

India-UK FTA talks face deadlock over data in final stages



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Data localisation and UK companies being allowed to bid for Indian government contracts are among the issues causing a possible deadlock in the final stages of the India-UK free trade agreement (FTA) negotiations towards a Diwali draft completion deadline, according to a UK media report on Sunday.

The Daily Telegraph quoted a source close to the talks to say that data localisation rules that prevent foreign companies taking data out of India and allowing UK firms to bid for public sector contracts are two key “sticking points” to a comprehensive deal. The likelihood of a so-called “thin” trade deal within Diwali or October 24 deadline and further “iterative” deals at a later stage is now looking like a likely outcome.

“The stumbling blocks are absolutely to do with digital. How ambitious and comprehensive this deal is in some way a function of time,” the newspaper quoted an “insider” as saying.

It follows UK Trade Secretary Kemi Badenoch indicating earlier this week that just because there may be an FTA struck with India, it did not mean “we can’t do even more later”. The Department for International Trade (DIT) also reiterated the government stance that any FTA would be agreed only if it meets the UK’s interests. “We remain clear that we won’t sacrifice

quality for speed and will only sign when we have a deal that meets the UK’s interests,” a UK government spokesperson said this week.

It follows a week of controversial interventions that cast a shadow over the prospect of a wide-ranging bilateral trade agreement, with UK Home Secretary Suella Braverman expressing “reservations” over India being offered some sort of “open borders” visa concessions.

While India countered the minister’s

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claims that a Migration and Mobility Partnership (MMP) between the two countries had not “worked very well” in tackling visa overstayers, strategic experts suggested that the wrangles may well end up in a diluted trade pact. The prospect of Prime Minister Narendra Modi’s UK visit towards the end of the

month to sign off on an FTA draft around Diwali is also seen as shaky at this stage.

“It now appears likely that the prospective UK-India FTA under the Liz Truss government will not be as substantive nor as comprehensive as envisaged by the previous Boris Johnson government, as negotiations on key issues of mobility/migration and tariffs can be expected to continue towards a non-time bound second-phase of the agreement,” said Rahul Roy-Chaudhury, Senior Fellow for South Asia at the London-based International Institute for Strategic Studies (IISS) think tank.