

No trade pact if EU insists on opening up dairy biz: Goyal

Issues like labour, climate change need to be discussed on int'l forums, he says

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Understanding mutual sensitivities is crucial towards fast tracking the proposed trade deal between India and the European Union (EU), Commerce and Industry Minister Piyush Goyal said on Friday.

There will be no free trade agreement (FTA) if the trade bloc insists on opening the dairy sector, he said.

“...if we respect each other’s sensitivities like with (the trade deal with) the UAE, Australia and EFTA, we should not encroach on issues which can hurt. For example dairy, I just cannot open up dairy. If the EU insists that I open up dairy, there is no FTA,” Goyal said at the Asia-Pacific Conference of German Business.

India and Australia signed an interim trade deal in April 2022.

For Australia, it was the first trade deal that it signed without getting

market access to dairy, respecting India’s issues.

Opening up India’s dairy market for foreign players has been a sensitive issue for India.

In fact, after participating in the China-backed Asian trade bloc Regional Comprehensive Economic Partnership (RCEP) negotiations for nearly eight years, India decided to walk away from the trade pact. It stated that it was not a balanced agreement and would have hurt India’s farmers and the dairy industry.

“You (EU) are 27 countries, who have different priorities; India has 27 states. I may be growing apples in one state which does not permit me to open apples (for trade),” the minister said.

Besides, the per capita income of EU member countries is much higher than that of Indian states.

Goyal also said that extraneous issues such as labour and climate change should be discussed on international forums.

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