

India, Chile to begin talks for trade pact on May 26

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India and Chile will hold their first round of negotiations for a Comprehensive Economic Partnership Agreement (CEPA) in New Delhi on May 26-30, aiming to significantly upgrade their bilateral trade relationship.

Both sides on Thursday signed the terms of reference (ToR) for a CEPA. The mutually agreed ToR was signed by Juan Angulo, ambassador of Chile in India, and Vimal Anand, joint secretary in the Department of Commerce, as well as the Indian chief negotiator for India-Chile CEPA.

The CEPA aims to build upon the existing preferential trade agreement (PTA) between the two countries and seeks to encompass a broader range of sectors, including digital services, investment promotion and cooperation, MSME, critical minerals, thereby enhancing economic integration and cooperation.

India had a \$1.3 billion trade deficit with Chile in 2024, with \$1.1 billion exports and \$2.4 billion imports.

A Framework Agreement on Economic Cooperation was signed between the two countries in January 2005, followed by a PTA in March, 2006. An expanded PTA was subsequently signed in September 2016 and became effective from May 16, 2017. In April

2019, both countries agreed to pursue a further expansion of the PTA with three rounds of negotiations between the years during 2019-2021.

“To deepen their economic engagement, both sides expressed their intention to negotiate a CEPA to unlock the full potential of their trade and commercial relationship, boosting employment, facilitating investment promotion, and cooperation and exports, as suggested by the Joint Study Group (JSG)

established under the Framework Agreement. The JSG report was finalised and signed on April 30, 2024,” said India’s commerce department in a statement.

The statement said the shared vision was reaffirmed during the recent state visit of Chile’s president, Gabriel Boric Font, to India April 1-5 on an invitation from Prime Minister Narendra Modi. “Leaders from both sides acknowledged that trade and commerce have served as a strong pillar of the bilateral relationship. They emphasised the importance of enhancing the existing trade framework to unlock new opportunities for growth. In this spirit, the two leaders acknowledged the signing of the mutually agreed Terms of Reference and welcomed the launch of negotiations for a CEPA, aiming to establish a balanced, ambitious, comprehensive, and mutually beneficial agreement for a deeper economic integration.”

