

INDIA LOOKS TO SEAL TRADE DEAL AFTER TRUDEAU WIN

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India hopes to fast-track talks for a mini trade deal with Canada after Prime Minister Justin Trudeau returned to power. The last round of talks was held in July after which talks were postponed because of the elections.

"As there is no change in government, we hope to resume talks as soon as the government takes charge. Though Canada did not commit to a mini trade deal in the last round of talks in July, we hope the two sides would agree on the future roadmap soon," a government official said under condition of anonymity.

Trudeau won a third term in Canada's snap election earlier this month but fell short of gaining the majority he was seeking. Trudeau had decided to gamble on an early vote and capitalize on his government's handling of the coronavirus pandemic, which included massive spending to support individuals and businesses and a push for high vaccination rates.

India and Canada came back to the negotiating table in July after a gap of almost four years to explore the possibility of a mini trade deal. They have been negotiating a Comprehensive Economic Partnership Agreement (CEPA) since 2010 with the latest round of negotiations held in August 2017.

India has held several rounds of virtual discussions with the Canadians since June last year. In October, a bilateral meeting was held to explore the option of an early harvest or interim agreement. A scoping paper was also shared with Canada.

India has been keen to sign mini trade deals with Australia, the UK and the UAE. India's long-drawn negotiations for a mini trade deal with the US also did not work out.

No headway has been made by India and Canada after the tenth round of talks in August 2017.

"At that time, constructive discussions were held on various issues, including cross-border trade in goods and services, e-commerce, telecommunications, sanitary and phytosanitary measures, and technical barriers to trade. Since then, Canadian and Indian officials have held several stocktaking meetings, most recently in November 2020. India is a high-priority trading partner and the government of Canada continues to work with the Indian government to expand our trade relationship to its full potential and create opportunities for Canadians, including continuing work to make progress on an agreement," according to an update on the global affairs portal of the Canadian government.

India is keen to have a strong services agreement under the proposed CEPA, as Canada is not a large market for Indian goods.

India is interested in creating more jobs for its IT professionals, by facilitating easier work visas under the trade agreement. Canada, a major producer of pulses, is keen to increase its agri exports to India.

The two sides also need to resolve the issue of signing an investment treaty. Negotiations for a Foreign Investment Promotion and Protection Agreement (FIPA) between the two countries had

been completed under the United Progressive Alliance government. However, after the National Democratic Alliance government introduced a model draft Bilateral Investment Treaty (BIT), annulling all existing BITs, the FIPA was not signed.

In FY20, India's exports to Canada were worth \$2.8 billion and imports were worth \$3.9 billion, leaving a deficit of \$1.1 billion.

Bloomberg and Reuters contributed to this story

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