

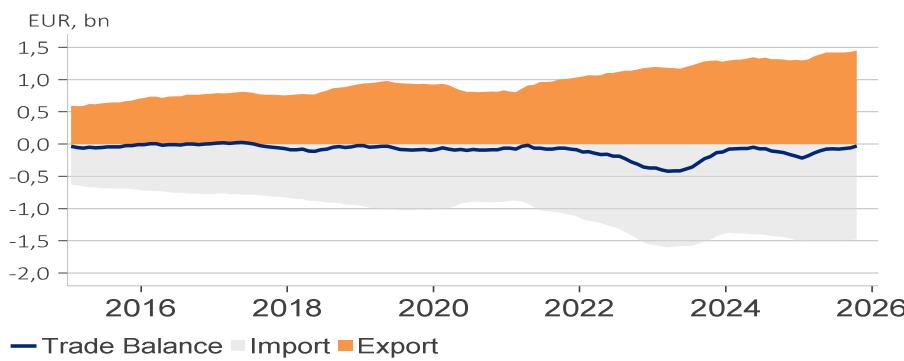


EU-India Agreement: Impact on Austrian industry

January 2026

Austrian trade of goods with India

(12 month rolling)



Overview

A TRADE AGREEMENT THAT CREATES OPPORTUNITIES FOR AUSTRIAN INDUSTRY

- The EU and India agreed on a comprehensive trade agreement on 27 January. According to the European Commission, it will be one of the most comprehensive EU agreements ever and will create access to a market of over 1.4 billion people.
- The European Union is India's most important trading partner: in 2024, bilateral trade accounted for 120 billion euros worth of flows of goods – 48.8 billion EU exports to India and 71.4 billion imports from India to the EU.
- Austria exported goods worth 1.3 billion euros to India in 2024. The import volume in the same period amounted to 1.5 billion euros.
- Austria's most important exports to India include machinery, electronic devices and synthetic fibres. Imports, on the other hand, are dominated by electronics, clothing and footwear.
- In 2024, Upper Austria was clearly the strongest exporter of provinces to India, with exports worth 445 million euros, followed by Styria and Vorarlberg. In terms of imports, Vienna was at the top with 345 million euros, followed by Upper Austria and Styria.
- TARIFFS: On average, India has higher import duties than the EU. Among the most important Austrian export goods to India, automotive parts and beverages are the most heavily burdened with customs duties.
- In 2024, Indian demand generated value added in Austria's industry of around 650 million euros. If exports to India were to double, this would create an additional 5,000 industrial jobs, 1,800 of them in Upper Austria and almost 1,000 in Styria and around 500 each in Vorarlberg, Lower Austria and Tyrol.

STRUCTURE OF TRADE IN GOODS WITH INDIA

The EU is India's largest trading partner, accounting for €120 billion worth of trade in goods in 2024, representing 11.5% of India's total trade volume. India, on the other hand, is the EU's ninth largest trading partner, accounting for 2.4% of total EU trade in goods in 2024 – well behind the US (17.3%), China (14.6%) and the UK (10.1%). Trade in goods between the EU and India has grown by almost 90% over the past decade.

The EU imports mainly machinery and equipment, chemicals, metal products, mineral products and textiles from India. In total, the EU's imports of goods from India amounted to 71.4 billion euros in 2024. The EU export volume to India was significantly lower at 48.8 billion euros. The main exports to India consist of machinery and equipment, transport equipment and chemicals.

Austria also recorded a negative trade balance in goods trade with India in 2024: an Austrian export volume of around 1.3 billion euros was offset by imports of around 1.5 billion euros. The most important export goods are machinery, electrical goods and synthetic fibres. Exports of electronics, chemical products and automotive parts showed a dynamic development with high year-on-year growth rates from November 2024 to October 2025. On the other hand, exports of iron & steel and plastics are declining.

Imports are dominated by electronics, machinery and clothing, with high growth rates for rail vehicles and iron & steel. There was a sharp decline in imports of automotive parts.

Austria: Trade of goods with India

(12-month rolling, as at October 2025)

EXPORTS	Y/Y (in %)	Last (€mio)			Last (€mio)	Y/Y (in %)	IMPORTS
Machinery	11%	361	■	■	234	4%	Electrical Machin.
Electrical Machin.	55%	233	■	■	151	7%	Not knitted Clothes
Staple Fibres	11%	123	■	■	131	16%	Shoes
Optical	7%	100	■	■	107	-3%	Machinery
Chemical	57%	60	■	■	104	11%	Knitted Clothes
Beverage	11%	58	■	■	88	1%	Chemical
Vehicles	54%	54	■	■	56	23%	Iron & Steel
Chemical Products	-3%	44	■	■	54	5%	Leather
Plastics	-13%	42	■	■	51	-54%	Vehicles
Iron & Steel	-33%	42	■	■	42	30%	Railway

■ Last Value [Exports] ■ Value 1 year ago ■ Last Value [Imports] ■ Value 1 year ago

Source: Statistic Austria, UniCredit

REGIONAL TRADE IN GOODS WITH INDIA

Upper Austria, the province with the highest exports, recorded the largest volume of goods exports in 2024 at 445 million euros to India, followed by Styria and Vorarlberg. Measured against the economic power of a federal state, regional exports to India were the most important for Vorarlberg in 2024, albeit at a low level. In Vorarlberg, they accounted for 1.13 percent of total Vorarlberg exports and 0.64 percent of regional product. Regional exports to India were of the least importance in the federal capital Vienna, both as a share of exports and as a share of regional product.

The most important Upper Austrian export goods to India are machinery, electronics and synthetic fibres. For Styria, in addition to machinery, these are optical equipment, automotive parts and iron & steel.

2024: Regional Exports to India

	Volume 0 200 400	Share of Exports *	Share of Output
Upper Austria	445 Mio	0,92 %	0,54 %
Styria	231 Mio	0,82 %	0,36 %
Vorarlberg	149 Mio	1,13 %	0,64 %
Lower Austria	133 Mio	0,47 %	0,17 %
Tyrol	119 Mio	0,71 %	0,27 %
Vienna	96 Mio	0,31 %	0,08 %
Salzburg	70 Mio	0,53 %	0,19 %
Carinthia	38 Mio	0,41 %	0,14 %
Burgenland	27 Mio	1,01 %	0,23 %

* Share of total exports of federal state

Quelle: Statistic Austria, UniCredit

In the case of regional imports from India, the importance measured as a share of the economic power of the state is relatively evenly distributed. Vienna had the largest import volume in 2024 at 345 million euros, closely followed by Upper Austria. However, the share of total exports is less than 1 percent in both regions. Vienna primarily imports electronics, clothing and chemical products from India. In Upper Austria, on the other hand, in addition to clothing, it is automotive parts, machines and goods made of rubber.

2024: Regional Import from India

	Volume 0 200	Share of Imports *	Share of Output
Vienna	345 Mio	0,74 %	0,28 %
Upper Austria	341 Mio	0,94 %	0,41 %
Styria	226 Mio	1,08 %	0,35 %
Lower Austria	187 Mio	0,57 %	0,24 %
Tyrol	108 Mio	0,74 %	0,24 %
Salzburg	95 Mio	0,56 %	0,25 %
Carinthia	94 Mio	1,18 %	0,33 %
Vorarlberg	66 Mio	0,72 %	0,29 %
Burgenland	35 Mio	1,09 %	0,29 %

* Share of total imports of federal state

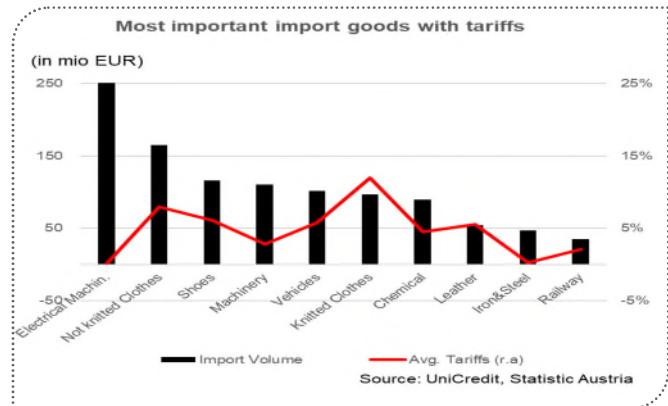
Source: Statistic Austria, UniCredit

TARIFF EFFECTS OF A TRADE AGREEMENT

On average, India has higher MFN tariffs¹ than the EU. Based on Austrian exports to India in 2024, the volume-weighted average tariff was over 12 percent. For imports from India, the average tariff was just under 2 percent. The trade agreement was supposed to eliminate over 90 percent of customs duties in bilateral trade between the EU and India. For example, tariffs on 250,000 European cars per year are to be reduced to 10 percent. This is a great relief, especially for the important automotive supply industry in Austria. Furthermore, tariffs on machinery, chemical products and pharmaceuticals are to be eliminated completely.

In contrast to the Mercosur agreement, some sensitive agricultural products are explicitly excluded, which means that similar political conflicts are not to be expected.

The graph below shows the export volume in 2024 with the average volume-weighted duty rate. Among the most important Austrian export goods to India, motor vehicle parts are the most heavily burdened with customs duties with a volume-weighted average tariff of over 40 percent and beverages with over 30 percent. They would therefore benefit most from a tariff reduction. For the two most important product groups – machinery and electronics – the weighted tariff was in the range of 10 percent. In total, the burden of customs duties on Austrian exports to the subcontinent amounted to around 160 million euros in 2024.



POTENTIAL VALUE ADDED AND JOB EFFECTS FOR INDUSTRY

The analysis of the impact of trade with India on the value added of Austrian industry is based on the OECD's TiVA (Trade in Value Added) database. One key figure is the indicator "Domestic Value Added in Foreign Final Demand". This measures the value added created in Austria that enters the final consumption of a partner country via exports – regardless of whether Austrian inputs are demanded directly or via international value chains.

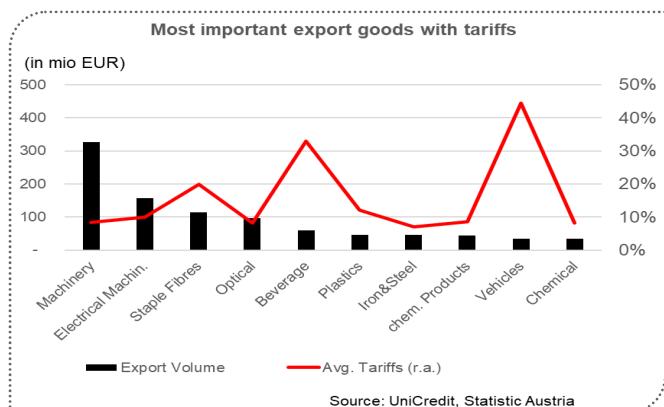
For the year 2024, the TiVA data results in domestic value added of around 650 million euros for Austrian industry triggered by Indian final demand. This is just under 1 percent of Austria's total industrial value added.

In particular, manufacturers of machinery, automotive parts and metals benefit from the fact that their products and components are included in Indian end products or capital goods.

The two industrial provinces of Upper Austria and Styria experience the strongest value-added gains from trade in goods with India. In 2024, Upper Austrian industry achieved additional value added of around 220 million euros, while Styria benefited with over 100 million euros. It is also expected that the two regions would benefit most from an EU-India trade agreement. Its areas of strength include the automotive industry, an area in which the largest tariff reductions are expected within the framework of an agreement.

It is difficult to measure the exact value-added effects of the agreement with India. The EU Commission expects EU exports of goods to India to double by 2032. Due to the strength of Austrian industry in sectors that benefit more than average from the tariff reduction, such as the automotive industry, we expect Austrian exports of goods to India to double in a shorter period of time. Depending on the strengths of the individual federal states, we calculated the value-added effects of the agreement on the regions in a simulation assuming a doubling of goods exports.

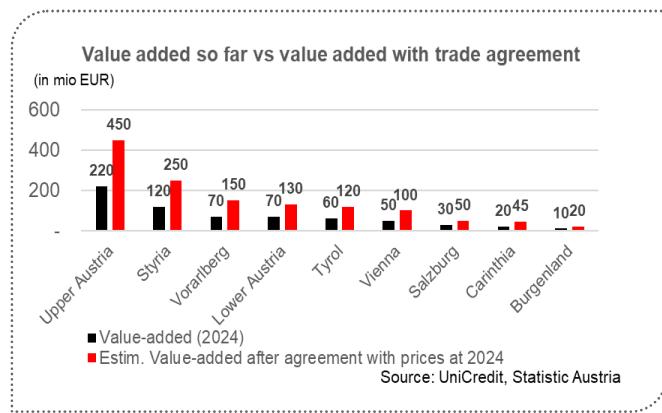
The chart below shows the value-added effect of goods exports to India in 2024 on the federal states plus the potential effect of the agreement at 2024 prices, assuming that total exports to the subcontinent double. Unsurprisingly, the two industrial strongholds of Upper Austria and Styria benefit most from the trade agreement with India.



With an Austrian import volume from India of 1.5 billion euros in 2024, the clothing and leather industry would primarily benefit from the elimination of customs duties. Customs duties in this area are significantly higher than the relatively low average duty rate on imports from India. In the case of electronics, which is currently the most important import good, the customs duties are already negligible.

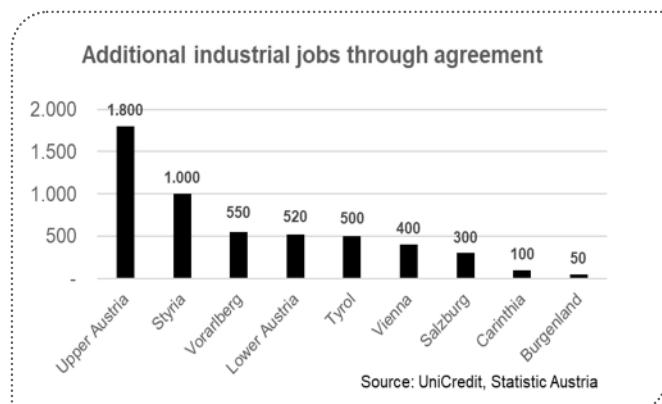
¹ Most-Favoured-Nation: Standard tariff that applies to all WTO members without a trade agreement

Assuming a doubling of exports of goods from Austria to India, industrial value added would increase from 220 (2024) million euros to 450 million euros (at 2024 prices) in Upper Austria and



from just under 120 million euros to 250 million euros in Styria due to increasing demand from India. These figures already take into account the international value chains, i.e. the increasing demand from Germany, for example, for Austrian intermediate goods of the motor vehicle industry due to larger motor vehicle exports from Germany to India.

The agreement also has a positive impact on the Austrian labour market. Currently, demand from India creates about 5,000 industrial jobs in Austria. If exports of goods were to double as a result of the agreement, the number of jobs would also roughly double. In Upper Austria, industrial jobs, which are directly dependent on demand from India, will increase by 1,800 to 3,500. Styria benefits with an increase from 1,000 to almost 2,000.



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