

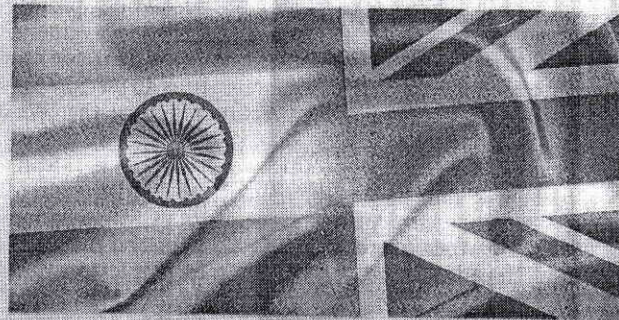
India-UK FTA: Trade Ministers' meet likely to resolve discord

BONE OF CONTENTION. Tariff reduction, IPR rules, visa issues remain sticky subjects

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India is hopeful of substantial progress in resolution of the handful of sticky matters remaining in the proposed India-UK Free Trade Agreement (FTA) as Commerce and Industry Minister Piyush Goyal and UK Secretary of State for International Trade Kemi Badenoch engage in discussions over two days in London starting Monday.

The areas where complete understanding is yet to be reached include tariff reduction on some key items such as Scotch whisky, automobiles and auto parts, rules on IPRs, visa issues, mutual recognition agreements in services and financial services, a source tracking the matter told *businessline*. Differences over the proposed bilateral investment treaty also need



HAND IN HAND. Both sides are hopeful the proposed FTA would double bilateral trade to \$100 billion by 2030

to be ironed out. "An estimated "four-fifths" of the pact was sorted out at the tenth negotiating round last month. On the remaining contentious issues there is an understanding on about half the items. Officials have been busy ironing them out since the tenth round. That's why there is a lot of positivity about the minister's visit," a source tracking the matter told *businessline*.

"As many as 14 chapters are substantially closed for negotiations while there has been significant progress in other chapters," per the Commerce Department. Both sides are hopeful that the proposed FTA would double bilateral trade to \$100 billion by 2030.

HIGHER COMMITMENTS
While India has agreed to substantial reduction in tar-

iffs for both whisky and automobiles—two areas where the country has many sensitivities—the UK is hoping for higher commitments, the source said.

"The UK industry has not only asked for steep tariff cuts in whisky and automobiles, but it also wants relaxed rules of origin to let them benefit from the cuts. India needs to tread area carefully to ensure that third countries don't benefit from the pact," the source said.

British officials have earlier said that the FTA negotiations would also include liberal rules on business mobility, which would make it easier for highly skilled professionals to deliver services in each other's markets on a short-term and temporary basis, but terms of work visas and proposed mutual recognition agreements are yet to be finalised, the source added.