

# UK panel: May feel pressure on non-tariff barriers in FTA

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New Delhi, 23 April

Amid the ongoing negotiations with India for a trade agreement, the United Kingdom (UK) may be under pressure to give ground on non-tariff barriers (NTBs) and standards in order to secure market access for its businesses, a UK Parliament committee has warned. This is because tariffs in India are higher compared to the UK. As much as 60 per cent of Indian exports to the country are already tariff-free, while only three per cent of UK exports to India are tariff free.

A report titled 'UK Trade negotiations: Agreement with India' was published by the House of Commons' International Trade Committee on Friday.

The report was prepared after consultations with relevant stakeholders. While the committee will be dissolved on Wednesday, the government's response to the report should be sent to the successor committee – Business and Trade Committee, it said. The committee had last year also cautioned that India's regulatory regime at the state and Centre is different, resulting in different approaches to standards and their enforcement. Therefore, the UK government needs to make firm commitments to uphold UK standards and ensure that consumer protection is not weakened. The report comes in the backdrop of the ongoing negotiations between

India and UK towards the finalisation of a free-trade agreement (FTA). Both the nations had kick-started formal negotiations in January 2022 and had set an ambitious Diwali/October-end deadline for the trade pact. The deadline was missed as both sides were not able to iron out the differences in providing greater market access for certain goods and services.

While negotiations cover 26 policy chapters, 13 chapters have been closed so far. The eighth round of negotiations was completed last month in New Delhi.

A week-long ninth round of negotiations is scheduled this week, commerce department officials had said earlier this month.

The report also mentioned that the UK has key 'offensive interest' in India

reducing Customs duty on imported vehicles that attract 59-125 per cent tariff on an average.

UK's automobile industry association's stand in reduction of tariff, regulatory barriers and 'workable' rules of origin norms can augur well for the industry. "On the contrary, limited tariff cuts, demanding rules of origin and the absence of dedicated measures tackling automotive non-tariff barriers are likely to benefit Indian competitors with no significant gains for most UK automotive exporters," it said. The report further said that civil society groups have drawn attention to the issue of increased emissions and potential 'carbon leakage', resulting from an FTA.



**Tariffs in India are higher compared to the UK and up to 60% of Indian exports to the country are already tariff free**