

# UK, EU step up FTA talks with India in Trump era

## Piyush Goyal to meet UK, EU officials this week

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**T**he escalating trade war and growing tariff threats from US President Donald Trump are prompting the European Union (EU) and the United Kingdom (UK) to fast-track the long-delayed free trade agreement (FTA) negotiations with India.

Commerce Minister Piyush Goyal is scheduled to meet UK Secretary of State for Business and Trade Jonathan Reynolds on Monday to reignite India-UK FTA discussions.

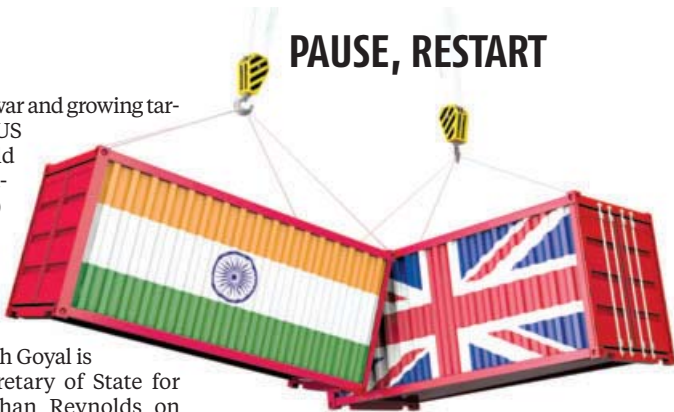
Goyal will then engage with EU Trade Commissioner Maros Sefcovic on Friday, ahead of the 10th round of India-EU FTA talks set to take place from March 10 to 14 in Brussels.

Sefcovic will join European Commission President Ursula von der Leyen during her upcoming visit to New Delhi to meet Prime Minister Narendra Modi, marking one of the first official visits by the new commission to India after the election. Goyal will also meet delegations from Belgium and Sweden during their visit to India.

Experts suggest that the geopolitical uncertainties, particularly the trade war sparked by Trump, could drive European nations to explore new markets like India, one of the fastest-growing major economies. This trade conflict may present India with an opportunity to bolster economic ties with advanced economies like the UK and the EU.

“In this era of intense geostrategic competition, Europe stands for openness, partnership, and outreach. We seek to deepen ties with one of our most trusted friends and allies — India.

### PAUSE, RESTART



- 15th round of India-UK FTA talks to begin after more than a year
- European Commission President Ursula von der Leyen to meet Prime Minister Narendra Modi on her visit to New Delhi; she will be travelling with 28 commissioners from the trade bloc
- India's exports to EU stood at \$76 billion in FY24, with a share of 17 per cent of India's exports
- Exports to UK stood at \$13 billion, with a share of 2.9 per cent in FY24

Europe and India are like-minded partners, bound by the shared conviction that democracy best serves the people,” von der Leyen was quoted as saying in a European Commission release. “We are committed to strengthening our strategic partnership to advance trade, economic security, and resilient supply chains, along with a common tech agenda and reinforced security and defence cooperation,” she added.

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# Last round of India-UK talks took place in March 2024

The brighter side of the trade war can also be an opportunity for India to forge stronger trade ties with advanced economies, such as the UK and EU.

“With the change in geopolitical scenario, and the kind of pressure the US has put on all the major partner countries, including the EU, there will be a certain amount of urgency from the EU to sign a trade agreement with one of the larger economies,” Biswajit Dhar, distinguished professor at Council for Social Development, said.

Since assuming office on January 20, Trump has announced a slew of protectionist policies aimed at ‘Making America Great Again’. These policies include imposing tariffs on imported goods, particularly from countries such as China, Mexico and Canada. Not only did Trump propose additional tariffs on steel, aluminium, semiconductors, among other things, the US government also plans to implement ‘reciprocal tariffs’ on countries as early as April.

Countries like China have

already retaliated, while the EU has warned of strong retaliation against US tariffs. China, Mexico, EU and Canada are the top four countries with whom the US has the largest trade deficit. However, Trump has not yet made a direct attack on the UK.

“The trade war, in fact, will not only give a boost but also a new direction to India’s FTA scenario. European Commissions will be visiting India, along with 28 other commissioners will give a big political push to the FTA talks,” an industry official said.

India-EU FTA negotiation was launched in June 2022.

Despite nine intense rounds of negotiations, progress in the proposed trade deal went on slow track because of fundamental differences. After the ninth round of negotiation in March, it was decided that there will be an assessment of the negotiations at a ‘political’ level. In the case of the UK, the last round of negotiations took place in March 2024. India-UK FTA talks were launched over three years ago under the Conservative govern-



ment headed by former British prime minister Boris Johnson, aimed at sealing the deal in nine months.

The negotiations began in January 2022 and have been a long-drawn-out affair as a common ground on issues such as market access and rules of origin eluded the negotiators.

There have been 14 rounds of talks so far, and the last round was concluded in March 2024.

However, political instability in the UK, unresolved differences on a range of issues, and general elections in both nations further delayed the deal.

