

India, EU resolve digital differences in FTA talks

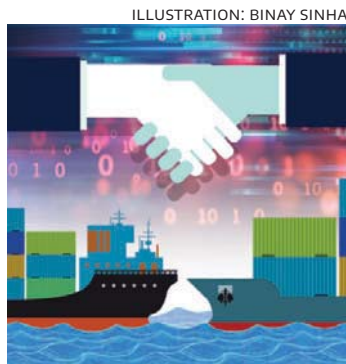
‘Substantial differences’ remain over sustainable development chapter

ASIT RANJAN MISHRA

New Delhi, 18 July

India and the European Union (EU) have reached an in-principle agreement on the contentious digital trade chapter, marking a key step toward concluding a free trade agreement, though “substantial differences” remain over trade and sustainable development provisions.

“Regarding text-based negotiations, both sides managed to reach an agreement in principle on the Digital Trade chapter and Anti-Fraud clause, pending some technical consultations,” said the European Commission in a statement, following the



conclusion of the 12th round of talks in Brussels, held between July 7 and July 11.

The objective of the digital trade chapter is to address “unjustified barriers” to trade enabled by electronic means and to

ensure an open, secure and trustworthy online environment for businesses and consumers, stated a draft textual proposal by the EU.

The chapter covers sensitive areas such as cross-border data flows, personal

data protection, and privacy — issues towards which India has a high degree of sensitivity.

Turn to Page 6 ►

Progress report

- **Market access:** Detailed discussions continue on industrial products and agri-food sector
- **Technical barriers to trade:** Progress but positions on key articles like QCOs remain far apart
- **Services and investments:** Substantial progress on domestic regulation and financial services
- **Dispute settlement:** Very good progress on the rules for state-to-state mediation
- **Capital movement:** Good progress ahead of round on capital movements, payments, and transfers

■ EU imposes sanctions on Rosneft’s India refinery, lowers oil price cap

Pilots seek clarity over crash probe, say speculation impacting morale

Emails sent to all major Indian airlines, including the Air India Group, IndiGo, SpiceJet, and Akasa Air, regarding plans to support the emotional health of flight crews did not elicit a response till the time of going to press.

Sources in the know, meanwhile, said all pilot inductions at Air India begin with a psychometric assessment, which is conducted in the presence of psychologists trained in handling aviation professionals. Air India also has a peer support programme to support pilots' mental health; it was introduced in November 2023 and rolled out in March 2024.

₹500 cr welfare trust for A-I crash victims: Tata group

The Tata group on Friday said it will set up a ₹500-crore welfare trust for the victims of the Air India (A-I) plane that crashed in Ahmedabad on June 12, which claimed the lives of all passengers on board except one. 'The AI-171 Memorial and Welfare Trust' has been registered in Mumbai. Air India had announced that it will provide an interim compensation of ₹25 lakh, in addition to the compensation of ₹1 crore announced by the parent company, Tata Sons.

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transparency, good regulatory practices, Customs and trade facilitation, intellectual property rights, and mutual administrative assistance.

On trade and sustainable development (TSD), including the contentious labour and environmental issues which India considers non-trade issues, the latest EU

statement said both sides had constructive discussions, making progress on several provisions and exploring alternatives on others. "Nevertheless, substantial differences remain, including on the binding and enforceable nature of TSD commitments," it added.

Commerce Department Special Secretary L Satya Srin-

ivas said the two sides exchanged offers related to the services sector during the 12th round.

"We have exchanged our offers on services and non-services... there were discussions on that. We also discussed key interests in market access related to goods as well," he told reporters on Tuesday.

The 13th round of negotiations is scheduled to take place in New Delhi during the week beginning September 8.

The EU noted that intense inter-session engagement will continue over the summer across nearly all topics, with additional discussions likely at higher levels.



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After the 11th round of talks in May, the bloc had noted "substantial progress" in facilitating digital trade provisions, including e-invoicing, e-authentication, e-contracts, paperless trade, online consumer protection, spam, digital identities, and open government data, while both sides continued working through "unresolved elements".

Rupa Chanda, director of the trade, investment and innovation division at the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), welcomed the latest progress in India-EU FTA negotiations, calling it a positive step given the significance of digital trade for both sides. "What may have helped is India's Digital Personal Data Protection Act and

the parallel discussions under the Trade and Technology Council to find common ground. Also, the geopolitical developments may have given an impetus for the EU to find partners it can align with," she added.

On February 28, European Commission President Ursula von der Leyen and Prime Minister Narendra Modi jointly announced that both sides aim to conclude the FTA by the end of 2025.

Last month, Commerce and Industry Minister Piyush Goyal said negotiations were advancing rapidly and that an agreement could even be reached before the end of the year.

Talks have already concluded on several chapters, including those covering

NITI for easing investment rules for Chinese firms

The proposal, reported for the first time by *Reuters*, is part of a plan to boost foreign direct investment in India and is being studied by the trade ministry's industries department, the finance and foreign ministries, as well as Prime Minister Narendra Modi's office, the sources said.

And while not all of NITI Aayog's ideas are necessarily taken up by the government, the proposal comes at a time when India and China are seeking to mend ties that have been particularly strained since border clashes in 2020.

Any decision to ease might be months away and will be taken by political leaders, two of the sources said. They added that the industries department is in favour of easing, but the other

government bodies are yet to give their final view.

NITI Aayog, the ministries, the industries department and the prime minister's office did not reply to *Reuters* requests for comment.

DEALS SUCH AS A 2023 PLAN BY CHINA'S BYD TO INVEST \$1 BILLION IN AN ELECTRIC CAR JOINT VENTURE HAVE BEEN SHELVED DUE TO THE RULES, SOURCES SAID

Deals shelved
The rules were put in place in 2020 after border clashes, including hand-to-hand

fighting between the two neighbours.

They only apply to land bordering nations, which affects Chinese companies the most. By contrast, companies from other countries can freely invest in many sectors such as manufacturing and pharmaceuticals, while some sensitive sectors such as defence, banking and media have restrictions.