

UK delegation meets top govt officials in final push for FTA

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A UK delegation led by British Prime Minister Rishi Sunak's chief economic adviser Douglas McNeill is engaged in week-long deliberations with top government officials here in a last-ditch attempt to stitch together a free trade deal with India, people in the know said on Thursday. But, the possibility of finalising a deal looks bleak.

Since the beginning of the week, McNeill met top officials at the Prime Minister's Office (PMO), Commerce and Industry Minister Piyush Goyal, Finance Minister Nirmala Sitharaman, Economic Affairs Secretary Ajay Seth and Commerce Secretary Sunil Barthwal to discuss matters related to the proposed free

trade agreement (FTA) and an investment treaty, said two people familiar with the development.

The window for signing a pact is closing fast as India is likely to implement a model code of conduct ahead of the general elections. If the negotiations are not wrapped up and finalised any time soon, they will have to be resumed after the general elections, depending on the priority of the new government. Elections in the UK are also expected to be held in the second half of 2024.

"For India, the cut-off date for negotiations is the model code of conduct. Once it kicks in, the negotiations will have to stop," said one of the officials cited above. India and the UK have resolved some thorny issues over the last few months, and have taken

tough stands on issues sensitive to their respective regions.

"There is a push from the top level (from both countries). Both sides are keen and engaging with each other but there is also a feeling that the quality of the deal should not be compromised," the person said. Interestingly, the term of India's chief negotiator and commerce department joint secretary Nidhi Mani Tripathi – who has been in charge since the launch of the negotiations – gets over by the end of the month, after which, she will take up a new role at the High Commission of India in London. The commerce department is yet to announce the new chief negotiator for the India-UK FTA.

Negotiations are expected to carry on virtually in February, till the start of the model code of conduct. The

negotiations for the much-anticipated trade deal between India and the UK were launched over two years ago on January 13, 2022. After 14 rounds, both sides have been unable to meet halfway on some contentious issues. Some of the contentious issues include the UK's demands for lower tariffs on whiskey and automobiles, including electric vehicles, as well as its attempt to seek more opportunities in telecommunications, legal and financial services in the Indian markets. Other tricky areas included chapters on rules of origin and intellectual property rights.

India is bargaining hard to seek a resolution on London's plan to roll out a carbon border tax on its imported goods from 2027 and the inclusion of a social security agreement.

RACE AGAINST TIME

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▶ Top officials at the Prime Minister's Office

▶ Commerce and Industry Minister Piyush Goyal

▶ Finance Minister Nirmala Sitharaman

▶ Economic Affairs Secretary Ajay Seth

▶ Commerce Secretary Sunil Barthwal



British PM Rishi Sunak's Chief Economic Adviser Douglas McNeill (left) with Commerce Minister Piyush Goyal PHOTO: XI/@PiyushGoyalOffc