

Steel import curbs may have delayed UK FTA kicking in

KRITY AMBEY

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The UK's decision to curb steel imports may have delayed the implementation of its free trade agreement (FTA) with India, trade officials hinted on Friday.

"We are very near to operationalising that (the FTA). There are a few sticking points. The UK has come ahead with steel measures recently, which were not factored in while negotiating the India-UK deal. We are working together to find a solution for the trade measure so that we can operationalise the India-UK Comprehensive Economic Trade Agreement (CETA)," Commerce Secretary Rajesh Agrawal (*pictured*) said Friday, when asked about implementation timeline for the trade deal.

Both sides had signed the trade deal last year in July. Commerce Minister Piyush Goyal had last month expressed confidence that the India-UK trade deal will be effective in May.

The UK government, in March, announced that it has decided to slash tariff-free steel import quota volumes by 60 per cent to safeguard the domestic industry from dumping.

Starting July, steel shipments over and above the quota limit will attract a 50 per cent duty in the UK.

The UK has committed zero tariff on steel under its CETA with India. It has overall committed to cut duty on 99 per cent tariff lines under the trade deal.

Besides the FTA with the UK, the Indian industry is awaiting conclusion of India's trade deal with the US. A delegation of officials from Washington is expected to visit New Delhi soon for negotiation of the trade deal, Agrawal said.

He added that the date of their visit is yet to be finalised. New Delhi has been engaging with Washington, with the latest discussion on Thursday, regarding investigations against India under Section 301, Agrawal said. "Once the consultation process is over, it is for the US to determine the next steps," he added.

Under Section 301 of the US Trade Act 1974, which allows Washington to probe and act against trade practices that may harm US commerce, the White House has initiated investigation against India and several other economies alleging overcapacity and forced labour.

India has denied the claims and already made its submissions.

A delegation of officials from India, led by Darpan Jain, additional secretary at the commerce ministry and India's chief negotiator for the agreement, had last month visited the US for negotiations.

India will also soon hold a round of negotiations with South Korea on May 25-27 for review of the trade deal signed in 2010. The two nations agreed to review and upgrade the CEPA in April, with an aim to double bilateral trade by 2030. The two sides had bilateral trade of \$27.18 billion in 2025 which included \$21.16 billion of imports to India.

