

FTA talks with UK to resume on Monday

Negotiations on Canada deal only after resolution of political issues

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With India and the United Kingdom (UK) gearing up for the 13th round of free-trade agreement (FTA) talks on Monday, government officials said both sides had made 'good progress' in the negotiations on the proposed bilateral investment treaty as well as crucial topics such as the 'rules of origin'.

Both countries had a series of high-level meetings at the sidelines of the G20 Trade and Investment Ministerial in Jaipur last month and later at the G20 Leaders' Summit last week, when Prime Minister Narendra Modi and his British counterpart Rishi Sunak also held bilateral talks.

People aware of the matter told *Business Standard* that Sunak is expected to travel to India once again and have meetings with Modi, which will also see discussions on the proposed FTA.

"Both countries are looking at an ambitious deal that is beneficial to both countries and we are not binding ourselves to any timeline. The deal should be fruitful for the stakeholders and people of both the countries. Progress is good. There are issues we want to close quickly," according to a senior government official.

The negotiations kick-started



British Prime Minister Rishi Sunak (left) is likely to travel to India and meet with Indian counterpart Narendra Modi

REUTERS: FILE PHOTO

in January last year. Of the 26 chapters in the proposed FTA, 19 have been closed till now.

Pause on FTA talks with Canada

India and Canada will resume negotiations for a trade agreement only after there's a resolution of political issues between the two countries, a senior government official said.

"There were certain political developments in Canada on which India has raised its objections. India has shown a strong resentment against certain political developments in Canada, and therefore, for the time being, till these political issues are settled, we have paused the negotiations," the official told reporters on Friday.

"The moment these political issues are sorted out, the talks will resume. So, it is only a pause," the official said.

The development comes

against the backdrop of Modi conveying the country's strong concerns about the continuing anti-India activities of extremist elements in Canada to his counterpart Justin Trudeau. The concerns were related to the incitement of violence against its diplomats and threatening the Indian community there.

India and Canada had formally re-launched talks for a comprehensive trade deal to create new opportunities for boosting trade and investment flows in March 2022. It was also decided that an early progress trade agreement would be a transitional step towards a Comprehensive Economic Partnership Agreement.

Indian industry was looking at duty-free access for products like textiles and leather besides easy visa norms for the movement of professionals. Canada has interests in areas like dairy and agricultural products.