

India a step closer to signing free trade agreement with the UK

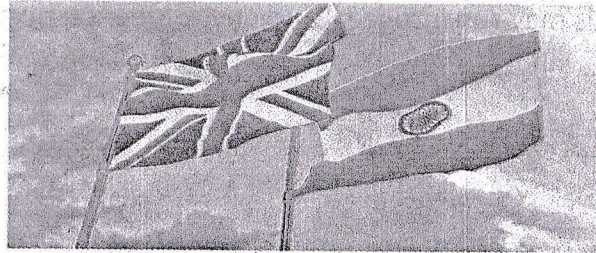
GAINING MOMENTUM. Implementation of the pact now awaits ratification by the British Parliament

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The India-UK free trade agreement (FTA), the negotiations for which were officially concluded in May this year, is likely to be signed soon after the ongoing legal scrubbing of the text is over, sources said.

"The legal scrubbing and verification of the India-UK FTA text is being carried out by the two sides. As soon as it is done, the FTA will be formally signed.

"The implementation will, however, take at least another year as the clearance process in the UK Parliament takes time," sources



REMOVING BARRIERS. The deal will boost trade with tariff elimination and market openings for both countries

tracking the matter told *businessline*. In case Prime Minister Narendra Modi travels to London within the next few weeks, which is being discussed but has not been finalised yet, the pact may be signed there in the presence of Modi and UK Prime Minis-

ter Keir Starmer. They were the ones who announced the conclusion of the FTA talks in May.

TARIFF ELIMINATION

The FTA is likely to lead to tariff elimination for India on about 99 per cent of tariff

lines, including labour-intensive goods, according to the Indian government.

POSITIVE IMPACT

"The free trade agreement provides positive impact on manufacturing across labour and technology intensive sectors and opens up export opportunities for sectors such as textiles, marine products, leather, footwear, sports goods and toys, gems and jewellery and other important sectors, such as engineering goods, auto parts and engines and organic chemicals," the Commerce Department said in May.

The three-year exemption from social security payments for Indian employees

working in the UK is also seen as a big win for India.

"The FTA takes place in the backdrop of growing economic relations between India and the UK as exemplified in the bilateral trade of about \$60 billion, which is projected to double by 2030," the statement added.

India has also provided market openings for the alcohol and automobile sectors of the UK under the deal.

The UK government said that securing the trade deal with India could boost bilateral trade by £25.5 billion (\$34 billion), with £15.7 billion (\$21 billion) expected from increased UK exports to India.