

India, GCC group to launch free trade pact negotiations on Nov 24

NEW DELHI

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INDIA and the Gulf Cooperation Council (GCC) are expected to launch negotiations for a free trade agreement on November 24 with an aim to boost economic ties between the two regions, an official said.

GCC is a union of six countries in the Gulf region - Saudi Arabia, UAE, Qatar, Kuwait, Oman and Bahrain. "The FTA will be launched on November 24. GCC officials will be here to launch the talks," the official said. India has already implemented a free trade pact with the UAE in May this year. Commerce and industry minister Piyush Goyal had, on November 16, said that India will be launching a new free trade agreement (FTA) next week.

This would be a kind of resumption of FTA talks as earlier two rounds of negotiations held in 2006

and 2008 between India and GCC. Third round did not happen as GCC deferred its negotiations with all countries and economic groups. India imports predominately crude oil and natural gas from the Gulf nations like Saudi Arabia and Qatar, and exports pearls, precious and semi-precious stones; metals; imitation jewellery; electrical machinery; iron and steel; and chemicals to these countries. India's exports to the GCC grew by 58.26 per cent to about \$44 billion in 2021-22 against

\$27.8 billion in 2020-21, according to data from the commerce ministry. The share of these six countries in India's total exports has risen to 10.4 per cent in 2021-22 from 9.51 per cent in 2020-21.

Similarly, imports rose by 85.8 per cent to \$110.73 billion compared to \$59.6 billion in 2020-21, the data showed. The share of GCC members in India's total imports rose to 18 per cent in 2021-22 from 15.5 per cent in 2020-21. Bilateral trade has increased to \$154.73 billion in 2021-22 from \$87.4 billion in 2020-21. Besides trade, Gulf nations are host to a sizeable Indian population. Out of about 32 million non-resident Indians (NRIs), nearly half are estimated to be working in Gulf countries.