicines require obligatory environmental risk assessments (ERAs) including of manufacturing in third countries. Where these rules and mechanisms are not respected, the EU may deny import or market approval, which can potentially strengthen environmental protection in non-EU countries.[10] Both policies may also help combat antimicrobial resistance (AMR). Though both parties face distinct AMR burdens, resistant organisms respect no borders, requiring mobile response tools and joint and effective responses.

The EU and India have thus made concessions in their FTA that will benefit global health, and the FTA's cooperative spirit may carry over into ongoing pandemic preparedness negotiations, notably around compulsory data sharing in Pathogen Access and Benefit Sharing (PABS), to which the EU has so far shown strict opposition despite its commitment to global pandemic preparedness.

While the FTA's text may still evolve through legal revisions, the agreement has real potential to improve health determinants and to expand access to affordable medicines. India's association with Horizon Europe would further enable joint research on shared global health challenges. Potential negative impacts on other health determinants, including spill-overs to India's neighbouring countries, will require careful monitoring and action. The FTA will need to be judged on its potential to become a blueprint for a new generation of partnerships that strengthen coherence between trade and health policies and bolster global health.

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Declaration of interests

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