

To diversify trade, India speeding up FTA talks with Chile, Peru

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India is speeding up its free trade agreement (FTA) talks with Chile and Peru in its attempt to diversify trade given the US tariff challenge, sources said.

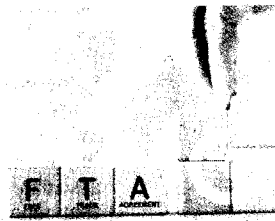
"Negotiators are trying to move towards concluding the India-Chile FTA soon and substantial results are expected by the year-end. With Peru, the FTA may take a bit longer, but things are progressing steadily. The visit of Indian negotiators to the two South American countries, beginning October 25, for face-to-face talks,

will speed up things," a person tracking the matter told *businessline*.

Striking trade deals with Latin American countries is an important part of India's trade diversification strategy and there is a sense of urgency as the US tariffs on Indian goods are already hitting exports.

COMPREHENSIVE PACT

India and Chile first signed a preferential trade agreement (PTA) in 2006, covering a handful of products and then expanded it in 2017. India offered concession on 1,031 tariff lines to Chile, which offered concession on 1,798 tariff lines to India.



The India-Chile comprehensive economic partnership agreement (CEPA) now being negotiated will cover a substantial part of the bilateral trade in goods, as well as critical minerals, services, digital services, MSMEs and investment collaboration.

"There is a huge scope for growth of trade between In-

dia and Chile as bilateral trade was only at \$3.75 billion in FY25," the source said. In FY25, India's exports to Latin America at \$15.17 billion were just about 3.5 per cent of its total exports, while its exports to Chile were at \$1.15 billion. In comparison, Chile's imports from China in 2024 were at \$20.65 billion.

"The largest Indian exports to Chile are automobiles and pharmaceuticals. An FTA will boost not just these but also other items such as iron and steel, aluminium products, sugar, cereals, fertilizers and engineering goods," the source said.

While the October round

of negotiations will just be the third, both sides are enthusiastic about concluding the India-Chile FTA early.

"The speed of negotiations depends on what kind of rapport or agreements you have and the concurrence of thoughts. Both sides will exchange offers in goods before the round and hopefully substantial progress will happen during the meetings," he said.

9TH ROUND OF TALKS

With Peru, this will be the ninth round of negotiations. "Things are moving on track with Peru as well but the country likes to take things slower," the source added.