# EU–India Free Trade Agreement (FTA)

# Space & Satellite Industry

*Prepared by GraySpace Consulting | Belgium & India*

**Context**

In January 2026, the European Union and India concluded negotiations on a long-awaited Free Trade Agreement, marking a decisive strategic shift in bilateral economic relations and creating one of the most significant trade partnerships either side has concluded to date. Beyond its economic scale linking the EU to a market of approximately 1.4 billion people and one of the world's fastest-growing major economies, the agreement reflects a broader geopolitical and supply-chain realignment, positioning EU–India cooperation as a long-term alternative for advanced and technology-intensive industries.

While the FTA does not introduce a dedicated chapter on space or satellite activities, it materially reshapes the regulatory, services, mobility, and investment environment in which space and satellite companies operate. For decision-makers, the agreement should therefore be understood not as a sector-specific carve-out, but as a horizontal market-access and risk-reduction instrument that strengthens the commercial rationale for EU–India engagement across space-enabled value chains.

The FTA upgrades services commitments beyond existing WTO/GATS baselines, introduces stronger disciplines on regulatory transparency and non-discrimination, and facilitates the temporary movement of highly skilled professionals. In parallel, negotiations on a modern Investment Protection Agreement (IPA) are underway, with direct relevance for capital-intensive space infrastructure, joint ventures, and long-term commercial deployments. Taken together, these elements improve predictability for companies operating in complex, regulated, and innovation-driven sectors such as space and satellite services.

**What the FTA Changes in Practice for Space & Satellite Businesses**

Most satellite activities are not regulated as "space services" under international trade law. Instead, they are legally captured under telecommunications, digital, IT, engineering, and professional services. The EU–India FTA strengthens predictability across precisely these categories. In practical terms, this translates into a more stable market-entry environment, enhanced transparency in licensing and authorisation procedures, and reduced exposure to discretionary or opaque regulatory practices that have historically increased market-access risk for foreign operators.

Equally important is the agreement's framework for the temporary movement of professionals. Satellite projects are expertise-driven and international by design, requiring engineers, systems specialists, regulatory experts, and programme managers to move quickly across borders for deployment, commissioning, and operational phases. The FTA improves legal certainty for such deployments, directly supporting project execution, operational continuity, and cross-border collaboration between EU and Indian partners.

Although the Investment Protection Agreement is being negotiated separately, its anticipated provisions on fair and equitable treatment, protection against expropriation, and secure transfer of capital and returns are strategically significant for space companies making long-term bets on ground infrastructure, downstream platforms, and commercial partnerships. For investors and boards, this strengthens the risk calculus underpinning EU–India space investments.

**Takeaways**

The EU–India FTA does not create immediate, space-specific market access rights. However, it meaningfully improves the structural conditions under which satellite and space businesses operate by reducing regulatory risk, improving talent mobility, and reinforcing the legal foundations for long-term investment decisions. Companies that proactively align their service classifications, mobility strategies, and investment structures with the FTA framework will be best positioned to capture first-mover advantages as the agreement progresses through ratification and implementation.

*GraySpace Consulting advises EU and Indian clients on space, satellite, aviation, defence, and advanced technology at the intersection of law, policy, trade, and regulation.*

*The Free Trade agreement focuses on dismantling India's historically high protectionist barriers. The liberalization schedule spans a 0 to 10-year horizon.*

| Sector | EU Exports (2024) | Current Tariff | Deal Specifics (Timeline to 0%) |
|---|---|---|---|
| Machinery & Electric | EUR16.3 bn | Up to 44% | 0% within 10 years (Majority eliminated in 5-7 years) |
| Aircraft & Space | EUR6.4 bn | Up to 11% | 0% within 10 years (Majority eliminated in 5 year |
| Chemicals | EUR3.2 bn | Up to 22% | 0% within 10 years (Majority eliminated immediately) |
| Plastics | EUR2.2 bn | Up to 16.5% | 0% within 10 years (Majority eliminated in 5 years) |
| Iron & Steel | EUR1.5 bn | Up to 22% | 0% within 10 years (Majority eliminated immediately) |
| Pharmaceuticals | EUR1.1 bn | 11% | 0% within 10 years (Majority eliminated in 5-7 years) |

**Sector-Specific Implications**

**LEO Satellite Communications (Broadband & Connectivity).**

LEO satcom operators sit at the intersection of telecommunications regulation and digital services. The FTA's services and telecom-adjacent commitments enhance regulatory transparency and non-discrimination in market access, which is particularly relevant for licensing, commercial presence, and partnerships with local telecom ecosystems. While spectrum allocation remains a sovereign matter, the FTA improves the overall predictability of the operating environment for cross-border connectivity services.

**Earth Observation (EO) & Geospatial Data.**

EO businesses benefit primarily through digital and IT services commitments. The FTA supports cross-border supply of data-driven services and analytics, reducing friction for EO data distribution, processing, and platform-based offerings. For companies building value in downstream applications rather than upstream manufacturing, this strengthens the case for EU–India commercial scaling.

**GNSS & Positioning Services.**

GNSS-enabled applications are typically classified as IT or technical services. The FTA's market-access and regulatory-transparency disciplines support commercial navigation, timing, and positioning services, particularly in transport, logistics, smart infrastructure, and aviation-adjacent use cases.

**Ground Segment & Infrastructure (Ground Stations, TT&C).**

Ground infrastructure is capital-intensive and long-term. While establishment rules remain subject to domestic regulation, the FTA improves predictability around local presence requirements and service-related investment conditions. The forthcoming Investment Protection Agreement will be especially relevant here, offering additional comfort for EU and Indian investors considering ground-segment deployments.

**In-Orbit Services & Emerging Commercial Space Activities.**

For in-orbit services that are commercial in nature such as hosted payloads, data relay, or mission support the FTA's horizontal services framework provides a more stable baseline for cross-border contracting and service delivery. Although these activities are not explicitly addressed, the agreement reduces legal uncertainty as these markets mature.

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