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India and Europe, both stung by Trump, turn to each other in a ‘mother of all deals’ on trade

The European Union and India agreed a free trade deal Tuesday, the largest such deal ever clinched by either side, as they contend with an erratic trade policy from key trading partner the United States.

“We did it, we delivered the mother of all deals,” Ursula von der Leyen, president of the European Commission, the EU’s executive, told reporters in New Delhi.

The agreement will strengthen economic and political ties between the 27-nation bloc and the world’s fourth-largest economy, the commission said in a [statement](#), “at a time of rising geopolitical tensions and global economic challenges, highlighting their joint commitment to economic openness and rules-based trade.”

“We have sent a signal to the world that rules-based cooperation still delivers great outcomes,” von der Leyen said in the statement.

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Just recently, US President Donald Trump [threatened](#) to impose higher tariffs on the European nations opposing his push to annex Greenland, which belongs to Denmark, though he later backed down from the threats. For the EU as a whole, the United States is its biggest export market.

And in August, Trump [announced an additional 25% tariff](#) on India as punishment for importing Russian oil and natural gas, building on a previously announced 25% tariff rate.

The EU and India already trade more than €180 billion (\$215 billion) worth of goods and services per year. Trade in goods between the two sides has [almost doubled](#) in the last decade.

Talks on the trade deal, which started in 2007, were relaunched in 2022 after a long suspension, and last week von der Leyen highlighted the work on the agreement as she spoke of the need to build “a new form of European independence.” Speaking in Davos, Switzerland, she [said](#) such independence was needed as a result of current geopolitical shocks and that Europe preferred “fair trade over tariffs.”





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