

EU hopes to conclude India trade pact talks by year-end

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The European Union (EU) on Tuesday said it is expecting that negotiations for a comprehensive free trade agreement (FTA) with India will be completed by year-end, though certain issues are yet to be resolved.

"Yes, that is our expectation (to conclude by the year-end). There is never a guarantee, but everybody is working towards that timeline," EU ambassador and head of delegation to India Joao Cravinho told reporters in New Delhi.

However, clarity on issues such as duty concessions on wines and automobiles from the Indian side and liberalizing visa regime for Indian professionals from the European side needs to be worked upon, Cravinho said on the sidelines of an interactive meeting with members of the European Parliament on India-EU FTA organized by the Federation of Indian Chambers of Commerce and Industry.

Cravinho said that greater clarity is expected on the pact during commerce and industry minister Anand Sharma's visit to Brussels in June. "We hope when minister Sharma goes to Brussels, there will be an occasion for some clarity on the horizons. When the political leadership meets in June, perhaps we can have a breakthrough," the ambassador said.

India is in talks with the EU, its biggest trading partner, since 2007 for liberalizing their commerce in goods, services and investment through an FTA, officially known as Bilateral Trade and Investment Agreement.

Indian automobile industry has apprehensions that with the free trade pact, the import duties on passenger cars may be slashed. At present, high-end passenger cars attract import duty of over 100% (basic plus other levies).

The fear is that if India agrees for aggressive cuts in these duties, there would not be any incentives for global auto companies to set up their manufacturing base in the country.