

India-UK FTA talks likely to resume this month

UK Trade Secy Jonathan Reynolds-led team may travel to Delhi on Feb 24

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India and the United Kingdom (UK) are likely to restart the free trade agreement (FTA) negotiations later this month, after a hiatus of nearly a year.

A team headed by UK's Secretary of State for Business and Trade Jonathan Reynolds will travel to New Delhi on February 24, two persons aware of the matter told Business Standard. The last round of negotiations took place in March 2024.

Trade talks between the two countries were launched in January 2022 under the Conservative government led by former British Prime Minister Boris Johnson, with a target to seal the deal in nine months.

However, political instability in the UK, unresolved differences over various issues, and general elections in both nations during April-July 2024 delayed the deal.

In November last year, relaunch of the FTA talks was announced following the meeting of Prime Minister Narendra Modi and his British counterpart Keir Starmer on the sidelines of the G-20 summit in Brazil. Some of the contentious issues in the FTA include India demanding movement of skilled professionals in the services sector, a social security agreement, and relief measures under the UK's proposed carbon border tax.

On the other hand, handling the UK's demands such as reduced tariffs on whisky and automobiles, opening up India's sectors like legal, architecture, and financial services have also been tricky for New Delhi.

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EFTA delegation to visit India next week

A delegation of more than 100 investors from the four-member European Free Trade Association (EFTA) nations – Iceland, Switzerland, Norway, and Liechtenstein – will be in New Delhi next week to explore business opportunities and further investment ties, Commerce and Industry Minister Piyush Goyal has said.

The visit will be in line with the investment commitment of \$50 billion in India in 10 years made by European nations under the India-EFTA trade agreement.

It also takes into effect an additional \$50 billion in the next five years. The investment is expected to facilitate creation of 1 million direct jobs in India in 15 years. Government officials expect investments to focus on manufacturing across sectors such as chemicals, pharmaceuticals, foods processing, and infrastructure.

The trade agreement between EFTA and India was signed in March last year, after 16 years of negotiations including 21 rounds. The trade deal will kick in by the end of 2025.

Of all the four EFTA nations, Switzerland is India's largest trading partner. During the first eight months of the financial year, India's exports to EFTA nations stood at \$1.28 billion, of which 77 per cent exports were to Switzerland. SHREYA NANDI