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

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The India–Oman Comprehensive Economic Partnership Agreement (CEPA) officially came into force. The agreement, signed in Muscat on 18 December 2025, marks a significant milestone in bilateral economic relations and is expected to boost trade, investment, employment, and strategic cooperation between the two countries. ?

Key Highlights of the Agreement:

Under the CEPA, India has secured duty-free access on 98.08% of Oman's tariff lines, covering more than 99% of India's exports to Oman from the very first day of implementation. This preferential access is expected to enhance the competitiveness of Indian products in the Omani market.

The sectors expected to benefit significantly include textiles, leather products, pharmaceuticals, medical devices, automobiles, marine products, sports goods, plastics, gems and jewellery, and agricultural products. The agreement also covers trade in services, investments, customs cooperation, and regulatory facilitation.

To mark the implementation of the CEPA, the first consignments of agricultural and gems-and-jewellery products were exported from Mumbai, Kolkata, and Chennai under preferential tariff benefits.

About CEPA

A Comprehensive Economic Partnership Agreement (CEPA) is a broad-based trade agreement that goes beyond tariff reduction on goods.

It generally includes provisions related to:

Trade in goods

Trade in services

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Investments

Customs procedures

Intellectual Property Rights (IPR)

Dispute settlement mechanisms

Regulatory cooperation

Compared to a traditional Free Trade Agreement (FTA), a CEPA covers a wider range of economic activities and cooperation areas.

India–Oman Relations:

India and Oman share strong historical, cultural, and economic ties. Oman is one of India's key partners in the Gulf region and hosts a large Indian diaspora. Bilateral trade between the two countries reached approximately US\$ 10.6 billion in FY 2024–25.

Oman also became the first Gulf Cooperation Council (GCC) member after the UAE to conclude a CEPA with India, reflecting the growing economic partnership between the two nations.

Oman:

Capital: Muscat

Currency: Omani Rial

Sultan: Haitham bin Tarik

Official Language: Arabic

Gulf Cooperation Council (GCC)

Members of GCC:

Bahrain

Kuwait

Oman

Qatar

Saudi Arabia

United Arab Emirates

Important Dates:

CEPA Signed: 18 December 2025

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Oman Ratification: February 2026

CEPA Came into Force: 1 June 2026

Significance for India

The CEPA is expected to strengthen India's economic presence in the Gulf region and diversify export markets. It will provide greater opportunities for Indian MSMEs, manufacturers, farmers, and service providers. The agreement is also expected to generate employment and increase bilateral trade volumes between the two countries.

From a strategic perspective, Oman occupies a crucial position near the Strait of Hormuz, one of the world's most important energy transit routes. Strengthening economic ties with Oman aligns with India's broader engagement in the Gulf and West Asia region.