

After PMO review, India makes likely final push for UK FTA

Officials head to London for ironing out pending issues

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In what may turn out to be a last push before the Lok Sabha elections, a team of officials from the commerce department, headed by secretary Sunil Barthwal, will be travelling to London to iron out sticky issues pertaining to the proposed trade deal between India and the United Kingdom (UK). The timing remains crucial since the poll panel can announce the model code of conduct (MCC) for the general elections any time now. And, both the countries are trying to conclude the free-trade agreement (FTA) before that, people aware of the matter said.

Barthwal's visit comes days after the Prime Minister's Office (PMO) reviewed the progress of the much-awaited deal on Friday.

Last month, a UK delegation led by Chief Economic Adviser Douglas McNeill met top government officials, including those from the PMO, Commerce and Industry Minister Piyush Goyal, Finance Minister Nirmala Sitharaman and Economic Affairs Secretary Ajay Seth in New Delhi. There were discussions on the proposed FTA and an investment treaty.

If the negotiations are not wrapped up at the earliest, discussions will have to be taken forward after the elections, depending on the priorities of the new government. After that, UK elections are expected to be held in the second half of 2024.

FTA negotiations between India and the UK were launched over two years ago — January 13, 2022. Till now, as many as 14 rounds of negotiations have taken place. Some of the contentious issues include the UK's demands for lower tariffs on whisky and automobiles, including electric vehicles. It is also



India cuts import duty on some fresh, processed food items

India has cut import duty to 5–10 per cent on some fresh and processed food items, a move that is set to help the United States (US) get a greater market for products such as fresh, frozen, dried and preserved cranberries and blueberries, as well as frozen turkey. The duty cut came into effect from Tuesday, according to a finance ministry notification. Currently, these items attract import duty of around 30–45 per cent.

While the tariff will be applicable to all countries, the decision was taken five months ago. It was as part of the larger trade dispute settlement between New Delhi and Washington at the World Trade Organization (WTO). Fresh, frozen, as well as dried cranberry and blueberry will attract 10 per cent import duty. The levy on preserved blueberries will now be 10 per cent. For frozen turkey and preserved cranberries, the tax will be 5 per cent. The tariff cut is unlikely to hurt the domestic market since this is an exclusive market that caters to a limited segment that wants to buy international products. The decision with respect to India agreeing to reduce import tax on some food items was first revealed by the United States Trade Representative (USTR) on the sidelines of the G20 Leaders' Summit in September.

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seeking more opportunities in the telecommunications, legal and financial services sectors in India. Other sticky areas include chapters on rules of origin and intellectual property rights.

Similarly, India is bargaining hard to seek a resolution on London's plan to roll out carbon border tax on its imported goods from 2027 and an inclusion of a social security agreement.

Last week, Barthwal had told reporters that negotiations are at

an advanced stage, and both sides are working to iron out differences on the remaining issues. He added that the negotiations are taking time because the government wants to safeguard India's interest. "India should commercially gain out of it and we should also be able to safeguard the interests of our farmers and production-linked incentive (PLI) scheme goods. So, we are there to see that the deal is fair," he had said.