

● WANTS ENFORCEABLE NORMS ON SUSTAINABILITY

# EU to bat for higher labour, IPR standards in trade talks

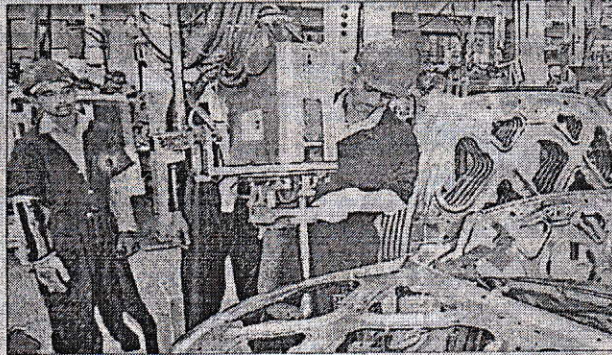
**Bloc is pushing for interoperable data flows and dedicated court for investor protection**

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THE EU IS pitching for the inclusion of an ambitious chapter on sustainability in the free trade agreement talks (FTA) negotiations with India, which will promote best global standards on labour rights, including strong action to eliminate child labour and forced labour, ensure environmental protection and encourage gender equality.

It stresses that sustainability needs to be "transversally reflected in the agreement through enforceable provisions", according to a text ratified by EU Parliament last month. In contrast, negotiations before 2013 were focussed on "sort of voluntary adoption" of sustainability standards, a source told FE. The text will guide the EU's negotiations for the proposed FTA with India.

Importantly, the bloc wants the negotiators to consider interoperable data flows between India and the EU in compliance with the General Data Protection on the basis of an assessment. It also impresses on India to join the EU initiative on international



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■ To protect investments of its companies in India, the 27-member bloc will also push for the founding of a multilateral investment court

■ Wants effective enforcement of IPR standards including, the protection of geographical indications; to push for a dedicated chapter on SMEs

data protection standards.

After a gap of almost nine years, India and the EU resumed negotiations for the proposed FTA in June. They resolved to iron out differences that had led to an impasse earlier.

To protect investments of its companies in India, the 27-member bloc will also push for the founding of a multilateral investment court, and a dedicated EU-India investment court system as a temporary solution. Both the countries have decided to negotiate on an investment protection mech-

anism.

The EU seeks a comprehensive chapter on high-level protection for intellectual property rights (IPR), focusing on cooperation provisions and technology transfers. Such a chapter should facilitate a non-restrictive and swift patent application process and effective enforcement of IPR standards including, the protection of geographical indications (GIs).

The India-EU negotiations will also involve a dedicated chapter on SMEs, which will focus on the need for a busi-

ness-friendly regulatory environment for SMEs, including simplified customs procedures and reduced regulatory burdens to help such small businesses overcome tariff and non-tariff barriers.

The EU is India's second-largest market after the US, having accounted for 15% of India's overall goods exports in FY22. The country's exports to the EU rose 57% (albeit on a contracted base) in FY22 from a year before to \$65 billion, while imports \$51 billion last fiscal, up 27% from a year before.

Meanwhile, Indian industry seems to have softened its stance on adopting greater labour, environment and sustainability standards in recent years.

Top executives of key industry chambers recently told FE that India Inc is ready for modern FTAs, which cover, and involve the country's commitments on, a wide range of subjects, including sustainability as long as the agreement offers a level-playing field.

Indian policy-makers and industry had been traditionally averse to the inclusion of new areas, especially labour and environment, in trade pacts for fears that it would impose onerous and exacting standards (being adopted by the developed world) on domestic manufacturers that would be hard to implement without incurring huge costs, in which case their export competitiveness would erode further.