

# Last-mile hurdles keep India-UK FTA elusive

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Two days of intense negotiations between India and the United Kingdom (UK) aimed at finalising a long-pending Free Trade Agreement (FTA) ended without a breakthrough, since both sides couldn't resolve four-five outstanding issues, a person aware of the matter said.

"Both sides tried to finalise

the deal during these two days, but couldn't close the negotiations. Four-five issues still need to be sorted," the source told *Business Standard*, without specifying the exact points of contention.

Preparations had been made for a formal announcement, with both sides anticipating a conclusion of the agreement, it has been learnt. However, the talks ended without resolution. Further

discussions are expected in an effort to close the remaining gaps at the earliest.

The development follows Commerce and Industry Minister Piyush Goyal's visit to London, where he was on a two-day trip starting Monday. The visit was intended to give a final push to the negotiations, with meetings scheduled with his UK counterpart Jonathan Reynolds to address pending FTA issues.

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# India-UK FTA talks gain momentum

The negotiations cover a range of areas including tariff reductions, enhanced market access, and simplified trade procedures. The urgency to finalise the pact has been heightened by the US' move to introduce country-specific reciprocal tariffs, a plan largely on hold until July 9. The talks are taking place amid growing global trade uncertainty, with a shift towards protectionist policies in Washington. Formal negotiations between India and the UK resumed in February after nearly a year-long pause, under a three-

track framework that includes the FTA, a bilateral investment treaty (BIT), and a social security agreement. Earlier this month, Union Finance Minister Nirmala Sitharaman visited London to push forward discussions on the investment treaty. Disagreements persist over dispute resolution mechanisms under the BIT. Alongside these issues, talks have yet to resolve differences around the FTA, including India's call for a social security pact and the UK's request for expanded access to financial services sector.

