

\$100 bn in 15 years: India, EFTA set investment goal

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Investment worth \$100 billion over 15 years will be tied with the trade agreement between India and the four-member European Free Trade Association (EFTA), to be signed on Sunday, according to people aware of the matter.

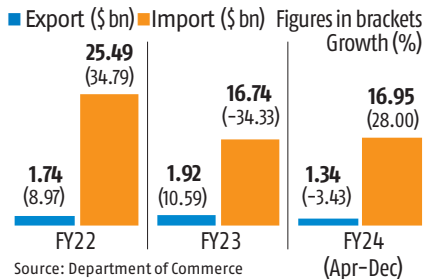
The investment will be linked to the creation of one million jobs in India.

“A mechanism and a road map will be developed to achieve that kind of investment,” one of the persons cited above told *Business Standard*.

The commitment is likely to be part of the investment chapter in the proposed trade agreement and not a separate investment pact.

A team of officials from the EFTA nations — Iceland, Switzerland, Norway, and Liechtenstein — is expected in New Delhi over the weekend for an official signing of the Trade and Economic Partnership Agreement (TEPA). This is the first trade deal India is set to sign with any European nation or bloc and the fourth trade agreement that will be signed over a decade.

INDIA-EFTA TRADE



A free-trade agreement with Mauritius was signed in February 2021, followed by those with the United Arab Emirates (UAE) and Australia a year later.

Under the TEPA, both countries are expected to give duty-free access to items across various sectors. For India, the biggest win will be a commitment for the \$100 billion investment. This is because import duties in the EFTA nations aren't steep. As a result, for India, market access gains could be limited.

India and the EFTA nations had launched negotiations on a broad-based trade and investment agreement more than 15 years ago.

As many as 13 rounds of negotiations were held, after which talks were suspended in 2013.

Talks resumed in 2016 and four more rounds of negotiations took place, and finally again in 2023. The last of the 21st round of talks took place during January 8-13 in New Delhi. Of all the four EFTA nations, Switzerland is India's largest trading partner. Last financial year, India's trade with EFTA countries resulted in a substantial trade deficit. In FY23, India's trade deficit with EFTA stood at \$14.8 billion.

Turn to Page 6 ▶

▶ **UK TEAM HEADS TO LONDON, FTA TALKS STILL OPEN**

Tata Capital, a subsidiary of Tata Sons, has also been tagged by the RBI as an upper-layer NBFC and is required to be listed by September next year. A listing of Tata Capital would lead to cash generation for Tata Sons, which currently owns a 94 per cent stake in Tata Capital.

Last month, the board of Tata Capital approved a massive fundraising exercise of ₹20,000 crore through non-convertible debentures as the company aims to emerge as a prominent retail lender.

Simultaneously, Tata Capital's home finance subsidiary, Tata Capital Housing Finance, is raising another ₹8,000 crore to increase its market share in the home loan business. Tata Sons invested ₹1,000 crore in the first half of FY24 by subscribing to the rights issue of equity of Tata Capital.

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Exports and imports stood at \$1.9 billion and \$16.7 billion,

respectively. The trade deficit can be attributed to high gold imports from Switzerland.

Cabinet note on India-Oman FTA in the works

The commerce department is in the process of finalising a Cabinet note for an approval of a free-trade agreement (FTA) between India and Oman, people aware of the matter said. India is keen to finalise the trade pact before the model code of conduct (MCC) kicks-in ahead of its general elections. The MCC is expected to be announced early next week.

The much-awaited trade agreement between India and the United Kingdom (UK) may not be finalised before the MCC kicks in, although officials said the deal had been substantially concluded, even as some fine-tuning may be required. With the MCC a few days away, an announcement and signing of the trade deal at a ministerial level may be difficult.

CCI rule on global turnover

According to the guidelines, the CCI would calculate the penalty amount up to 30 per cent of the

