

FTA with India may come into force in 2027, says EU envoy

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New Delhi, 7 May

The free trade agreement (FTA) between India and the European Union (EU) is likely to come into force in 2027, with both sides currently engaged in legal scrubbing of the negotiated text, ambassador of the EU to India Herve Delphin said on Thursday.

“Currently, the legal teams are going through the negotiated text to give it a proper legal form. We expect that after the scrubbing, everything will go smoothly. We have our ratification process that should go hopefully smoothly, and considering the existing broad-based political support that this FTA enjoys in Brussels. So what we are looking at, is the FTA entering into force in 2027,” he said at an event organised by the Federation of European Business in India (FEBI).

An Indian official said the legal scrubbing is expected to be completed by July this year.

“Customs procedures or conformity requirements should serve their purpose and not be used as trade barriers. And if administrative procedures are too burdensome to businesses, and may create an assessment that the cost of compliance outweighs the benefits of a preferential tariff, in that case it will be



“CERTAINLY FROM THE EU, WE WELCOME THE ONGOING REFORM AND REVIEW OF THE QUALITY CONTROL ORDER SYSTEM IN INDIA”

Herve Delphin
Ambassador of the EU to India

unfortunate,” he cautioned.

Delphin said both sides must continue efforts to increase the ease of doing business. “And certainly from the EU, we welcome the ongoing reform and review of the QCO (Quality Control Order) system in India and look forward to further action in this area in line with the recommendation made by the High-Level Committee on Non-Financial Regulatory Reform of India,” he added.

The ambassador pointed out the

missing chapter on investment liberalisation in non-services sectors in the negotiated FTA text. “That would have given a boost and encouragement to the private sector. Hopefully, the EU and India should revisit this area two years down the road after the entry into the FTA, as envisaged into the review clause, to see whether we can find common ground and address this missing element of the investment liberalisation chapter,” he added.

Speaking at the event, additional secretary in the commerce department, Darpan Jain highlighted the “rapid response mechanism” built into the FTA to fight against regulatory barriers. “In an FTA, a country does not give away the right to bring new measures, but whether those new measures are within the framework of the FTA or not; and if they are impacting trade, then there is a mechanism. We are calling it a VIP mechanism because very suddenly it escalates to the highest level,” he said.

Under the mechanism, if an issue is not addressed at the negotiators’ level, it goes straight away to the minister’s level in a very short time frame. “We also have a very innovative non-violation mechanism in the FTA which ensures that though there is no explicit or direct violation of the FTA obligation, there is no indirect violation,” he added.