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India-Oman CEPA Enters into Force — Duty-Free Access on 98% of Tariff Lines

1 June 2026 ·

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India-Oman CEPA Enters into Force — Duty-Free Access on 98% of Tariff Lines

1 June 2026 · 3 min read ·

✔ Every fact web-verified against primary sources

The **India-Oman Comprehensive Economic Partnership Agreement (CEPA)** entered into force on **June 1, 2026**, after both countries completed domestic ratification. The deal immediately grants **duty-free access on 98.08% of Oman’s tariff lines** (covering **99.38% of India’s exports to Oman by value**) — up from just **15.33%** under the *Most-Favoured-Nation (MFN)* regime. It is the most comprehensive trade agreement India has signed in the **Gulf Cooperation Council (GCC)** region.

THE AGREEMENT AT A GLANCE

PARAMETER	DETAIL
Agreement	India-Oman Comprehensive Economic Partnership Agreement (CEPA)
Effective date	June 1, 2026
Tariff coverage (Oman’s lines)	98.08% of all tariff lines → zero duty
India’s exports benefiting	99.38% by value
Previous MFN coverage	Only 15.33% of India’s exports entered Oman duty-free before
Concession timing	All zero-duty concessions immediate (Day 1)

KEY SECTORS BENEFITING

SECTOR	PRODUCTS
Engineering goods	Machinery, auto parts, steel
Pharmaceuticals	Generic medicines, APIs
Textiles & apparel	Yarn, fabrics, ready-made garments
Marine products	Frozen fish, shrimp
Agri & processed food	Honey, cashew, boneless meat, dairy (cheese, butter, curd), bakery, chocolates, mineral water
Gems & jewellery	Cut diamonds, gold jewellery
Chemicals & plastics	Polymers, PVC, specialty chemicals

WHY OMAN? — STRATEGIC CONTEXT

Oman occupies a unique position in India's Gulf strategy:

- 1 Strait of Hormuz gateway** — Oman overlooks the Strait through which ~85% of India's crude imports transit; a stable, friendly Oman is a strategic energy-security asset.
- 2 Duqm Special Economic Zone** — India has a **berth (jetty) at the Port of Duqm** under a bilateral agreement; allows the Indian Navy access in the western Indian Ocean.
- 3 Non-aligned within GCC** — Oman has historically maintained dialogue with Iran, making it a useful diplomatic bridge.
- 4 Logistics hub** — Oman is a growing re-export/logistics platform connecting South Asia, East Africa, and the Gulf.

INDIA'S GULF FTA STRATEGY

AGREEMENT	STATUS
India-UAE CEPA	In force since May 2022 — India's first Gulf CEPA
India-Oman CEPA	In force June 1, 2026
India-GCC FTA	Under negotiation
India-Saudi Arabia CEPA	Exploratory

Oman becomes India's **second Gulf CEPA partner** after the UAE (2022). The India-GCC FTA (covering all 6 member states) remains under negotiation.

INDIA-OMAN BILATERAL SNAPSHOT

INDICATOR	VALUE
Bilateral trade (2024-25)	~\$12 billion
Indian diaspora in Oman	~8 lakh (largest foreign community in Oman)
Remittances	Significant; one of India's top remittance corridors
Energy	LNG imports; Oman has been part of India's SPR discussion

CAROTAR RULES — PREVENTING TRADE DIVERSION

The CEPA operates alongside **CAROTAR (Customs Administration of Rules of Origin for Trade Agreements) Rules** to ensure that goods from third countries are not routed through Oman to claim undue tariff benefits. **Rules of origin** requirements ensure only genuine Oman-origin goods benefit.

UPSC RELEVANCE

PAPER	RELEVANCE
GS2	India-Oman bilateral relations; Gulf diplomacy; GCC; India's FTA strategy; diaspora
GS3	Trade policy; CEPA; tariff liberalisation; MSME export opportunities; rules of origin
Mains	"India's CEPA strategy in the Gulf is as much about strategic geography as trade economics. Examine."
Prelims	India-UAE CEPA (May 2022); India-Oman CEPA (June 1, 2026); 98.08% tariff lines; 99.38% by value; sectors; CAROTAR; GCC member states (6)

FACTS CORNER

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INDIA-OMAN CEPA:

In force: June 1, 2026

Coverage: 98.08% of Oman's tariff lines; 99.38% of India's export value → duty-free

Previous MFN access: only 15.33%

Concessions: immediate (Day 1)

Key sectors: engineering, pharma, textiles, marine, agri/processed food, gems, chemicals

INDIA'S GULF CEPAS:

India-UAE CEPA → in force May 1, 2022 (first)

India-Oman CEPA → in force June 1, 2026 (second)

India-GCC FTA → under negotiation

OMAN'S STRATEGIC VALUE:

Overlooks Strait of Hormuz (~85% of India's crude)

Port of Duqm — India has a naval berth

Duqm SEZ — logistics/re-export hub

GCC MEMBERS (6): SAUDI ARABIA, UAE, QATAR, KUWAIT, BAHRAIN, OMAN

BILATERAL TRADE: ~\$12 BILLION; INDIAN DIASPORA ~8 LAKH IN OMAN

CAROTAR: RULES TO PREVENT THIRD-COUNTRY GOODS BEING MIS-ROUTED AS OMAN-ORIGIN

Sources: Ministry of Commerce and Industry, PIB, The Hindu

Source: India-Oman CEPA Enters into Force — Duty-Free Access on 98% of Tariff Lines — [Ujjayari.com](https://ujjayari.com) | Free
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