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India–Oman Comprehensive Economic Partnership Agreement (CEPA) Comes into Force

Published On: 02-06-2026



The India–Oman Comprehensive Economic Partnership Agreement (CEPA) officially came into force in June 2026. The agreement is expected to deepen economic cooperation, enhance bilateral trade and investment, and provide greater market access to businesses and professionals of both countries.?

India and Oman signed the CEPA in Muscat on 18 December 2025 after several rounds of negotiations. Following the completion of ratification procedures in both countries, the agreement became operational from 1 June 2026. CEPA is a comprehensive trade pact that goes beyond a traditional Free Trade Agreement (FTA) by covering trade in goods and services, investments, digital trade, intellectual property rights, and economic cooperation.

Key Provisions of the CEPA:

Under the agreement, Oman has granted duty-free access on over 98% of tariff lines, covering nearly the entire value of India's exports to Oman. This is expected to improve the competitiveness of Indian products in the Omani market. India has also offered tariff concessions on several Omani products while safeguarding sensitive domestic sectors. The agreement includes provisions for trade facilitation, customs cooperation, and removal of non-tariff barriers.

Sectors Expected to Benefit:

Several Indian sectors are likely to gain significantly from the agreement, including pharmaceuticals, textiles and garments, engineering goods, gems and jewellery, chemicals, agriculture and processed food products, marine products, and leather goods. Improved market access is expected to boost exports and create new business opportunities for Indian manufacturers and exporters.

Benefits for Services and Professionals:

The CEPA provides enhanced opportunities for Indian professionals in sectors such as information technology, healthcare, education, engineering, and consultancy services. It aims to reduce regulatory barriers, facilitate movement of skilled professionals, and encourage greater collaboration between businesses and service providers.

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in both countries.

Strategic Significance:

The agreement strengthens India's economic engagement with the Gulf region and supports its broader objective of expanding trade partnerships. Oman occupies a strategically important position near the Strait of Hormuz, a crucial maritime trade route. The ports of Duqm, Salalah, and Muscat are expected to serve as important logistics and transshipment hubs for Indian trade with the Middle East, Africa, and Europe. The CEPA is also expected to contribute to supply-chain resilience and regional economic integration.

Key Facts:

India and Oman signed the CEPA on 18 December 2025 in Muscat, and it came into force on 1 June 2026. Oman is a member of the Gulf Cooperation Council (GCC), which comprises Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. Bilateral trade between India and Oman stood at approximately USD 10.6 billion in 2024–25, making Oman one of India's important trading partners in the Gulf region.