Independent News
ESWATINI

India's TEPA deal opens new trade prospects for Eswatini

by Adekunle Owolabi (October 3, 2025)

Mbabane – The Indian High Commission in Mbabane has described India's Trade and Economic Partnership Agreement (TEPA) with the European Free Trade Association (EFTA) as a strategic opportunity that Eswatini can harness for economic growth and regional influence.

TEPA, which came into effect on 1 October 2025, was signed between India and EFTA member states Switzerland, Iceland, Norway and Liechtenstein. It is being regarded globally as a landmark accord at a time when tariff wars and protectionism have unsettled traditional trade flows.

The agreement secures tariff-free access for nearly all Indian exports to EFTA markets while committing the four European countries to invest 100 billion US dollars into India over the next 15 years. Half of that investment is expected in the first decade. Unlike most trade deals that focus narrowly on tariffs, TEPA also covers high-tech sectors, services, mutual recognition of professional qualifications, labour mobility and financial cooperation.

According to the High Commission, this integrated approach makes TEPA not only a market access agreement but also an investment-driven partnership that provides long-term stability. By moving beyond traditional tariff reduction, the pact signals India's intent to build a multipolar trade order less vulnerable to sudden tariff hikes or supply chain disruptions.

For Africa, and Eswatini in particular, TEPA is seen as a model for how smaller economies can link into global growth. With preferential trade access to major powers shrinking, many African exporters face higher tariffs and weaker support. TEPA demonstrates how alternative networks can create balance and new trade corridors.

Eswatini's position in regional blocs such as SACU, SADC, AfCFTA and COMESA gives it leverage to act as a bridge between Indian investors and wider African markets. Through these alliances, the kingdom could negotiate dedicated trade lanes with India, expand agricultural and textile exports, and build stronger supply chains integrated with India's manufacturing and technology drive.

TEPA also aligns closely with India's Make in India vision and production-linked incentives, which target growth in pharmaceuticals, engineering, chemicals, food processing and advanced services. The expected inflows of capital into these industries will create space for joint ventures with Eswatini firms, especially small and medium enterprises that could benefit from technology partnerships, regulatory alignment and skills transfer.

Globally, the pact is being viewed as a benchmark for 21st century economic diplomacy. EFTA countries are considered first movers in India's expanding consumer markets, giving them early advantage over rivals from the European Union and other powers. Indian businesses in turn gain smooth entry into advanced European economies, opening space for skilled migration, technical collaboration and new services.

For Eswatini, policymakers and business leaders are being encouraged to treat TEPA as a roadmap. The agreement shows that emerging economies do not need to rely only on deals with the largest markets but can thrive by diversifying partners, seeking investment-linked trade models, and positioning themselves as conduits in new supply chains.

The High Commission noted that TEPA's framework offers Eswatini not just opportunities to expand exports but also to strengthen infrastructure, build capacity for industrialisation, and develop regional supply chains less vulnerable to global rivalry. By leveraging its regional memberships and aligning with India's economic trajectory, the country could secure greater stability and growth in an unpredictable global trade environment.

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