

India-EU FTA our priority, possible by Dec-end: FM

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On a day India and the UK clinched a free trade pact, Finance Minister (FM) Nirmala Sitharaman said New Delhi could achieve a free-trade agreement (FTA) with the European Union by December this year as there were just “one or two items” on which each side was fixated.

The FM, however, called for some flexibility to achieve the FTA.

“Negotiation is about the art of making it possible. You need to have everything done to make it possible to achieve. But when there are fixed positions, someone will have to relax, bring in the elasticity,” Sitharaman said.

She was speaking at the ‘ADB Governors Seminar: Cross Border Collaboration for Future Resilience’ in Milan, Italy. Except for one or two items on which each side was fixated there was largely an agreement that could be through. “The European Union is top of our priority because of the traditional links which we have with the EU... If negotiations go forward in that spirit, the December (deadline) is not impossible to achieve,” the minister said.

The FM highlighted that the principle of free trade was of efficiency and it cannot be violative of the acceptable principles of free trade.

She said that the global fragmentation and also the way in which the April Tariff



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Union Finance Minister

announcement by the US has panned out, uncertainties are increasing and simultaneously global institutions are not carrying the heft they were carrying earlier.

“In such a situation, countries are today looking at bilateral arrangements. In the case of the EU, India has been negotiating for quite some time. But today, the sense of urgency is felt by both sides because the

market can be one big market,” the FM added.

Sitharaman highlighted that countries need to have investments and market access in various nations given the current global situation.

“Supply chains cannot be from one big market. Concentration risks have played out substantially,” she said, while stating that economically prudent solutions post globalisation have caused huge disruptions hurting the common people.

While stressing that there was no going back on globalisation, she said, “Countries today have realised that there should be at least some level of their own resources being used for meeting their demands, i.e. self-reliance. It’s not a policy which is inward-looking, it’s progressive.”

Talking of linking India to global supply chains, Sitharaman said India has taken a long term approach towards building its supply chains keeping in mind its strategic strengths and capacities are leveraged.

The Finance Minister said India wants to strengthen itself on the basis of the assets it had whether it was human capital or technology and sectors where it can build further.

“We are also looking at sectors in which our population is engaged,” Sitharaman said. While stressing that India had a population of 600 million people who were less than 25 years of age, she said that India was not dealing with an ageing population and the number of its productive age population was substantial.