

# ‘Won’t allow sensitive issues to scuttle India-UK trade talks’

India seems to be moving carefully in negotiating free trade agreements (FTAs) with the UK and Canada, given both countries compete with India in the manufacturing sector to some extent, indicates Trade Minister **PIYUSH GOYAL**. In conversation with **Shreya Nandi** on the sidelines of the Business 20 (B20) India Inception summit in Gandhinagar, Goyal admits to difficult times ahead for exporters due to looming recession in the developed world. Edited excerpts:

**The UK trade secretary recently said offering more student visas is not part of the proposed India-UK FTA. Student visas were/are never part of FTAs. Basically, FTAs are not negotiated either in newspaper articles, news conferences or public fora.**

FTAs are serious negotiations that happen amongst officials. Whenever required, they are also discussed at a higher political level. But that is hardcore negotiation. It has to be a win-win for both countries.

We are very keen to get market access today. We are very keen to get our farmers greater market access. We are very keen to get leather and sports goods, and the services sector more market access.

In the Australia FTA, we will be saving millions and millions of dollars on double taxation, which now is being removed from April 1. Indian software companies are excited that their business will flourish in Australia.

**Are we open to the idea of an early harvest agreement with the UK if sticky issues remain unresolved?**

Our approach is: ‘let us focus on what is acceptable to both countries and let us not allow sensitive issues to scuttle discussions’.

But with Canada, we are looking at an early harvest. It is called an early progress trade agreement, in which we are hoping to capture the low-hanging fruit, so that businesses can start enjoying the fruits of benefit much earlier on. When people start seeing the benefits, others, too, will come in seeking similar largesse.

**What has been the progress in the case of a trade deal with Canada? The earlier deadline was December 2022.**

We never had any deadline. Those could be estimates, which had us hoping we’d see sufficient progress by then. But then there is so much in the ministerial consultation and with everyone involved. Bear in mind that Australia and the

United Arab Emirates are non-manufacturing countries. They do not have a huge manufacturing base. So the businesses complement each other.



While Canada, too, does not have much of a manufacturing base, we have to get into greater minutiae. The UK is a manufacturing country. Every item has to be seen with a keen eye.

**What is the progress on the trade talks with the Gulf Cooperation Council (GCC)?**

Unfortunately, the term of the GCC’s secretary general is over and the new one has not been appointed yet. Once he’s/she’s instated, we will have to finalise a few elements of the terms of reference.

**India will host the Indo-Pacific Economic Framework (IPEF) next month. As the host country, do you think there could be some pressure on**



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**DO YOU THINK PM NARENDRA MODI CAN BE PRESSURED? THIS COUNTRY PROTECTS ITS INTERESTS AND PM MODI IS THERE TO PROTECT THE INTERESTS OF THIS COUNTRY**

**India to get into the trade pillar of the negotiation?**

Do you think Prime Minister Narendra Modi can be pressured? This country protects its interests and Prime Minister Modi is there to protect the interests of this country.

**Why have we opted out of the trade pillar?**

We have opted out of the trade pillar because we do not know the final contours. We do not know if there are any binding commitments. We do not know if there will be any restrictions that can hurt our manufacturing or our economy.

Until we examine the contours and weigh the benefits, we will remain an observer. If we find that it is in India’s

best interests, we will be happy to join. We have not walked away or stopped it as we walked out of the Regional Comprehensive Economic Partnership. Just that we have not opted for it yet. We are there in the second, third, and fourth pillars of the IPEF. We are waiting to see the contours of Pillar One.

**The commerce department has been monitoring the imports. Do we see some sort of hike in duty or curbs on non-essential imports?**

India does not make knee-jerk decisions. India believes in stable and predictable policies. We are a very transparent economy. Whatever we do, we do it openly. We announce it. We have logical reasons for doing so. And,

therefore, our effort is more in terms of developing the manufacturing base of India, which is why the production-linked incentive schemes have become so popular and successful.

Some of the inputs you touched upon are essential imports, raw materials, and intermediate goods. Petroleum demand going up is a sign of economic activity and growth. Electric vehicles are being used in a bigger way. So lithium is being imported, and batteries continue to be imported till such time they are developed in India.

**Given the global situation, how do you see India’s exports faring?**

Individual months have seen some ups and downs. Notwithstanding the world being under recession, huge inflationary pressures, overstocking of various commodities, and high inflation — when every global leader is talking of very tough times — India’s exports have grown 9 per cent since December 2022. Clearly, we cannot sustain that kind of momentum, given the difficult times we are living in.

If the US and Europe pick up to some extent, as well as China whose policies are affecting a lot of trade, we may grow as well.

On services though, we have done extremely well. We are probably going to do at least 20 per cent growth. Going by current trends, we will exceed the target of \$300 billion this year.

**Q&A**

**PIYUSH GOYAL**  
Union Minister for  
Commerce & Industry