

India-Chile FTA talks may begin after polls

SHREYA NANDI

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India and Chile are expected to start discussions on a free-trade agreement (FTA) to boost bilateral economic ties after the Lok Sabha election, said people aware of the matter. Currently, both countries have a limited trade agreement, also known as a preferential trade agreement (PTA), in place. The discussions are expected to start after the polls, said one of the persons cited above. A trade deal with Chile will help India get greater access to the Latin American region.

“Demand from India’s key export markets is saturated and that’s why there is a need to focus on new markets, such as Latin American as well as the African market,” the person told *Business Standard*.

“Under the existing limited trade deal with Chile, (over) 2,000 product lines are covered (to get duty concessions). We need to see how many more product lines can be covered under the FTA,” the person said. The limited trade deal between the two nations started in 2007 and India got tariff concessions on 296 product lines. Thereafter, the PTA was expanded in 2016, after which the duty was reduced on 1,798 products of Chilean lines.

Among the Latin American countries, Chile was the second largest export market for India during the financial year 2022-23 (FY23). India’s bilateral trade with Chile stood at \$2.6 billion, with exports at \$1.16 billion and imports at \$1.43 billion during FY23. Indian exports to Chile comprise transport equipment, drugs and pharmaceuticals, yarn of polyester fibres, tyres and tubes, manufacture of metals, articles of apparel, organic, inorganic and agrochemicals, textiles, readymade garments, plastic goods, leather products, engineering goods, imitation jewellery, sports goods and handicrafts. India imports items such as copper ore, iodine, copper anodes, copper cathodes, molybdenum ores and concentrates, lithium carbonates and oxide, metal scrap, inorganic chemicals, pulp and waste paper, fruits and nuts, barring cashews, fertilisers and machinery.

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