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India-EAEU free trade agreement: new momentum in the Eurasian partnership

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Why in the news

At the APEC Summit in Shenzhen, Russian President Vladimir Putin pushed strongly for fast-tracking a free trade agreement (FTA) between India and the Russia-led Eurasian Economic Union (EAEU). He singled out India as the key market Moscow wants to seal a deal with, saying "the world's centre of gravity has shifted" and that Asia-Pacific now drives the global economy. The statement follows his September talks with Prime Minister Narendra Modi, in which the two leaders agreed to expedite negotiations with stipulated timelines.

What the EAEU is

Introduction: The Eurasian Economic Union is a five-nation economic bloc, **Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan**. It came into being in 2015 to allow the free movement of goods, services, capital and labour among members. Its executive body is the Eurasian Economic Commission (EEC).

Background of the India track: The India-EAEU FTA story began in 2015 with a Joint Study Group to examine feasibility. Its September 2016 report estimated that mutual trade liberalisation could raise bilateral trade turnover by 30 to 40 percent, depending on the depth of tariff cuts.

Where the talks stand

Terms of Reference: In August 2025 the two sides signed the Terms of Reference in Moscow to launch FTA negotiations, fixing an 18-month work plan aimed at diversifying markets for Indian businesses, including MSMEs, farmers and fishermen.

Progress: In November 2025, Commerce Secretary Rajesh Agrawal visited Moscow and reviewed progress with EEC Trade Minister Andrey Slepnev; an EAEU delegation then held the first round of talks in New Delhi, identifying goods for tariff elimination and reduction. Talks are currently centred on goods trade and non-tariff barriers; services and investment will follow in later rounds.

Related reading: The India-Japan 2+2 Dialogue: A New Stage in the Special Strategic and Global Partnership

The latest trade numbers

- **$55 billion:** India-Russia bilateral trade in the first eight months of 2026 (January-August), a 26 percent rise over the same period last year, according to Russian trade commissioner Andrey Sobolev.
- **$100 billion target:** Both countries are on track towards the target of $100 billion in annual bilateral trade by 2030.
- **Tripled coverage:** Putin said the global market covered by Russia's existing trade agreements has tripled in three years, from 185 million to nearly 570 million people, citing deals with Iran, the UAE and Mongolia, and an impending pact with Indonesia.
- **The imbalance fact:** India's total trade with the other four EAEU members (Armenia, Belarus, Kazakhstan, Kyrgyzstan) is only about $860 million, and India runs a positive trade balance with each of them; the overall deficit is driven mainly by Russian oil imports, which are likely to be kept outside the FTA.

Areas of cooperation

The two countries are exploring joint projects in **metallurgy, engineering goods, railways, aeronautics, critical minerals, agriculture, high technology and artificial intelligence**. For India, pharmaceuticals and IT services are sectors where harmonising standards can open further room.

Challenges

Payments and sanctions: Payment channels and insurance amid Western sanctions shape the pace of trade.

Trade imbalance: Returning trade to a balanced base, excluding oil, is essential for both sides, the Russian side too now speaks of "not only volumes but diversification and a more balanced structure".

Non-tariff barriers: Standards, certification and customs procedures are the real pivot of the negotiations.

The way forward

Progress in the next round on the goods list and non-tariff measures will decide whether the 18-month work plan stays on schedule. For India, an EAEU deal is part of its trade-diversification strategy; for examinations, the issue sits at the intersection of India's multi-alignment foreign policy, energy security and geo-economics.

Prelims Practice Questions

Question 1. Consider the following statements about the Eurasian Economic Union (EAEU):

Statement 1: The EAEU member states are Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan.

Statement 2: The executive body of the EAEU is the Eurasian Economic Commission (EEC).

Statement 3: The EAEU was established in 2016.

Which of the statements given above is/are correct?

(a) 1 and 2 only

(b) 2 and 3 only

(c) 1 and 3 only

(d) 1, 2 and 3

▼ **Answer and Explanation**

Correct answer: (a)

Statement 1 is correct: The EAEU is a five-nation bloc of Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan.

Statement 2 is correct: Its executive body is the Eurasian Economic Commission (EEC).

Statement 3 is incorrect: The EAEU came into being in 2015 (the treaty took effect on 1 January 2015).

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Question 2. Consider the following statements about the India-EAEU FTA negotiations:

Statement 1: The two sides signed the Terms of Reference for FTA negotiations in Moscow in August 2025.

Statement 2: The negotiations follow an 18-month work plan.

Statement 3: The negotiations are currently centred on services and investment.

Which of the statements given above is/are correct?

(a) 1 and 2 only

(b) 2 and 3 only

(c) 1 and 3 only

(d) 1, 2 and 3

▼ **Answer and Explanation**

Correct answer: (a)

Statement 1 is correct: The ToR were signed in Moscow in August 2025.

Statement 2 is correct: The ToR fixed an 18-month work plan.

Statement 3 is incorrect: Talks are currently centred on goods trade and non-tariff barriers; services and investment will follow in later rounds.

Mains Practice Question

"The India-EAEU free trade agreement is a logical extension of India's trade-diversification strategy, but its success hinges on resolving non-tariff barriers." Comment. (250 words)

Answer Outline

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Introduction:

Introduce the EAEU and the recent push for the FTA at the APEC platform (18 November 2026).

Main Body:

Opportunities, the growing $55 billion trade, the 2030 target of $100 billion, new markets for MSMEs, agriculture and fisheries; challenges, the oil-driven trade imbalance, non-tariff barriers, payment channels; the strategic dimension, the deal's place in trade diversification and multi-alignment.

Conclusion:

The agreement's worth lies in moving beyond goods to services and investment, and in building a balanced trade structure.

Frequently Asked Questions (FAQ)

When and how was the EAEU established?

The presidents of Russia, Belarus and Kazakhstan signed the Treaty on the Eurasian Economic Union in Astana on 29 May 2014; the treaty took effect on 1 January 2015. Armenia and Kyrgyzstan joined in 2015 itself. The bloc's executive body is the Eurasian Economic Commission (EEC). (Source: EEC official releases, https://eec.eaeunion.org/en/news/29-05-2014-1/ ; https://eec.eaeunion.org/en/news/01-01-2015-1/)

How does the Supreme Eurasian Economic Council differ from the Intergovernmental Council?

The Supreme Eurasian Economic Council includes the heads of the EAEU member states and is the Union's highest body. The Intergovernmental Council consists of the heads of their governments. (Source: EAEU official website, https://www.eaeunion.org/?about-info=&lang=en)

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