

# India-UK FTA: Negotiators preparing the ground for Modi-Sunak talks

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Negotiators from India and the UK are sweating it out in New Delhi this week as they are trying to narrow differences on a handful of contentious issues holding back the India-UK Free Trade Agreement, including work visas for Indians and tariffs on Scotch whisky and automobiles, before UK Prime Minister lands in India this month-end.

"Both sides are hopeful that Sunak and PM Narendra Modi will be able to take some final hard decisions related to the tricky areas of work visas, tariffs on key items, intellectual property rights (IPRs), digital trade, professional services and rules of origin,



Prime Minister Narendra Modi with British Prime Minister Rishi Sunak (file photo)

but the ground has to be ready for it. The lesser the remaining differences the better the chances of the FTA being finalised during Sunak's visit," a source tracking the matter told *businessline*.

While Commerce Secretary Sunil Barthwal recently led his team to London for a round of consultations on the FTA where "some progress"

was made on certain issues, including rules of origin and tariffs, more effort needs to be put in as both sides are playing tough and don't want to cede too much ground, the source added.

"The UK side is not willing to offer much in the area of work visas, a primary demand from India, as there is pressure within the ruling party against relaxations. India, on the other hand, has its own redlines in the areas of IPR and digital trade. It also has to carefully weigh what it finally offers in terms of market access for Scotch whisky and automobiles in order to continue protecting domestic industry," the source said.

Both sides are hopeful that the proposed FTA, if implemented soon, would double

bilateral trade to \$100 billion by 2030.

Modi and Sunak will be under pressure to deliver the FTA during latter's visit, or soon after, as a failure to do so may delay the pact indefinitely as the BJP-led government may then get busy preparing for the general elections tentatively scheduled in April-May 2024.

## PROGRESS SO FAR

Of the 26 chapters in the proposed India-UK FTA, as many as 19 are agreed upon, per officials.

The areas covered in the negotiations include, goods, services, investments, government procurement, accounting and auditing, legal, digital trade, sustainability, and intellectual property.