

India, EU set to finalise FTA at Jan 27 summit

New Delhi: With the world order looking wobbly, the European Union is eyeing to forge a broad global agenda in partnership with India and the two sides are set to firm up a free trade pact, a defence framework agreement and a strategic agenda at their annual summit on January 27.

Top diplomatic sources told PTI that the free trade agreement to be sealed at the summit in New Delhi will be a "living document" on which work could be continued to iron out any issues that remain unresolved.

"India and the EU can set the agenda for global governance, along with France, in the absence of the US," a senior EU official said. "India is one of the big players that we work with and can rely on."

The proposed India-EU



Ursula von der Leyen and Narendra Modi in New Delhi in February. (Reuters)

free trade agreement is expected to bring the relationship between the two sides much closer, with its positive impact being expected in a range of other sectors as well, at a time the world is witnessing trade disruptions in view of Washington's tariff policy.

It is learnt that the two sides have already resolved issues relating to agricultural market access and alcoholic beverages

and are even making progress towards convergence on clauses relating to rules of origin.

However, both sides are yet to find "landing zones" on steel, cars and the EU's Carbon Border Adjustment Mechanism, a tariff on carbon-intensive products such as steel and cement, as well as on certain regulatory mechanisms, the sources said.

In September, Prime Minister Narendra Modi and European Commission President Ursula von der Leyen reaffirmed their commitment to finalise the trade deal by December.

The two sides have already concluded 12 chapters of the FTA and have now shifted from rounds of negotiations to continuous engagement on almost a daily basis in both New Delhi and Brussels to close the remaining eight chapters. PTI