

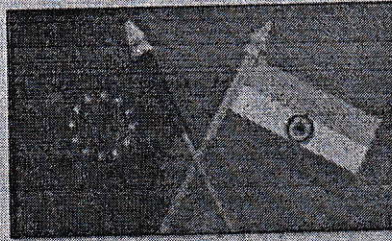
EU to flag India's 'unfair buy national' practice in FTA talk

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THE EU WANTS India to stop what it calls "discriminatory 'buy national' practices", including some relating to the Make in India and Atmanirbhar Bharat initiatives. A text endorsed by EU Parliament last month claimed that the 'buy national' practices discourage imports and "significantly affect market access for EU firms".

The text endorsed will guide the 27-member bloc's negotiations for a free trade agreement (FTA) with New Delhi.

It also pitches for a comprehensive chapter on public procurement to enforce the principles of transparency and non-discrimination in public procurement through effective remedy procedures. It seeks a review of any technical barrier to trade in India in ICT products, medical devices, toys, alcoholic beverages, pol-



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■ EU wants India to prohibit 'discriminatory practices under Make In India'

■ EU lists sectors where pending issues need to be resolved

■ Seeks review of any tech barrier to trade in ICT products, toys, others



Encourages swift solutions to long-standing market access issues across sectors

ished diamonds, agricultural products, food and steel. At the same time, it wants India to go beyond the WTO Technical

Barriers to Trade Agreement and "ensure that there is no duplication of testing and certification, and streamline licensing schemes, quality control orders and clinical investigations".

While the text encourages negotiators to find swift solutions to the longstanding market access issues across sectors, it's against "compromising on content in favour of a speedy conclusion".

This effectively means the EU won't rush to conclude a deal for the sake of having an agreement.

The text is based on the European Parliament resolution of July 5 on the EU-India future trade and investment cooperation.

It is expected to be used as a guide for the EU officials as they negotiate with their Indian counterparts for the FTA, sources told *FE*.

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AFTER 16 rounds of talks between 2007 and 2013, formal negotiations for the FTA were stuck over stark differences, as the EU insisted that India scrap or slash hefty import duties on sensitive products such as automobiles, alcoholic beverages and dairy products. India's demand included greater access to the EU market for its skilled professionals. Both the parties were reluctant to accede to what the other wanted. However, FTA

talks resumed in June after a gap of almost nine years, following renewed interest shown by both the sides who are willing to take the negotiations to their logical end. The next round of FTA talks are expected to take place in October.

The EU has listed sectors where pending issues need to be resolved. These include cars, car parts, agriculture, medical devices, pharmaceuticals, sanitary and phytosanitary (SPS) irritants, public procurement, non-tariff barriers such as quality control orders, certification, compliance with international standards and localisation requirements.

The text encourages the negotiators "to make good progress in achieving a comprehensive, mutually beneficial, state-of-the-art, WTO-compatible and rules-based FTA, giving priority to areas conducive to sustainable growth and addressing inequalities and the digital and green just transitions".

The EU pitches for comprehensive elimination of tariffs and quotas on a reciprocal basis, with focus on sensitive products, it wants to ensure that reductions in duties will not be offset by an increase in domestic taxes and levies, including at state level, on imported products. It also wants expedited, more transparent and less onerous customs, as well as a comprehensive single-window electronic certification process and the removal of disproportionate import bans.