

Working Together Winning Together

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Message from the President

Reflecting on 2025 and Embracing Opportunities in 2026 with IBCL



Dear Members of IBCL,

As we move into 2026, I would like to share a few reflections and updates that signal a truly promising year for India - Luxembourg relations.

The year began on a high note with *Dr. S. Jaishankar's visit to Luxembourg in early January*. His visit, along with several other high-level political engagements already planned for the months ahead, shows a renewed momentum in our bilateral relationship. The level of interest and engagement we are seeing today is stronger than ever.

Another major milestone is the long-awaited *India-EU Free Trade Agreement*, finally signed after 18 years of negotiations. In a time of global uncertainty, this agreement is a powerful reminder of how committed both sides are to deeper cooperation. It also highlights Europe's confidence in India as a predictable and trusted partner. We expect this framework to open new opportunities for businesses on both sides and to energize cross-border partnerships.

We are also encouraged by the recent announcement that *PayTM will enter Luxembourg*. This is a strong signal for the future. As one of India's leading fintech innovators, PayTM's choice of Luxembourg can serve as a blueprint for many other Indian fintech companies looking to enter the EU through a stable and internationally connected hub.

Looking back, we owe our progress in 2025 to your active involvement, your ideas, participation, and energy strengthened IBCL as a platform that brings our community together. In the year ahead, we will continue building on this momentum by deepening our engagement with you and collaborating more closely with other chambers across Luxembourg. Our aim remains clear: to support businesses, encourage dialogue, and help shape a positive path forward in a complex global environment.

Thank you for your continued trust and partnership. I wish you and your families a successful and fulfilling year ahead.

Yours sincerely,

Himanshu UPADHYAY

Chairman & Member of the Board

In Focus

India–EU FTA: The “Mother of All Deals” and a Defining Economic Breakthrough



After 18 years of negotiations, repeated stalls, and shifting geopolitical priorities, India and the European Union have finally concluded what leaders on both sides are calling “*the mother of all deals.*” Announced on 27 January 2026, this landmark Free Trade Agreement marks the creation of one of the world’s largest free-trade zones, covering two billion consumers and nearly 25% of global GDP.

FROM DEADLOCK TO BREAKTHROUGH

Formal negotiations began in **2007**, but by **2013** talks had collapsed over disagreements ranging from tariffs on automobiles and spirits to public procurement and labour standards. They remained frozen for nearly a decade.

The turning point came in **2022**, driven by a dramatically altered global environment: disrupted supply chains, Europe’s push to diversify away from China, and India’s rise as a reliable, fast-growing economic partner. From 2022 to 2026, both sides accelerated negotiations, narrowed the agenda to what was achievable, and pushed through the final political decisions that unlocked the agreement.

WHAT THE AGREEMENT DELIVERS

The scale of the FTA is unprecedented for both parties:

Massive Tariff Liberalisation

- **India** will eliminate or reduce tariffs on **92.1% of tariff lines**, covering **97.5% of EU exports**.

- The **EU** will reduce or remove tariffs on **99.5% of Indian goods** by value and cut tariffs immediately on **70.4% of tariff lines** when the agreement enters into force.

Trade Value & Economic Impact

- EU exporters are expected to save **€4 billion annually** in duties.
- EU exports to India are projected to **double by 2032**.
- The agreement represents **approximately one-quarter of global GDP** and creates the world's largest preferential trade zone.
- India's exports to the EU could rise by **over 50% in the next five years**, according to early estimates.

Sectoral Benefits

The deal reshapes trade across key industries:

- **Indian winners:** textiles, footwear, chemicals, gems and jewellery, marine products, machinery, electronics, and IT-enabled services.
- **EU winners:** automotive (tariffs slashed from up to 110% to 10%), aerospace, medical devices, agri-food, and high-value chemicals.
- Climate cooperation receives a boost with **€500 million in EU support** for India's green transition.

A PREDICTABLE PARTNERSHIP IN AN UNPREDICTABLE WORLD

EU leaders, most notably Ursula von der Leyen, have publicly highlighted why this agreement matters now. Europe sees India as a **predictable, stable partner** at a time of geopolitical uncertainty, global supply chain fragmentation, and tariff confrontations with other major economies.

WHY IT'S REASONABLE TO CALL IT THE "MOTHER OF ALL DEALS"

The description is not rhetorical; it is backed by numbers and geopolitical logic:

- **Largest trade agreement** either India or the EU has ever signed.
- Creates a combined market larger than NAFTA/USMCA by population.
- Covers **96–99%** of traded goods on both sides.
- Unlocks **the biggest market access India has ever granted** to any partner.
- Establishes a fully integrated economic space of **two billion people**.

Few bilateral trade arrangements anywhere match this scale, depth, or strategic intent.

A SPECIAL NOTE: LUXEMBOURG - INDIA SYNERGIES

Luxembourg plays a unique, often underestimated, role in EU–India economic engagement:

- It is a leading EU centre for **financial services, fintech, space technologies and investment funds**, all sectors where India is rapidly expanding.
- External Affairs Minister **Dr. S. Jaishankar's visit to Luxembourg in early January 2026** underlined Luxembourg's importance as an influential EU voice and a gateway for deeper India–EU cooperation.
- Luxembourg has consistently positioned itself as an advocate for stronger India–EU ties, as reflected in statements by its leadership.

With the FTA now concluded, Luxembourg's strengths align perfectly with India's ambitions:

- It offers Indian companies a **stable, globally connected EU entry point**, especially in finance, fintech, space, and sustainable investment.
- India's fast-growing digital and fintech sectors will find Luxembourg's regulatory clarity and pan-EU financial passporting particularly attractive.

LOOKING AHEAD

This FTA is more than a trade agreement; it is a strategic realignment between two major economies choosing partnership over fragmentation. It accelerates economic integration, deepens political trust, and anchors the relationship for the next decade.

For businesses in India, Europe, and especially Luxembourg, the path ahead is filled with new opportunities, lower barriers, and a renewed sense of shared purpose.



Clockwise: Honourable External Affairs Minister of India, **Dr. S. Jaishankar**, in an official meeting with His Excellency Prime Minister **Luc Frieden**; followed by an audience with His Excellency **Xavier Bettel**, Deputy Prime Minister and Minister for Foreign Affairs of Luxembourg; a courtesy call on His Royal Highness the **Grand Duke of Luxembourg**; and an interaction with the vibrant **Indian diaspora** community.

IBCL Events

2026 Event Calendar

Event	Month	Venue/Host/Partner
No Event	Feb-26	
No Event	Jan-26	
Tax, Pension and Insurance	Mar-26	Baloise
Safe and Secure Luxembourg	Mar-26	All chambers
Funds and Investments	20 April 2026	Deloitte
HR & Development	May-26	TBD
Space	Jun-26	EY
Welcome to Luxembourg	9 July 2026	IAL, Chinese Chamber of Commerce
No Event	Aug-26	
Technology and Innovation	Sep-26	Tech Mahindra
Doing Business in India	Oct-26	Luxembourg Chamber of Commerce
Funds, GCC	Nov-26	EY
Christmas Gala Networking	Dec-26	TBD

Past Events

India Luxembourg Partnership | LCC



Event Date: Wednesday, 26th March 2025

Event Host: LCC

IBCL Space Event



Event Date: June 25, 2025

Event Host: EY

Exponential India | LHoFT



Event Date: Friday, 23rd May 2025

Event Host: LHoFT

Leveraging India's GCC landscape



Event Date: November 26, 2025

Event Host: EY

Members get free access to all the events organized by IBCL. To become a member, visit the IBCL [website](#).

IBCL Member Corner

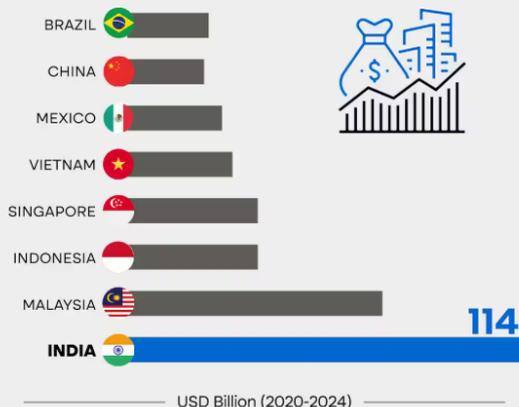
Some of our esteemed members



Infographics

India Leads Globally in Greenfield Digital Investment, Attracting USD 114 Billion!

Top economies by project announcements in digital economy

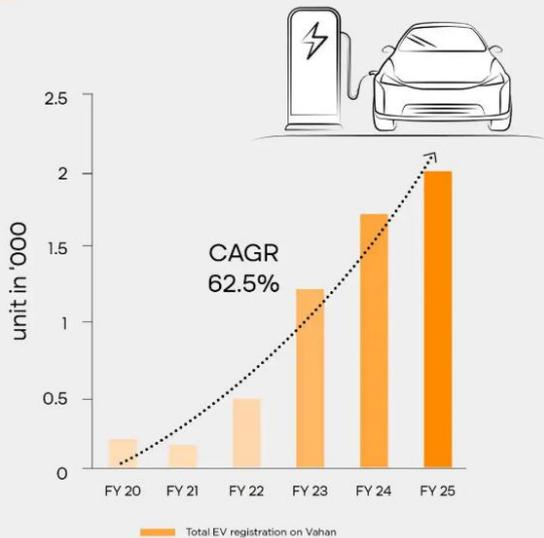


ECONOMIC SURVEY 2025-26

India Leads Globally in Greenfield Digital Investment, Attracting USD 114 Billion!



India's EV Adoption Skyrockets

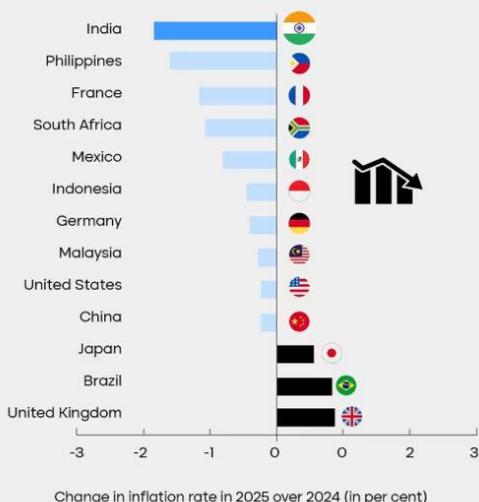


ECONOMIC SURVEY 2025-26

India's EV Adoption Skyrockets



India Tops Major Economies in Bringing Down Inflation



ECONOMIC SURVEY 2025-26

India Tops Major Economies in Bringing Down Inflation



Top Tier AI Club: India Emerges as the World's 3rd Most Competitive AI Ecosystem!

Global AI Vibrancy Rankings (Top 10 Nations)



India's Rank in Stanford University's Global AI Vibrancy

7th

3rd

2023 Index 2024 Index

Source: Stanford University's Global AI Vibrancy

Top Tier AI Club: India Emerges as the World's 3rd Most Competitive AI Ecosystem!



Luxembourg Highlights - Buergbrennen



Buergbrennen is one of Luxembourg's oldest communal traditions, celebrated on the first Sunday after Carnival, where villages across the country light large bonfires to symbolically drive away winter and welcome the coming of spring. Its roots trace back to **pagan spring rituals** connected to the **spring equinox**, later adapted to the Christian calendar and observed at the start of Lent. Historically, these fires were meant to mark the triumph of light and warmth over the cold season, and the custom has been revived multiple times over the last century as a cherished expression of local identity and continuity.

Today, Buergbrennen remains a vibrant community event, often preceded by torchlight processions and built by local youth associations, reaffirming its role as a cultural anchor that brings residents together at a moment of seasonal renewal.

India Highlights - India's 77th Republic Day

India's 77th Republic Day on **26 January 2026** marked a historic moment in the country's diplomatic outreach, as **two top leaders of the European Union; European Commission President Ursula von der Leyen and European Council President António Costa**, were invited together as Chief Guests for the first time ever. Their presence reflected a rapidly strengthening India-EU partnership at a time when both sides are advancing major decisions on trade, technology and strategic cooperation.

The EU leaders were in India on a **state visit from 25–27 January**, coinciding with the Republic Day celebrations and the **16th India-EU Summit**, where discussions focused on deepening cooperation, particularly as India and the EU move closer to announcing a long-awaited Free Trade Agreement. The visit

was widely viewed as a strong diplomatic signal of Europe's confidence in India as a key strategic partner, especially amid shifting global economic dynamics.

Their participation at Kartavya Path not only underscored shared values between two large democratic blocs but also highlighted India's growing global stature and its efforts to strengthen ties with Europe as a unified strategic entity, moving beyond traditional country-to-country engagement. This year's Republic Day therefore served not just as a national celebration, but as a powerful symbol of India's evolving place in the world.



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IBCL - Indian Business Chamber of Luxembourg ASBL

45 Route d' Arlon, L-8009 Strassen

+352 445 905, +352 445 918

contact@ibcl.lu | www.ibcl.lu

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