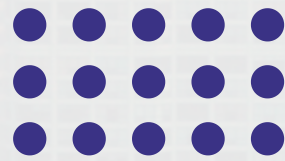




The Council of EU Chambers of Commerce in India

EU-INDIA BUSINESS INSIGHTS

February 2026



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FROM THE PRESIDENT'S DESK

Mr. Rajeev Sharma President

It is with a sense of renewed energy and purpose that I welcome you to the February 2026 edition of our newsletter. As we move past the initial reflections of the New Year, this month serves as a vital bridge—a period to consolidate our recent achievements and navigate an exceptionally busy and impactful first quarter. The momentum generated by our recent interactions continues to reinforce the Chamber's role in not just facilitating dialogue, but in actively shaping the corridors of trade and innovation between the European Union and India.

A primary focus for us this month has been decoding the fiscal landscape following the session held on February 3, 2026, at the Deloitte office. Titled "Insights into Union Budget 2026: What Businesses Need to Know—Key Reforms, Incentives & Impact," this discussion provided a critical roadmap for our partners. As the new budgetary provisions begin to take effect, the Council is dedicated to helping our member companies understand how these reforms influence investment flows and operational costs within the EU-India business corridor.

In tandem with domestic fiscal updates, we are keeping a close watch on the evolving dynamics of the EU-India Free Trade Agreement (FTA). The negotiations represent a cornerstone for our future economic partnership, promising to streamline market access and harmonize regulatory standards. The Chamber remains committed to providing high-level insights into the FTA's progress, ensuring that our members are positioned to capitalize on the reduced barriers and enhanced bilateral cooperation that this landmark agreement aims to deliver.

Beyond policy and trade frameworks, we continue to provide the deep-dive technical analysis you rely on to stay ahead of market shifts. In this issue, we feature a comprehensive look at the Shipping and Logistics sector, alongside practical guidance in our Experts' Corner. Furthermore, our Legal Lexicon and updated sector reports remain integral tools for navigating the complexities of the current regulatory environment.

The Council remains steadfast in its mission to be your trusted partner and bridge-builder during these transformative times. Whether navigating the implications of the Union Budget or preparing for the new era of the FTA, we are committed to ensuring that 2026 is a year of unprecedented growth and collaboration for all our members. We look forward to your continued engagement as we work together to strengthen the ties between our two great regions.

As we look toward the horizon of the coming year, our commitment to fostering a vibrant and interconnected business community has never been stronger. We understand that the true value of the Chamber lies in the collective strength of our members and our shared vision for a more integrated EU-India economic landscape. Through continuous advocacy, specialized sector support, and high-impact networking opportunities, we aim to empower every member to achieve their strategic goals while contributing to the larger narrative of international cooperation. Your success is our primary objective, and we will continue to innovate our services and outreach to ensure the Council remains the premier platform for professional excellence and bilateral growth in India.

EU-INDIA UPDATES



TRADE, MARKET ACCESS & FTA MOMENTUM

Trade deals lift India's external outlook: CareEdge said India's trade breakthroughs with the EU and the US, alongside a calibrated fiscal roadmap, are strengthening India's credit fundamentals and export visibility—especially for labour-intensive sectors.

Consumer brands position for post-FTA tariff gains: Titan indicated that lower duties under the India-EU FTA could improve the competitiveness of Swiss watch brands in India, supporting premium segment growth.

CBAM pressure becomes a policy flashpoint: India's steel secretary said the government will support steel exporters facing continued headwinds from the EU's CBAM regime and related trade frictions, prompting diversification beyond Europe.

India ramps up steel decarbonisation to address EU CBAM: As the EU's Carbon Border Adjustment Mechanism takes effect in 2026, India is advancing a Carbon Credit Trading Scheme, promoting hydrogen-based green steel production, expanding specialty steel under the PLI scheme, and encouraging export diversification beyond Europe to mitigate carbon-related trade pressures and enhance long-term competitiveness.



France and India deepen defense and AI cooperation: India is strengthening its military cooperation with France while simultaneously pushing ahead with its digital ambitions. At the India AI Impact Summit, the country wants to expand its role as a global actor.

DIPLOMACY, DIALOGUE & STRATEGIC SIGNALS

India-EU Forum convenes Track 1.5 engagement: The MEA noted the inaugural India-EU Forum (6-7 Feb, New Delhi) brought together policymakers, industry, think tanks and academia across 16 thematic sessions spanning trade, technology, energy, connectivity, defence and mobility.

EU competitiveness debate sharpens the "strategic partnership" context: EU leaders met to discuss steps to boost productivity, innovation and economic resilience amid rivalry with China and uncertainty over the US—an environment that heightens the value of dependable partners and diversified supply chains.



ENERGY, SANCTIONS & SUPPLY CHAINS

Russian oil flows to India slump due to EU curbs: Indian imports of Russian crude fell to ~1.1 mb/d in Jan 2026, with refiners reacting to new EU restrictions on refined products derived from Russian oil.

INVESTMENT & CORPORATE MOVES WITH EU LINKAGES

- **French infrastructure major edges toward re-entering India:** French concessions and construction company Vinci SA is nearing a ~\$2billion (~1.68 Euro @\$1 USD = 0.8429 EUR) deal for India road assets owned by Australian asset manager Macquarie Group, paving the way for its return to India after 11 years. Once completed, the deal is likely to see the transfer of 9 toll road projects spanning 681 kms in Andhra Pradesh and Gujarat from the Macquarie Group to Vinci SA.
- **Tata Motors faces lingering impact of a cyber-attack incident:** Tata Motors remained impacted by the Jaguar Land Rover cyber-attack, with plants returning to normal production and expectations of improvement in Q4 FY2026.

REGULATION, STANDARDS & ALIGNMENT WITH EUROPE

- **India aligns testing to European vehicle standards:** India will shift to the Worldwide Harmonised Light Vehicle Test Procedure (WLTP) cycle for BS6 testing from April 2027, tightening “real-world” certification and aligning pollutant testing more closely with European norms.



TRADE, MARKET ACCESS & FTA IMPLEMENTATION

- **CBAM remains intact under FTA talks:** German officials clarified that the EU’s Carbon Border Adjustment Mechanism (CBAM) will not allow country exemptions, though technical discussions under the India–EU FTA will seek practical solutions.
- **Draft FTA text signals WTO guardrails and digital trade cooperation:** India and the EU are considering MFN-like protections for five years and commitments to avoid new trade barriers beyond WTO rules, alongside enhanced digital trade provisions.

- **India must respond to evolving sustainability trade rules:** Sustainability-linked standards increasingly determine market access, requiring proactive engagement in global rule-setting.
- **Government to partly fund EU compliance costs:** Minister Piyush Goyal says the government will support exporters facing CBAM and REACH compliance costs through the Export Promotion Mission.
- **Trade deals may boost India’s agri exports:** US and EU trade agreements could unlock significant export growth potential for India’s agriculture sector.



REGULATION, FINANCE & MARKET INFRASTRUCTURE

- **Clearing house supervision issue eases:** The EU stepped back from direct supervision demands over India’s CCIL (Clearing Corporation of India Ltd) following an RBI–ESMA (European Securities and Markets Authority) MoU, reducing regulatory friction.
- **India–France tax treaty reset:** India revised dividend withholding structures and removed the MFN clause in its tax treaty with France, potentially altering capital flows.
- **P-note trade impact flagged:** India–France tax changes may affect participatory note structures used by offshore investors.



DIPLOMACY, STRATEGY & DEFENCE COOPERATION

- **India-France ties upgraded to Special Global Strategic Partnership:** Leaders announced deeper institutional coordination and long-term roadmap.
- **AI and innovation emphasised as strategic pillars:** Cooperation increasingly includes AI governance, critical minerals, and advanced technology collaboration.
- **Rafale co-production milestone:** Expanded defence manufacturing cooperation under Make in India.
- **EU-India FTA seen as catalyst for AI and resilient supply chains:** Austrian officials described the FTA as transformative for trade and AI cooperation.

INVESTMENT & CORPORATE DEVELOPMENTS

- **CIE (Cambridge International Education) Automotive banks on India for growth; Europe recovery is crucial:** CIE's shares are up about 20% in the past one month. The recent rally looks like the street is pricing in a better 2026-2027. The stock won't look too pricey if this recovery sustains.
- **Siemens highlights India talent advantage amid Germany's workforce challenges:** A board member of Siemens Germany who is also the Chief People and Sustainability Officer cautioned that Germany will lose 15-20% of its workforce over the next decade due to demographics. This is why India is central to its strategy of a capability hub.
- **India seen as key gainer in EU leather exports:** India's leather and footwear industry is poised for a major export surge following the India-EU trade pact, which eliminated a 17% import tariff.





DECODING INDIA'S CYBERSPACE REGULATORY LANDSCAPE

Clarity, Complexities & Competitive Advantages

Cyberspace is no longer a peripheral policy concern. It sits at the heart of global economic diplomacy. Digital trade, artificial intelligence (AI), cyber-security and data protection have become strategic levers shaping competitiveness, national security, and cross-border trust. As economies digitise at scale, regulatory choices increasingly determine where data and innovation flow and which countries emerge as preferred partners. India's focus is on viewing cyber security as a strategic differentiator for business growth.

In this context, India and the European Union stand out as two of the world's largest digital geographies. Both seek to balance innovation with accountability, economic growth with citizen protection and openness with strategic autonomy. India's rapidly evolving cyber and digital regulatory framework, therefore, carries implications far beyond its borders, directly influencing EU-India trade, technology partnerships and long-term economic engagement.

According to the Federation of Indian Chambers of Commerce and Industry-EY Risk Survey 2026, cyber-security has emerged as the most influential factor shaping organisational performance, with 61 per cent of surveyed business leaders identifying it as a primary concern. More than half of the respondents also reported increasing anxiety around insider-driven data theft and fraud. Artificial intelligence presents a dual challenge. Nearly 59 per cent of executives believe that slow adoption of emerging technologies such as AI is undermining operational efficiency, yet 54 per cent acknowledge that ethical and governance risks associated with AI are not being adequately addressed.

Cyber risks today directly impact operations, revenues, and stakeholder trust, making resilience and preparedness essential to business continuity. The findings underscore a clear tension: while organisations recognise AI's strategic value, many remain uncertain about how to govern and deploy it responsibly and securely.

The India AI Impact Summit 2026 highlights a strategic shift toward the Global South, emphasizing sovereign AI and responsible governance through a massive Indo-French partnership. With President Macron leading 110+ companies, the event aims to set global standards for ethical AI and innovation-driven social impact.

As a proactive move, the Reserve Bank of India, in its February 2026 Monetary Policy Committee meeting, emphasised consumer protection against cyber-enabled fraud. Governor Sanjay Malhotra announced a proposed framework to compensate victims of small-value digital frauds, offering up to ₹25,000 or 85 per cent of the loss for qualifying cases, even where customers may have shared one-time passwords during the unauthorized transaction. The RBI indicated that a draft of these guidelines will be released soon for wider consultation. This initiative signals a regulatory focus on mitigating cyber risks in digital payments and enhancing trust in India's rapidly expanding digital financial ecosystem.



REGULATORY COMPLIANCE

India's approach to cyberspace regulation is best understood as a layered and evolving architecture rather than a single, consolidated framework. Over the past few years, the focus has been on building foundational laws, strengthening enforcement capacity, and aligning regulation with India's development priorities.

At the centre of this architecture lies the Digital Personal Data Protection Act (DPDPA), an Act that establishes a consent-based framework for personal data processing, defines obligations for data fiduciaries and introduces penalties for non-compliance. While designed to protect individual privacy, it also seeks to enable innovation by adopting a principle-based approach rather than overly prescriptive rules.

Cyber-security oversight is reinforced through CERT-In directives^[1], which mandate incident reporting timelines, log retention requirements and security obligations for service providers. These measures reflect India's heightened concern around cyber resilience, particularly as digital infrastructure underpins essential services, finance and governance.

Complementing these instruments is the National Cyber-security Strategy (NCS), which is currently under development. The strategy is expected to provide an overarching framework that aligns sectoral regulations, strengthens institutional coordination, and addresses emerging threats, such as supply-chain vulnerabilities and AI-enabled cyber risks.

Beyond data and cyber-security, India is actively shaping policy in adjacent domains—AI governance, digital competition and semi-conductor manufacturing. Rather than adopting a single AI law, India is signalling a calibrated, use-case-driven approach that emphasises responsible innovation, sectoral safeguards, and domestic capability building. Incentives for semiconductor fabrication and advanced manufacturing further underline India's ambition to play a larger role in global technology value chains.

EU-India Regulatory Approaches

A comparison between India's regulatory trajectory and the EU's established digital frameworks reveals that both convergence and divergence in regulatory philosophy.



In the realm of data protection, GDPR^[2] and DPDPA share common principles, such as consent, purpose limitation and accountability. However, differences remain in areas such as cross-border data transfers, exemptions for states development activities and the operationalization of consent. While GDPR is detailed and rights-centric, DPDPA adopts a more flexible structure aimed at balancing privacy with scale and innovation.

AI governance provides another contrast. The EU AI Act introduces a risk-based classification system with binding obligations for high-risk AI systems. India, by contrast, is pursuing a more adaptive approach, focusing on ethical guidelines, sector-specific guardrails, and innovation sandboxes rather than comprehensive ex-ante regulation. This reflects differing stages of technological maturity and economic priorities, but also opens avenues for regulatory dialogue and alignment.

Digital competition policy further illustrates nuanced differences. The EU's Digital Markets Act (DMA) proactively targets gatekeeper platforms^[3] through ex-ante obligations (i.e., proactive, forward-looking rules imposed on companies, particularly dominant digital platforms or utilities, to prevent anti-competitive behaviour or market failures before they occur). India relies more heavily on its competition authority to address market dominance and anti-competitive practices through case-by-case oversight. While the tools differ, both jurisdictions share concerns around market concentration, data asymmetries and fair competition in digital markets.

^[1]CERT-In directives (issued April 2022) are mandatory cyber-security regulations for Indian organizations, including service-providers, data centres, and cloud providers, requiring 6-hour incident reporting, log retention, and strict user data management. These directives aim to enhance India's cyber-security framework and ensure a safe, trusted internet.

^[2]General Data Protection Regulation

^[3] Gatekeeper platforms are large digital companies—such as search engines, app stores, and social media networks—that control access to essential digital services, acting as dominant intermediaries between businesses and consumers. Designated under the EU's Digital Markets Act (DMA), they possess significant market power, often creating bottlenecks that restrict fair competition.



Complexities in Cyber-security and Regulation for Global Firms

For EU-based and global companies operating in India, the regulatory environment presents both opportunities and challenges.

One of the most significant areas of complexity is data localisation. While India has moved away from blanket localisation mandates, sector-specific requirements—particularly in financial services, telecom and critical infrastructure—continue to shape data architecture decisions. Navigating these rules require careful legal and operational planning.

Another challenge arises from sector-specific cyber-security regulations, which vary across banking, insurance, payments, health, and digital services. Compliance often involves engaging with multiple regulators, each with distinct reporting, audit, and security requirements.

The need for greater harmonisation across ministries and regulators remains a recurring concern. While coordination has improved, overlaps and interpretational ambiguities can increase compliance costs and uncertainties—especially for smaller firms and new market entrants.

For SMEs and foreign players, these complexities translate into higher compliance burdens, the need for local partnerships, and sustained engagement with regulators. At the same time, firms that successfully navigate the regulatory landscape often gain early-mover advantages in one of the world's fastest-growing digital markets.

Opportunities for EU-India Technology Convergence

Despite regulatory complexity, the evolving landscape offers substantial opportunities for EU-India collaboration.

A key priority is the potential for a trusted data flows agreement under the broader EU-India trade framework. Such an arrangement could provide legal certainty for cross-border data transfers, while upholding high standards of privacy and security, benefiting businesses on both sides.

There is also scope for joint AI governance frameworks that align ethical principles, transparency requirements, and accountability mechanisms. Cooperation in this area could help shape global norms for responsible AI, while enabling innovation and scale.

Semiconductor cooperation represents another strategic opportunity. With the EU's technological expertise and India's manufacturing incentives and market scale, deeper collaboration could enhance supply-chain resilience and reduce dependence on concentrated geographies.

Finally, cross-border cyber-security readiness frameworks, including information-sharing mechanisms, joint capacity building, and incident response cooperation, can strengthen collective resilience against increasingly sophisticated cyber threats.

Against this backdrop, the India AI Impact Summit 2026 (Feb 16–20) marks a historic milestone as the first global AI summit hosted in the Global South. The high-profile presence of President Emmanuel Macron and a massive delegation of 110+ French companies underscores the summit's strategic weight.

Key themes focus on AI for Social Impact, Sovereign AI, and Responsible Governance. Discussions will center on bridging the digital divide, ethical development, and standardizing global AI regulations. By launching the Indo-French Year of Innovation, the summit positions India and France as leaders in shaping a democratic, inclusive, and innovation-driven AI future.



India's Competitive Advantages in Cyberspace

India's regulatory evolution is underpinned by structural advantages that make it an increasingly attractive digital partner.

Its vast digital population generates diverse datasets across languages, use-cases, and socio-economic contexts—providing a unique foundation for AI development and digital innovation. India's Digital Public Infrastructure (DPI), spanning digital identity, payments, and data exchange, is globally recognised for its scale, interoperability, and cost efficiency.

Combined with low-cost computing capabilities and a deep AI talent pool, these factors position India as both a market and a technology partner of choice. Equally important is India's innovation sandbox culture, led by institutions such as MeitY, RBI, and SEBI, which allow controlled experimentation while maintaining regulatory oversight.



A FUTURE OF DIGITAL TRUST

Cyber regulation will increasingly define trust, trade and technology flows in the global economy. India's evolving regulatory landscape reflects an effort to balance growth, security, and sovereignty—while remaining open to global engagement.

For the European Union and India, the opportunity lies in moving from regulatory comparison to regulatory collaboration. By aligning principles, building mutual trust, and leveraging complementary strengths, both can play a defining role in shaping global norms for democratic, ethical and inclusive digital ecosystems.

FROM CONTRACT TO COURTROOM

Managing Legal Risk in EU-India Commercial Partnerships

Krrishan Singhania
Co-Chairman
Legal & Regulatory Committee

Trade and investment between India and the European Union are entering a new phase -European companies are expanding manufacturing operations, entering technology collaborations, sourcing from Indian suppliers, and investing in infrastructure and services. At the same time, Indian enterprises are increasingly active across European markets.

With this growth comes legal complexity. The most successful India-EU partnerships are not those that avoid risk, but those that manage it intelligently - beginning at the contract stage and, if necessary, navigating disputes with strategic clarity.

The Contract: Your First Line of Risk Management

In cross-border partnerships, the contract is more than documentation, it is the primary instrument of risk allocation.

For European businesses engaging with Indian counterparties, particular attention should be paid to:

- Clear performance standards and delivery milestones
- Carefully structured intellectual property ownership
- Balanced limitation of liability and indemnity provisions
- Robust termination and exit mechanisms
- Governing law and dispute resolution clarity

Ambiguity in drafting is one of the most common triggers of disputes. Indian courts interpret contracts carefully and increasingly adopt a commercial approach, but precision remains essential. A well-structured agreement significantly reduces uncertainty if disagreements arise.

Choosing the Right Dispute Resolution Mechanism

India's dispute resolution framework has evolved considerably over the past decade. The Arbitration and Conciliation Act, 1996 has been strengthened through amendments designed to promote efficiency and limit judicial interference. The Supreme Court of India has consistently reinforced a pro-arbitration approach, particularly in the enforcement of foreign arbitral awards.

Arbitration, whether seated in India or in a neutral venue, is now a reliable option for many cross-border transactions. Indian courts have generally supported enforcement of foreign awards, subject to narrow public policy exceptions.

Litigation in commercial courts has also improved, especially in major jurisdictions. However, parties should evaluate enforcement practicality, asset location, and counterparty profile before deciding on their dispute resolution strategy. The right choice depends on the transaction structure and long-term commercial objectives.

INTELLECTUAL PROPERTY: Structuring Before Protecting

For many EU companies, intellectual property is the core asset in India-facing transactions whether in pharmaceuticals, technology, renewable energy, or branded consumer goods.

India's IP administration, overseen by Intellectual Property India, has modernized filing systems and reduced processing timelines. Courts such as the Delhi High Court have developed strong expertise in IP enforcement and regularly grant interim injunctions in appropriate cases.

However, effective protection begins long before litigation:

- Early registration of trademarks and patents in India
- Clear contractual allocation of ownership in joint ventures
- Strong confidentiality and non-disclosure clauses
- Monitoring distribution channels and digital platforms

In India, trade secret protection is largely contractual. This makes disciplined drafting and internal compliance controls especially important.



ENFORCEMENT: Planning for the End at the Beginning

A common oversight in international transactions is insufficient attention to enforcement realities. Before entering into any partnership, businesses should assess:

- Where assets are located
- The financial strength of the counterparty
- Practical recoverability of damages
- Availability of interim relief

Indian courts have demonstrated readiness to grant injunctions and protective orders when warranted. However, enforcement strategy should be built into transaction planning — not improvised after a dispute arises.

REGULATORY AND COMPLIANCE CONSIDERATIONS

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A STRATEGIC PERSPECTIVE

India today is not merely an alternative sourcing destination; it is a central pillar of global supply chains and a significant consumer market in its own right. As India–EU commercial engagement deepens, legal architecture must evolve alongside commercial ambition.

The pathway from contract to courtroom — if it ever becomes necessary — should be predictable, structured, and manageable. Clear drafting, informed dispute resolution choices, robust IP planning, and proactive compliance together create resilience.

Cross-border partnerships thrive not because risk disappears, but because it is anticipated and intelligently allocated. In India–EU commerce, foresight remains the most valuable form of protection.



COUNTRY SPOTLIGHT



Cyprus-India economic relations continued to demonstrate steady momentum in January 2026, characterised by robust trade flows, evolving sectoral dynamics, and deepening institutional engagement. While the trade balance remained in Cyprus's favour, emerging trends in key sectors and expanding cooperation in technology, innovation, and workforce mobility underscored the strengthening strategic dimension of the partnership.

Source: [MECR Report Cyprus](#)

CYPRUS-INDIA ECONOMIC AND COMMERCIAL ENGAGEMENT

Strengthening Trade and Strategic Collaboration

OVERVIEW OF BILATERAL TRADE

In January 2026, Cyprus's trade with India recorded a total of approximately €105.9 million, with imports from India amounting to €76.03 million and exports to India at €29.91 million, resulting in a trade deficit of €46.12 million for Cyprus.

In comparison, Cyprus's global trade reached €15.88 billion, highlighting that while India remains a relatively small share of Cyprus's total trade, it continues to be a strategically important partner with growing engagement.

India's export profile to Cyprus continues to be driven by industrial, engineering, and agri-based products, while Cypriot exports remain concentrated in metals and resource-based sectors, reflecting strong complementarities between the two economies

KEY IMPORT TRENDS FROM INDIA

India's exports to Cyprus remained dominated by organic chemicals, valued at €24.2 million, accounting for nearly 32% of total imports from India. Despite a slight decline, this category continues to anchor bilateral trade.

Several sectors recorded notable growth:

- Machinery and mechanical appliances (HS 84) grew by 43.06%, indicating rising industrial demand.
- Aluminium and articles (HS 76) surged by over 680%, reflecting infrastructure and manufacturing expansion.
- Cereals (HS 10) increased by 40.21%, reinforcing India's role in food supply chains.
- Fish and marine products and iron & steel articles also recorded healthy growth.

However, certain sectors experienced contraction:

- Electrical machinery (HS 85) declined by 31.04%
- Pharmaceutical products and ceramics also saw moderate declines

Overall, the trade pattern reflects a gradual shift toward industrial and infrastructure-linked demand, with India maintaining strong competitiveness in key value-added sectors.

Cyprus's Global Import Profile and Opportunities for India

Cyprus's imports from the world continue to be dominated by mineral fuels (€3.09 billion), vehicles (€878 million), machinery, and electrical equipment.

India's presence in several of these high-value segments remains minimal. Notably, imports of mineral fuels, ships, and vehicles show limited or negligible participation from India, highlighting strong export potential.

EXPORT PERFORMANCE TO INDIA

Cypriot exports to India were led by copper and copper products (€8.75 million), aluminium products (€5.03 million), and wood pulp and recycled paper (€4.23 million).

Other notable exports included machinery, iron and steel, and specialised industrial products. While most sectors recorded moderate growth, iron and steel exports declined, indicating volatility in commodity-driven trade.

INVESTMENT LANDSCAPE

No new bilateral or global investment inflows were recorded during the reporting period. However, Cyprus continues to position itself as a gateway to the European Union for Indian companies.

Large-scale projects such as Limassol Marina, Ayia Napa Marina, and Aphrodite Springs Resort continue to offer investment opportunities in tourism, real estate, and infrastructure.

MARKET ACCESS AND REGULATORY ENVIRONMENT

No new trade defence measures, SPS/TBT barriers, or tariff restrictions were reported during the month.

However, Cyprus continues to face structural challenges, including high dependence on imported oil, elevated greenhouse gas emissions, and gaps in digital infrastructure. These challenges simultaneously create opportunities for Indian companies in renewable energy, digital solutions, and sustainable technologies.

OUTLOOK

January 2026 highlights a shift toward an innovation-led Cyprus-India partnership. Despite modest trade, growing collaboration and stronger alignment signal deeper long-term ties.

Estonia-India economic relations continue to evolve through steady trade flows, growing digital cooperation, and expanding cultural and institutional engagement. Estonia's strong digital ecosystem, innovation-driven economy, and open business environment present significant opportunities for collaboration with India across multiple sectors.

Source: [MECR Report Estonia](#)

ESTONIA-INDIA ECONOMIC AND COMMERCIAL ENGAGEMENT

Trade Trends and Digital-Led Growth

OVERVIEW OF BILATERAL TRADE

Estonia's trade with India remains modest but diversified. In December 2025, Estonia exported goods worth approximately €7.9 million to India while importing goods worth €4.5 million. Compared to Estonia's total global trade, which exceeded €1.5 billion in exports and €1.8 billion in imports, India represents a small yet strategically relevant partner.

India's exports to Estonia are concentrated in engineering goods, electrical components, and industrial inputs, while Estonia's exports to India are driven by high-value machinery and electronic products.

KEY IMPORT TRENDS FROM INDIA

India's exports to Estonia include a mix of industrial and consumer-oriented goods. Key categories include machinery parts, electrical apparatus, insulated conductors, jute packaging materials, aluminium products, and iron and steel articles.

Specialised products such as artificial body parts and components for electric motors also feature in the trade basket, highlighting India's capability in both manufacturing and niche product segments.

The trade pattern reflects a strong presence of intermediate goods used in Estonia's industrial and construction sectors, indicating opportunities for further expansion in engineering and manufacturing supply chains.

EXPORT PERFORMANCE TO INDIA

Estonia's exports to India are led by electronic printed circuits, wiring systems, industrial machinery, and electrical control equipment. Other notable exports include metal scrap, measurement instruments, and specialised industrial machinery.

This export profile reflects Estonia's strengths in advanced electronics, precision engineering, and industrial technology, complementing India's demand for high-value equipment and components.

OPPORTUNITIES FOR INDIA

Significant untapped opportunities exist for Indian exporters in high-value segments where current market presence is negligible. These include petroleum products, natural gas, gold, and automotive products, which represent substantial import demand in Estonia.

India's growing capabilities in energy, automobiles, and precious metals trade position it well to expand its footprint in these sectors.

INSTITUTIONAL AND CULTURAL ENGAGEMENT

India-Estonia relations continue to be strengthened through cultural diplomacy and institutional outreach. Recent engagements included high-level meetings with Estonian government officials, cultural events celebrating Indian festivals, and initiatives such as the establishment of an India Corner to promote cultural exchange.

Participation in trade exhibitions and continued interaction with businesses further support bilateral engagement and commercial awareness.

ECONOMIC AND SECTORAL DEVELOPMENTS

Estonia's economy continues to be shaped by innovation, digitalisation, and sustainability initiatives. Major developments include investments in energy infrastructure such as battery storage projects, expansion of renewable energy capacity, and the implementation of long-term energy strategies.

The country's digital leadership is reinforced by initiatives such as the Eesti.ai programme, aimed at integrating artificial intelligence across sectors and boosting productivity.

Additionally, Estonia's e-Residency programme continues to attract global entrepreneurs, contributing significantly to the country's economy and reinforcing its position as a digital business hub. Macroeconomic indicators reflect a stable economic environment, with moderate inflation, strong public finances, and continued investment in high-value sectors such as technology, defence, and infrastructure.

OUTLOOK

Economic ties between Estonia and India are set to grow by leveraging their shared focus on technology and innovation. By aligning Estonia's expertise in digitalization and green energy with India's industrial scale, both nations are positioned for deeper integration across the high-tech and clean energy sectors.



India-Hungary economic relations continue to be shaped by strong industrial linkages, evolving trade patterns, and increasing investment cooperation. The bilateral economic engagement reflects complementarities in manufacturing, pharmaceuticals, engineering, and technology-driven sectors, supported by growing institutional dialogue and policy alignment.

Source: [MECR Report Hungary](#).

HUNGARY-INDIA ECONOMIC AND COMMERCIAL ENGAGEMENT

Trade Dynamics and Industrial Cooperation

OVERVIEW OF BILATERAL TRADE

Hungary's trade with India reflects a strong export-oriented structure, with Hungary exporting goods worth approximately USD 355.7 million while importing USD 79.2 million. This results in a significant trade surplus in Hungary's favour, highlighting the asymmetrical yet complementary nature of bilateral trade.

India's exports to Hungary are concentrated in pharmaceuticals, engineering goods, and intermediate industrial products, while Hungary's exports to India are dominated by high-value machinery, processing units, and specialised industrial components.

KEY IMPORT TRENDS FROM INDIA

India's exports to Hungary are led by pharmaceutical products, particularly medicaments, which account for a substantial share of imports. Engineering goods such as machinery parts, transmission shafts, and automotive components also feature prominently.

Other important categories include iron and steel products, plastic materials, tyres, and specialised chemicals. The data reflects India's competitiveness in supplying industrial inputs and intermediate goods to Hungary's manufacturing ecosystem.

At the same time, certain high-value segments such as lithium-ion batteries, advanced electronics components, and immunological products remain underpenetrated by India, indicating strong potential for export expansion.

INVESTMENT LANDSCAPE AND INDUSTRIAL DEVELOPMENTS

Hungary continues to position itself as a major manufacturing and investment hub in Europe. Indian company Motherson Group is expanding its operations in Hungary with significant investment in automotive components and research and development activities.

Global investment trends further reinforce Hungary's industrial strength. Mercedes-Benz is expanding production in Hungary, while companies such as Vulcan Shield Global and EVE Power are investing in advanced materials and battery manufacturing.

Hungary's investment promotion efforts have resulted in record levels of foreign direct investment, with projects spanning automotive, electronics, ICT, pharmaceuticals, and biotechnology sectors.

MARKET ACCESS AND REGULATORY ENVIRONMENT

No new trade barriers or tariff changes were reported during the period. However, Hungary's investment environment is characterised by regulatory complexities, administrative burdens, and sector-specific state intervention.

FDI screening mechanisms and strategic sector regulations, particularly in energy, banking, and telecommunications, influence investment decisions. While these measures aim to protect national interests, they also create challenges for foreign investors.

Additionally, ownership restrictions in sectors such as agriculture and price controls in certain industries impact the overall investment climate.

OTHER ECONOMIC DEVELOPMENTS

Hungary's economy showed mixed signals, with declining industrial output reflecting weak external demand, while tourism and air travel sectors recorded strong growth. Budapest Airport reported significant increases in passenger and cargo traffic, supported by expanded connectivity.

Inflation moderated to around 3.3%, indicating improved macroeconomic stability. However, challenges remain in sustaining industrial growth and maintaining competitiveness.

OUTLOOK

Economic ties between India and Hungary are primed for growth, fueled by industrial cooperation and the upcoming EU-India Free Trade Agreement. By linking Hungary's manufacturing hubs with India's expertise in pharmaceuticals, engineering, and tech, both nations are strengthening their roles in global supply chains.

The background of the image is a dark, textured wood wall. In the lower-left corner, a person is partially visible, sitting in a blue armchair and reading a book. In the lower-right corner, the back of a green armchair is visible. A patterned rug is on the floor in the lower-left. The text "MEMBER'S CORNER" is centered in the upper half of the image.

MEMBER'S CORNER

For sharing any information or relevant inputs, kindly contact the undersigned:
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Company- Supple Pack (India) Private Limited

Sector- Manufacturing

Opportunity / Collaboration:

The company is keen to expand their customer base in Europe and are equally open to strategic collaborations. This includes partnering with European plastic moulding companies looking to establish or strengthen their presence in India, as well as companies seeking reliable contract manufacturing partners for plastic moulded and assembled components. Their areas of interest span packaging, engineering components, furniture, toys, automotive and allied sectors, where they can add value through quality manufacturing, cost efficiency and long-term partnership.

Innovation / Milestone:

They are a leading converter of rigid plastic packaging components, including bottles, jerry cans, caps and closures, with a strong track record of scale, consistency and quality. A key milestone for them has been the commissioning of state-of-the-art manufacturing facilities that enable high-volume production while maintaining tight quality controls. In line with their sustainability focus, they have successfully adopted multi-layer moulding technology to incorporate recycled polymers into bottles without compromising performance or aesthetics. This initiative marks a significant step towards circular packaging solutions for their customers. Beyond packaging, they have expanded their capabilities to manufacture technically complex moulded components for industries such as furniture, automotive and toys, reflecting their growing engineering depth. With strategically located plants in Bangalore and near New Delhi, they are well positioned to support customers across India and global markets with reliable, scalable and innovative manufacturing solutions.

Company- Heinsenbergl Fluid Handling

Sector- Manufacturing

Opportunity / Collaboration:

Joint Venture Interest

Innovation / Milestone:

A New Initiative for Fluid Handling Equipments

Company- AJMERA ENTERPRISE

Sector- Manufacturing

Opportunity / Collaboration:

They are keen to tie up as a Distributor, Joint Venture, Vendor requirement or sourcing of any Machinery, Products, Parts, Job Work, etc.

Innovation / Milestone:

Interested to support in new innovation, manufacturing, JV, launching.

Company- Combined Logistics Solutions Private Limited

Sector- Services (e.g. Legal, Financial, Consulting, IT, etc.)

Opportunity / Collaboration:

Established in 1999, they are an AEO-certified international freight forwarder committed to providing seamless and efficient logistics solutions. With a strong global presence and decades of expertise, they ensure smooth and hassle-free transportation for businesses worldwide. From freight forwarding to customs clearance and warehousing, they offer end-to-end solutions tailored to your needs. At Combined Logistics, they believe that logistics is more than just moving goods; it is about connecting businesses, enhancing supply chains, and delivering value. Their commitment to excellence and innovation has made them a trusted name in the logistics industry.

Innovation / Milestone:

Their industry recognitions highlights their reliability, innovation, and commitment to excellence, ensuring seamless global logistics solutions that earn the trust of their valued partners.

CHAMBER'S ACTIVITIES





Insights into Union Budget 2026

What Businesses Need to Know—Key Reforms, Incentives & Impact

On 3rd February 2026, **The Council of EU Chambers of Commerce in India**, together with **Deloitte** as their Knowledge Partner, hosted the "Insights into Union Budget 2026" session at the Deloitte Knowledge Center in Parel, Mumbai. The event featured an expert economic outlook from **Dr. Shubhada Rao (QuantEco Research)**, who analyzed India's projected 7% growth and the transition to the Income Tax Act, 2025.

Technical sessions led by **Mr. Alok Agrawal** and **Mr. Jatin Kanabar** on direct taxation, along with Deloitte's indirect tax expert **Ms. Farheen Butt**, provided clarity on major reforms including the new Income Tax Act, MAT changes, and enhanced ease of doing business through digital and trust-based systems.

A high-level panel discussion moderated by **Mr. Anil Talreja**, Partner, **Deloitte India**, featured **Mr. Robin Banerjee**, Senior Vice President, **EU Chambers**, **Mr. Siladitya Sarangi**, Vice President, **EU Chambers**, **Mr. Rahul Limaye**, Country Manager – 4PL and Customs Brokerage Business, **Rhenus Logistics**; **Mr. Sandeep Gore**, Vice President Finance, **ISS Facility Services India Limited**; and **Mr. Shantanu Hundekari**, Regional Corporate Tax Operations Head – **IMEA Region, Maersk**.

The panel explored practical business implications, particularly around MSME financing, tax certainty, and regulatory simplification. The session concluded with a vote of thanks by Mr. Talreja, reinforcing the balanced and reform-driven approach of the Union Budget 2026.



Tourism & Hospitality Conclave 2026

The Council of EU Chambers of Commerce in India successfully hosted the **Tourism & Hospitality Conclave 2026** on 5th February 2026 at the Jio World Convention Centre, Mumbai, alongside OTM 2026. The conclave, themed *“Unlocking EU-India Opportunities for Tourism and Hospitality,”* brought together industry leaders, policymakers, and stakeholders to explore emerging trends and strengthen collaboration between India and the European tourism ecosystem.

The session opened with welcome remarks by **Mr. Robin Banerjee**, followed by an address from **Dr. Renu Shome**, Director General, EU Chambers, who outlined the organization’s vision for enhancing EU-India cooperation. **Ms. Sandrine Clarac**, Group Director, Fairfest Media Ltd, highlighted the global scale of OTM 2026, while **Ms. Sheetal Munshaw**, Chairperson, Tourism & Hospitality Committee, concluded the inaugural segment with a vote of thanks.

The discussions underscored the growing importance of tourism as a strategic pillar of economic engagement.

A panel discussion moderated by **Ms. Vijayta N. Raheja**, COO, K Raheja Group, featured **Mr. Rajeev Kale**, President & Country Head – Holidays, MICE, Visa, Thomas Cook (India) Ltd.; **Ms. Delna Jasoomoney**, Head – Sales & Marketing, IHCL; **Ms. Aparna C. Basumallik**, Country Head, Europamundo Vacations India; and **Ms. Anahita Avari**, Regional Head – South Asia, VFS Global.

The panel explored key themes including India’s rising global tourism footprint, the shift toward experiential travel, the role of AI and digital transformation, and improvements in visa facilitation. The session concluded with a summary by **Mr. Mandar Sharma**, Co-Chairperson, Tourism & Hospitality Committee, followed by a networking session that fostered meaningful industry connections.



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