

India to finalise terms of FTA with GCC soon

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CLOSE ON THE heels of its free trade agreement (FTA) with the UAE, India has expedited the pace of talks with several partners, including other members of the Gulf Cooperation Council (GCC), Australia, the UK and Canada, to firm up a raft of “fair and balanced” trade deals and enable domestic exporters to take advantage of a rebound in global growth.

Official sources told *FE* that the country will likely get into a pact with the GCC nations in the next fiscal. Both the sides will finalise the terms of reference (ToR) in March. The comprehensive economic partnership agreement (CEPA) with the UAE will serve as a template for the fast conclusion of this deal. In fact, some of these nations want to sign a pact at the earliest. Interestingly, the GCC group had dithered on whether to seal an FTA with India a decade ago. It comprises Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE.

Official sources told *FE* that sources said Canadian trade minister Mary Ng will likely visit India on March 11 to hold talks with commerce and industry



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Goyal held talks, via video conference, with his Australian counterpart Dan Tehan again on Monday to “tie any loose ends” to an interim trade agreement that is at an advanced stage of fruition. This is to be followed up with a

broader FTA with Australia. This would be the second deal to be signed by India, after its CEPA with the UAE, which was, in fact, New Delhi’s first shot at an FTA in over a decade.

Similarly, negotiations with the UK are progressing well, said one of the sources. India has also started talks with Israel for a trade pact. The negotiations are a part of India’s broader strategy to sign “balanced” trade agreements with key economies and revamp existing pacts to boost trade. The move gained traction after New Delhi pulled out of the Beijing-dominated RCEP talks in November 2019.

FTAs are also central to India’s efforts to raise its merchandise exports to as much as \$1 trillion by FY27, against just \$292 billion in FY21 when the pandemic hit global supply chains. However, the country is on course to realise a record export target of \$400 billion this fiscal, as global demand for merchandise improved dramatically.

The IMF last month forecast global trade volume to grow by a decent 6% in 2022. It rose 9.3% last year but that was driven primarily by a sharply contracted base (-8.3%) in the wake of the outbreak of pandemic in 2020.