

# India for staggered free trade pacts for faster outcomes

● Businesses lose interest when FTA talks drag on: Official

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INDIA HAS SUGGESTED that talks for free trade agreements (FTAs) should initially focus on core trade issues and that the comprehensive agreements can be concluded in phases, commerce secretary Sunil Barthwal said on Wednesday. This will deliver results faster, he said at the 10th CII India-Latin America and Caribbean Conclave.

The commerce secretary said India has put forward the suggestion to some of its FTA partners. "Even if it is the first phase of that comprehensive agreement, some kind of outcome should come out of these negotiations," he said.

India has followed this approach with Australia and both sides promptly concluded an Economic Cooperation and Trade Agreement (ECTA). Now negotiations are on between the two sides to convert it into a broader one and sign the Comprehensive Economic Cooperation Agreement (CECA).

At times, FTAs are delayed such that businesses lose interest. "We are taking this approach that let us first focus on the core trade issues like tariffs, non-tariff barriers, sanitary and phytosanitary measures and some of the regulatory hurdles," Barthwal said.

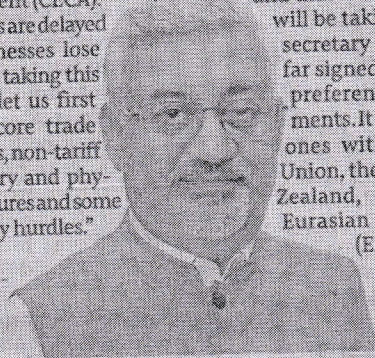
He has proposed this approach to the coun-

tries in Latin America and Caribbean (LAC) that are negotiating FTAs with India and mentioned the multi-sector approach which is being taken in the bilateral trade agreement (BTA) with the US. "I think that is going to be a great way forward by which we will be able to achieve many things, and the businesses will be able to see that the outcomes are very, very fast."

The LAC includes 33 countries such as Brazil, Argentina, Mexico, and Venezuela. India and LAC have set a target of \$100-billion bilateral trade in the next few years from \$50 billion at present. LAC countries export \$1.8 trillion worth of goods and services while their imports are around \$1.8 trillion. Among the sectors listed for collaboration are automobiles, medical devices and pharmaceuticals.

Barthwal observed that the countries will need to cut down protectionism to increase trade. "You cannot grow your GDP, unless and until trade also grows.... We are embarking upon our trade promotion mission, which would be a kind of umbrella, a kind of scheme, where we look at how to take our trade further. So trade is going to be an engine of growth, not only for that region, but also for India,

and that is the path which we will be taking forward," the secretary said. India has so far signed 14 FTAs and six preferential trade agreements. It is negotiating big ones with the European Union, the UK, the US, New Zealand, and the Eurasian Economic Union (EEU).



Sunil Barthwal,  
commerce  
secretary