

India, GCC hope to begin FTA negotiations in Q1 2023

Amiti Sen

New Delhi

India and the Gulf Cooperation Council (GCC) countries may not be able to launch negotiations on a free trade agreement (FTA) immediately as both sides need time to finalise the scope of the agreement and terms of reference.

Formal talks may start sometime in the first quarter of 2023, sources tracking the matter have said.

"The India-UAE free trade pact template may not suit all six GCC countries as they are at different stages of development. While some may be comfortable with higher level of market openings, others may not. A common ground needs to be reached," a source told *businessline*.

Commerce & Industry Minister Piyush Goyal and GCC Secretary General Nayef Falah Al-Hajraf met on Thursday to discuss resumption of India-GCC

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FTA talks. While India seemed hopeful that the two sides would announce the launch of resumption of the FTA negotiations, the final announcement was of an intent to launch negotiations. Goyal, at a press conference on Thursday, explained that both sides were engaged in trade negotiations with other trading partners and needed to identify dates for the India-GCC FTA talks that would be mutually suitable.

BILATERAL TRADE

The GCC, which includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE, is cur-

rently India's largest trading partner bloc with bilateral trade at over \$154 billion in 2021-22, according to government figures. India's exports to the bloc were valued at approximately \$44 billion, while imports were around \$110 billion, a large part of which comprised oil and gas.

The FTA is envisaged to be a modern, comprehensive agreement with substantial coverage of goods and services, according to a statement issued by the Commerce Department following the meeting between Goyal and his GCC counterpart.

"Both sides emphasised that the FTA will create new jobs, raise living standards, and provide wider social and economic opportunities in India and all the GCC countries. Both sides agreed to significantly expand and diversify the trade basket in line with the enormous potential that exists on account of the complementary business and economic ecosystems of India and the GCC," it said.