

# India–Oman Comprehensive Economic Partnership Agreement (CEPA)

9 June 2026

The India–Oman Comprehensive Economic Partnership Agreement (CEPA), signed on 18 December 2025, came into force on 1 June 2026, marking a major milestone in India–Oman economic relations. This is the first bilateral trade agreement that Oman has signed with any country since the United States in 2006, and India's second Free Trade Agreement in six months following the United Kingdom agreement.

## 1. Overview

By way of context, CEPA is a broad trade and economic agreement that goes well beyond reducing tariffs on goods. It covers areas such as services, investment, government procurement, dispute resolution, and regulatory cooperation. The agreement is intended to strengthen long-term economic ties between India and Oman by providing businesses and investors with greater market access, clearer rules, and a more predictable operating environment.

## 2. The Trade Relationship

India and Oman share strong and growing economic ties. Bilateral trade reached USD 10.61 billion in FY 2024–25, while India's services exports to Oman have also seen steady growth. Beyond trade, Oman serves as an important gateway to the Middle East and Africa, supported by a large Indian diaspora of nearly 700,000 people and over 6,000 Indian businesses operating in the country.

## 3. Market Access – Indian Exports

**Earlier:** Prior to the CEPA, only 15.33% of India's export value entered the Omani market at zero duty under the MFN regime.

**Post CEPA:** India secures 100% duty-free market access in Oman across 98.08% of Oman's tariff lines, covering 99.38% of India's export value (based on average for FY 2022–23). Crucially, all zero-duty concessions apply from the first day of the agreement's entry into force, providing immediate certainty to exporters.

Indian exports that earlier faced duties of up to 5%, valued at approximately USD 3.64 billion, are now expected to gain significantly from improved price competitiveness. The agreement opens export opportunities across a wide range of sectors, and details of key sectoral gains are set out below.

### 3.1 Engineering Products

**Earlier:** MFN tariffs of 0–5% on all engineering products, covering machinery, electrical equipment, automobiles, iron and steel, and non-ferrous metals.

**Post CEPA:** Engineering products receive zero-duty market access.

**Advantage:** The agreement enhances the competitiveness of Indian exporters and provides a stable alternative market amid rising protectionism in regions such as the US, EU and Mexico. Engineering

exports to Oman, which stood at USD 875.83 million in FY 2024–25, are projected to reach USD 1.3–1.6 billion by 2030.

### 3.2 Pharmaceuticals

Earlier: Oman's pharmaceutical market remained heavily import-dependent. Pharmaceutical products were subject to applicable duties and standard regulatory approval processes.

Post CEPA: Binding zero-duty access is provided for key finished medicines, vaccines, and core active pharmaceutical ingredients (including penicillins, streptomycins, tetracyclines, and erythromycins). Products approved by recognised stringent regulators such as the USFDA, EMA, UK MHRA, and TGA are eligible for fast-tracked marketing authorisations within ninety (90) days (without prior inspections), with acceptance of GMP certificates and inspection outcomes.

Advantage: The agreement reduces approval timelines and compliance requirements, facilitating quicker market entry into Oman's pharmaceutical market, which is projected to grow from USD 302.84 million in 2024 to USD 473.71 million by 2031.

### 3.3 Textiles and Apparel

Earlier: Indian textile and apparel products faced import duties of around 5%.

Post CEPA: Indian textile and apparel products now receive zero-duty market access.

Advantage: Key segments positioned for growth include readymade garments (USD 87.0 million), made-ups (USD 17.4 million), MMF textiles (USD 11.2 million), and jute products (USD 7.3 million). Duty-free access strengthens India's competitive position against major suppliers such as China, Bangladesh, Türkiye, and the UAE.

### 3.4 Electronics

Earlier: Oman imported electronic goods worth USD 3 billion in 2024, while India's exports stood at USD 123 million. The import of most electronics is already exempt in Oman.

Post CEPA: Under the CEPA, remaining items (boards and cabinets, static converters, and television reception apparatus) also move to zero duty, improving tariff certainty.

### 3.5 Chemicals

Earlier: Oman imported USD 3.13 billion worth of chemicals in 2024. Key chemical categories, including inorganic chemicals, organic chemicals, and chemical products, were subject to a 5 per cent tariff.

Post CEPA: Immediate zero-duty access is provided for the chemical categories given above.

### 3.6 Other Key Sectors

Post CEPA: Marine products, plastics, gems and jewellery, and agricultural products all receive immediate duty-free access.

Advantage: Particular opportunities exist in agriculture and processed food, where Oman's imports increased from USD 4.51 billion in 2020 to USD 5.97 billion in 2024, with India ranking as the second-largest supplier.

## 4. Market Access - Indian Imports from Oman

India has offered tariff liberalization on 77.79% of its total tariff lines, covering 94.81% of India's imports from Oman by value.

For products of export interest to Oman that are sensitive to India, the offer is mostly a tariff-rate quota (TRQ) based tariff liberalization.

Sensitive products have been kept in the exclusion category without offering concessions, especially agricultural products (dairy, tea, coffee, rubber, tobacco), gold and silver bullion and jewelry, labour-intensive products such as footwear and sports goods, and scrap of base metals.

## 5. Services, Investment, and Professional Mobility

The services component of the CEPA is ambitious and wide-ranging. Oman has offered commitments across 127 sub-sectors representing GATS / Best FTA-plus commitments covering computer-related services, business and professional services, audio-visual services, R&D, education, environmental services, health, and tourism-related services.

Key highlights of the services and mobility framework include:

- Intra -Corporate Transferee (ICT)

Earlier: The Intra-Corporate Transferee (ICT) ceiling was 20%. Contractual Service Suppliers were permitted to stay for up to ninety (90) days.

Post CEPA: The Intra-Corporate Transferee (ICT) ceiling has been raised to 50%, enabling Indian companies to deploy more managerial and specialist staff. The permitted duration of stay for Contractual Service Suppliers has been extended to two (2) years, with the possibility of a further two-year extension. More liberal entry and stay conditions apply for skilled professionals in accountancy, taxation, architecture, and medical and allied service.

- The CEPA provides for 100% Foreign Direct Investment by Indian companies in major services sectors in Oman through commercial presence (Mode 3). Both sides have also agreed to hold future discussions on social security coordination once Oman's contributory social security system is implemented.
- A landmark element is Oman's commitment on Traditional Medicine across all modes of supply, the first such comprehensive commitment by any country, creating a significant opportunity for India's AYUSH and wellness sectors.

## 6. Regulatory Cooperation and Trade Facilitation

- The CEPA contains dedicated provisions on Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) measures, emphasising the use of international standards, transparency, and consultation mechanisms. Mandatory acceptance of certificates issued by the Export Inspection Council (EIC) facilitates trade and helps avoid unnecessary testing and inspection of Indian exports at the port of arrival in Oman.
- Key regulatory facilitations include mutual recognition arrangements for Halal certification, acceptance of India's National Programme for Organic Production (NPOP) certification for organic products, and enhanced cooperation in standards and conformity assessment.

## 7. Rules of Origin and Certificates of Origin

Goods must satisfy the CEPA's Rules of Origin to qualify for preferential tariff treatment. Origin may be established through the 'Wholly Obtained' criterion or Product Specific Rules, which variously require value addition thresholds of 45%, 40%, 35%, 20%, 7%, 6 %, 3.5%, 3% or 1.5% depending on the product. Both the build-down and build-up methods are available for calculating regional value content.

Electronic Preferential Certificates of Origin (eCOO) are issued through the Trade Connect ePlatform ([www.trade.gov.in](http://www.trade.gov.in)), which serves as the unified digital platform for application and issuance of all eCOOs for Indian exports. Applicants may select the agreement name as 'India Oman CEPA (Agency Issued)' and, upon approval by the authorised agency, an electronic copy of the eCOO with QR code and digital signature is generated by the system.

## 8. Implementing Notifications

The following notifications give effect to the CEPA from 1 June 2026:

- Notification No. 48/2026 - Customs (NT) dated 29 May 2026, prescribing the Rules of Origin for preferential treatment under the India-Oman CEPA.
- Notification No. 20/2026 - Customs dated 31 May 2026, exempting import of certain goods from whole or partial customs duty and Additional Duty of Customs (AIDC), and providing tariff-rate quotas for goods imported from Oman.
- Trade Notice No. 06/2026-2027 dated 29 May 2026, introducing electronic filing and issuance of Preferential Certificates of Origin under the India-Oman CEPA with effect from 1 June 2026.

## 9. Supply Chain and Strategic Significance

Oman offers Indian exporters a gateway to the wider GCC and East African markets, supported by logistics hubs such as Sohar, Duqm, and Salalah. With enhanced access to Oman's import market of over USD 28 billion, supported by streamlined regulatory procedures, reduced compliance requirements, and faster market entry, Indian exporters are well positioned to expand their presence across multiple product segments. The agreement supports closer industrial cooperation, with Oman offering opportunities for secure feedstock access, industrial co-location, and green inputs, positioning both countries for longer-term collaboration in petrochemicals, green hydrogen, and value chains linked to Gulf and Africa markets.

## 10. What This Means for Your Business

Whether you are an exporter seeking to diversify markets, a manufacturer looking at supply chain efficiencies through the India-Oman corridor, or a services provider considering expansion into the Gulf region, the India-Oman CEPA presents material opportunities. The immediate elimination of tariffs across virtually all product lines, combined with enhanced services commitments and professional mobility provisions, creates a conducive environment for cross-border commercial engagement.

Our team would be delighted to discuss how businesses can leverage the CEPA, including through strategic advice on rules of origin compliance, tariff classification, investment facilitation, service delivery structures, and supply chain optimisation across the India-Oman corridor.

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