

India, EU discuss CBAM concerns ahead of 8th round of FTA talks

Issues to be taken up after general elections in the UK

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Ahead of the eighth round of free-trade agreement (FTA) negotiations, India and the European Union (EU) discussed New Delhi's concerns regarding the carbon border adjustment mechanism (CBAM) that the trade bloc plans to implement from January 2026.

The eighth round of FTA talks between India and EU is scheduled from June 24-28 in Brussels.

According to the EU, CBAM is a tool to put a fair price on the carbon emitted during production of carbon-intensive goods that are entering the trade bloc.

Through the levy, it wants to encourage cleaner industrial production in non-EU countries. The CBAM's transition phase has kicked in from October 1.

"With the EU, we are discussing different areas where we need to work out mechanisms under CBAM. We have also set up a carbon platform....what are the other measures in introducing carbon content, how do they account for accreditation or benefits to micro, small and medium enterprises (MSMEs) (are being looked at)," a senior government official said on Friday.

FTA with Oman

Another government official said the proposed free-trade agreement with

Oman will restart soon, although talks are in the final stages.

"Oman also has some issues and we have some reservations on the petrochemicals sector. Indian firms are also doing capacity building in that and we are discussing that," the official said.

He added that India hopes to conclude negotiations in the first 100 days of the new government.

Oman is seeking duty concessions on petrochemicals products such as polypropylene and polyethylene, used primarily in the plastics industry. At present, Customs duties on these products are around 7.5 per cent.

The outstanding issues with regard to the proposed FTA between India and the United Kingdom will be taken up after the general elections in Britain.

"The outstanding issues to seal the deal will be resolved once the general elections in the UK are over,"

L Satya Srinivas, department of commerce additional secretary, told reporters. The UK's general elections will be held on July 4.

The second official cited above also said that since India has been negotiating several trade agreements, the commerce department is preparing a standard operating procedure (SOP) for FTAs. This is for the first 100 days of the new government.

That apart, amendments to the special economic zone law are also a part of the 100-day agenda.



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