

INDIA, UK AIM TO CONCLUDE MINI TRADE DEAL BY MARCH NEXT YEAR

Relevant for: International Relations | Topic: India - UK

India and UK are aiming to launch trade negotiations by November 2021 with an eye to conclude a mini trade deal by March 2022 and later a comprehensive free trade agreement. The matter came up during discussions held between trade minister Piyush Goyal and his British counterpart Secretary of State Elizabeth Truss on Monday.

Proposed FTA between India & UK is expected to unlock extra ordinary business opportunities and generate jobs. Both sides have renewed their commitment to boosting trade in a manner which benefits all.

Speaking on the occasion, Goyal said since the declaration on launch of Enhanced Trade Partnership, announced by Prime Ministers on 4 May, both countries have made substantial progress on various aspects of the partnership. "The bilateral working groups (BWGs) for different tracks have been formed to understand ambitions, interests and sensitivities of each other to facilitate accelerated progress during negotiations. The meetings of these BWGs are presently in progress and are likely to be completed by September, 2021," Goyal was quoted to have said in a statement released by the commerce ministry.

The trade minister said an "interim trade agreement", as a first step of an FTA would allow both sides to immensely benefit from the early gains of the partnership. "In services, certain services of mutual interest may be included in the Interim Agreement through request offer approach wherein we may include priority sectors which are immediately deliverable. If necessary, we may also explore signing of few Mutual Recognition Agreements in selective services like nursing and architecture services," he added.

Goyal said he was hopeful that these BWG discussions would help both sides in understanding each other's policy regimes when both sides begin their "joint scoping discussions", beginning on 1 October 2021, for finalizing the terms of reference (TORs) for launch of negotiations in November.

Truss on Monday night tweeted: Today @PiyushGoyal & I launched trade working groups to lay the groundwork for our forthcoming UK-India trade deal, which will: boost access to more than a billion consumers; bolster our science and tech industries; support jobs in both countries."

The UK has been scouting for trade partners after Brexit and is likely to prioritize trade deals with the US, Australia and New Zealand but is also keen to engage with fast-growing emerging markets like India. The UK hopes India will sharply cut its 150% basic customs duty on scotch whisky under the FTA which would widely open up Britain's third-largest exports market for scotch whisky by volume after France and the US.

Goyal said there is tremendous interest in the business community in both countries about this FTA. "There is keenness to have an early conclusion of negotiations for quick and early economic benefits to businesses on both sides. Substantial work has already been done and extensive stakeholder consultations have been held involving industry/business associations, export promotion councils, buyers/sellers associations, regulatory bodies, ministries/departments, public research bodies etc. The consultation paper was also made public for wider participation as well," he added.

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