

India, EU restart FTA negotiations

Both sides hope for a speedy conclusion of pacts covering goods, geographical indications and investment protection

OUR BUREAU

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India and the EU kicked off the first round of negotiations for a bilateral free trade agreement in New Delhi on Monday, aiming for a speedy conclusion of three separate pacts in goods, geographical indications and investment protection.

“Opening a new chapter in EU-India relations. Today is the first round of negotiations for comprehensive trade and investment agreements between the EU and India,” according to a tweet from the International Trade Department of the EU.

While negotiations on goods, investment protection and GIs will be held on different tracks, both sides have decided that the goal will be to conclude them all

simultaneously, preferably by 2023-end.

‘Nine years on...’

Negotiations on the India-EU FTA have re-started nine years after the first attempt to get into an FTA, initiated in 2007 and abandoned in 2013 over a multitude of issues.

These included market access in India for automobiles and wines, the EU’s insistence on inclusion of non-trade issues such as environment and labour in the agreement and India’s demand for more liberal work visa rules.

While India has now agreed to include areas such as labour and sustainable development in the pact, officials say that the country is in a comfortable zone because of efficient domestic



The EU hopes to get greater market access in products such as automobiles, wines and spirits

laws and high international commitments already undertaken.

“As is the case in all EU trade agreements, the future arrangement with India would also include ambitious and enforceable

provisions on trade and sustainable development, helping us to reach our climate goals under the European Green Deal and promote high environmental and labour standards in the EU and India,” the EU said in a

statement earlier this month.

The first round of FTA negotiations will be held up to July 1.

India hopeful

India is hopeful of making gains in areas such as textiles, leather, sports goods, and processed food as the proposed FTA could place Indian exporters on par with exporters from competing countries such as Bangladesh and Vietnam that already have preferential access into EU markets.

The EU hopes to get greater market access in products such as automobiles, wines and spirits, where customs duties are relatively high.

India-EU trade in goods posted a growth of 43.5 per cent to reach a high of \$116.36 billion in 2021-22. India’s exports to the EU increased 57 per cent to \$65 billion, according to government figures.