

India-New Zealand FTA: Govt consulting industry on duty cuts

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With India and New Zealand eyeing early conclusion of the Free Trade Agreement (FTA) talks, New Delhi has started extensive interactions with various industry sectors on the extent of market access that could be offered to different items, based on requests submitted by Wellington.

"The government is consulting the relevant industry sectors on the list of items New Zealand has sought duty cuts on. The industry has been asked to examine the items relevant to them minutely, and suggest whether these should be subject to immediate or phased duty elimination, or whether there should be just duty reduction and no elimination," said the source who is track-

ing the matter. For items where domestic producers would need protection against surges, the industry could also propose tariff reduction through quotas.

SENSITIVE SECTORS

The idea behind the consultations is to protect the domestic industry wherever needed, including in sensitive sectors such as agriculture and dairy, said the source. India and New Zealand

and re-started negotiations for an FTA in March this year.

60-DAY TIMELINE

While the 60-day timeline suggested by Commerce and Industry Minister Piyush Goyal and backed by New Zealand Prime Minister Christopher Luxon was too ambitious, both sides are fast-tracking the negotiations for an early deal.

"The first round of negotiations for the India-New Zealand FTA was on May 5-9, where both sides discussed requests for market access. The second round is scheduled in July, and there are expectations that offers will be made based on the requests," said the source.

India and New Zealand had suspended negotiations on a proposed FTA in 2015 after five years of talks, as New Delhi did not want to

open up the dairy sector to protect vulnerable dairy farmers.

Since dairy is the top export item for New Zealand, the talks did not proceed further.

MORE FLEXIBILITY

However, this time round, both sides seem to be ready to show more flexibility. While New Zealand may be happy to get market access for agricultural goods, including fruits and nuts, instead of focussing on dairy products, India may be willing to give some concessions on high-end dairy items like blue cheese.

"Since Australia got a lot of concessions for various fruits, vegetables, meat and nuts in its trade pact with India, there is similar scope that New Zealand sees in its proposed FTA with India," said the source.