

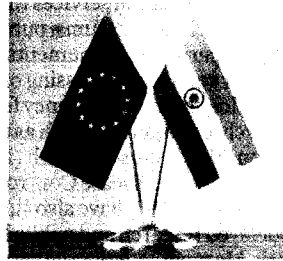
India-EU FTA: Officials to meet in Brussels to sort out differences ahead of year-end deadline

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Negotiating teams from India and the EU are meeting in Brussels this week, starting Monday, to sort out lingering problems in the proposed free trade agreement (FTA) in areas such as automobiles, alcoholic beverages, services and quality standards, sources said.

The effort will be to try and bridge differences to the extent possible with focus on the year-end deadline set by Prime Minister Narendra Modi and EU President Ursula von der Leyen for wrapping up the trade negotiations.

The deadline has added significance with US President Donald Trump imposing



Auto, alcohol, services and standards are among the problem areas to be sorted out

tariffs and other barriers on the country's trade partners.

EU'S DEMAND

New Delhi may also try to persuade the EU, its top trading partner, to extend some investment commitments encouraged by similar concessions given in the bloc's trade deal with the US, the

source added. "While a large part of the agreement is already settled, some trouble areas still remain. The EU wants more market access for auto, alcoholic beverages and some other goods that India is not ready to cede. There is still a lack of agreement on standards as both sides want relaxations. The EU wants India's QCOs to be relaxed, while India has issues with the bloc's SPS and TBT measures. In the services sector, the EU wants more in finance while India wants relaxations for work visas," the source pointed out.

Investment is another area where India is trying for some commitments following the EU's deal with the US. "Initially, the EU had said that its industry would

not allow government commitments on investments. But now that the US managed to persuade the EU to do so, obviously with industry's consent, New Delhi would also try for it," the source added.

In India's FTA with the EFTA countries, comprising Switzerland, Norway, Iceland and Liechtenstein, the bloc's investment commitment of \$100 billion was construed as India's big gain.

The EU's Carbon Border Adjustment Mechanism (CBAM), which may result in the bloc imposing penal tariffs on carbon-intensive goods such as steel, aluminium and cement, is yet another unresolved issue that New Delhi wants to address in the FTA, the source added.